

Investment Objective

To invest in businesses that display a robust balance sheet and are positioned to capitalize on the economic growth materializing in the region.

Investment Manager

Rasameel Investment Company KSCC

Time Horizon

Longterm

Inception Date

24/01/2017

Base Currency

USD

Benchmark Index

Dow Jones Islamic Market GCC TR

Top Holdings

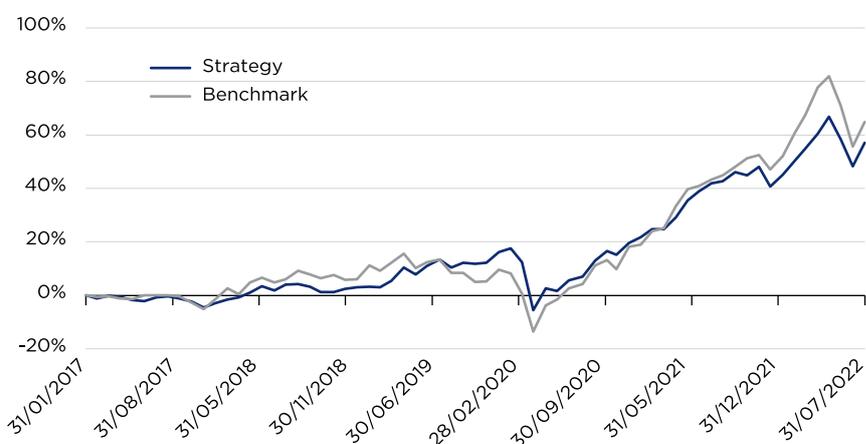
Company	Weight
RJHI AB	7.12%
ZAIN KK	4.85%
EXTRA AB	4.03%
ADIB UH	3.93%
BOUBYAN KK	3.86%

Characteristics	Strategy
TTM P/E	20.84
P/B	2.35
P/CF	9.3
Dividend Yield	3.51%
Debt/Equity	0.96

Returns	Strategy	Benchmark
MTD	5.86%	5.86%
YTD	8.14%	8.29%
ITD	56.96%	64.72%

Risk Statistics - ITD	Strategy
Std. Dev	9.53%
Downside Risk	7.58%
MC VAR	-16.35%
Sharpe Ratio	1.05

Performance

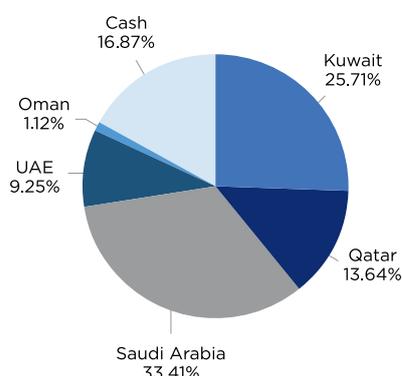


Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Benchmark
2022 (%)	3.52	3.10	3.56	4.04	-5.24	-6.24	5.86						8.14	8.29
2021 (%)	1.95	0.43	3.60	4.91	2.56	2.04	0.57	2.45	-0.81	2.12	-4.93	3.11	19.33	27.74
2020 (%)	1.48	-4.50	-15.37	7.92	-0.95	3.50	1.82	5.47	2.55	-0.58	3.75	1.92	4.79	8.54
2019 (%)	0.35	0.56	2.46	4.73	-2.02	2.76	2.14	-2.69	1.62	-0.06	0.30	3.62	14.35	3.45
2018 (%)	2.16	0.87	1.80	2.23	-1.45	2.08	0.21	-0.97	-1.41	-0.45	1.49	0.49	6.07	7.63
2017 (%)	-1.42	0.38	0.92	-0.39	-1.21	-0.48	1.52	0.36	-0.70	-1.32	-2.14	1.51	-3.00	-1.47

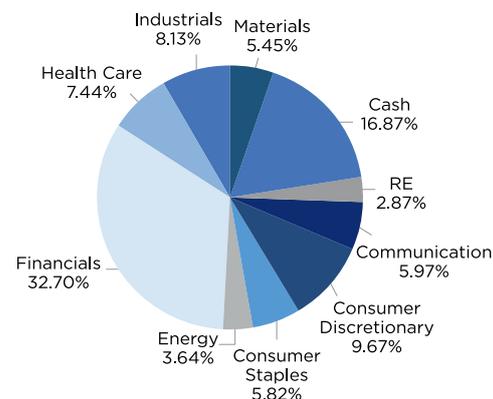
30 Day Top Contributors & Detractors

Contributors	Return	Cont.	Detractors	Return	Cont.
ADIB UH	21.20%	0.74%	EDU KK	-6.03%	-0.10%
RJHI AB	8.51%	0.59%	MCGS QD	-2.13%	-0.03%
BJAZ AB	17.38%	0.45%	ARMX UH	-0.53%	-0.02%
QIBK QD	15.32%	0.40%	QFLS QD	-0.42%	-0.01%
DALLAH AB	10.01%	0.36%	SCH AB	-2.20%	-0.01%

Geographic Breakdown



Sector Breakdown



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

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Comment

Rasameel GCC Strategy returned 5.8% in July, in line with the Dow Jones Islamic GCC Index. The strategy also outperformed Kuwait's Premier Market Index which returned 4.4% during the month, while the Saudi Tadawul All Share Index which was up 5.8%. We remain cautiously optimistic on the upcoming months, as oil prices look to stabilize at current levels. GCC Central Banks have followed the Fed with interest rate hikes to maintain currency peg to the USD, but a look at inflation will suggest that GCC economies are only facing moderate levels of inflation. Recent readings for inflation in Saudi came in at 2.7% in July, while Kuwait and UAE recorded inflation of 4.4% and 3.8% respectively.

Moreover, we note a divergence in economic outlook between western developed countries, such as the US and EU nations, vs GCC countries. While the US for example, has been contracting for 2 consecutive quarters, GCC economies, driven by oil prices, have seen their economies expand YoY. This has created a significant increase in liquidity and improved credit growth, while allowing continued investment in infrastructure development. We anticipate the World Cup in less than 100 days will support discretionary spending, much to the benefit of the retail and real estate sectors in the region.

Top contributors for the month to the strategy mainly consisted of companies within the banking sector, as strong growth in bank deposits has allowed banks to loosen credit standards and deliver strong YoY growth. **Abu Dhabi Islamic Bank (ADIB UH)** returned 21.2% while **AlRajhi Bank (RJHI AB)** returned 8.5%. AlRajhi reported 21% growth in net profits in the 1H22, while client deposits grew 23.5% YoY to reach SAR 553 billion. ADIB had similar growth of 30% in net profits in the first half of 2022, while deposits grew 10% YoY to reach Dhs 115 billion.

In terms of strategy detractors, **Educational Holding (EDU KK)** reported revenue growth of 15% in 3Q22 to reach KWD 3.1 million, with net profit of KWD 2 million, flat YoY. **Medicare Group (MCGS QD)** was down 2% in July. This was not on the back of earnings and at the time of writing this, Medicare is up 5.5% MTD, reversing the loss of July.

Going forward, oil may continue to be volatile with geopolitical tensions lingering. Also, as uncertainty over Fed tightening continues, we could see some short-term weakness in GCC equities (ex-financials). Nonetheless, GCC valuations are much more attractive than developed markets, and consumer purchasing power is still strong in the GCC. Also, government expenditure is set to continue as governments look to utilize their surpluses to diversify and spur their economy.

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