RASAMEEL

MULTI-ASSET STRATEGY

FACT SHEET

30/04/2022

Investment Objective
The strategy allocates across multiple asset classes, including Equities, Sukuk and Precious metals. The Strategy is designed to generate strong risk adjusted returns through tactical asset allocation and alpha generating security selection.

Investment Manager
Rasameel Investment Company KSCC

Time Horizon
Longterm

Inception Date
24/02/2021

Base Currency
USD

Benchmark Index
S&P Target Risk Growth Index

Top Holdings

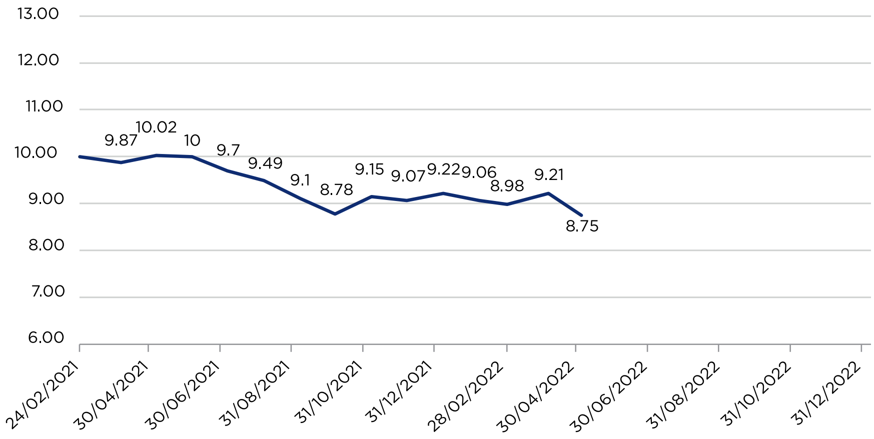
Company	Weight
PHYS US	7.72%
QIBKQD 3.983 03/26/24	6.18%
SECO 3.473 04/08/23	6.13%
SECO 5.5 04/08/44	4.84%
MCK US	4.70%

Characteristics	Strategy
Dividend Yield	2.38%
TTM P/E	12.69
P/CF	10.41
YTM	2.54%
Duration	3.03

Returns	Strategy	Benchmark
MTD	-4.99%	-4.47%
YTD	-5.10%	-9.75%
ITD	-12.50%	-2.19%

Risk Statistics - ITD	Strategy	Benchmark
Std. Dev	12.87%	9.25%
Downside Risk	9.28%	6.70%
MC VAR	-17.62%	-15.14%
BETA (ex-post)	0.96	1.00
Correlation	0.68	1.00
Sharpe Ratio	-0.83	-0.52
IR	-0.66	NA

NAV

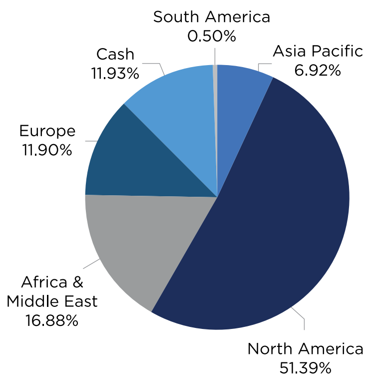


Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Benchmark
2022 (%)	-1.73	-0.88	2.56	-4.99									-5.10	-9.75
2021 (%)			-1.30	1.51	-0.20	-3.00	-2.16	-4.11	-3.52	4.21	-0.87	1.65	-7.80	8.41

