

Investment Objective

Rasameel's International Dividend strategy provides investors access to a diverse range of global dividend paying companies that potentially offer sustainable income and long-term growth.

Investment Manager

Rasameel Investment Company KSCC

Time Horizon

Longterm

Inception Date

03/01/2021

Base Currency

USD

Benchmark Index

S&P Global Dividend Aristocrats ETF

Top Holdings

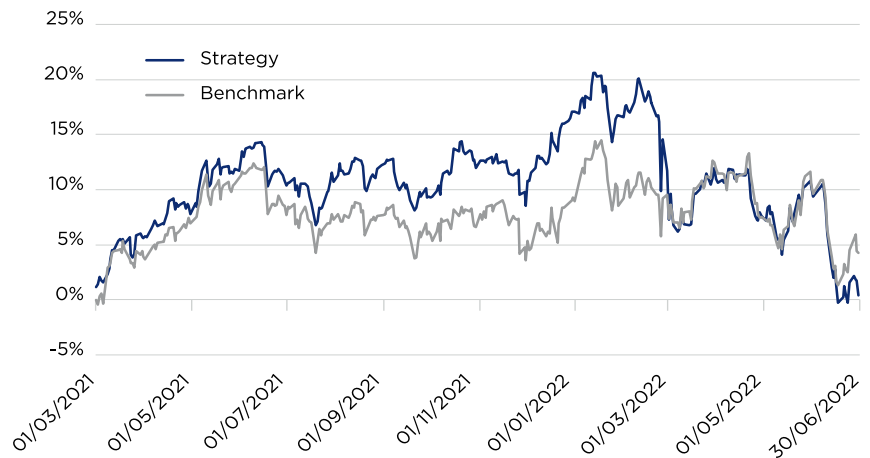
Company	Weight
TTE FP	7.24%
BP/ LN	6.65%
PFE US	6.30%
8058 JT	6.29%
SAN FP	5.88%

Characteristics	Strategy
Dividend Yield	5.38%
TTM P/E	10.77
P/B	1.63
P/CF	5.84
Debt/Equity	0.81

Returns	Strategy	Benchmark
MTD	-8.96%	-5.61%
YTD	-14.25%	-4.27%
ITD	0.41%	5.79%

Risk Statistics - ITD	Strategy	Benchmark
Std. Dev	15.17%	12.14%
Downside Risk	11.64%	8.83%
MC VAR	-23.90%	-25.58%
BETA (ex-post)	0.92	1.00
Correlation	0.73	1.00
Sharpe Ratio	-0.55	-0.51
IR	-0.21	NA

Performance

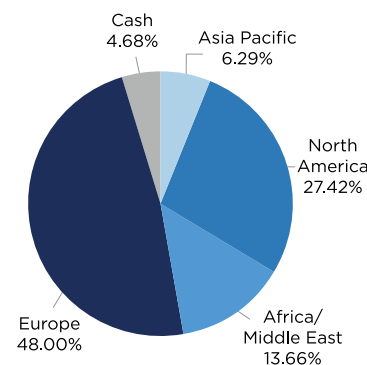


Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Benchmark
2022 (%)	-0.40	-4.14	-0.67	-3.01	2.47	-8.96							-14.25	-4.27
2021 (%)			5.73	2.04	3.65	-1.23	0.29	1.46	-2.66	2.41	-3.00	7.87	17.16	12.21

