

Investment Objective

The strategy is to invest in companies that are developing technologies that will disrupt the status quo in multiple areas such as healthcare, retail, AI etc.

Investment Manager

Rasameel Investment Company KSCC

Time Horizon

Longterm

Inception Date

01/06/2019

Base Currency

USD

Benchmark Index

Morningstar Exponential Technologies index

Top Holdings

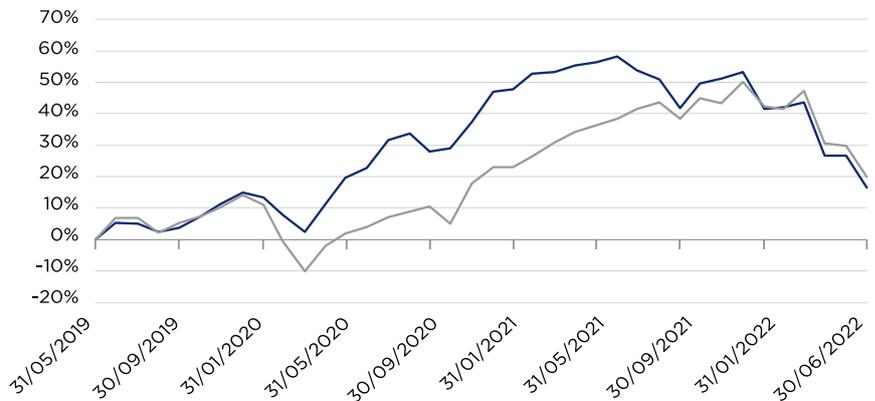
Company	Weight
NPSNY US	3.52%
VIPS US	3.47%
ICFI US	3.35%
YCA LN	3.30%
AMGN US	3.13%

Characteristics	Strategy
TTM P/E	17.07
P/B	2.33
P/CF	13.91
Dividend Yield	1.59%
Debt/Equity	0.34

Returns	Strategy	Benchmark
MTD	-8.03%	-7.50%
YTD	-24.00%	-20.00%
ITD	16.55%	20.00%

Risk Statistics - ITD	Strategy	Benchmark
Std. Dev	24.38%	20.91%
Downside Risk	17.48%	14.96%
MC VAR	-31.42%	-32.39%
BETA (ex-post)	1.09	1.00
Correlation	0.92	1.00
Sharpe Ratio	-1.00	-1.03
IR	-0.40	NA

Performance



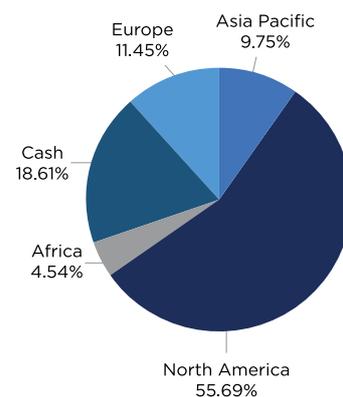
* Benchmark was changed to XT US in April 2022. Performance reported since represents that of the blended benchmark.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Benchmark
2022 (%)	-7.67	0.25	1.10	-11.70	0.01	-8.03							-24.00	-20.00
2021 (%)	0.58	3.38	0.27	0.88	0.59	1.18	-2.75	-1.84	-6.03	5.44	1.03	1.50	4.32	21.93
2020 (%)	-1.35	-4.83	-5.37	8.88	7.54	2.98	7.23	1.56	-4.22	0.71	6.54	6.96	27.87	7.76
2019 (%)						5.20	-0.21	-2.61	1.10	3.60	3.61	3.32	14.65	14.16