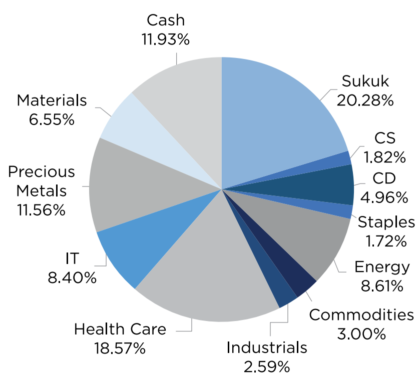
30 Day Top Contributers & Detractors

Contributers	Return	Cont.	Detractors	Return	Cont.
MCK US	4.73%	0.20%	VIPS US	-20.11%	-0.43%
SU US	13.19%	0.17%	CNC CN	-28.95%	-0.36%
MRK US	7.96%	0.16%	8058 JT	-11.73%	-0.33%
BMY US	5.71%	0.10%	PSLV US	-7.98%	-0.32%
SAN FP	4.66%	0.08%	DNN US	-15.00%	-0.30%

Geographic Breakdown



Sector Breakdown



The Strategy's NAV and performance reported above is derived as per data received from the Strategy administrator. Security data and risk statistics are derived from Bloomberg. Past performance is not indicative of future returns.

Description

The Strategy, a multi-asset investment product, has been specifically designed to invest opportunistically across sectors and asset classes that we believe provide the greatest upside. The Strategy is expected to maximize risk-adjusted returns while limiting drawdowns and volatility. The Strategy's target annual return is 8% and target volatility is 8% over a full business cycle.

Comment

In what was an extremely difficult month for most asset classes, the Strategy underperformed its benchmark during April, declining 5% against the benchmark's decline of 4.5%. It was a month where equities, bonds and precious metals were all down. Year to date though, the Strategy is still outperforming its benchmark, the S&P Target Risk Growth index, by around 4.7%, with Strategy declining 5.1% (net), against the benchmark's decline of 9.8%.

The Strategy's equity exposure was down 6.8%, dragged by the materials sector which declined 15.9%. Healthcare, a sector we are significantly overweight, fared better and was up 2.3% over the month. Overall, the Strategy reduced its equity weighting by around 5%, with the cash position growing to 11.9% from 6.79%. This cash buffer helped in a period of 'risk off' and weakness across most asset classes amidst a strong US Dollar, a clear sign of illiquidity and market weakness.

Sukuk offered little protection and were also down for the month, falling 2.1%, with the Federal Reserve confirming a 50bp rate hike, with more increases to follow. Long term treasuries, as tracked by the iShares 20+ Year Treasury ETF (TLT US), were down 8.4% for the month, and 10-year Treasuries down around 3.8%, as the 10-year yield rose closer to 3.2%. The relative outperformance of our corporate Sukuk exposure could be attributed to the strength in oil prices holding up the credit quality component of the sukuk since the holdings are based in the GCC.

In precious metals, gold and silver were down 2.9% and 8% respectively over the month. At the end of April gold was still up 5.1% YTD, outperforming both broad global equities (URTH US, down 11.1%), and mid duration treasuries (IEF US, down 9.3%). Being underweight sukuk, and overweight gold has certainly worked well for us since the start of the year. At some point sukuk will come back in favor when we start to see rates decline and we are assessing when it would an opportune time to reduce our underweight here.

The closing week of April saw the largest single day moves in the stock market since 1970. Volatility rose as asset classes re-rated on the back of market uncertainty. Whether the Federal Reserve will be successful in achieving a soft landing is being dismissed by the market, and recession probability is rising amidst a slowing economy and the tightening of financial conditions. While the Fed is already well behind the curve, the short duration bond yields have started to reflect market risks more fully, with the 2Yr yield rising dramatically to around 2.6%. We also saw yields rise across the yield curve, effectively pricing in the fed rate rises but also putting pressure on the economy in the form of higher risk-free rates and borrowing costs.

To further fuel the fire of uncertainty, China's draconian lockdowns are creating supply chain disruptions. The Russia/Ukraine conflict has also resulted in wheat and fertilizer supplies being impacted which is expected to have a direct impact, particularly on developing and frontier economies. While the Federal Reserve Chairman pointed to the strength of the labor market and pristineness of corporate and consumer balance sheets, we can argue that this information is backward looking, and recent ISM Services data show that job vacancies have started to decline. The GDP Nowcast from the Atlanta Fed now expects 2.2% real GDP growth for the second quarter in the US, which is a far cry from analyst expectations of 3.8% in the beginning of the year. We predicted as much though, and in our Outlook 2022 were fairly conservatively positioned taking the view that GDP growth would decline into the year. The Federal Reserve could alleviate market stress by pivoting slightly dovish, however, it doesn't appear that the market is of any concern to the Federal Reserve Chairman Jay Powell at this point.

