

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 August up 1.0% with the NAV per Share at 98.4. As of August end, 55% of the portfolio was allocated to Sukuks, followed by 23% in Sharia compliant Private Debt, 11% in Private Equity, 10% in Equity and 0.1% balance in cash. Our Sukuk portfolio has an average coupon of 5.6% p.a. and a YTM of c.5.6%, with c.84% of this portfolio being investment grade. We have also deployed 23% 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 8% 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 July, India’s largest Edtech start-up, due to insufficient information about the company’s financial health, a pessimistic future outlook, and substantial liabilities.

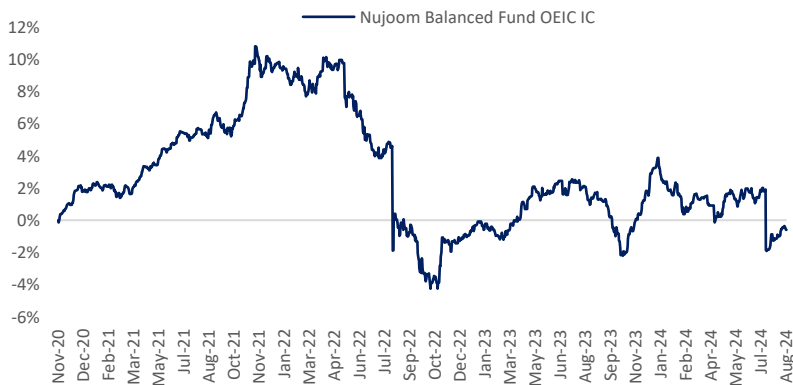
A tumultuous month began with a heavy sell off in equities and remarkably ended with most markets higher. The S&P 500 rose 2.3% whilst the Nasdaq lagged up 1.1%. The Russell 2000 was the worst performer, down 1.6% as the weakness in the US economy has been weighing on domestic company earnings. Elsewhere Europe rose 1.3%, Japan fell 3% and China rose 3.7% on hopes of a stimulus package to revive their ailing property market. General caution was evident in sector performance even as markets rose, with Consumer Staples gaining 5.8%, Healthcare up 5% and Utilities 4.3%. These are regarded as bond proxies that benefit when yields fall as they did this month on the prospect of interest rate cuts as economic growth slows. More cyclical sectors such as energy and consumer discretionary lost 2.3% and 1.1% respectively.

Regionally, the GCC Islamic Index gained 1.5% in August, as GCC markets had a disproportionately strong month in seasonal terms, led by the DFM (+1.3%) the KWSE (+0.4%), and ADX (-1.5%).

On credits, Investment-grade credit spreads initially widened by 18 basis points to 111bps during the first week of the month but later tightened to 93bps, while yields fell by 20 basis points to 4.94%. High-yield spreads saw a peak at 381bps before narrowing by 9 basis points to 305bps by month-end. Yields in the high-yield sector dropped by 29 basis points to 7.30%, marking their lowest level in 26 months. In this environment, the Bloomberg Global Aggregate Credit Index posted a solid 2.0% return in August, a shift toward higher-quality assets significantly benefited global investment-grade bonds, which closed the month with a 2.4% return, making them the top-performing sector. Conversely, high-yield bonds trailed behind, with returns of 2.2%. Regionally, Saudi (+2.8%), followed by Qatar (+2.7%), and UAE (+2.5%) outperformed during this period.

Overall markets are optimistic whilst looking to the Fed to cut interest rates and boost valuations, but are cautious that the economic damage from current high interest rates may be more severe than expected. The technology sector continues to generate far superior growth to other sectors and we would continue to favor many of these stocks despite premium valuations. We also like consumer staples and healthcare as more defensive high quality names that should do well in a slowing economic environment. Cyclical are likely to struggle as earnings decline as demand weakens.

