

# BlueBox Funds- BlueBox Islamic Global Technology Fund SPC

Islamic  
Global  
Technology  
Fund

CITYWIRE SILVER

bluebox

## Direct Connection

### Fund Objective

The Fund's principle objective is to seek long term capital growth by investing exclusively in shares of Shariah-compliant companies having their principle business in the technology sector or profiting from it. The Fund invests globally, is actively managed and is not benchmark constrained.

### Investment Theme—Direct Connection

The Direct Connection of computers to the real world has enabled the technology revolution of the past 15 years, driving an acceleration in tech adoption simultaneously across all industry verticals. With every other industry investing its excess returns in technology, we expect the IT sector to continue to outperform the broader market as it steals the growth from the rest of the economy. The Fund focuses on the companies enabling Direct Connection, giving it exposure to the most exciting developments in the sector without needing to chase over-hyped themes or invest in over-valued stocks.

### Investment Team

#### Lead Portfolio Manager

William de Gale, FCA, CFA

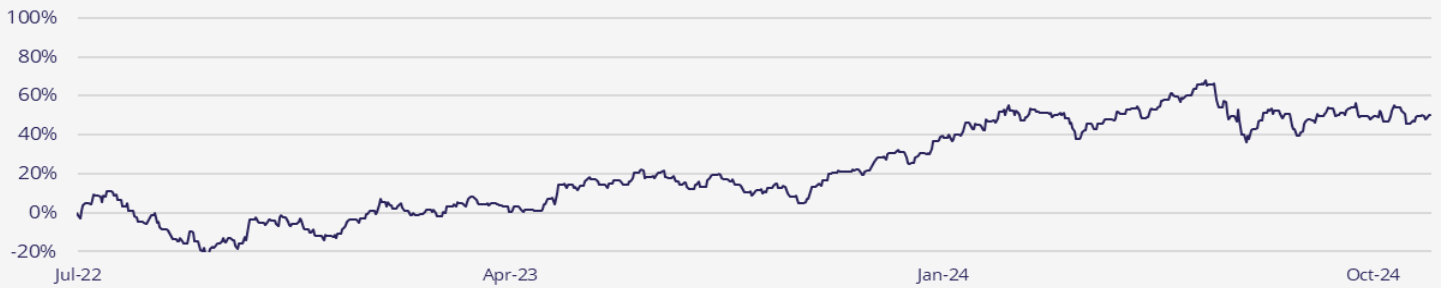


#### Portfolio Manager

Rupert de Borchgrave, CFA



### BlueBox Global Islamic Technology Fund SPC Performance<sup>1</sup>



%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Ann. Since Launch
<b>2024</b>	4.0	8.6	2.1	-5.7	3.9	7.9	-4.3	-1.5	0.6	-3.4	2.3		14.2	
<b>2023</b>	14.2	-1.0	8.8	-4.9	9.3	3.5	3.9	-1.9	-5.8	-4.2	13.5	8.1	49.5	18.7
<b>2022</b>							4.7	-6.8	-13.8	2.4	13.1	-9.8	-12.1	

<sup>1</sup> Performance based on Share Class A since launch on 22 July 2022 (ISIN KYG1330J1004)

### The Shariah Process

The Shariah-compliant version of our technology strategy uses the Dow Jones Islamic Markets World Index and the S&P Frontier BMI Shariah Index for Shariah screening. New purchases must be included in either of these indices, while stocks deleted from the indices must be sold. An exception can be made to participate in initial public offerings, but these stocks must be included promptly in one of the two indices for them to be held long-term. When back-testing this process, we identified an 89% commonality with the original BlueBox Global Technology Fund over time: modelling the impact of Shariah-compliance on the fund's historic performance made little difference.

The above-mentioned indices determine the percentage of income to be purified for each stock, based on which the portfolio purification data is calculated on a quarterly basis. The BlueBox Islamic Global Technology Fund appoints its own Shariah Supervisory Board (Shariyah Review Bureau, Bahrain), and it undertakes regular Islamic audits.

