GLOBAL EQUITIES STRATEGY

FACT SHEET

30/04/2022

Investment Objective
The Strategy invests in Sharia compliant equities across the major markets, with the objective of generating returns in excess of the benchmark, over a 5-3 year period.

Investment Manager
Rasameel Investment Company KSCC

Time Horizon
Longterm

Inception Date
01/11/2016

Base Currency
USD

Benchmark Index
MSCI World Islamic index

Top Holdings

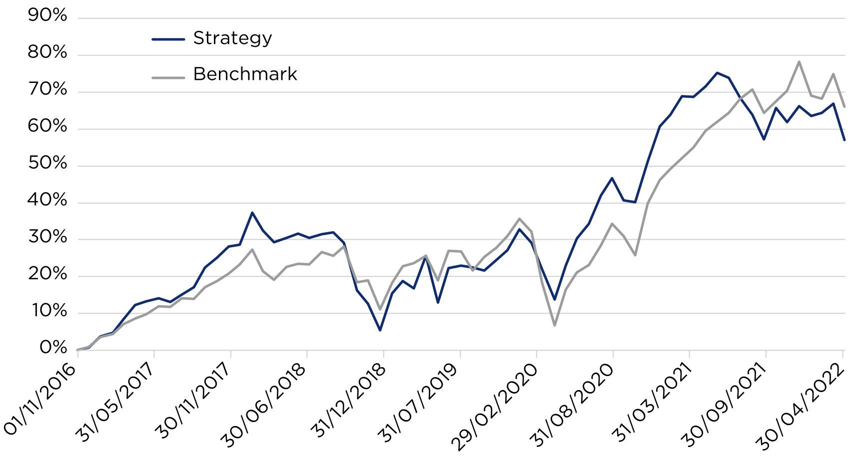
Company	Weight
MCK US	4.58%
YCA LN	3.67%
8058 JT	3.45%
BMY US	3.06%
AKAM US	2.81%

Characteristics	Strategy
TTM P/E	13.76
P/B	1.93
P/CF	9.73
Dividend Yield	2.44%
Debt/Equity	0.48

Returns	Strategy	Benchmark
MTD	-5.86%	-5.06%
YTD	-5.49%	-6.85%
ITD	57.10%	66.13%

Risk Statistics-1Yr	Strategy	Benchmark
Std. Dev	15.04%	12.46%
Downside Risk	10.68%	8.85%
MC VAR	-24.57%	-24.44%
BETA (ex-post)	0.98	1.00
Correlation	0.81	1.00
Sharpe Ratio	-0.60	0.26
IR	-1.35	NA

Performance

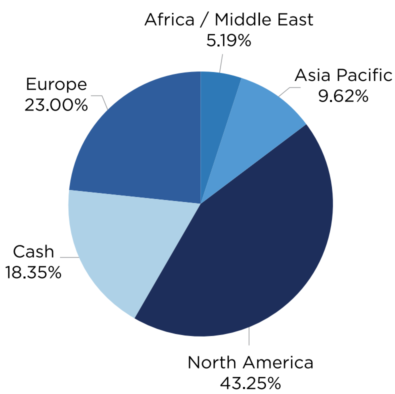


Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Benchmark
2022 (%)	-1.63	0.54	1.51	-5.86									-5.49	-6.85
2021 (%)	1.00	4.11	0.84	0.65	2.20	-0.77	-3.17	-2.71	-4.05	5.39	-2.27	2.64	3.56	21.93
2020 (%)	-2.78	-5.47	-6.82	8.09	5.99	3.83	6.10	2.14	-3.81	0.14	7.14	6.24	21.05	7.76
2019 (%)	9.64	3.58	-0.55	7.61	-10.28	7.08	0.55	-1.06	-0.45	2.66	2.64	4.39	26.93	22.08
2018 (%)	6.58	-3.55	-3.05	1.50	0.94	-0.85	0.81	0.30	-2.66	-9.50	-3.14	-6.43	-18.10	-9.85
2017 (%)	0.87	3.48	3.60	0.86	0.76	-0.89	1.77	1.82	4.52	2.13	2.48	1.22	23.92	19.05
2016 (%)											0.67	3.12	3.81	3.59

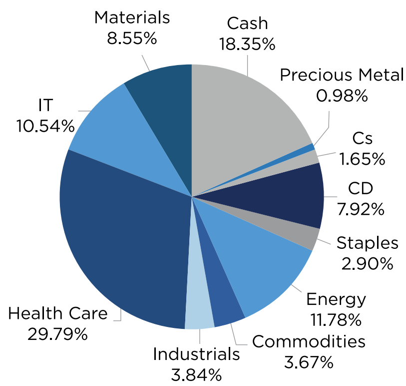
30 Day Top Contributers & Detractors

Contributers	Return	Cont.	Detractors	Return	Cont.
9618 HK	13.29%	0.32%	TDOC US	-53.20%	-0.53%
MRK US	8.09%	0.17%	8058 JT	-10.75%	-0.39%
SU US	10.28%	0.11%	VIPS US	-14.89%	-0.35%
MBMY US	3.07%	0.08%	DNN US	-18.13%	-0.33%
RKT LN	3.75%	0.07%	LITE US	-16.79%	-0.32%

Geographic Breakdown



Sector Breakdown



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

RASAMEEL

GLOBAL EQUITIES STRATEGY

FACT SHEET

30/04/2022

Description

The Strategy invests in Sharia compliant equities across the major markets, with the objective of generating returns in excess of the benchmark, the iShares MSCI World Islamic index, over a 3-5 year period. We seek superior performance by investing in above average quality companies, when their valuations are not fully reflective of their expected earnings potential.

