

Investment objective

SHUAA North America Equity Fund is an actively managed fund focused on maximizing capital growth through a diversified portfolio of Sharia-compliant North America equities across most sectors in that region. The fund targets high-quality, high-growth businesses that we believe are currently undervalued.

Fund Manager Commentary

A tumultuous month began with a heavy sell off in equities and remarkably ended with most markets higher. Early August saw a record spike in volatility and a collapse in equity markets, notably the Japanese market losing 20% in just 3 days. However, this volatility also subsided in record time which enabled equities to rally. Some weaker economic news in the US seemed to spark this volatility, particularly a weak jobs report suggesting higher rates had finally begun to bite and harm the US economy. A rise in interest rates in Japan led to an unwind of the carry trade involving the Yen which may have contributed to the weakness in markets. However, subsequent reassuring data and dovish commentary from the Fed enabled markets to focus on the prospect of lower interest rates and a soft economic landing.

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. 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.

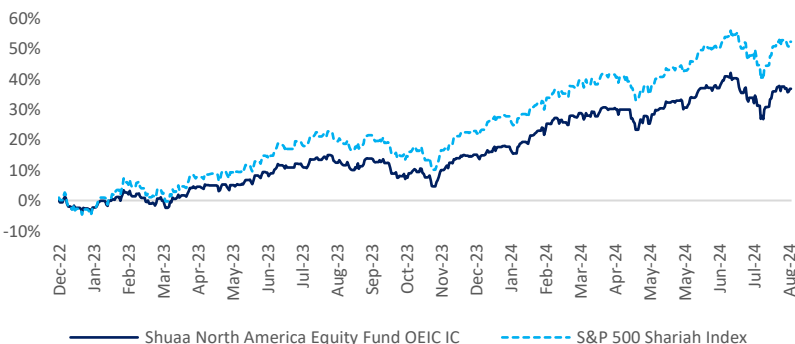
Through the Q2 reporting season the fund benefitted most from Nutanix, rising 25% as their desktop virtualization software continues to grow due to remote working and increasing amounts of data usage. Eli Lilly rose 20% on outstanding results as their diabetes and now weight loss drugs continue to find a large audience due to their health benefits. CrowdStrike recovered by 20% after their software update froze computers across the world in the previous month. Subsequent results reassured that business remains firm despite this. On the downside Wolfspeed, maker of materials that go into EV batteries fell 48% on delays in their ability to ramp up production to expected levels which whilst frustrating should be resolved in the future. Elastic also fell 30% on a slight reduction in growth forecasts due to some internal restructuring, a huge over reaction that should reverse shortly. Much of the market focus had been on Nvidia numbers which turned out to be very strong, but with the valuation in the stock close to fair value it performed in line with the broader market rising 2%.

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.

Return Statistics

	MTD	3M	6M	YoY	YTD	Inception
SHUAA North America Equity	1.6%	4.8%	7.1%	20.1%	16.2%	36.7%
S&P 500 Shariah Index	1.7%	6.7%	10.3%	25.5%	19.2%	52.2%

Fund Returns Since Inception



*Performance Fees of 15% charged since inception until June 2024

Fund Facts

Inception Date	Dec 2022
Domicile	Abu Dhabi Global Markets
Fund Currency	USD
Asset Class	Equities
Geography	North America
Type	Islamic
ISIN	AE000A3CSWS2
Number of Holdings	29
Subscriptions/Fees	Daily / 0%
Redemptions/Fees	Daily / 0%
Leverage	0%
TER / Mgmt Fee	1.9% / 1.5%
Performance Fee	Zero
Fund Manager	Jacob Robbins
Co Fund Manager	Aarthi Chandrasekaran
Investment Manager	SHUAA GMC Limited

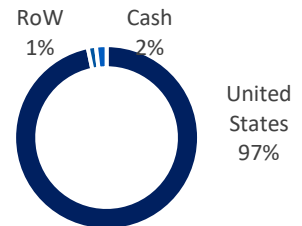
Portfolio Statistics

Fund AUM	\$29.9m
NAV per Share	136.7

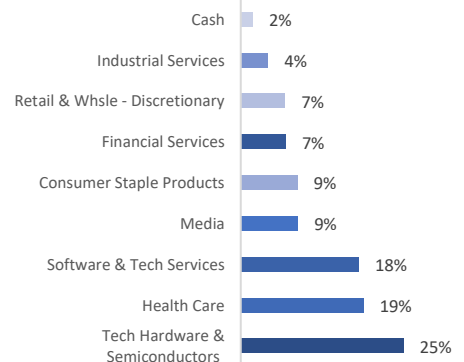
Performance

Annualised return	19.7%
Sharpe ratio	1.5
Tracking error	3.7%

Regional Allocation



Sector Allocation



Top Five Holdings (Excluding cash)		Fund Metrics		Sector MTD Performance	
Apple Inc	11.5%	Dividend Yield	1.2%	Consumer Staples	5.8%
Microsoft Corp	11.0%	PB (12m Forward)	19.3x	Real Estate	5.6%
Nvidia Corp.	8.1%	PE (12m Forward)	26.3x	Health Care	5.0%
Amazon.com INC	7.0%	EV/EBITDA (12m Forward)	19.5x	Financials	4.4%
Alphabet Inc - CL A	6.9%	RoE	57.9%	Utilities	4.3%
				Industrials	2.7%
				Materials	2.2%
				Communication Services	1.2%
				Information Technology	1.2%
				Consumer Discretionary	-1.1%
				Energy	-2.3%

Top Five Performers (August)	
Nutanix Inc	25.1%
CrowdStrike Holdings Inc	19.5%
ELI LILLY & CO	19.5%
Stryker Corp	10.1%
Meta Platforms	9.8%

Bottom Five Performers (August)	
Wolfspeed Inc	-48.3%
Elastic NV	-30.5%
PFIZER INC	-5.0%
Alphabet Inc - CL A	-4.8%
Amazon.com INC	-4.5%

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