#### Top 10 Holdings

Microsoft	6.5%
Taiwan Semiconductor	5.4%
Adobe	4.9%
Lam Research	4.5%
Cadence Design	4.4%
Applied Materials	4.4%
Arista Networks	4.4%
ASML Holding	4.1%
Salesforce	4.1%
Synopsys	4.0%
<b>Total</b>	<b>46.7%</b>

#### Country Allocation

United States	74.1%
Netherlands	7.0%
Japan	5.9%
Taiwan	5.4%
Spain	3.1%
Ireland	2.0%
United Kingdom	1.5%
Cash & equivalents	1.0%

#### Market Capitalisation

Mega cap (>\$400bn)	20.1%
Large cap – upper (\$200bn - \$400bn)	18.8%
Large cap – mid (\$100bn - \$200bn)	25.9%
Large cap – lower (\$10bn - \$100bn)	34.2%
Mid cap (\$1bn - \$10bn)	0.0%
Small cap (<\$1bn)	0.0%
Cash & equivalents	1.0%

#### Sector Allocation

Semiconductors & semi equipment	44.4%
Software & services	33.1%
Hardware & components	13.1%
Consumer discretionary	5.7%
Communication services	2.7%
Cash & equivalents	1.0%

## William de Gale's Monthly Comment

At the beginning of November, the entire equity market appeared to be waiting for two things: the US election result and NVIDIA's October quarter earnings. A decisive win for Mr Trump and the Republicans resolved uncertainty on the first point, and markets immediately marked new highs. However, NVIDIA's results weren't quite extraordinary enough, and the stock ended the month down 7% from its post-election high. While revenue is still growing fast, margins continue to weaken, with management guiding them down further until volume production of the newest chip, Blackwell, is achieved in the second half of next year. If competitive products appear in the meantime or demand moderates, NVIDIA's revenue and margins could instead decline very sharply.

Overall, it was a positive month for the Technology sector, and the BlueBox Islamic Global Technology Fund gained 2.3%, with year-to-date performance up 14.2%. Our biggest positive contributors in November were Trimble (+21%), Salesforce (+13%), ServiceNow (+13%), Amazon.com (+12%), Booking Holdings (+11%) and Cadence Design Systems (+11%); while the main laggards were Monolithic Power Systems (-25%), Samsung (-12%), Murata Manufacturing (-6%), ARM Holdings (-5%) and Advanced Micro Devices (-5%). Amongst other trades we reduced Trimble and added to Monolithic, as well as selling our position in Samsung and buying Qualcomm.

We have held NVIDIA since the inception of the fund, and indeed for the last five years in the conventional fund upon which it is based, and it is a great long-term story. However, the market's fixation on the name and its current huge weight in indices and in most technology funds seems risky, given the degree to which the company has clearly been over-earning and the fact that it is now seeing multiple quarters of margin contraction. Our NVIDIA position, having been top-10 for much of the year, has now been trimmed to about 3.4%, given the risk of revenue deceleration as well as margin compression at some point in the next few quarters.

However, what drives the performance of the BlueBox technology strategy is not the performance of a single stock, or even a single disruptive theme, but the rapid growth of net earnings of our holdings, the key technology enablers, as they power successive rounds of disruptive innovation in every aspect of our lives, triggered by the Direct Connection of computing systems to the real world over the past 20 years. We see no evidence that the overall trend of 15% growth for the Technology sector as a whole is at risk. AI is currently dominating investors' attention, but vast sums are still being spent across a wide spectrum of technology, as companies develop and deploy successive rounds of tech-driven disruption in every walk of life. Technology enablers continue to be the main beneficiaries, stealing almost all the profit growth from the rest of the market, as they have done since 2007. These very profitable enablers remain the main engine of earnings growth globally, giving BlueBox Islamic investors exposure to the strongest technology trends, without the absurd valuations and poor business models of many of the high-profile, but profitless, disrupters.

### Portfolio Construction

<b>Asset Class</b>	Islamic Equity
<b>Number of Securities</b>	30 - 40
<b>Weight</b>	10 % maximum
<b>Turnover</b>	Low
<b>Market Cap</b>	Mainly Targeting \$10 bn - \$200 bn
<b>Geographic Allocation</b>	Global
<b>Cash</b>	Minimal cash, always below 10 %
<b>Benchmark</b>	Flexible, not benchmark oriented

### Key Facts

<b>Fund Base Currency</b>	USD
<b>Liquidity</b>	Daily
<b>Fund Type</b>	Mutual Fund
<b>Legal Status</b>	SPC
<b>Domicile</b>	Cayman Islands
<b>Auditor</b>	PwC
<b>Islamic Finance Consultant</b>	Shariah Review Bureau W.L.L.
<b>Custodian</b>	Northern Trust Global Services SE
<b>Launch Date</b>	22 July 2022

