MULTI-ASSET STRATEGY

FACT SHEET

28/02/2023

Investment Objective
The Multi-Asset 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

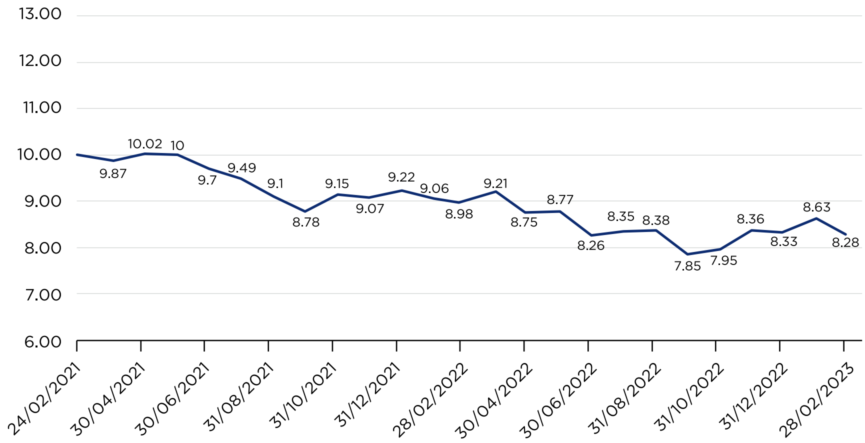
Company	Weight
SECO 5.5 04/08/44	10.7%
QIBKQD 3.982 03/26/24	8.1%
PHYS US	8.0%
ISDB 4.744 10/27/27	6.2%
ARAMCO 2.694 06/17/31	5.2%

Characteristics	Strategy
Dividend Yield	3.3%
TTM P/E	11.8
P/CF	8.6
YTM	4.9%
Duration	7.0

Returns	Strategy	Benchmark
MTD	-4.1%	-2.82%
YTD	-0.6%	3.2%
ITD	-17.2%	-6.0%

Risk Statistics - 1Yr	Strategy	Benchmark
Std. Dev	12.8%	14.6%
Downside Risk	9.4%	10.2%
MC VAR	1.1%	1.1%
BETA (ex-post)	0.74	1.00
Correlation	0.84	1.00
Sharpe Ratio	-0.70	-0.64
IR	0.05	NA

NAV

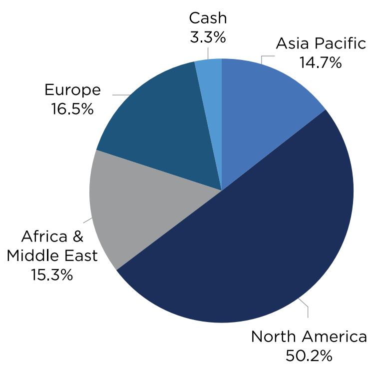


Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Benchmark
2023 (%)	3.6	-4.1											-0.6	3.2
2022 (%)	-1.7	-0.9	2.6	-5.0	0.2	-5.8	1.1	0.3	-6.3	1.3	5.2	-0.4%	-9.7	-15.7
2021 (%)			-1.3	1.5	-0.2	-3.0	-2.2	-4.1	-3.5	4.2	-0.9	1.7	-7.8	8.4

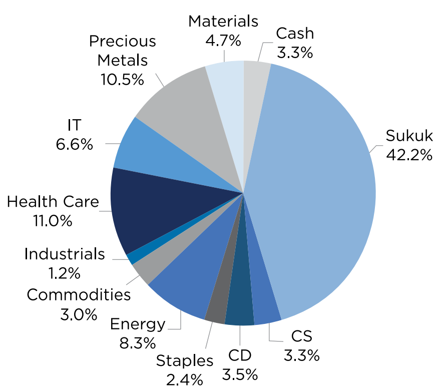
30 Day Top Contributers & Detractors

Contributers	Return	Cont.	Detractors	Return	Cont.
META US	17.4%	0.3%	9618 HK	-25.1%	-0.5%
GFS US	10.2%	0.2%	PHYS US	-5.9%	-0.5%
CRWD US	14.0%	0.1%	PSLV US	-11.2%	-0.3%
SHEL LN	5.7%	0.1%	COP US	-14.8%	-0.2%
TWLO US	12.3%	0.1%	DVN US	-14.7%	-0.2%

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.

