

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 3-5 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

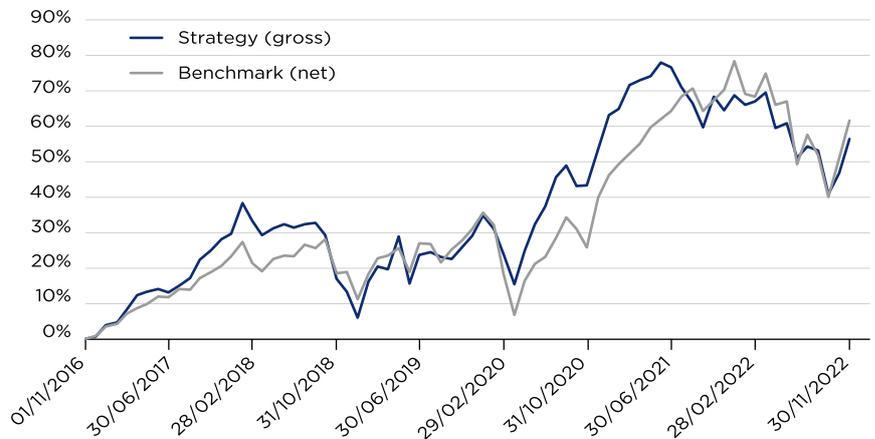
| Company | Weight |
|---------|--------|
| 8058 JT | 3.49% |
| MRK US | 3.18% |
| AMGN US | 2.89% |
| YCA LN | 2.64% |
| NOVN SW | 2.45% |

| Characteristics | Strategy |
|-----------------|----------|
| TTM P/E | 10.93 |
| P/B | 2.16 |
| P/CF | 8.93 |
| Dividend Yield | 2.76% |
| Debt/Equity | 0.45 |

| Returns | Strategy (Gross) | Benchmark (Net) |
|---------|------------------|-----------------|
| MTD | 6.63% | 7.05% |
| YTD | -7.27% | -9.34% |
| ITD | 56.50% | 61.68% |

| Risk Statistics - 1Yr | Strategy | Benchmark |
|-----------------------|----------|-----------|
| Std. Dev | 17.56% | 18.83% |
| Downside Risk | 12.56% | 13.13% |
| MC VAR | -25.16% | -31.41% |
| BETA (ex-post) | 0.86 | 1.00 |
| Correlation | 0.92 | 1.00 |
| Sharpe Ratio | -0.28 | -0.11 |
| IR | -0.21 | NA |

Performance

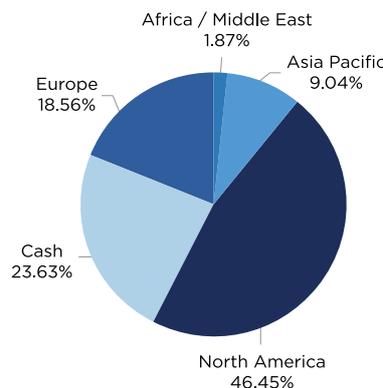


| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD | Benchmark |
|----------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|--------|-----------|
| 2022 (%) | -1.63 | 0.54 | 1.51 | -5.86 | 0.84 | -6.07 | 2.17 | -0.81 | -8.10 | 4.30 | 6.63 | | -7.27 | -9.34 |
| 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 |

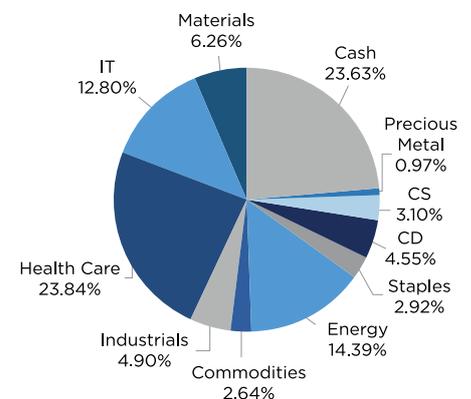
30 Day Top Contributors & Detractors

| Contributors | Return | Cont. | Detractors | Return | Cont. |
|--------------|--------|-------|------------|---------|--------|
| VIPS US | 60.00% | 0.90% | CRWD US | -27.00% | -0.30% |
| 9618 HK | 51.70% | 0.83% | DVN US | -11.40% | -0.26% |
| 8058 JT | 21.68% | 0.67% | TWLO US | -34.10% | -0.18% |
| AU US | 40.46% | 0.42% | YCA LN | -4.43% | -0.13% |
| HBM US | 48.70% | 0.37% | MDT US | -9.50% | -0.10% |

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.