### Share Classes

	D Acc. Retail	B Acc. Institutional	I Acc. Institutional
Min. Initial Investment:	\$100,000.-	\$1,000,000.-	\$20,000,000.-
Annual Management Fee:	2.2 %	1.7 %	1.1 %

USD			
ISIN:	KYG1330J1426	KYG1330J1269	KYG1330J1186
Bloomberg Ticker:	BLBXFD KY	BLBXFB KY	BLBXFI KY

### PURIFICATION BLUEBOX ISLAMIC GLOBAL TECHNOLOGY FUND

	Q1 2024	Q2 2024	Q3 2024
Purification per unit of the Fund	0.3949	0.1257	0.1016

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# صناديق BlueBox - صندوق الإسلامي العالمي للتكنولوجيا

الإتصال المباشر

CITYWIRE SILVER

Asset Management

bluebox

## هدف الصندوق

إن الهدف الرئيسي للصندوق هو السعي إلى تنمية رأس المال على المدى الطويل من خلال الاستثمار حصريا في أسهم الشركات المتوافقة مع الشريعة الإسلامية التي لها أعمالها الرئيسية في قطاع التكنولوجيا أو التي تستفيد منه. ويقوم الصندوق بالاستثمار على نطاق عالمي وتتم إدارته بنشاط وليس مقيدا بالمعايير.

## موضوع الاستثمار - الإتصال المباشر

إن الإتصال المباشر لأجهزة الكمبيوتر بالعالم الحقيقي يمكن من ظهور ثورة بالتكنولوجيا في السنوات الـ 15 الماضية، مما أدى إلى تسارع في اعتماد التكنولوجيا في وقت واحد عبر جميع قطاعات الصناعة. مع كل الصناعات الأخرى التي تستثمر عوائدها الفائضة في التكنولوجيا نتوقع أن يستمر قطاع تكنولوجيا المعلومات في التفوق على نطاق السوق الأوسع لأنه يخطف النمو من بقية قطاعات الاقتصاد. يركز الصندوق على الشركات التي تسهل الإتصال المباشر، بما يمنحها قابلية استعراض التطورات الأكثر جاذبية في القطاع دون الحاجة إلى ملاحقة الموضوعات المبالغ فيها أو الاستثمار في الأسهم ذات القيمة التي تم تضخيمها.

## Investment Team

Lead Portfolio Manager

William de Gale, FCA, CFA

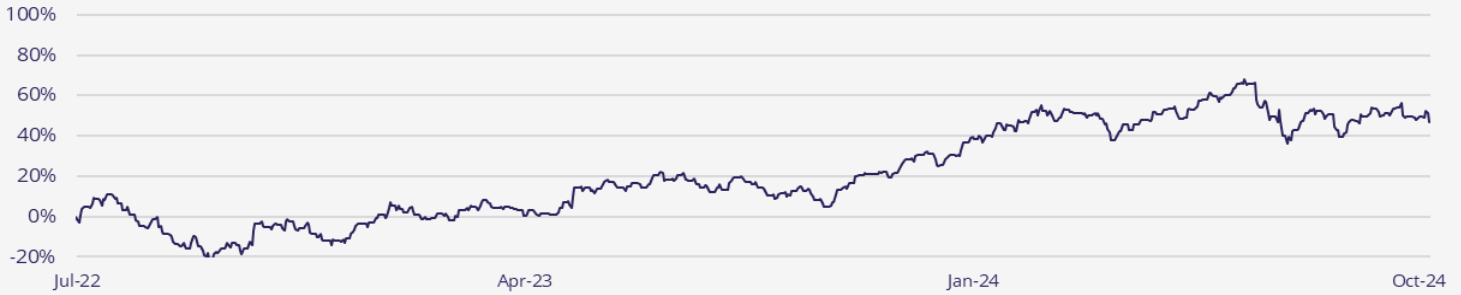


Portfolio Manager

Rupert de Borchgrave, CFA



## BlueBox Global Islamic Technology Fund SPC Performance<sup>1</sup>



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<sup>1</sup> Performance based on Share Class A since launch on 22 July 2022 (ISIN KYG1330J1004)