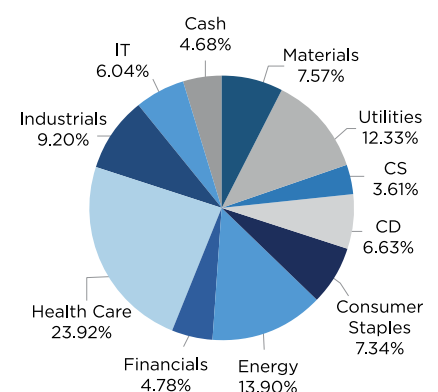
30 Day Top Contributors & Detractors

Contributors	Return	Cont.	Detractors	Return	Cont.
K US	19.53%	1.24%	BP/ LN	-13.78%	-1.00%
IBM US	12.50%	0.81%	8058 JT	-13.76%	-0.97%
JARIR AB	8.95%	0.50%	RIO LN	-17.55%	-0.96%
GLTR LI	0.00%	0.00%	TTE FP	-10.41%	-0.78%
MNOD LI	0.00%	0.00%	IMPUY US	-19.18%	-0.51%

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 reported above is of a model portfolio and is gross of fees and commissions. 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.

Comment

High dividend stocks have been outperforming the broad equity indices since the start of the year and have been relatively resilient up until now that equity markets are starting to price in a recession. The Strategy is down around 14.3% since the start of the year, which is a markedly better performance than the broad equity indices. What has hurt us YTD, was the Russian exposure, which was dramatically marked down following the start of Ukraine conflict, and then, more recently, the sudden sell off in energy which is an area the strategy is overweight. In an environment where only the US Dollar continues to strengthen, all assets weaken against the dollar. However, amidst all the turmoil and heightened volatility, investors are presented with an opportunity to capitalize on higher dividend yields, which is now just over 5% for the strategy.

While the market suffers from a broad sell off, many of the holdings within the strategy continue to display the resilience of their cash flows, keeping their dividend distributions and buybacks firmly in place. For example, the strategy's largest positions, Totalenergies (**TTE FP**) and British Petroleum (**BP LN**) continue to sustain their shareholder distributions with the breakeven price at \$65 Brent, while they continue to pay down debt. Both these companies are buying back around \$8 billion worth of their stock this year and maintaining payout ratios of around 50%. Given OPEC's most recent outlook of supply deficit to continue into 2023, we believe the scenario of \$65 Brent even in a recession would be unlikely, and if it did, would likely be short lived.

Kellogg Company (**K US**) performed well for the month, returning 19.5%. As investors start to price in recession risks, sectors such as consumer staples start to look attractive. IBM (**IBM US**) was up 12.5% for the month as it remains locked within a narrow trading range. As IBM continues its transformation via acquisitions, it continues to support one of the highest dividend yields within the tech sector. Finally, Jarir Marketing (**Jarir AB**) returned 8.95% for the month, showing signs of recovery post weak earnings in the prior month.

The detractors were largely concentrated within the commodities space, as investors only just started to price in recession risk on commodity prices. Copper entered a bear market since the start of the year, having lost 26%, oil prices only just started to weaken as crude oil fell 7.8% for the month, yet is up 24% since the start of the year. The war premiums on commodity prices have been eradicated during June, even wheat prices have fallen back to pre-war levels. This is an indication that traders are positioning for a recession, despite tight physical supplies.

As a result, BP (**BP LN**) was the largest detractor down 13.8% for the month, followed by diversified commodities producer Mitsubishi Corp (**8058 JT**) down 13.8%. Rio Tinto (**RIO LN**), one of the largest producers of iron ore, broke from its year-to-date momentum and is down 17.6% for the month. Totalenergies (**TTE FP**) is down 10.4% driven by lower oil prices, and South African precious metals miner Impala Platinum (**IMPUY US**) is down 19.2% for the month. These stocks all provide high dividend yields, have strong balance sheets and demand dynamics of most commodities continue to show prolonged deficits. The energy transition continues to be in focus for most developed economies, and as demand for renewable energy continues to rise, base metals, as well as energy products should be well supported.

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INTERNATIONAL DIVIDEND STRATEGY

FACT SHEET

30/06/2022

The strategy continues to remain diversified through sectors and geographies. Given that the strategy continues to hold defensive sectors such as utilities (12% weight), healthcare (24%), and consumer staples (4%), as well as a 5% position in cash, it should be relatively well insulated from recession risk compared to broad equity indices.

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

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