

### 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
SECO 5.5 04/08/44	8.38%
PHYS US	7.98%
QIBKQD 3.983 03/26/24	6.70%
SECO 3.473 04/08/23	6.66%
PSLV US	3.57%

### Characteristics

Characteristics	Strategy
Dividend Yield	2.71%
TTM P/E	11.17
P/CF	9.77
YTM	3.20%
Duration	3.41

### Returns

Returns	Strategy	Benchmark
MTD	-5.82%	-5.53%
YTD	-10.41%	-15.67%
ITD	-17.40%	-8.90%

### Risk Statistics - ITD

Risk Statistics - ITD	Strategy	Benchmark
Std. Dev	13.63%	11.40%
Downside Risk	9.98%	8.50%
MC VAR	-17.00%	-16.50%
BETA (ex-post)	0.90	1.00
Correlation	0.75	1.00
Sharpe Ratio	-0.95	-1.10
IR	-0.04	NA

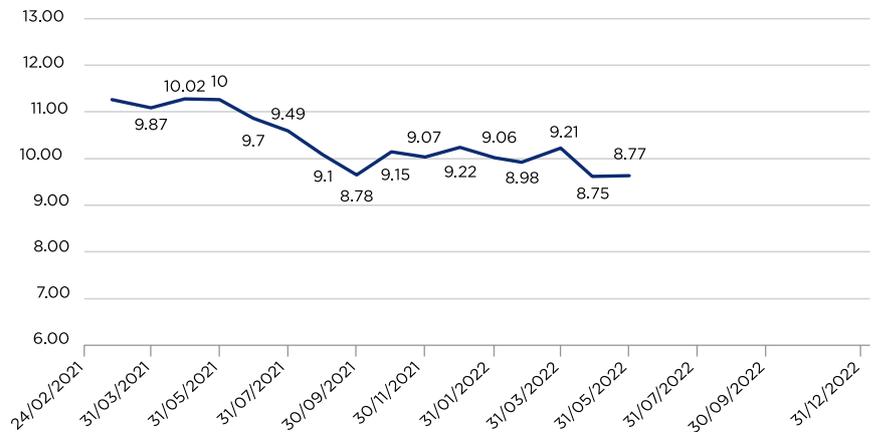
### Disclaimer:

This document is prepared for promotional purposes. The performance stated above is based on reported NAV. 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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### NAV

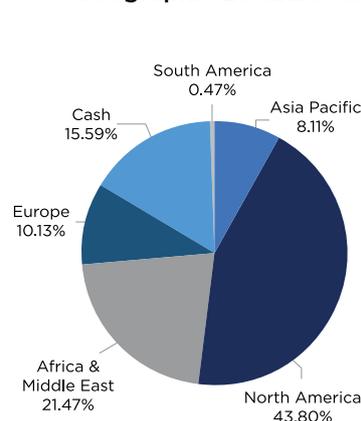


Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Benchmark
2022 (%)	-1.73	-0.88	2.56	-4.99	0.23	-5.82							-10.41	-15.67
2021 (%)			-1.30	1.51	-0.20	-3.00	-2.16	-4.11	-3.52	4.21	-0.87	1.65	-7.80	8.41

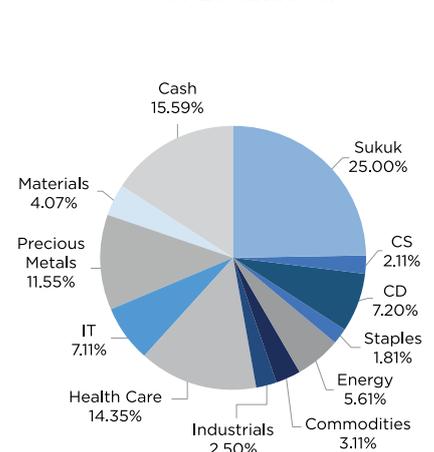
### 30 Day Top Contributors & Detractors

Contributors	Return	Cont.	Detractors	Return	Cont.
NPSNY US	34.63%	0.61%	YCA LN	-16.03%	-0.57%
9618 HK	11.84%	0.19%	GFS US	-32.42%	-0.49%
VIPS US	6.34%	0.15%	MU US	-25.14%	-0.45%
BMV US	2.77%	0.06%	8058 JP	-13.76%	-0.39%
CRWD US	5.36%	0.05%	BKR US	-19.76%	-0.35%

### 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.

### Comment

There can be no denying the extreme stress in the markets when gold falls 1.4% for the month, yet remains the best performing asset class. June was treacherous for equities - a month where the S&P500 was down 8.3%, the Nasdaq down 8.7%, and MSCI World Index down 8.6%. The Strategy, even with its overweighting to cash, also struggled being down 5.8% for the month, in line with the benchmark. With all asset classes being down for the month, it was impossible to get any hedge, other than holding cash. YTD the Strategy is still significantly outperforming its benchmark, being down some 10.4% compared to the benchmark's 15.7 fall%.

