DISRUPTIVE TECHNOLOGIES STRATEGY

FACT SHEET

31/10/2023

RASAMEEL

Investment Objective
The strategy is to invest in companies that are developing technologies that will disrupt the status quo in multiple areas such as healthcare, retail, AI etc.

Investment Manager
Rasameel Investment Company KSCC

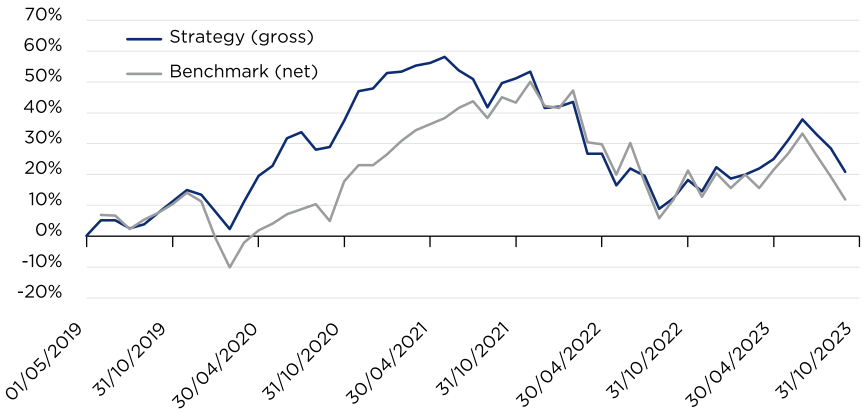
Time Horizon
Longterm

Inception Date
01/06/2019

Base Currency
USD

Benchmark Index
Morningstar Exponential Technologies index

Performance



* *Benchmark at inception was the iShares MSCI World Islamic index, which was changed to the Morningstar Exponential Technologies index (XT US) in April 2022. Performance reported since April 2022 represents that of a rebased benchmark.*

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Benchmark
2023 (%)	6.8	-3.1	4.6	-1.0	2.4	5.0	5.3	-3.5	-3.4	-3.5			9.1	3.8
2022 (%)	-7.7	0.3	1.1	-11.7	0.0	-8.0	4.6	-1.9	-8.9	3.1	5.2	-3.5	-25.6	-25.6
2021 (%)	0.6	3.4	0.3	0.9	0.6	1.2	-2.8	-1.8	-6.0	5.4	1.0	1.5	4.3	21.9
2020 (%)	-1.4	-4.8	-5.4	8.9	7.5	3.0	7.2	1.6	-4.2	0.7	6.5	7.0	27.9	7.8
2019 (%)						5.2	-0.2	-2.6	1.1	3.6	3.6	3.3	14.7	14.2

Top Holdings

Company	Weight
META US	3.7%
ZS US	3.3%
CRWD US	3.0%
ICFI US	2.9%
AZN US	2.7%

Characteristics	Strategy
TTM P/E	35.08
P/B	3.2
P/CF	15.7
Dividend Yield	1.61%
Debt/Equity	0.40

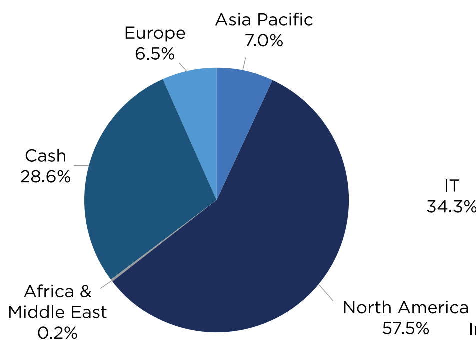
Returns	Strategy (Gross)	Benchmark (Net)
MTD	-3.5%	-6.2%
YTD	9.1%	3.8%
ITD	20.8%	11.9%

Risk Statistics - 1Yr	Strategy	Benchmark
Std. Dev	14.5%	18.7%
Downside Risk	10.1%	13.0%
MC VAR	24.7%	33.6%
BETA (ex-post)	0.73	1.0
Correlation	0.93	1.0
Sharpe Ratio	0.52	0.10
IR	0.73	NA

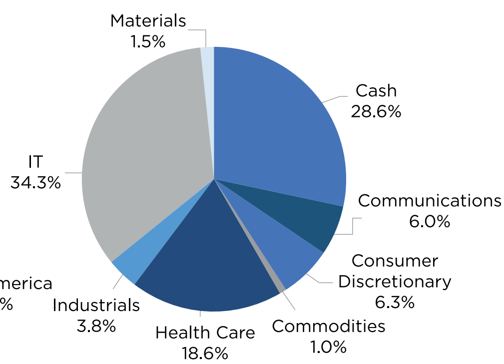
30 Day Top Contributers & Detractors

Contributers	Return	Cont.	Detractors	Return	Cont.
ADBE US	4.4%	0.86%	GFS US	-14.7%	-0.31%
MSFT US	7.1%	0.14%	VIPS US	-10.9%	-0.26%
VRTX US	3.9%	0.09%	ZM US	-14.2%	-0.23%
3436 JP	-2.2%	0.09%	TER US	-16.2%	-0.22%
ICFI US	4.9%	0.07%	JD US	-12.7%	-0.20%