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	1.0%	-1.8%	-1.3%	-2.3%	-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	21
Subscriptions/Fees	Daily / 0%
Redemptions/Fees	Daily / 0%
Leverage	0%
TER / Mgmt Fee	1.6% / 1.0%
Performance Fee	Zero
Fund Manager	Aarthi Chandrasekaran
Co Fund Manager	Jacob Robbins
Investment Manager	SHUAA GMC Limited

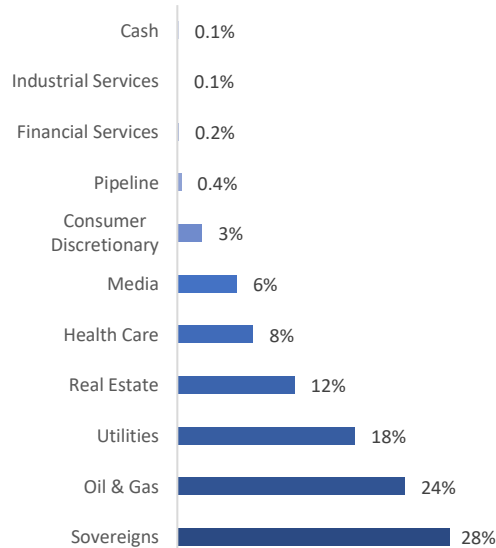
Portfolio Statistics

Fund AUM	\$36.1m
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%

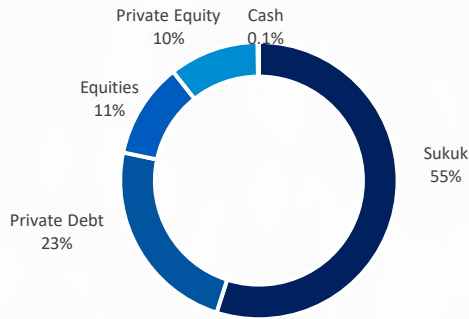
Sector Allocation



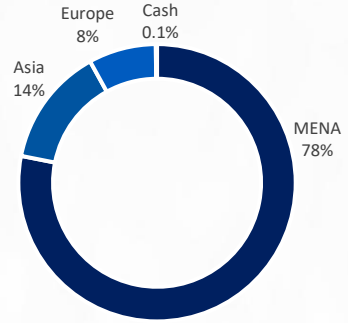
Sukuk	
Yield to Maturity	5.6%
Avg. Yearly Coupon (%)	5.6%
Avg. Credit Rating	BBB+
Avg. Maturity (Years)	12.6
Avg. Duration (Years)	8.3

Equity	
RoE	2.2%
Earnings Yield	8.2%
PE (12m Forward)	12.2x
EV/EBITDA (12m Forward)	N/M
Net Debt/EBITDA	N/M

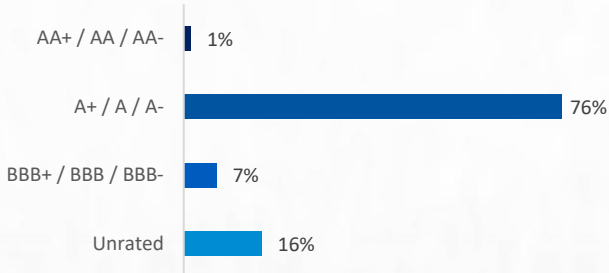
### Asset Allocation



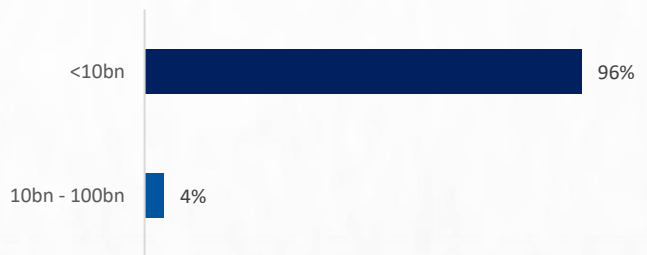
### Regional Allocation



### Sukuk Credit Rating Breakdown



### Equity Market Capitalization Breakdown



### Asset Management Sales

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