Comment

The Global Equities Strategy underperformed its benchmark, the MSCI World Islamic index, by 80 bps in April. April was an extremely difficult month for global equity markets. The Strategy fell 5.9% (gross) while the benchmark fell 5.1%. In comparison, the S&P 500 index fell 8.8%. On a year-to-date basis, the Strategy is outperforming its benchmark, down 5.5% (gross) vs -6.9% for the benchmark and -13% for S&P 500. A difficult month, but on a relative basis the Strategy is doing a good job protecting capital in a down market.

In April, investor sentiment deteriorated as the prospect of tighter monetary policy moved into focus. Historically though, the equity market tends to do fine at the start of a hiking cycle and then falls off once the Fed overtightens. We are very much at the start of the current cycle. The bond market though, has already priced in significant increases in rates with the 2yr yield already up at 2.6%, similar levels to what we saw back in 2018, a period that was reflected by a taper tantrum and the speedy reversal by the Fed.

The Strategy came into the year well set-up for a sell off and is still holding some 18% in cash, as well as being overweight more defensive areas such as Healthcare. We are not yet cutting our cash allocation as, apart from the Fed, there are two mounting geopolitical concerns we have for the markets in general. The Russian/Ukraine conflict seems to be increasingly entrenched and is slowly becoming a proxy war between the west and Russia, played out in Ukraine. This is deeply unfortunate and can have massive ramifications on oil and gas prices as well as wheat and other commodities globally, not to mention the wider ramifications of such a conflict. NATO expansion in the area is not conducive to a peace deal and the West's appetite for a conflict seems unsatiable. Another concern we have, relative to coming into the year, is the covid policies and lockdowns we are witnessing in China. Locking down millions of employees has massive ramifications on supple chains and the like.

The selloff in April was very broad based as equities, bonds and precious metals were all down. Consumer staples was the only sector up in absolute terms as several consumer staples companies displayed strong pricing power and margin stability. The CBOE Volatility Index (VIX) ended April at 33.40, a big increase from its March close of 20.56. Oil prices were up from $100.28 per barrel at the end of March to $104.69 per barrel. While the dollar continued to strengthen, Japanese yen hit a 20-year low after the Bank of Japan vowed to keep bond yields at zero. Economic data showed signs of weakening with both US and Eurozone Q1 GDP coming in below estimate.

Earnings season is in high gear with 55% of companies in the S&P 500 index having reported first quarter earnings. Of these companies, 80% have reported positive earnings surprise. Despite some high-profile earnings disappointments during April, particularly from US tech giants such as Amazon and Netflix, the overall earnings season so far has not been bad. Guidance and supply chain remain a core area of interest for investors. Looking out, estimated earnings growth for the S&P 500 is 7.1% for the quarter and forecast to be 10.3% for 2022. We find current estimates for Q3, Q4 and FY 2022 to be on the higher side and subject to negative revisions.

In terms of contributors, **JD.com (9618 HK)** rose 13.3% in April. While the stock traded weak during the month as concerns around China's stringent zero-covid approach weighted on broader sentiment, JD stock rebounded sharply during month end to post positive absolute performance. The sector's sharp rebound on monetary easing announcement from PBOC gives us confidence in the ability of our Chinese equity holdings to recoup their losses as we expect monetary easing to pick up pace as we progress through the year. Within healthcare, **Merck & Co (MRK US)** and **Bristol-Myers Squibb Co (BMY US)** rose 8.1% and 3.1% respectively. The wider healthcare sector continued to see inflows on the back of the flight-to-safety trade during a particularly difficult month for global markets. The Strategy is overweight healthcare relative to the benchmark. Within energy, **Suncor Energy (SU US)** rose 10.3% in April. **Reckitt Benckiser (RKT LN)** rose 3.8% over the month as defensive sectors such as consumer staples outperformed the broader market.

In terms of detractors, **Teladoc (TDOC US)** stock fell 53.2% in April. The stock fell sharply post announcement of its Q12022 earnings which saw disappointing guidance and asset write-downs. **Mitsubishi Corp (8058 JT)** fell 10.8% in April. Mitsubishi stock saw some profit taking after posting impressive returns last month led by yen weakness and commodity price strength. **Vipshop holdings (VIPS US)** fell 14.9% as Chinese equites continued to suffer on the back of weak macro and lockdown concerns.

In the current market environment, investors seem fearful to put cash to work despite some areas having been sold down significantly. We are taking a similar approach of waiting and assessing to get a clearer understanding of how inflation, growth, central bank actions, the war in Ukraine, the Covid situation in China, and the possible resurgence of covid in winter may play out. We believe the best strategy to navigate this environment is to stay invested, but tilt the portfolio towards higher quality, high free cash flow generating companies. And this is what we have been doing. The Strategy's high cash allocation (~18%) allows us the flexibility to take advantage of mispricing's. There are a lot of companies that we have been tracking but always felt traded at demanding valuations. With growth estimates and valuations having been reset over the last few months, we look forward to selectively adding back exposure to some areas, particularly long-term structural growth themes like semis, ecommerce, biotech etc. once we have more clarity on the path forward.

Diversification has never been more important as it is now, and we remain comfortable with our sector and security allocations.