

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

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%. Sectors that led the way included consumer discretionary up 7%, Communication Services up 4.5% and Industrials up 3.3% on hopes that lower rates will enable the economy to continue to grow without requiring a recession to tame inflation. The main drag was from Energy as the oil price remains weak on surplus supply.

Two macro events dominated the month with the Fed choosing to cut interest rates by 50bp and signaling further cuts to come which proved to be supportive for equities. The market does however worry that this could also suggest a weaker underlying US economy than thought. The tech sector bounced back after a couple of tricky months with the likes of Meta up 10%, Salesforce 8% and Broadcom 6% as confidence in demand for AI hardware and software continues to grow. Some stocks that are exposed to US economic growth did well such as Jacobs Solutions rising 4% on hopes that lower rates will stimulate further infrastructure demand. Danaher and Thermo-Fisher that both make medical instruments have also rallied as China is a large end market that is now expected to accelerate.

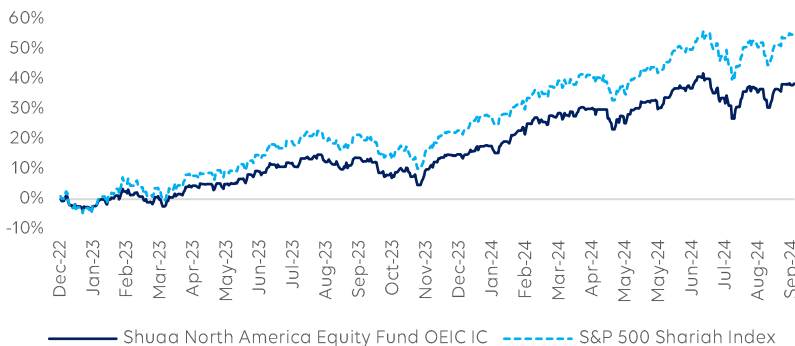
On the downside there was some profit taking in the anti-obesity drug manufacturer Eli Lilly dropping 8%. Longer term threats of competition and the potential for lower pricing than previously thought weighed on the stocks. There was also a pullback in high quality defensive names such as Pepsi, Merck and Johnson & Johnson as the market rotated into more economically sensitive sectors in response to the interest rate cut.

Last month saw some reversal of the broadening out of the market into US small and mid caps and the resumption of tech outperformance. 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 tepid economic 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.

Return Statistics

	MTD	3M	6M	YoY	YTD	Inception
SHUAA North America Equity	1.3%	1.2%	6.5%	28.3%	17.7%	38.5%
S&P 500 Shariah Index	2.2%	3.8%	10.0%	35.6%	21.8%	55.5%

Fund Returns Since Inception



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	2.0% / 1.5%
Performance Fee	Zero
Fund Manager	Jacob Robbins
Co Fund Manager	Aarthi Chandrasekaran
Investment Manager	SHUAA GMC Limited

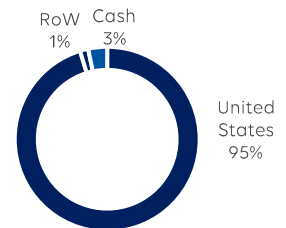
Portfolio Statistics

Fund AUM	\$30.0m
NAV per Share	138.5

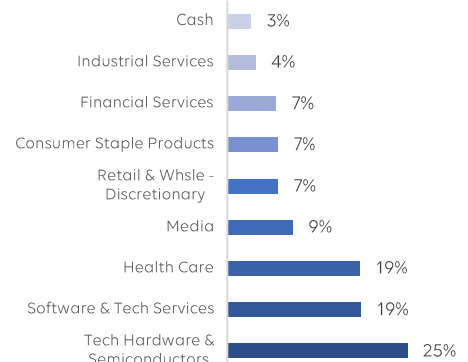
Performance

Annualised return	19.6%
Sharpe ratio	1.5
Tracking error	3.6%

Regional Allocation



Sector Allocation



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

Top Five Holdings (Excluding cash)		Fund Metrics		Sector MTD Performance	
Apple Inc	11.9%	Dividend Yield	1.2%	Consumer Discretionary	7.0%
Microsoft Corp	11.5%	PB (12m Forward)	19.2x	Utilities	6.4%
Nvidia Corp.	8.3%	PE (12m Forward)	26.3x	Communication Services	4.5%
Amazon.com INC	7.4%	EV/EBITDA (12m Forward)	19.4x	Industrials	3.3%
Alphabet Inc - CL A	7.1%	RoE	58.3%	Real Estate	2.8%
				Information Technology	2.4%
				Materials	2.4%
				Consumer Staples	0.6%
				Financials	-0.7%
				Health Care	-1.8%
				Energy	-2.8%

Top Five Performers (September)	
Meta Platforms	9.8%
Salesforce.Com Inc	8.2%
BROADCOM INC	6.0%
SERVICENOW	4.6%
Amazon.com INC	4.4%

Bottom Five Performers (September)	
ELI LILLY & CO	-7.7%
Marqeta Inc- A	-7.7%
Nutanix Inc	-6.2%
Merck & Co Inc	-4.1%
Johnson & Johnson	-2.3%

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