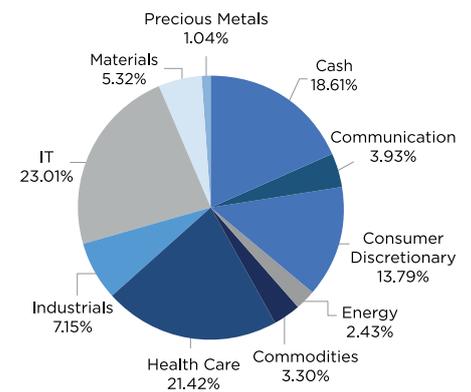
30 Day Top Contributors & Detractors

Contributors	Return	Cont.	Detractors	Return	Cont.
NPSNY US	34.63%	0.83%	AMD US	-24.93%	-0.80%
PRX NA	26.30%	0.36%	GFS US	-32.42%	-0.64%
EDU US	55.90%	0.28%	YCA LN	-16.03%	-0.60%
9618 HK	11.84%	0.27%	MU US	-25.14%	-0.53%
VIPS US	6.34%	0.19%	LRCX US	-17.78%	-0.48%

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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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.



Comment

As highlighted in our monthly market commentary found [here](#), June was yet again a difficult month for global markets - a month where the Nasdaq fell 8.7%, and the global growth proxy, copper fell 12%. The Disruptive Technologies Strategy marginally outperformed the Nasdaq but slightly underperformed its benchmark, the Morningstar Exponential Technologies index. The Strategy fell 8% vs a 7.5% decline for the benchmark. Indeed, the first half of 2022 was one of the most difficult periods in recent years to invest around the disruptive growth theme. The Strategy is down 24% YTD, while the Nasdaq Composite Index is down 30% and the Ark Innovation ETF down 58%.

Given our bearish outlook on the markets in the short-term, driven by rising rates and extreme levels of inflation, and the recent flare up of recession fears, we have been cutting back on our cyclical exposures and raising cash. The Strategy's cash position is currently at 18%. Overall, we have reduced our exposure to the materials sector trimming our positions across Baker Hughes, Denison Mines, Impala Platinum, Lynas Rare Earths and Alcoa. Similarly, we also reduced our exposure across semis. Within healthcare, we reduced exposure across high growth companies like Align technologies and Edward Lifesciences which we expect will get impacted by higher rates.

However, it is worth noting that major tech-focused indices such as the Nasdaq Composite Index have now approached key technical support levels and as was seen in 2018 and 2020, there may be a strong bounce off key technical support levels. So far though it has not materialized. We had marginally added exposure to select sold-down names such as Zoom (**ZM US**) and CrowdStrike (**CRWD US**), which have performed well since. Such names have been solid outperformers since the start of the pandemic but have now come back down to pre-pandemic valuations, while boasting strong balance sheets and encouraging growth metrics. We also added to our position in Nutrien (**NTR US**), taking advantage of the recent selloff.

In terms of contributors, our Chinese equity holdings within the consumer discretionary sector were the top performers over the month. Naspers (**NPSNY US**) returned 34%, Prosus returned 26.3%, JD.com (**9618 HK**) returned 11.8%, New Oriental Education (**EDU US**) returned 56% and VIPShop holdings (**VIPS US**) returned 6.3% respectively in June. 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. We expect commentary coming out of the upcoming 20th National Congress meeting of the CCP later this year to further boost sentiment for the space, particularly the internet sector where we maintain bulk of our China exposure.

In terms of detractors, the Strategy's exposure to cyclical sectors, particularly semis struggled over the month as recession fears built up and raised concerns of oversupply in a lower growth/ weakening demand environment. AMD (**AMD US**) fell 24.9%, US semiconductor manufacturer GlobalFoundries (**GFS US**) fell 32%, Micron (**MU US**) fell 25% and Lam Research (**LRCX US**) fell 17.8% respectively. The selloff was in line with the broader semiconductor sector. Within commodities, YellowCake (**YCA LN**) fell 16% over the month, as uranium prices took a breather. Yellowcake now trades at a 20% discount to its NAV, essentially trading below the value of uranium it is holding in storage.

We still expect economic growth to weaken and expect the Fed to take a more dovish stance sometime mid 2nd half, which would provide support to parts of the equity market, particularly the disruptive technologies theme where companies are dependent more on lower rates and less so on underlying economic growth. We believe the recent turbulence in growth stocks is starting to present long-term oriented investors with a good averaging-in opportunity.

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