During the month of June, we reduced risk exposure and added to cash and bonds. We added exposure to software, less economically sensitive, while reducing exposure to the cyclically sensitive semiconductor industry. Companies like Zoom (**ZM US**), CrowdStrike (**CRWD US**), and Twilio (**TWLO US**) are new positions for the Strategy due to their solid balance sheets, strong market positioning, profitability, and the fact that they're down around 80% from their all-time highs. Zoom for example, is expected to post revenues of over \$4bn in 2023, yet it now trades at similar levels to when it was making only \$300MM in revenue in 2019. Indeed, the volatility in the market has opened the door to buy great companies at fire sale prices. Even in a recession scenario, it is unlikely that these software companies witness a significant reduction in profits, while their long-term growth profiles look to remain intact.

Our decision to reduce cyclical exposures in semiconductors, energy and materials is in response to the increased probability of a recession. Energy and commodities have enjoyed the highest premiums in pricing due to the war, and we've seen these premiums fade away in a hurry once the market started to price in a recession. In fact, all the gains in wheat prices have been reversed since the Russia/Ukraine war started, yet we still see an unresolved supply deficit. While the long-term supply and demand dynamics should keep commodity prices high for the long term, we see this space as the most volatile part of markets currently.

The best performers for the month have been the Chinese stocks within the consumer discretionary sector. Naspers (**NPSNY US**) returned 34%, JD.com (**9618 HK**) returned 11.8%, and VIPShop (**VIPS US**) returned 6.3%. We see positive developments out of China, as they have eased on COVID19 restrictions, as well as credit conditions to help spur the economy in the second half of the year. While the US and Europe seem destined for a recession, China is already suffering from a weak economy and is looking to provide the conditions to emerge from it. In healthcare, Bristol Myers-Squibb (**BMJ US**) returned 2.8% as the biotech sector appears to be ripe for mergers and acquisitions given steady cash flows of the larger players to buy out the pipelines of the smaller peers. Finally, new position CrowdStrike (**CRWD US**) returned 5.4% for the month following a flurry of upgrades from investment brokers such as Morgan Stanley, citing continued momentum in the cybersecurity space.

The laggards for the month have been concentrated in the cyclical sectors, in line with the market's repricing of future growth. YellowCake (**YCA LN**) was down 16% for the month, as uranium prices cooled off. Yellowcake now trades at a 20% discount to its NAV, essentially trading below the value of uranium it is holding in storage. US semiconductor manufacturer Globalfoundries (**GFS US**) was down 32%, in line with the semiconductor sector on fears that the semiconductor market is approaching oversupply in a lower growth environment. Micron Technologies (**MU US**) a large semiconductor manufacturer, was down 25% for the month. Finally, energy sensitive stocks such as Mitsubishi Corp (**8058 JP**) and Baker Hughes (**BKR US**) were down 13.8%, and 19.8% for the month respectively.

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While we believe the market has only just started to price in the risk of recession, it tends to overreact by selling off more than it should. One more lever of risk that has yet to be triggered though, is the underperformance of earnings results, compared to current expectations. As we approach the Q2 earnings season, market participants will pay close attention to guidance. If companies start citing recession risk and start to pull back on investments that may very well be the confirmation of a recession manifesting itself in the form of higher unemployment, and lower investment. The Federal Reserve is behind the curve, in that inflation is likely in the process of peaking and economic growth will start to fall off in the 2H22. At some point in the next few months, we expect the Federal Reserve will either need to pause or slowdown the path of rate hikes, and eventually cut rates back to 0%. Not only has this been a consistent pattern of the Fed, but the pattern is solidified by the fact that US total debt/GDP rises dramatically after every recession, for which the economy will not be able to withstand high interest rates. In an environment of ageing populations, and a shrinking labor force, the only growth lever to pull will be to ease credit conditions and get people to borrow again.

The Strategy is well positioned to manage through what could be very turbulent markets. It is overweight cash. We are adding to our bond exposure, given our expectation for much lower levels of inflation a year out than current. We remain overweight precious metals. They have held up reasonably well given the strength in the USD, and we would expect gold to do well when the Fed pivots later in the year. USD strength though in the interim could be a major drag, until the pivot. We remain underweight equities.

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

### List of service provider fees - The 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

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