For the second consecutive month, **Mckesson Corp (MCK US)** was the highest contributor to returns for the Strategy, up 4.7% in April. Mckesson is our largest equity position, reflecting the Strategy's defensive positioning. **Merck (MRK US)** returned 8%, **Bristol-Myers Squibb (BMY US)** returned 5.7%, and **Sanofi (SAN FP)** returned 4.7% for the month. We are overweight the healthcare sector as it trades at reasonable valuations, and companies have sustainable profits and shareholder distributions, which are becoming of paramount importance to investors amidst market uncertainty. Large cap pharma has been the most resilient subsector within healthcare as investors prefer companies with the aforementioned characteristics over the biotechnology and health care technology subsector, where companies have high cash burn rates, especially speculative pre-revenue companies. Finally, **Suncor Energy (SU US)** continues to benefit from high oil prices and is now realizing higher margins in its refining business. Suncor's integrated model has shielded its operations from the strains of supply chain disruptions on a relative basis. Suncor offers a 3.7% dividend yield and can sustain these dividend distributions at an oil price of approximately $35 per barrel. The stock was up 13.2% in April.

In terms of detractors, the Chinese e-commerce space hurt the Strategy, yet again. E-Commerce retailer **VIPShop (VIPS US)** declined 20.1% for the month, in line with Chinese peers, as investors grappled with the strain of lockdowns and policy uncertainty. VIPShop continues to produce high amount of free cash flow relative to their size, and we are confident of the long-term prospects of the company given the massive growth of China's middle class. **Canada Nickel (CNC CN)** declined 29% after it announced another equity offering effectively diluting shareholders. While the stock sold off on the back of this, we see this news as encouraging, as the company is raising more money to build out its district scale nickel mines in a Tier 1 jurisdiction. This raises our confidence of a positive Preliminary Economic Assessment of their properties due to be completed around June of this year. The growth in demand for nickel will be driven by electric vehicle batteries as Tesla recently announced their third supplier agreement with mining giant Vale to secure even more nickel supply. **Mitsubishi Corporation (8058 JT)** declined 11.7% over the month, after having had a phenomenal run up in prior months. This move is inline with the correction in the commodity space for the month, driven by fears of an economic slowdown. Our exposure to silver via **PSLV US**, declined 8% for the month driven by a strengthening USD. The USD has every reason to strengthen as liquidity tightens, and fear rises, however, gold and silver have held up well against the USD since the start of the year. Finally, **Denison Mines (DNN US)** declined 15% for the month, which reflects a slight correction within the Uranium space. Uranium energy producers experienced a technical correction for the month of April but Uranium continues to be one of our preferred areas to have exposure to as the Strategyamentals have massively improved amidst energy supply shortages. The shortages and complexity of transporting natural gas have exhibited the stable and reliable feature of adding clean nuclear energy into the mix.

As uncertainty and stress rise in the market, we are encouraged that the Strategy is well positioned in a defensive way to navigate the current environment. Further out, we see the opportunity to capitalize on growth and value within the equity and commodity space. Protecting capital today allows for the Strategy to buy assets at more attractive prices, and compound high returns going forward.

List of service provider fees - Strategy (Strategy Level)	
Manager Fees	1%
Performance Fees	10% of the Strategy's annual returns that exceed the risk free rate + 3%
Strategy Controller Fees	0.0625%
Custodian Fees	0.0625%
Sharia Fees	KWD 1500/Year
Audit Fees	KWD 1500/Year
Share Registrar	KWD 1000/Year