

Investment objective

NUJOOM Balanced Fund is a Sharia compliant multi-asset fund with a composition of Sukuk, global equities, private debt, and private equities. The fund is designed to keep 10%-30% of the fund's allocation in sharia compliant private equities and private debt.

Fund Manager Commentary

NUJOOM Balanced fund ended the month of September unchanged with respect to August with the NAV per Share at 98.4. As of September end, 54% of the portfolio was allocated to Sukuks, followed by 26% in Sharia compliant Private Debt, 11% in Private Equity, 6% in Equity and 3% balance in cash. Our Sukuk portfolio has an average coupon of 5.7% p.a. and a YTM of c.5.7% with c.82% of this portfolio being investment grade. We have also deployed 26% of funds in Private Debt in a positive free cash flow Oil and Gas company in the UAE. This portfolio will pay an annual coupon of 10% and a tenure of 4 years. We have deployed 9% in Private Equity in a Pharma company that provides cold storage logistics solutions with a historical revenue CAGR of >60% (with the expectation of 50% CAGR in revenue in the next five years). We have accounted for impairments in Byju's in August, India's largest Edtech start-up, due to insufficient information about the company's financial health, a pessimistic future outlook and substantial liabilities.

September has historically been the weakest month of the year and has registered negative returns in each of the past 4 years. Not this time though as the start of the Fed's monetary easing cycle, rate cuts in Europe, stimulus in China and hopes of a soft landing were supportive for risk assets. The S&P 500 rose another 2% as tech outperformed with the Nasdaq up 2.5%, whilst small caps lagged with the Russel 2000 up 0.5%. Elsewhere the focus was on Chinese stimulus, finally being perceived to be aggressive enough to turn around their stuttering economy. The Chinese market entered a bull market rising 19% in the month. This enthusiasm however did not broaden out beyond China with Europe down 0.5% and Japan falling 2.5%.

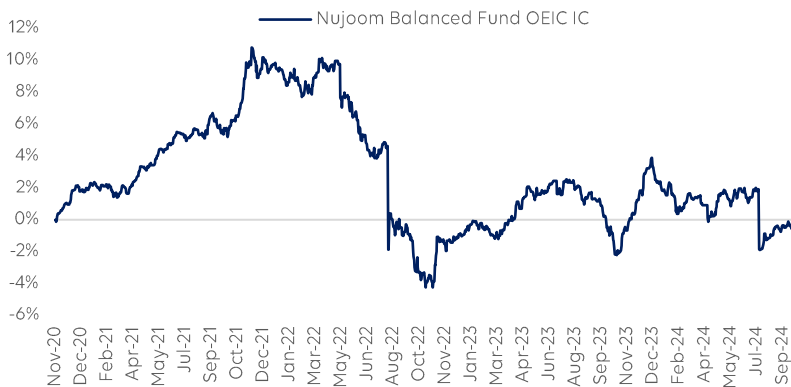
The US Federal Reserve (Fed) reduced its target rate range by a larger-than-anticipated 0.5 percentage points (%pts), to 4.75-5.00%, and signaled further easing ahead. Even so, money markets were still discounting a more dovish trajectory for US interest rate cuts over the near term. In Europe, the European Central Bank and Swiss National Bank both reduced their respective policy rates by 0.25%pts, to 3.50% and 1.00%. The Bank of England remained on hold, with the base rate at 5.00%.

Regional markets produced gains of 4.1% m/m on the DFMGI, 1.3% on ADX and a muted 0.7% on the TASI. YTD, the DFM continues to be the best performing GCC market (+10.9%), followed by the MSM (+4.4%), and TADAWUL (+2.2%).

Last month saw some reversal of the broadening out of the market into US small caps and European and Asian stocks that we had seen earlier in the quarter. Whilst monetary easing will eventually be supportive of economic growth, currently global growth is weak and it will take time for the positive effects to be felt. We remain positive on the technology sector as despite the weak environment companies continue to see far superior growth to other sectors. We would look to add to more cyclical sectors once we become more confident that monetary easing has begun to stabilize economic growth.

We anticipate that the median dot will indicate two 25 basis point cuts in 2024, followed by quarterly reductions that stabilize just above the longer-term rate (projecting rates of 4.825% and 3.625% at the end of 2024 and 2025). However, we believe the Fed will space out the cuts in 2025, as rapid reductions could refuel demand and reignite inflation. We also expect the longer-run or neutral rate to trend higher, eventually stabilizing between 3.25% and 3.50%. Regardless of our position in two years, it's likely that rates will be lower than they are now, making current policy rates quite appealing. With a patient approach to duration, you could achieve a 5% return in 12 months taking a minimal risk.