## سير عملية الشريعة

النسخة المتوافقة مع الشريعة الإسلامية لاستراتيجيتنا التكنولوجية تستخدم مؤشر Dow Jones Islamic Index ومؤشر S&P Frontier IBM Shariah Index للفحص الشرعي. يجب أن يتم تضمين المشتريات الجديدة في أي من هذه المؤشرات، بينما يجب بيع الأسهم المحذوفة من المؤشرات. ويمكن إجراء استثناء للمشاركة في العروض العامة الأولية، ولكن يجب أن يتم تضمين هذه الأسهم على الفور في أحد المؤشرين حتى يتم الاحتفاظ بها على المدى الطويل. عند إجراء فحص مسبق لهذه العملية، حددنا قوائم مشتركة بنسبة 89% مع صندوق BlueBox العالمي للتكنولوجيا الأصلي بمرور الوقت: إذ لم تحدث نمذجة تأثير الامتثال للشريعة الإسلامية على الأداء التاريخي للصندوق فرقا يذكر. تحدد المؤشرات المذكورة أعلاه النسبة المئوية للدخل المراد تنقيته لكل سهم، والتي يتم على أساسها حساب تنقية البيانات للمحظة على أساس ربع سنوي. يعين صندوق BlueBox الإسلامي العالمي للتكنولوجيا في هيئة الرقابة الشرعية (مكتب المراجعة الشرعية، البحرين) وسيقوم بإجراء عمليات تدقيق إسلامية منتظمة.

## Top 10 Holdings

Microsoft	6.5%
Taiwan Semiconductor	5.4%
Adobe	4.9%
Lam Research	4.5%
Cadence Design	4.4%
Applied Materials	4.4%
Arista Networks	4.4%
ASML Holding	4.1%
Salesforce	4.1%
Synopsys	4.0%
Total	46.7%

## Country Allocation

United States	74.1%
Netherlands	7.0%
Japan	5.9%
Taiwan	5.4%
Spain	3.1%
Ireland	2.0%
United Kingdom	1.5%
Cash & equivalents	1.0%

## Market Capitalisation

Mega cap (>\$400bn)	20.1%
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Mid cap (\$1bn - \$10bn)	0.0%
Small cap (<\$1bn)	0.0%
Cash & equivalents	1.0%

## Sector Allocation

Semiconductors & semi equipment	44.4%
Software & services	33.1%
Hardware & components	13.1%
Consumer discretionary	5.7%
Communication services	2.7%
Cash & equivalents	1.0%

### William de Gale التعليق الشهري ل

في بداية شهر نوفمبر، بدأ أن سوق الأسهم بأكمله ينتظر شيتين: نتيجة الانتخابات الأمريكية وأرباح الربع الأول لشركة NVIDIA في شهر أكتوبر. لقد أدى الفوز الحاسم الذي حققه ترامب والجمهوريون إلى حل مسألة عدم اليقين بشأن النقطة الأولى، إذ سجلت الأسواق ارتفاعات جديدة على الفور. ومع ذلك، لم تكن نتائج NVIDIA استثنائية تمامًا بما يكفي، واختتم السهم الشهر بانخفاض بنسبة 7% عن أعلى مستوى له بعد الانتخابات. في حين أن الإيرادات لا تزال تنمو بسرعة، إلا أن الهوامش لا تزال مستمرة بالضعف، حيث تقوم الإدارة بتوجيهها إلى مزيد من الانخفاض حتى يتم تحقيق حجم إنتاج أحدث شريحة Blackwell، في النصف الثاني من العام المقبل. وإذا ظهرت منتجات تنافسية في هذه الأثناء أو كان الطلب معتدلاً، فقد يمكن أن تنخفض إيرادات NVIDIA وهوامشها بصورة حادة بدلاً من ذلك.

بصورة عامة، كان هذا الشهر إيجابياً بالنسبة لقطاع التكنولوجيا، إذ حقق صندوق BlueBox الإسلامي العالمي للتكنولوجيا مكاسب بنسبة 2.3%، مع ارتفاع الأداء منذ بداية العام حتى تاريخه بنسبة 14.2% وكان أكبر المساهمين الإيجابيين لدينا في شهر نوفمبر هم كل من Trimble (+21%)، Salesforce (+13%)، ServiceNow (+13%)، Amazon.com (+12%)، Booking (+12%)، Cadence Design Systems (+11%)، Holdings (+11%)، ARM Holdings (-6%)، Murata Manufacturing (-5%)، Advanced Micro Devices (-5%)، و من بين الصفقات الأخرى، قمنا بتخفيض Trimble وإضافة Monolithic Power Systems (-25%)، Samsung (-12%)، فضلاً عن بيع حصتنا في Samsung وشراء Qualcomm.

