

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	9.31%
PHYS US	8.44%
QIBKQD 3.983 03/26/24	7.30%
SECO 3.473 04/08/23	7.24%
ARAMCO 2.694	4.93%

Characteristics

Characteristics	Strategy
Dividend Yield	2.65%
TTM P/E	10.15
P/CF	10.11
YTM	3.93%
Duration	4.93

Returns

Returns	Strategy	Benchmark
MTD	1.10%	5.15%
YTD	-9.44%	-11.33%
ITD	-16.50%	-4.21%

Risk Statistics - ITD

Risk Statistics - ITD	Strategy	Benchmark
Std. Dev	13.22%	11.72%
Downside Risk	9.71%	8.62%
MC VAR	-17.00%	-16.50%
BETA (ex-post)	0.86	1.00
Correlation	0.76	1.00
Sharpe Ratio	-0.74	-0.79
IR	-0.08	NA

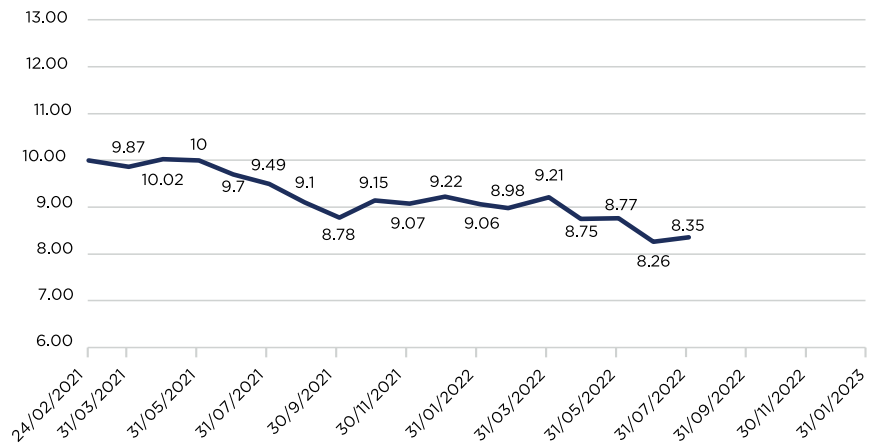
Disclaimer:

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.

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.

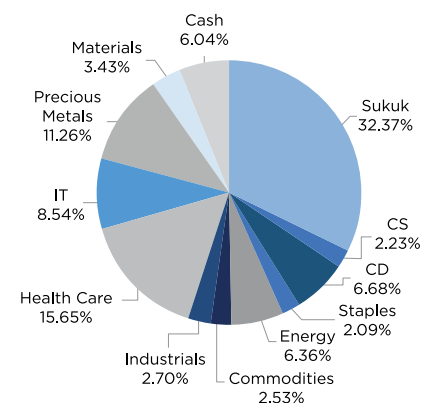
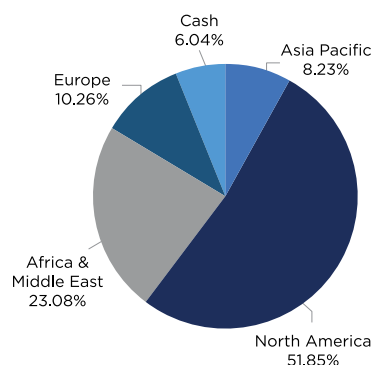
NAV



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	1.10						-9.44	-11.33
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.
YCA LN	12.64%	0.37%	PHYS US	-2.82%	-0.23%
GFS US	17.50%	0.21%	VIPS US	-2.93%	-0.11%
DNN US	26.41%	0.21%	BKR US	-15.48%	-0.09%
SECO 5.5	1.93%	0.18%	PSLV US	-1.01%	-0.09%
UCTT US	21.23%	0.16%	SU US	-6.79%	-0.08%



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

The month of July witnessed the commencement of what we perceive to be as a bear market rally. The market's collective wisdom interpreted Fed Chair Jerome Powell's comments leaning slightly more dovish when he mentioned that rates were hovering around neutral after the latest hike. On a technical basis, stock indices were entering July from oversold levels in June, signifying that it was time for sellers to take a break. Prior to the FOMC meeting short term rates rose, while 10 year rates compressed. Both the Bond and Equity markets doubt the Federal Reserve's ability to deliver more aggressive rate hikes given current macroeconomic conditions, and overall debt levels which would not be able to handle higher interest rates. Furthermore, the markets are interpreting lower commodity prices and easing supply chains as a potential peak of inflation. The Navigator, being underweight equities, underperformed the benchmark for the month having risen 1.1% against the benchmark's return of 5.2%. Since the start of the year, the Strategy is outperforming, being down 9.4% compared to the benchmark's fall of 11.3%.

