

# 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



%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Ann. Since Launch
2024	4.0	8.6	2.1	-5.7	3.9								13.0	
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	23.6
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)

### 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	6.1 %
Taiwan Semiconductor	5.0 %
ASML Holding	4.8 %
Applied Materials	4.8 %
Lam Research	4.7 %
Synopsys	4.4 %
Cadence Design	4.4 %
Arista Networks	4.2 %
Nvidia	4.1 %
Adobe	3.8 %
Total	46.4 %

#### Country Allocation

United States	72.0 %
Netherlands	7.5 %
Japan	6.2 %
Taiwan	5.0 %
Spain	3.4 %
South Korea	2.6 %
Switzerland	2.3%
Cash & equivalents	1.0 %

#### Market Capitalisation

Mega cap (>\$400bn)	20.1 %
Large cap – upper (\$200bn - \$400bn)	17.6 %
Large cap – mid (\$100bn - \$200bn)	19.9 %
Large cap – lower (\$10bn - \$100bn)	41.4 %
Mid cap (\$1bn - \$10bn)	0.0 %
Small cap (<\$1bn)	0.0 %
Cash & equivalents	1.0 %

#### Sector Allocation

Semiconductors & semi equipment	43.5 %
Software & services	30.4 %
Hardware & components	15.9 %
Consumer discretionary	6.4 %
Communication services	2.8 %
Cash & equivalents	1.0 %

## William de Gale's Monthly Comment

Refreshed by mid-April's correction, the Technology sector resumed its upwards trajectory in May, with tech indices marking new all-time highs. However, this was not a broad-based rally, with about two-thirds of index upside coming from just two mega-caps: NVIDIA (+27% in May) and Apple (+13%). Despite a weight of only about 4% of in NVIDIA and no Apple at all, the BlueBox Islamic Global Technology Fund still gained a very respectable 3.9% in May, ending the month up 13.0% year-to-date. Along with NVIDIA, our best-performing stocks were Analog Devices (+17%) and Arista Networks (+16%); while the principal laggards were EPAM Systems (-24%), Salesforce (-13%) and Veeva Systems (-12%).

We have observed in the past that when just one or two stocks monopolise the sector's performance to this degree, it doesn't tend to last very long, and then fairly rapidly reverses, so we are not particularly concerned by May's underperformance. We continue to stick to our approach of cutting our winners back to their target weight, while adding to laggards as long as we still have faith in their long-term positioning. So once again we trimmed our NVIDIA position, while adding to Salesforce. The latter appears to be suffering as AI attracts a disproportionate amount of tech spend, at the expense of the rest of the sector including cloud software. Investors have as usual latched onto Salesforce's slowing revenue line, now expected to fall below 10% growth for the first time, but seem to be missing the margin expansion and thus the opportunity to keep growing GAAP EPS at around 30% annually for the next two years.

In contrast, we decided to sell our remaining position in EPAM Systems. We cut the long-term target weight substantially last year, on concerns that recruiting mainly away from Ukraine threatened a key competitive advantage for the company, and after another weak quarter we decided to exit completely.

We still believe that the growth of the Technology sector will continue at roughly 15% a year, driven by all the disruption enabled by the Direct Connection of systems to the real world, but constrained by supply. Currently tech spend is going disproportionately to AI, and in time this must slow (it could be quite soon), but we disagree with the tech bears that this is bad news for the sector: given that growth is constrained by supply, slowing AI investment would actually be a relief, allowing renewed spend in other parts of the industry, currently starved of resources ... maybe including cloud software such as Salesforce?

The biggest winners from disruptive applications such as generative AI are not the exciting disrupters themselves, but a key group of companies that enable each successive round of technology-centred disruption, whether robotics, autonomous vehicles, blockchains, AI or whatever comes next. These very profitable enablers remain the main engine of earnings growth globally, as they have been since 2007, 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>	Shariyah Review Bureau W.L.L.
<b>Custodian</b>	Northern Trust Global Services SE
<b>Launch Date</b>	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:	BLBXFDK KY	BLBXFBP KY	BLBXFIP KY

PURIFICATION BLUEBOX ISLAMIC GLOBAL TECHNOLOGY FUND

Q1 2024

Purification per unit of the Fund 0.3949

### Important Information

This report has been prepared for information only and must not be distributed, published, reproduced or disclosed by recipients to any other person. All information provided here is subject to change without notice. All investors must obtain and carefully read the Offering Document and Supplement, which contains additional information needed to evaluate the potential investment and provides important disclosures regarding risks, fees and expenses.

