

Investment Objective

Rasameel's Kuwait Strategy seeks to utilize investor wealth and benefit from the great opportunities in the local market. The actively managed strategy will hold high quality names listed on the premier market and main market.

Investment Manager

Rasameel Investment Company KSCC

Time Horizon

Longterm

Inception Date

01/02/2023

Base Currency

KWD

Top Holdings

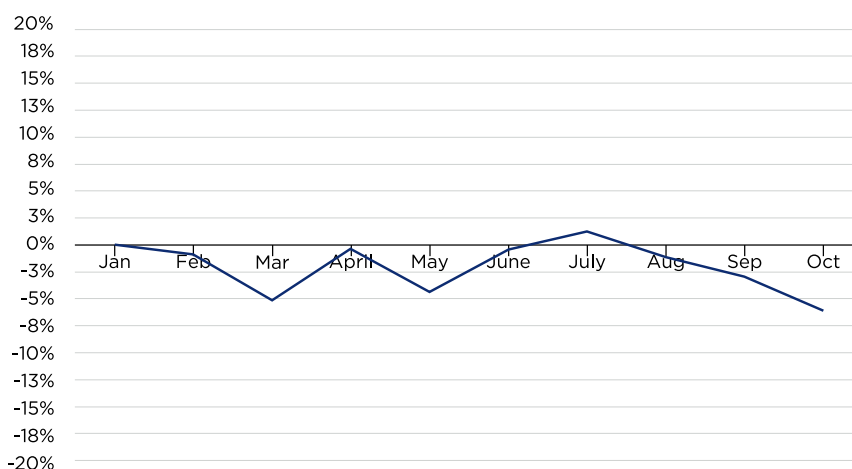
Company	Weight
KFH KK	18.8%
BOUBYAN KK	9.3%
ZAIN KK	8.2%
AGLTY KK	4.2%
CABLE KK	4.1%

Characteristics	Strategy
TTM P/E	18.67
P/B	1.2
P/CF	6.7
Dividend Yield	3.3%
Debt/Equity	1.09

Returns	Strategy (Gross)
MTD	-3.3%
YTD	-6.1%
ITD	-6.1%

Risk Statistics - 1Yr	Strategy
Std. Dev	8.7%
Downside Risk	6.4%
MC VAR	21.5%
Sharpe Ratio	-1.35

Cumulative Performance

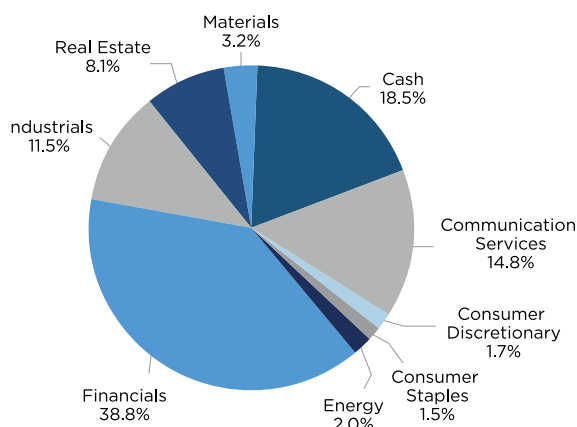


Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023 (%)		-0.9	-4.3	5.0	-4.0	4.1	1.7	-2.4	-1.8	-3.3			-6.1

30 Day Top Contributors & Detractors

Contributors	Return	Cont.	Detractors	Return	Cont.
MABANEE KK	4.7%	0.11%	KFH KK	-6.7%	-1.28%
RASIYAT KK	16.3%	0.08%	BPCC KK	-11.5%	-0.35%
SHIP KK	2.6%	0.05%	BOUBYAN KK	-3.0%	-0.29%
CABLE KK	0.5%	0.02%	AGLTY KK	-5.7%	-0.24%
TIJARA KK	3.1%	0.02%	WARBABAN KK	-7.0%	-0.20%

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 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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Commentary

Rasameel's Kuwait Strategy was down 3.3% in October. The strategy outperformed the Kuwait Premier Market (KWSEPM Index) and Kuwait All Market (KWSEAS index) Indices, which were down 5% and 5.2% respectively. Moreover, the strategy is also outperforming, albeit on the downside, both indices, which are down between 10-12% since inception, compared to the strategy's -6.1%.

We attribute the outperformance to an overweight to cash, which has worked in the strategy's favor as GCC equities sold off this year. Cash stands at approximately 18% of the strategy, and while we believe it is on the high side, we feel that it is suitable considering the geopolitical risks and deteriorating market sentiment. This will put us in a good position to add back exposure as the market shows signs of bottoming. Elsewhere, the strategy is underweight financials, which has been a detractor to overall performance, weighed down by a cautious near-term outlook. Nonetheless, we see this as an opportunity to increase our exposure to the sector in the coming months.

With regards to strategy movers, **Mabanee Co (Mabanee KW)** returned 4.7% last month. The company recently reported Q3 earnings with net income of KWD 15.9 million, up 2.5% YoY, while operating revenue reached KWD 30.6 million, up 4.6%. **Rasiyat Holding Co (Rasiyat KW)** was up 16% during the month on the back of an acquisition offer from Rawasi Holding for 7% of the company. We intend to exit this position and allocate to the financials sector. Next up, **Heavy Engineering & Ship Building Co (SHIP KW)** was up 2.6% and up more than 23% YTD. The company has seen operating revenues grow 30%, and has been very active in taking on new tenders. We are overweight this name, and will continue to hold.

As for detractors, it has been a bad month for the banking sector, as evident in the top detractors. The top banks posted strong growth for the first 9 months of the year, but selling persisted across the board, leading to the worst monthly decline since the start of the year. **Kuwait Finance House (KFH KW)** reported strong growth, yet was still down 6.7% last month. Elsewhere, **Boubyan Petrochemicals (BPCC KW)** declined 11.5%, and has been weighed down net income decline owing to lower dividend income from minority interest investments.

While it has been a difficult couple of months to navigate GCC markets due to geopolitical tensions and volatile energy prices, we are encouraged by the strategy's outperformance since inception. We are looking to add back exposure selectively. It is worth noting that the Kuwait All share index has reached a critical technical support at the 200 week moving average. At this point, we will look to add more to financials and bringing cash balance down to 10-12%.

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