Investment objective

SHUAA Global Equity Fund, a Sub-Fund of SHUAA Funds OEIC ICC Limited, is an actively managed fund focused on maximizing capital growth through a diversified portfolio of Sharia-compliant global equities. The Sub-Fund targets high-quality, high-growth businesses that we believe are currently undervalued. The Fund invests across most sectors and regions globally.

Fund Manager Commentary

June was a rather subdued end to the first half, but that did not stop global equities posting their best quarter since 2020. They began from a low point after a period of negative performance due to the US/Iran war. However, AI investment has more than offset any weakness in economic growth with just a handful of US tech companies investing more than $1tn this year alone which is boosting sales and earnings across several sectors benefitting from this capex. Over the month the small cap Russel 2000 outperformed, rising 3.6% as a rapidly falling oil price also boosted optimism for economic growth. The S&P conversely fell 1% with tech dragging on the large cap index. Elsewhere Europe added 2.5% with Japan up 1%. China however continues to struggle with the domestic economy suffering from a massive property bust weighting on consumer demand, the index fell 10% in June.

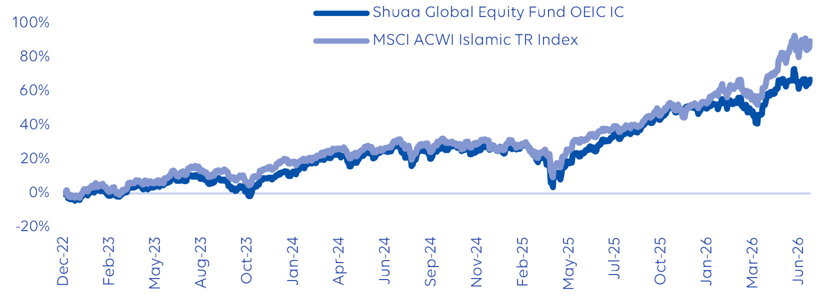
The sector leaders were Industrials adding 7% and Healthcare up 6%. Industrials should benefit from the AI capex but also from falling oil prices, helping to boost the wider economy. Healthcare has been a laggard and is now at low valuations relative to history which is attracting attention as an alternative to some more expensive technology names. The worst performing were Communications, Consumer Discretionary and IT, down 8%, 5% and 3% respectively as large cap tech companies in these sectors had a poor month. The likes of Microsoft -17%, Amazon -12% and Meta -11% were some of many tech names falling sharply as money rotated even further into specific sectors such as memory chips, with Micron +19% and Samsung Electronics +6%. These stocks along with other more commoditized tech hardware have rallied an extremely long way based on ever increasing demand for computing power. As a group they are now very exposed to any sign of a slowdown in the growth in AI capex intentions.

Earnings growth has been extremely strong this year which means despite strong performance, valuations have fallen over time with the S&P now at around 20x forward earnings. Whilst this is above historic averages it is substantially less expensive than at times more recently. The debate is whether AI capex can continue to grow even from such a high base, which is the base assumption in forecast earnings. If this capex growth does slow, these estimates are at risk of downgrades which would likely lead to a sharp correction in equity markets. Increasingly value can be found in the large cap tech stocks that have not participated in the recent rally despite ongoing strong growth, and in sectors that have been left behind due to little AI exposure such as Healthcare and Staples. These offer much better risk return profiles than some of the extended AI capex growth plays that appear at most risk of reversal.

Net Total Return Statistics (Fund vs. Benchmark)

	MTD	3M	6M	YoY	YTD	Inception
Shuaa Global Equity Fund OEIC IC	0.3%	16.0%	11.4%	28.6%	11.4%	66.9%
MSCI ACWI Islamic TR Index	0.0%	23.2%	24.0%	38.6%	24.0%	89.5%

Net Total Returns Since Inception (Fund vs. Benchmark)



Past performance is not necessarily indicative of future results.

Fund Facts

Inception Date	Dec 2022
Domicile	Abu Dhabi Global Markets
Fund Currency	USD
Asset Class	Equities
Geography	Global
ISIN	AE000A3CSWT0
Number of Holdings	42
Subscriptions/Fees	Daily / 0%
Redemptions/Fees	Daily / 0%
Leverage	0%
TER / Mgmt Fee	1.7% / 1.5%
Performance Fee	15% since inception until June 2024
Fund Manager	Jacob Robbins
Co Fund Manager	Aarthi Chandrasekaran
Investment Manager	SHUAA GMC Limited

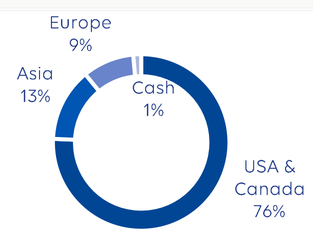
Portfolio Statistics

Fund AUM	$ 59.5mn
NAV per Share	166.9

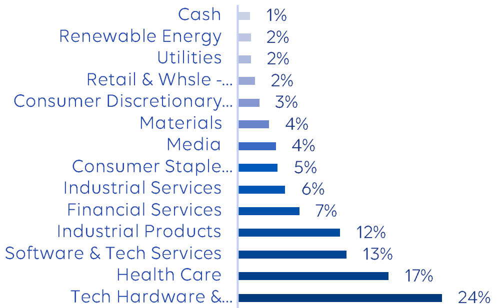
Performance (Net of fees & expenses)

Annualised return	15.4%
Sharpe ratio	0.9
Tracking error	5.9%
2025 returns	19.9%

Regional Allocation (% of Portfolio)



Sector Allocation (% of Portfolio)



Top Five Holdings (Excluding cash)	
Microsoft Corp	7.0%
Nvidia Corp	4.4%
Taiwan Semiconductor	4.3%
Broadcom Inc	3.9%
Samsung Electronics	3.5%

Fund Metrics	
Dividend Yield	1.3%
PB (12m Forward)	13.1x
PE (12m Forward)	22.2x
EV/EBITDA (12m Forward)	15.3x
RoE	44.1%

Regional MTD Performance	
Europe	0.2%
United Kingdom	-0.8%
United States	-1.1%
Japan	-1.2%
Emerging Markets	-1.7%

Top Five Performers	
Micron Technology INC	18.9%
Taiwan Semiconductor	14.4%
Johnson & Johnson	12.7%
Merck & Co	9.0%
Eli Lilly & Co	8.5%

Bottom Five Performers	
Samsung SDI Co	-30.6%
LG CHEM LTD	-25.6%
ServiceNow	-20.2%
Salesforce	-17.8%
Microsoft Corp	-17.2%

Fund Management Sales

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