Yellowcake (YCA LN) and **Denison Mines (DNN US)** both performed very well returning 12.6% and 26.4% for the month, as the uranium industry caught a bid on improving sentiment that nuclear energy is indeed a clean and safe energy source. Especially amidst Europe's gas crisis, even the most ardent critics of nuclear energy, Germany, is starting to reconsider its position on its preferred energy mix. Semiconductor fabricator **Globalfoundries (GFS US)** rose 17.5% for the month after the Congress' passing of the CHIPS Act which will provide over \$50 Billion in funding to establish semiconductor manufacturing capacity in the US. **Ultra Clean Technologies (UCTT US)** is also a beneficiary of the news and rose 21.2% for the month. Finally, the Strategy's largest position, the **Saudi Electricity Co. Sukuk (SECO 5.5 04/08/44)** maturing in 2044 returned 1.93% for the month as long dated bond yields compressed for the month and the 2-10 yield curve inverting to around 0.5%.

Gold (PHYS US) and **silver (PSLV US)** had a poor month due to the risk on sentiment and were down 2.8% and 1% for the month. Interestingly, silver outperformed gold on the downside, which is consistent with the risk on sentiment. **VIPShop (VIPS US)** was down 2.9% for the month as Chinese stocks fell amidst heightened political tensions between China and the US, as Speaker of the US House of Representatives Nancy Pelosi visited Taiwan. Chinese stocks have been outperforming US stocks since the year to date, as China adopts a more expansive monetary and fiscal policy. Our holdings in oil were down reflecting lower oil prices, **Baker Hughes (BKR US)** was down 15.5% for the month as it also missed earnings expectations due to an impairment in its Russian business, while **Suncor Energy (SU US)** was down 6.8%, outperforming oil prices which were down around 9%.

We remain cautious on markets and maintain an underweight to equity exposure in the most cyclical areas of the market such as commodities, as the Federal Reserve wants to restore its credibility and show its resolve to fight inflation. We expect the equities' rally will tire and fall as earnings expectations for 2023 fall off. In the case of sukuk, we have added exposure here, as we expect yields will fall with weaker economic data as we move towards 2023. More on this in our monthly newsletter [here](#).

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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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Strategy 10 top holdings

STOCK	INVESTMENT THESIS	
	Fundamental Investment Thesis	
1 SECO 5.5 2044 SUKUK	Rationale	The Sukuk provides in this case potential for capital appreciation along with attractive income of 5.1% YTM for its duration. Saudi Electricity Company is 74% owned by the Public Investment Fund of Saudi Arabia, which is as close to a Saudi sovereign Sukuk one could achieve. SECO has a positive credit outlook from the rating agencies as Saudi Electricity being insulated from inflation pressure, and well supported by a growing population to help grow the rate base.
2 NASPERS	Rationale	We think Naspers stock offers an excellent opportunity to get exposure to Tencent, JD.com and several other high growth venture capital companies at a significant discount to the company's sum of the parts valuation. While the company owns 29% of Tencent, over 80% of Nasper's valuation today is attributable solely to its Tencent stake, allowing for a mere 20% valuation to its impressive portfolio of high growth tech companies.
3 VIPSHOP	Rationale	We think Vipshop stock at current valuation (0.3x revenue) is oversold and largely trades as a "value play" within a long-term growth sector. The company is debt free, generates good free cash flow and holds over 50% of its enterprise value in cash and cash equivalents on its balance sheet. The stock is also well supported by a \$1bn buyback plan, or about 15% of the company's current market capitalization.
4 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.
5 SPROTT PHYSICAL GOLD ETF	Rationale	Gold belongs in most portfolios as a diversifier when bond and equity correlation converge. Gold tends to outperform in periods of high geopolitical tensions, while it continues to outperform inflation over longer periods of time
6 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.
7 ARAMCO 2.6 2031 SUKUK	Rationale	ARAMCO is AA-rated and offers a 3.86% yield. Comparatively, the ARAMCO sukuk provides a 1% spread over similar dated Treasuries, as compared to the average AA-rated corporate bond which only offer 0.86% above Treasuries.
8 NUTRIEN	Rationale	Nutrien is the largest producer of Potash fertilizer and owns the largest retail footprint upselling to farmers across the globe. The war in Ukraine and increasing severity of droughts emphasizes the need for more fertilizers and other agricultural solutions, for which Nutrien is well equipped to deliver.
9 SPROTT PHYSICAL SILVER ETF	Rationale	Silver is attractive relative to gold and thus has higher upside potential. As Government debts swell with every recession, gold and silver should appreciate relative to fiat currency, as Governments that can print their currency proceed to devalue their debt levels. Silver's dual status as an industrial metal and as currency makes it an attractive asset to accumulate at the height of recession.
10 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.