Past performance is not an indication of current or future performance. Performance shown does not take account of any fees and costs charged when subscribing or redeeming shares. Data and graphical information herein are for information only. No separate verification has been made as to the accuracy or completeness of these data which may have been derived from third party sources.

As a result, no representation or warranty, expressed or implied, is or will be made by BLUEBOX FUNDS as regards the information contained herein. Source of data: BlueBox Asset Management SA.

In the United Kingdom, this communication is issued by BlueBox Asset Management UK Ltd. BlueBox Asset Management UK Ltd. is authorized and regulated by the Financial Conduct Authority (FRN: 952970). This material constitutes a financial promotion for the purposes of the Financial Services and Markets Act 2000 (the "Act") and the handbook of rules and guidance issued from time to time by the FCA (the "FCA Rules"). This material is for information purposes only and does not constitute an offer to subscribe for or purchase any financial instrument. All information provided is not warranted as to completeness or accuracy and is subject to change without notice. This communication and any investment or service to which this material may relate is exclusively intended for persons who are Professional Clients or Eligible Counterparties for the purposes of the FCA Rules or fall into a relevant category under COBS 4.12 in the FCA Rules and other persons should not act or rely on it. This communication is not intended for use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

The Offering Document and Supplement, the by-laws as well as the latest annual and semi-annual reports can be obtained on [www.blueboxfunds.com](http://www.blueboxfunds.com).

Past data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction.

# 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



%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Ann. Since Launch
2024	4.0	8.6	2.1	-5.7	3.9								13.0	
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	23.6
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	6.1 %
Taiwan Semiconductor	5.0 %
ASML Holding	4.8 %
Applied Materials	4.8 %
Lam Research	4.7 %
Synopsys	4.4 %
Cadence Design	4.4 %
Arista Networks	4.2 %
Nvidia	4.1 %
Adobe	3.8 %
Total	46.4 %

## Country Allocation

United States	72.0 %
Netherlands	7.5 %
Japan	6.2 %
Taiwan	5.0 %
Spain	3.4 %
South Korea	2.6 %
Switzerland	2.3 %
Cash & equivalents	1.0 %

## Market Capitalisation

Mega cap	20.1 %
Large cap - upper	17.6 %
Large cap - mid	19.9 %
Large cap - lower	41.4 %
Mid cap	0.0 %
Small cap	0.0 %
Cash & equivalents	1.0 %

## Sector Allocation

Semiconductors & semi equipment	43.5 %
Software & services	30.4 %
Hardware & components	15.9 %
Consumer discretionary	6.4 %
Communication services	2.8 %
Cash & equivalents	1.0 %

### التعليق الشهري ل William de Gale

منتعشاً بتصحيح منتصف شهر أبريل، استأنف قطاع التكنولوجيا مساره الصعودي في شهر مايو، حيث سجلت مؤشرات التكنولوجيا أعلى مستوياتها على الإطلاق. ومع ذلك، لم يكن هذا ارتفاعاً واسع النطاق، حيث جاء حوالي ثلثي الاتجاه الصعودي للمؤشر من اثنين فقط من الشركات العملاقة، و هي كل من: NVIDIA (+ 27 %) في شهر مايو) و شركة Apple (+ 13 %). على الرغم من وجود ثقل بحوالي 4 % فقط في شركة NVIDIA و عدم وجود أي ثقل لشركة Apple على الإطلاق، إلا أن صندوق BlueBox الإسلامي العالمي للتكنولوجيا لا يزال يحقق مكاسب محترمة للغاية بنسبة 3.9 % في مايو، منهياً الشهر بارتفاع بنسبة 13.0 % منذ بداية العام حتى الآن. إلى جانب NVIDIA، كانت أسهمنا الأفضل أداء هي: Analog Devices (+ 17 %) و Arista Networks (+ 16 %). في حين كان المتخلفين الرئيسيين هم كل من: EPAM Systems (- 24 %) و Salesforce (- 13 %) و Veeva Systems (- 12 %).

لقد لاحظنا في الماضي أنه عندما يحتكر سهم واحد أو سيمان فقط أداء القطاع إلى هذه الدرجة، فإنه لا يميل إلى الاستمرار لفترة طويلة جداً، ثم ينعكس بسرعة إلى حد ما، لذلك نحن لسنا قلقين بشكل خاص من الأداء الضعيف لشهر مايو. نواصل التمسك بنهجنا المتمثل في إرجاع الراحين إلى ثقلهم المستهدف، مع إضافة مزيد من المتباطئين طالما أننا لا نزال نتق في وضعهم على المدى الطويل. لذلك قمنا مرة أخرى بتقليص موقع NVIDIA الخاص بنا مع قيامنا بالإضافة إلى Salesforce. تمسك المستثمرون كالعادة بخط إيرادات Salesforce المتباطئ، والذي من المتوقع الآن أن ينخفض إلى أقل من 10 % من النمو لأول مرة، ولكن يبدو أنهم يفتقدون توسيع الهامش وبالتالي فإن فرصة الاستمرار في نمو ربحية اسهم GAAP تكون عند حوالي 30 % سنوياً على مدار العامين المقبلين.

