

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

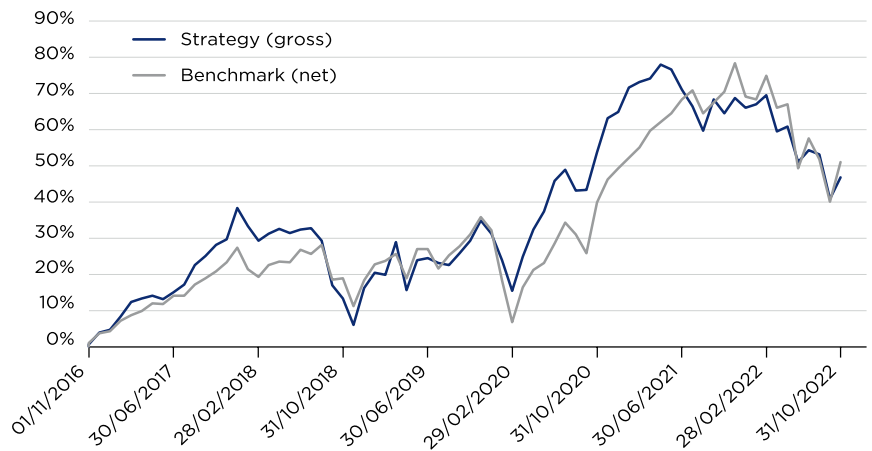
Company	Weight
MRK US	3.11%
8058 JT	3.06%
YCA LN	2.94%
AMGN US	2.91%
NOVN SW	2.40%

Characteristics	Strategy
TTM P/E	10.4
P/B	1.82
P/CF	8.33
Dividend Yield	2.97%
Debt/Equity	0.45

Returns	Strategy (Gross)	Benchmark (Net)
MTD	4.30%	7.81%
YTD	-13.04%	-15.31%
ITD	46.80%	51.03%

Risk Statistics - 1Yr	Strategy	Benchmark
Std. Dev	16.97%	17.82%
Downside Risk	12.25%	12.64%
MC VAR	-24.80%	-30.42%
BETA (ex-post)	0.86	1.00
Correlation	0.91	1.00
Sharpe Ratio	-0.75	-0.63
IR	-0.21	NA

Performance

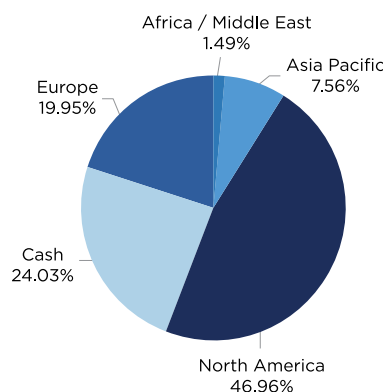


Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Benchmark
2022 (%)	-1.63	0.54	1.51	-5.86	0.84	-6.07	2.17	-0.81	-8.10	4.30			-13.04	-15.31
2021 (%)	1.00	4.11	0.84	0.65	2.20	-0.77	-3.17	-2.71	-4.05	5.39	-2.27	2.64	3.56	21.93
2020 (%)	-2.78	-5.47	-6.82	8.09	5.99	3.83	6.10	2.14	-3.81	0.14	7.14	6.24	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

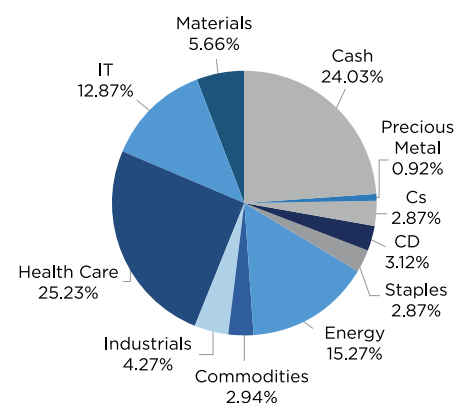
30 Day Top Contributors & Detractors

Contributors	Return	Cont.	Detractors	Return	Cont.
DVN US	28.64%	0.51%	9618 HK	-26.94%	-0.63%
AMGN US	19.94%	0.50%	META US	-31.34%	-0.62%
MRK US	17.51%	0.48%	VIPS US	-17.12%	-0.32%
BKR US	31.97%	0.46%	PHIA NA	-19.19%	-0.24%
SU US	22.17%	0.42%	NPSNY US	-7.73%	-0.17%

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.

Commentary

October was a good month for risk assets. Hope of central bank dovishness and a reasonable start to the earnings season, drove a rebound in investor confidence. The S&P 500 ended the month up 8.1%, Nasdaq up 3.9% and MSCI world index up 7.2%. The Nasdaq underperformed in relative terms due to a weaker earnings season for the large cap names in the space. Chinese markets, in sharp contrast, sold off significantly in the wake of President Xi Jinping's move to consolidate power at the recent all-party congress and a continuation of covid Zero policies. The Hang Seng ended the month down 14.7%.

We take the view that the strong performance of October was reflective of a bear market rally, which is now likely over. We continue to take the view that equities are in a bear market and expect lower lows to be made in the next quarter or two. Bond yields continue to move higher in anticipation of a continuation of the Fed's aggressive monetary policy. The Fed raised by 75bps in the first week of November, with Chairman Powell giving further confirmation of his intention to tackle inflation head-on.

Given its defensive positioning, the Strategy underperformed its benchmark, the iShares MSCI World Islamic ETF over the month. The Strategy rose 4.3% vs the benchmark's rise of 7.8%. Under-performance was also driven by our under-weighting in Energy, relative to the 21% exposure at the index level, and the sharp selloff in our China equity exposure and we have cut back exposure here. Year to date, the Strategy is still outperforming.

In terms of contributors, three of the top five contributors were from within the energy sector. **Devon Energy (DVN US)**, **Baker Hughes (BKR US)** and **Suncor Energy (SU US)** rose 28.8%, 32% and 22% respectively. While we are underweight Energy against our benchmark, we are still very overweight compared to most other indices. We also have exposure to uranium which reduces this relative under-weighting. Within healthcare, **Amgen (AMGN US)** rose 20% and **Merck (MRK US)** rose 17.5%. We trimmed our position in **Bristol Myers (BMY US)** and added to **Medtronic (MDT US)**. In terms of detractors, **JD.com (9618 HK)**, **VIPshop (VIPS US)** and **Naspers (NPSNY US)** fell 27%, 17% and 7.7% respectively. We fortunately reduced our position in Chinese equities, cutting Naspers altogether, just before the selloff. We also cut exposure back in September. Meta (META US) fell 31% after reporting a disappointing quarter and dismal cost guidance for 2023. We still see potential for this company on the longer term, once its cost structures and capex are brought under control.

As we look ahead, the outlook for the world economy remains uncertain. Central banks around the world are still withdrawing Covid-era monetary stimulus and raising rates. Add to that, analysts' corporate earnings forecasts are yet to see meaningful downward revisions. Thus, we retain our underweight stance on equities and remain overweight defensive sectors such as healthcare and also 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.

Please find our detailed monthly commentary [here](#).

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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