لقد احتفظنا بشركة NVIDIA منذ تأسيس الصندوق، بل وتم ذلك على مدار السنوات الخمس الماضية في الصندوق التقليدي الذي يستند إليه، وهي قصة رائعة على المدى البعيد. ومع ذلك، فإن تركيز السوق على الاسم وثقله الضخم الحالي في المؤشرات وفي أغلب صناديق التكنولوجيا يبدو محاطاً بالمخاطر، بالنظر للدرجة التي تجاوزت بها الشركة بوضوح أرباحها وحقيقة أنها تواجه الآن انكماشاً في الهامش لعدة أرباع سنوية. وانخفض موقعنا في NVIDIA، بعد أن كنا ضمن العشرة الأوائل لفترة طويلة من العام إلى حوالي 3.4% الآن بالنظر لخطر تباطؤ الإيرادات فضلاً عن ضغط الهامش في مرحلة ما خلال أرباع السنة المقبلة.

غير أن ما يحرك أداء استراتيجية تكنولوجيا BlueBox ليس أداء سهم واحد، أو حتى موضوع واحد مريب، بل النمو السريع للأرباح الصافية لاصولنا، وهي العوامل الرئيسية الممكنة للتكنولوجيا، حيث تدعم جولات متتابعة من الابتكار المزعزع في كل جانب من جوانب حياتنا، والتي أثارها الإتصال المباشر بين أنظمة الحوسبة والعالم الحقيقي على مدار السنوات العشرين الماضية. لا نرى أي دليل على أن الاتجاه العام المتمثل في نمو بنسبة 15% لقطاع التكنولوجيا ككل معرض للخطر. و يهيمن قطاع الذكاء الاصطناعي حالياً على اهتمام المستثمرين، غير أنه لا تزال تُنفق مبالغ ضخمة عبر مجموعة واسعة من قطاع التكنولوجيا، حيث تعمل الشركات على تطوير ونشر جولات متتابعة من الإرباك القائم على التكنولوجيا في كل مناحي الحياة. وتبقى شركات التكنولوجيا هي المستفيد الرئيسي، حيث تخطف كل نمو الأرباح تقريباً من باقي السوق، كما فعلت ذلك منذ عام 2007. وتظل هذه الشركات المرحة للغاية هي المحرك الرئيسي لنمو الأرباح على مستوى العالم، مما يمنح مستثمري BlueBox الإسلامية فرصة الانكشاف على أقوى اتجاهات التكنولوجيا دون التقييمات الساذجة ونماذج الأعمال السيئة للعديد من الشركات البارزة ولكن غير المرحة.

#### Portfolio Construction

Asset Class	Islamic Equity
Number of Securities	30 - 40
Weight	10% maximum
Turnover	Low
Market Cap	Mainly Targeting \$10 bn - \$200 bn
Geographic Allocation	Global
Cash	Minimal cash, always below 10%
Benchmark	Flexible, not benchmark oriented

#### Key Facts

Fund Base Currency	USD
Liquidity	Daily
Fund Type	Mutual Fund
Legal Status	SPC
Domicile	Cayman Islands
Auditor	PwC
Islamic Finance Consultant	Shariah Review Bureau W.L.L.
Custodian	Northern Trust Global Services SE
Launch Date	22 July 2022

#### Share Classes

	D Acc.	B Acc.	I Acc.
	Retail	Institutional	Institutional
Min. Initial Investment:	\$100,000.-	\$1,000,000.-	\$20,000,000.-
Annual Management Fee:	2.2 %	1.7 %	1.1 %

#### USD

ISIN:	KYG1330J1426	KYG1330J1269	KYG1330J1186
Bloomberg Ticker:	BLBXFD KY	BLBXFB KY	BLBXFI KY

#### PURIFICATION BLUEBOX ISLAMIC GLOBAL TECHNOLOGY FUND

	Q1 2024	Q2 2024	Q3 2024
Purification per unit of the Fund	0.3949	0.1257	0.1016

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