في المقابل، قررنا بيع مركزنا المتبقي في EPAM Systems. وخفضنا الثقل المستهدف على المدى الطويل بشكل كبير في العام الماضي بسبب المخاوف من أن التوظيف بشكل أساسي بعيداً عن أوكرانيا يهدد ميزة تنافسية رئيسية للشركة، وبعد فترة ربع سنوي ضعيف آخر قررنا الخروج تماماً.

ما زلنا نعتقد أن نمو قطاع التكنولوجيا سيستمر بنسبة 15 % تقريباً سنوياً، مدفوعاً بكل الأرباح الذي يتيح الإتصال المباشر للأنظمة بالعالم الحقيقي، ولكنه يبقى مقيداً بالإمداد. في الوقت الحالي، يسير الإنفاق على التكنولوجيا بشكل غير متناسب إلى الذكاء الاصطناعي، وفي الوقت المناسب يجب أن يتباطأ هذا وقد يكون ذلك قريباً جداً، لكننا نختلف مع عملاقة التكنولوجيا على أن هذه أخبار سيئة للقطاع بالنظر إلى أن النمو مقيد بالعرض، فإن تباطؤ الاستثمار بالذكاء الاصطناعي سيكون في الواقع مصدر ارتياح، مما يسمح بتجديد الإنفاق في أجزاء أخرى من الصناعة المتعطشة حالياً للموارد. ربما يشمل ذلك البرامج السحابية مثل Salesforce؟

إن أكبر الراحين من التطبيقات المربكة مثل الذكاء الاصطناعي التوليدي هم ليسوا محدثي الاضطراب أنفسهم، ولكن هم مجموعة رئيسية من الشركات التي التي تقوم بتمكين كل جولة متتالية من الإرباك الذي يركز على التكنولوجيا سواء كانت الروبوتات أو المركبات ذاتية القيادة أو سلاسل الإمداد أو الذكاء الاصطناعي أو أي شيء يأتي بعد ذلك. وتظل هذه العوامل التمكينية المربكة للغاية هي المحرك الرئيسي لنمو الأرباح على مستوى العالم، كما كانت منذ عام 2007، مما يمنح مستثمري BlueBox الإسلامي فرصة التعرض لأقوى اتجاهات التكنولوجيا، دون التقييمات السخيفة و نماذج الأعمال السيئة للعديد من الشركات البارزة و لكن 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

#### Important Information

This report has been prepared for information only and must not be distributed, published, reproduced or disclosed by recipients to any other person. All information provided here is subject to change without notice. All investors must obtain and carefully read the Offering Document and Supplement, which contains additional information needed to evaluate the potential investment and provides important disclosures regarding risks, fees and expenses.

Past performance is not an indication of current or future performance. Performance shown does not take account of any fees and costs charged when subscribing or redeeming shares. Data and graphical information herein are for information only. No separate verification has been made as to the accuracy or completeness of these data which may have been derived from third party sources.

As a result, no representation or warranty, expressed or implied, is or will be made by BLUEBOX FUNDS as regards the information contained herein. Source of data: BlueBox Asset Management SA.

In the United Kingdom, this communication is issued by BlueBox Asset Management UK Ltd. BlueBox Asset Management UK Ltd. is authorized and regulated by the Financial Conduct Authority (FRN: 952970). This material constitutes a financial promotion for the purposes of the Financial Services and Markets Act 2000 (the "Act") and the handbook of rules and guidance issued from time to time by the FCA (the "FCA Rules"). This material is for information purposes only and does not constitute an offer to subscribe for or purchase any financial instrument. All information provided is not warranted as to completeness or accuracy and is subject to change without notice. This communication and any investment or service to which this material may relate is exclusively intended for persons who are Professional Clients or Eligible Counterparties for the purposes of the FCA Rules or fall into a relevant category under COBS 4.12 in the FCA Rules and other persons should not act or rely on it. This communication is not intended for use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

The Offering Document and Supplement, the by-laws as well as the latest annual and semi-annual reports can be obtained on [www.blueboxfunds.com](http://www.blueboxfunds.com).

Past data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction.