

# 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
2024	4.0	8.6	2.1										15.3	27.8
2023	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	
2022							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 KYG13301004)

### 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 will undertake regular Islamic audits.

#### Top 10 Holdings

Microsoft	6.0 %
Taiwan Semiconductor	4.8 %
Lam Research	4.6 %
Applied Materials	4.5 %
ASML Holding	4.4 %
Arista Networks	4.4 %
Nvidia	4.3 %
Cadence Design	4.2 %
Synopsys	4.1 %
Tokyo Electron	3.7 %
<b>Total</b>	<b>45.0 %</b>

#### Country Allocation

United States	73.2 %
Netherlands	7.1 %
Japan	5.7 %
Taiwan	4.8 %
Spain	2.8 %
South Korea	2.7 %
Switzerland	2.2 %
Cash & equivalents	1.5 %

#### Market Capitalisation

Mega cap (>\$400bn)	20.4 %
Large cap – upper (\$200bn - \$400bn)	16.7 %
Large cap – mid (\$100bn - \$200bn)	19.3 %
Large cap – lower (\$10bn - \$100bn)	42.1 %
Mid cap (\$1bn - \$10bn)	0.0 %
Small cap (<\$1bn)	0.0 %
Cash & equivalents	1.5 %

#### Sector Allocation

Semiconductors & semi equipment	40.7 %
Software & services	32.2 %
Hardware & components	15.9 %
Consumer discretionary	6.6 %
Communication services	3.1 %
Cash & equivalents	1.5 %

## William de Gale's Monthly Comment

After four very strong months, driven by excitement over generative AI and optimism about the US economy, the Technology sector's ascent moderated somewhat in March, ahead of first quarter results starting in late April. The BlueBox Islamic Global Technology Fund gained 2.1% during March, ending up 15.3% year-to-date.

The strongest performers were a more mixed bunch than in recent months: once again GenAI posterchild NVIDIA (+14%) led, but Amadeus IT Group (+9%) bounced back following weak results at the end of February, and likewise Alphabet (+9%) recovered from recent under-performance, as investors began to regard its AI prospects more favourably. The weakest performers were Adobe (-10%), EPAM Systems (-9%) and Murata Manufacturing (-7%).

The Technology sector reached a new all-time high in March – should we be worried? No. This is a sector that remains, in our view, on a long-term 15% annual growth trend, which means that being at/near a new all-time high is the normal state of affairs. Over the past decade, only one calendar year, 2022, has not seen new all-time month-end highs for the global tech sector. If one believes in the long-term trend (and why else would one be investing in the tech sector?) then it is a mistake to worry about new highs. The sector has had an extremely good run, up 60% from its October 2022 low, but that followed a correction of more than 30%, and leaves the sector comfortably within what we see as its long-term trend.

We believe that this ~15% industry growth can go on for a very long time, as a result of all the disruptive technology applications that will continue to spring from the direct connection of computers to the real world over the past 20 years. But it is not the exciting, disruptive businesses that reap the rewards of all this innovation. The prime beneficiaries are a key group of companies that enable each successive round of technology-centered disruption, whether robotics, autonomous vehicles, blockchains, generative AI or whatever comes next. These very profitable enablers remain the main engine of profit 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 - \$100 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:	BLBXFDK KY	BLBXFBP KY	BLBXFIP KY

PURIFICATION BLUEBOX ISLAMIC GLOBAL TECHNOLOGY FUND

Q1 2024

Purification per unit of the Fund 0.3949

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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 حصرياً 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 مقيداً 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

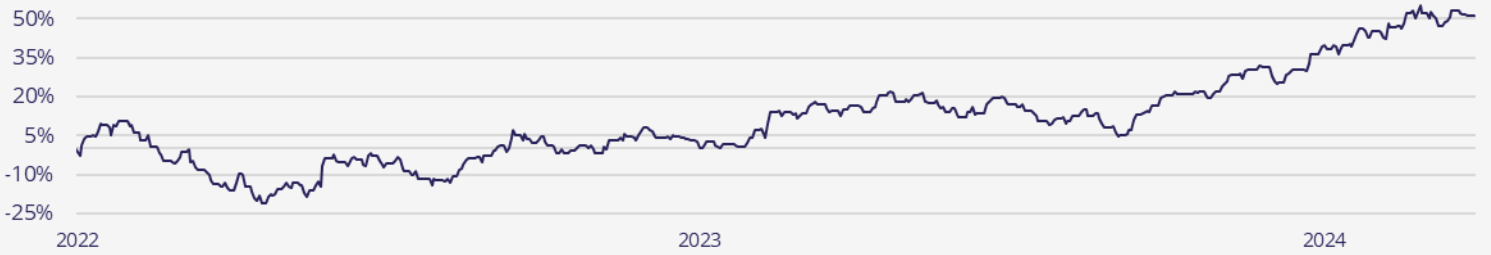


Portfolio Manager

Rupert de Borchgrave, CFA



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



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2022							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)

## 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	6.0 %
Taiwan Semiconductor	4.8 %
Lam Research	4.6 %
Applied Materials	4.5 %
ASML Holding	4.4 %
Arista Networks	4.4 %
Nvidia	4.3 %
Cadence Design	4.2 %
Synopsys	4.1 %
Tokyo Electron	3.7 %
Total	45.0 %