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Commentary

November was a great month for risk assets with the MSCI World Islamic index and the S&P 500 up 7% and 5.6% respectively. Softer than expected inflation data buoyed expectations that the US Fed might slow - or even end - its tightening cycle over the coming months. Better than expected macro-economic data particularly in the US, paired with a weakening US Dollar, further improved risk appetite. Chinese equities, after a difficult October, staged a stellar rebound with the Hang Seng up 27%. The rebound in Chinese equities was largely driven by renewed investor optimism around rumors of Zero-Covid policy easing and the reopening of the 2nd biggest economy. Elsewhere, Gold and Copper rose 8% and 9.4% respectively, supported by a weakening US dollar. Crude oil prices settled lower in November, with Brent closing the month around \$85 per barrel, down 9.9%. This was despite the pullback in USD and the rumors around a China reopening.

Rasameel's Global Equity Strategy delivered a 6.6% (gross) return in November. Given the Strategy's defensive positioning and high cash position, the Strategy marginally underperformed its benchmark, the iShares MSCI World Islamic ETF, which rose 7%. Year to date, the Strategy is still outperforming.

In terms of contributors, **VIPshop (VIPS US)** and **Jd.com (9618 HK)** rallied sharply over the month, up 60% and 51.7% respectively. Positive news flow around reopening and relaxation of zero covid measures drove investors back to buying the dip in Chinese equities. **Mitsubishi Corp (8058 JT)** rose 21.7%, recovering from the October sell off. In terms of detractors, **CrowdStrike (CRWD US)** and **Twilio (TWLO US)** fell 27% and 34% in November. CrowdStrike sold off after the company guided on bookings and net new ARR slightly below expectations. We remain encouraged by the fact that endpoint security continues to top the list in terms of IT budget priorities, which bodes well for the likes of CRWD. Twilio pulled back after reporting weaker than expected earnings. At 2x forward sales for a high growth company with growing TAM, we will continue to like TWLO.

In terms of our view, the strong performance in October and November is reflective of a bear market rally, which we believe is now likely over. We continue to remain cautious, taking the view that equities are in a bear market and expect lower lows to be made in the next quarter or two. This drives our decision to continue to remain overweight defensive sectors such as healthcare and cash. To turn more positive on equities, we would need to see equities price in lower earnings growth for '23/'24 and more reasonable absolute valuations. We are not there yet.

As we highlight in our detailed monthly commentary found [here](#), this is the time for active managers such as ourselves to shine. Unlike passive managers that invest pari passu in an index, active managers can add value both through stock selection and tactical allocation, across sectors, countries and cash. Our 24% cash position gives us flexibility to adjust positioning as markets move from bear to bull. So, hopefully we can outperform in a bear market as well as in the eventual bull market. We did this successfully in 2020 (Strategy up 21.1% gross vs benchmark up 7.8%) and aim to do the same coming out of the current bear market.

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Strategy Top Holdings

| STOCK | INVESTMENT THESIS |
|-------------------------|---|
| | Fundamental Investment Thesis |
| YELLOW CAKE | Rationale We like Uranium as it is the greenest and most reliable source of energy on the planet. With years of underinvestment in uranium supply, and demand starting to rise from China, India, and Japan, we expect uranium prices to rise much higher. Yellow Cake is our investment vehicle of choice, as it provides physical storage of uranium oxide and is currently trading at a discount around 25% to its Net Asset Value, essentially buying physical uranium at a discount. |
| SHELL PLC | Rationale Shell is the best positioned Integrated Oil Company thanks to its large LNG business in the US Gulf Coast, and Australia. Its processing proximity to Asia Pacific provides the advantage of lower cost of delivery to the fastest growing markets in the world. Shell's dividend reset has put the company in a strong position to drastically reduce debt, and increase shareholder returns while seeking to grow its asset light renewables business, and a laser focus on the production of natural gas and delivery of LNG. |
| MCKESSON | Rationale McKesson benefitted tremendously from the pandemic as they had great demand for general medicine and for vaccine deployment and testing. While the stock had great performance, its' attractive valuation strengths our conviction along with its' defensive operations that benefit in the current environment. |
| MITSUBISHI CORP. | Rationale Mitsubishi is one of the most diversified conglomerates in the world with exposure to automotive, energy, food, and construction. Its attractive valuation, and healthy balance sheet should spur shareholder returns while providing inflation protection. With a 3.6% dividend yield, and a 30% payout ratio, Mitsubishi is offering a rare mix of growth potential via EV's, and green power generation, while offering near term inflation protection through commodities trading. |
| MERCK | Rationale Merck & Co., Inc. is a top 5 holding in the strategy. Merck is a large-cap pharmaceutical company with a deep heritage in drug discovery. We are bullish on the continued growth of key asset Keytruda, the leading immune oncology agent used to treat a variety of cancers. We retain long-term conviction as we expect Keytruda to solidify its position. Merck sports a very strong credit rating, pays a solid and growing dividend yield, and is trading well below a 15 PE. |

Strategy vs Peers

GLOBAL EQUITIES STRATEGY - YTD PERFORMANCE VS SIMILAR STRATEGIES