Geographic Breakdown



Sector Breakdown



* *The performance shown above is gross of all fees and unaudited. Past performance is not indicative of future returns.*

Disclaimer:

This document is prepared for promotional purposes. The performance stated above is for a composite of client accounts and is gross of all fees and commissions. Actual client performance may vary from the composite. Rasameel Investment Company hereby undertakes that it does not disguise, diminish or obscure important items from the investment subject of promotion.

Warning:

The past performance of any investment or a product is not a reliable indicator of future results and it cannot be relied upon for investment decision making.

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Commentary

The Disruptive Technologies strategy was down 3.5% in October in a difficult month which saw all major indices retreat. The Strategy significantly outperformed the benchmark, which declined 6.2% in October. Furthermore, the strategy is outperforming the Morningstar Exponential Technologies ETF both YTD and since inception, despite a continued overweighting to cash. The key catalyst to last month's sell off was Q3 earnings. While over 80% of the S&P 500 companies have reported a positive EPS surprise, guidance has come in a bit weaker than expected. Over 65% of the S&P 500 has reported negative Q4 guidance. Consequently, Q4 earnings growth has been revised downwards to 3.2% down from 8.0% at the beginning of the quarter. Therefore, we believe we remain well positioned and are not inclined to aggressively chase rallies, although we are marginally adding some exposure to the IT sector.

With regards to strategy movers, topping the contributors for the month was **Adobe Inc (ADBE US)**, which was up 4.4% in October, and at the time of writing this report, is up another 8% MTD in November. The company's $20B acquisition of Figma continues to be under investigation by EU commission for antitrust clearance and expects that the deal should close later in the year. Elsewhere, **Microsoft (MSFT US)** rose 7% last month, as the tech giant topped earnings expectations, led by strong growth in its cloud segment, which grew 29% YoY. Overall, the company beat consensus revenue by 3.6%, while it topped consensus EPS by an impressive 13%. **Vertex Pharmaceuticals (VRTX US)** has been a strong performer last month and YTD, up 3.9% last month and almost 25% YTD, while the Biotech industry is down YTD. The company has a strong positioning in the Cystic Fibrosis therapy market, and its pipeline is shaping up positively with several late-stage trials.

In terms of detractors for the month, **Globalfoundries (GFS US)** was down 14.7% despite reporting in-line revenue and topping EPS by 10%. However, elevated inventory levels in the data center market as a result of softening demand in the last few months has hurt the company's top line. On a more positive note, 2024 revenue is expected to grow 14% as supply chain headwinds subside and the automotive sector's transition to ACE (autonomous, connected, electrified) vehicles continues to pick up pace. The stock trades at a discount to foundry peers, and we believe this discount should diminish going forward. Next up, **Vipshop Holdings (VIPS US)** beat top and bottom line estimates, although growth was rather muted (3.3% revenue growth YoY). The stock was down 10.9% last month, but is flat YTD. It is encouraging to see that the company has been aggressively buying back shares as part of its $1 billion share repurchase program. As a discount online retailer, Vipshop should remain resilient especially in a challenging Chinese economic environment. Elsewhere, **Zoom Video Communications (ZM US)** declined 14% last month, and has been one of the more frustrating names to hold. It trades at very low valuations for a company with over 7% FCF yield and over $6B in cash, and no debt. Microsoft has surely been a headwind to Zoom's investment rationale. Nonetheless, Zoom stock is warranted a rerating due to its strong balance sheet and strong active user base. The company has also been proactive in adding AI upgrades such as Contact Center AI. Furthermore, Zoom Phone has surpassed $500M run rate, and is growing rapidly.

The Strategy's cash position was higher than normal at month end as we needed to trade out of a number of positions which were no longer compliant. We have been adding back exposure subsequently and expect to get the Strategy's cash exposure back down to c15-16% which feels reasonable given the uncertainties in the market. While it has proven to be a difficult year to navigate markets, with persistent inflation and geopolitical tensions in Europe and the Middle East dominating headlines, we have generated strong relative performance. Furthermore, on a two year view, going back to the 31/12/22 the Strategy is outperforming its benchmark by c.2% and around 9%, on a gross basis, since inception.