Fund Returns Since Inception



*Performance Fees of 20% charged since inception until June 2024

Return Statistics

| | MTD | 3M | 6M | YoY | YTD | Inception |
|------------------------------|------|-------|-------|-------|-------|-----------|
| Nujoom Balanced Fund OEIC IC | 0.0% | -2.0% | -2.0% | -0.8% | -3.8% | -0.6% |

Fund Facts

| | |
|--------------------|--------------------------|
| Inception Date | Nov 2020 |
| Domicile | Abu Dhabi Global Markets |
| Fund Currency | USD |
| Asset Class | Multi Asset |
| Geography | Global |
| ISIN | AE000A2QB2D5 |
| Number of Holdings | 20 |
| Subscriptions/Fees | Daily / 0% |
| Redemptions/Fees | Daily / 0% |
| Leverage | 0% |
| TER / Mgmt Fee | 1.8% / 1.0% |
| Performance Fee | Zero |
| Fund Manager | Aarathi Chandrasekaran |
| Co Fund Manager | Jacob Robbins |
| Investment Manager | SHUAA GMC Limited |

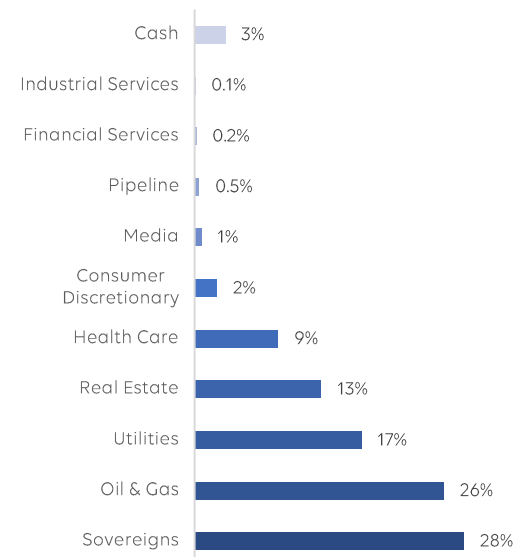
Portfolio Statistics

| | |
|---------------|---------|
| Fund AUM | \$34.3m |
| NAV per Share | 98.4 |
| DPS (2021) | 1.00 |

Performance

| | |
|--------------------|-------|
| Annualised return | -0.2% |
| Sharpe ratio | -0.9 |
| Standard deviation | 4.4% |
| 2023 returns | 4.3% |

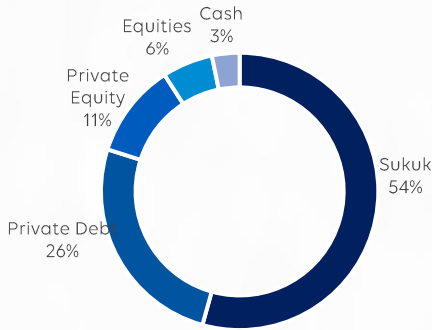
Sector Allocation



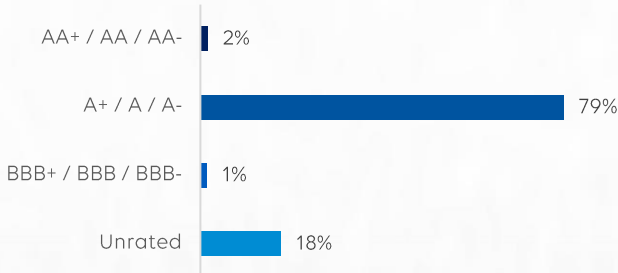
Sukuk

| | |
|------------------------|------|
| Yield to Maturity | 5.7% |
| Avg. Yearly Coupon (%) | 5.7% |
| Avg. Credit Rating | BBB+ |
| Avg. Maturity (Years) | 12.3 |
| Avg. Duration (Years) | 8.3 |

Asset Allocation



Sukuk Credit Rating Breakdown



Fund Management Sales

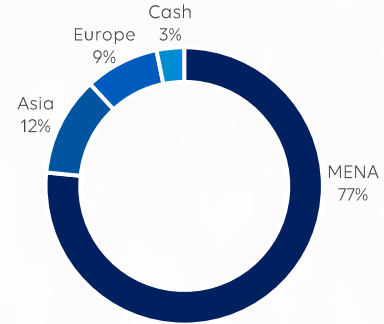
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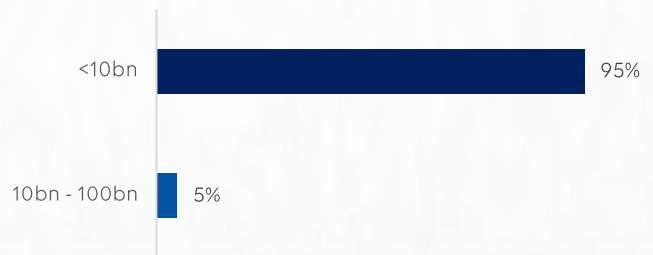
Equity

| | |
|-------------------------|-------|
| RoE | 2.3% |
| Earnings Yield | 8.1% |
| PE (12m Forward) | 12.3x |
| EV/EBITDA (12m Forward) | N/M |
| Net Debt/EBITDA | N/M |

Regional Allocation



Equity Market Capitalization Breakdown



Address

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