## Country Allocation

United States	73.2 %
Netherlands	7.1 %
Japan	5.7 %
Taiwan	4.8 %
Spain	2.8 %
South Korea	2.7 %
Switzerland	2.2 %
Cash & equivalents	1.5 %

## Market Capitalisation

Mega cap (>\$400bn)	20.4 %
Large cap – upper (\$200bn - \$400bn)	16.7 %
Large cap – mid (\$100bn - \$200bn)	19.3 %
Large cap – lower (\$10bn - \$100bn)	42.1 %
Mid cap (\$1bn - \$10bn)	0.0 %
Small cap (<\$1bn)	0.0 %
Cash & equivalents	1.5 %

## Sector Allocation

Semiconductors & semi equipment	40.7 %
Software & services	32.2 %
Hardware & components	15.9 %
Consumer discretionary	6.6 %
Communication services	3.1 %
Cash & equivalents	1.5 %

## التعليق الشهري ل William de Gale

بعد أربعة أشهر قوية للغاية، مدفوعة بالإثارة بشأن الذكاء الاصطناعي التوليدي والتفاوض بشأن الاقتصاد الأمريكي، اعتدل ارتفاع قطاع التكنولوجيا إلى حد ما في شهر مارس، قبل نتائج الربع الأول التي تبدأ في أواخر شهر أبريل. وحقق صندوق BlueBox الإسلامي للتكنولوجيا العالمية مكاسب بنسبة 2.1 % خلال شهر مارس، مرتفعاً بنسبة 15.3 % منذ بداية العام وحتى اليوم.

كان الأداء الأقوى عبارة عن مجموعة أكثر إختلاطاً مما كانت عليه في الأشهر الأخيرة، ومرة أخرى تصدر قطاع الذكاء الاصطناعي بقيادة شركة (+ NVIDIA 14 %)، لكن مجموعة Amadeus IT Group (+ 9 %) انتعشت بعد النتائج الضعيفة في نهاية شهر فبراير، وكذلك شركة (+ 9 %) Alphabet تعافت من الأداء المنخفض الأخير، حيث بدأ المستثمرون ينظرون إلى آفاق الذكاء الاصطناعي بصورة أكثر إيجابية. وكانت الشركات الأضعف أداءً هي (- 10 %) Adobe و (- 9 %) EPAM Systems و (- 7 %) Murata Manufacturing.

وصل قطاع التكنولوجيا إلى أعلى مستوى جديد له على الإطلاق في شهر مارس، فهل يجب علينا القلق؟ كلا، فهذا قطاع لا يزال من وجهة نظرنا يشهد اتجاه نمو سنوي طويل المدى بنسبة 15 %، مما يعني أن الوصول إلى أعلى مستوى جديد على الإطلاق أو قريباً منه هو الوضع الطبيعي للأمر.

على مدى العقد الماضي، لم تشهد إلا سنة تقويمية واحدة فقط وهي سنة 2022 أعلى مستوياتها الجديدة على الإطلاق في نهاية الشهر لقطاع التكنولوجيا العالمي. وإذا كان المرء يؤمن بالاتجاه الطويل المدى (ولماذا يقوم المرء بالاستثمار في قطاع التكنولوجيا؟) فمن الخطأ إذاً القلق بشأن الارتفاعات الجديدة.

وقد حقق القطاع أداءً جيداً للغاية، حيث ارتفع بنسبة 60 % عن أدنى مستوياته في شهر أكتوبر 2022، ولكن ذلك جاء بعد تصحيح بأكثر من 30 %، مما يترك القطاع بصورة مريحة ضمن ما نعتبره اتجاهه طويل المدى.

ونحن نعتقد أن هذا النمو الذي يصل إلى نسبة 15 % في الصناعة يمكن أن يستمر لفترة طويلة جداً، نتيجة لجميع تطبيقات التكنولوجيا التجديدية التي ستستمر في الظهور من التواصل المباشر لأجهزة الكمبيوتر بالعالم الحقيقي على مدار العشرين عاماً الماضية. لكن ليست هي الشركات المثيرة والتجديدية التي تجني ثمار كل هذا الابتكار. إن المستفيدين الرئيسيين هم مجموعة أساسية من الشركات التي تعمل على تمكين كل جولة متوالية من التجديد الذي يركز على التكنولوجيا، سواء قطاع الروبوتات، أو المركبات ذاتية القيادة، أو سلاسل الإمداد، أو قطاع الذكاء الاصطناعي التوليدي أو أي شيء يأتي بعد ذلك.

وتظل هذه العوامل التمكينية المربحة للغاية هي المحرك الرئيسي لنمو الأرباح على مستوى العالم، مما يتيح لمستثمري BlueBox الإسلامي التعرض لأقوى اتجاهات التكنولوجيا، دون التقييمات الساذجة ونماذج الأعمال السيئة للعديد من الشركات التجديدية البارزة ولكن غير المربحة.

## Portfolio Construction

Asset Class	Islamic Equity
Number of Securities	30 - 40
Weight	10 % maximum
Turnover	Low
Market Cap	Mainly Targeting \$10 bn - \$100 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 %
<b>USD</b>			
ISIN:	KYG1330J1426	KYG1330J1269	KYG1330J1186
Bloomberg Ticker:	BLBXFD KY	BLBXFB KY	BLBXFI KY

PURIFICATION BLUEBOX ISLAMIC GLOBAL TECHNOLOGY FUND

Q1 2024

Purification per unit of the Fund 0.3949

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