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.

Commentary

What a start to the year it's been. January saw one of the best one month rallies we have seen in a while, driven by the market's expectation that the Fed was going to engineer a soft landing, if not 'no landing' at all. February then saw the markets, both equities and fixed Income in the US, come back under pressure as economic data stayed relatively strong and inflation fell by less than expected. While the US jobs data was far stronger than the market anticipated, CPI, PPI and PCE also came out way ahead of expectations and the market started to price in higher rates, with the probability of Fed rates going to 5.25 – 5.5% increasing substantially. In the case of Europe inflation rose in several economies. As a result, both the US equity and bond markets turned lower in mid-February as they tried to digest the risk of higher rates. The Strategy was down 3.8%, with the equity basket (underweight at 44% of exposure) down 5% and sukuk exposure (now an overweight at 42%) down 1.7%. We added to sukuk over the month and remain excited by the opportunity here. The real underperformer was the exposure to precious metals (a 10% exposure), which was down 7.2% due to USD strength. By comparison the benchmark, the S&P Target Risk Growth index, which is a traditional 60/40 balanced index, was down 2.9% over the month of February.

Earnings were announced throughout the month, with a few notable earnings to some of our biggest holdings. **Meta Platforms (META US)** announced earnings for Q4 and FY22 which were satisfying to investors as free cash has seen a strong jump to around US$5B, up from an expected US$1.5B. While FY revenues were down marginally YoY, analysts and investors welcomed the Q4 revenue beat as the company seeks to turnaround its trajectory following a tough 2022. In contrast to recent semiconductor earnings, **GlobalFoundries (GFS US)** announced favorable earnings, revenue grew by 14% in Q4, while other chipmakers cited weakness, and grew by 23% for the full year, the stock experienced a 8% jump on the announcement. Earlier, GFS had announced a deal with GM as automakers seek to secure constant supply of chips to evade what happened over the past year. **Nutrien (NTR US)** announced growth of 140% in FY22 earnings compared to FY21. The company cited elevated fertilizer prices for the surge in revenue and signals of a strong FY23 due to higher input demands and supply shortages of fertilizers. **Twilio (TWLO US)** also had a relatively strong month after the company announced a restructuring plan that included layoffs and the formation of two divisions (Twilio Data and Twilio Communications) which will assist the company in achieving its growth strategy. In energy, the turnaround of oil prices since the lows of 2020 has seen energy sector profits increase, but as oil prices face uncertainty regarding trajectory as expectations of a decrease in economic activity. One of our biggest contributors of the month, **Shell (SHEL LN)** announced FY22 revenues which were near double that of FY21. The company is increasing its dividend and initiating a buyback plan to give money back to investors amidst political pressure to tax energy companies as they enjoy this windfall of profits.

ConocoPhillips (COP US) stock was sold off because of the worst-than-expected Q4 and due to the increase of costs of its Alaskan drilling project which Pres. Joe Biden is keen to assist in to alleviate inflationary prices. Like ConocoPhillips, **Devon Energy (DVN US)** announced worse-than-expected Q4 earnings. Although operating cash flow was still strong, investors and analysts sold the stock as the company's variable dividend policy is seeing decreased payments as oil drops from the highs. While the company still pays a base dividend and is conducting a buyback plan, investors are wary of future dividend payments amidst volatile oil prices. Our exposures to **Sprott Gold (PHYS US)** and **Sprott Silver (PSLV US)** were both amongst the most detractors for the month due to the stronger USD.

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The Strategy is slightly overweight fixed income/sukuk and very underweight equities. We continue to expect the equity markets to make another leg lower and all signals indicate a slowdown approaching. We don't prescribe to the 'this time is different' mantra. Far from it. We think the rate hike cycle will play out in a very similar way to prior periods such as 2000 or 2007. **The one area we continue to really favor, as a 6-18m trade, is fixed income/sukuk.** The sukuk exposure in the Strategy has an average rating of A+, has a yield of 5% and an average duration of 7.5 years. Could rates move higher in the short term? Of course, they could move another 50-75bps. But this cycle is no different we believe from others before it and rates and yields will eventually fall, once their effect has been felt by the economy.

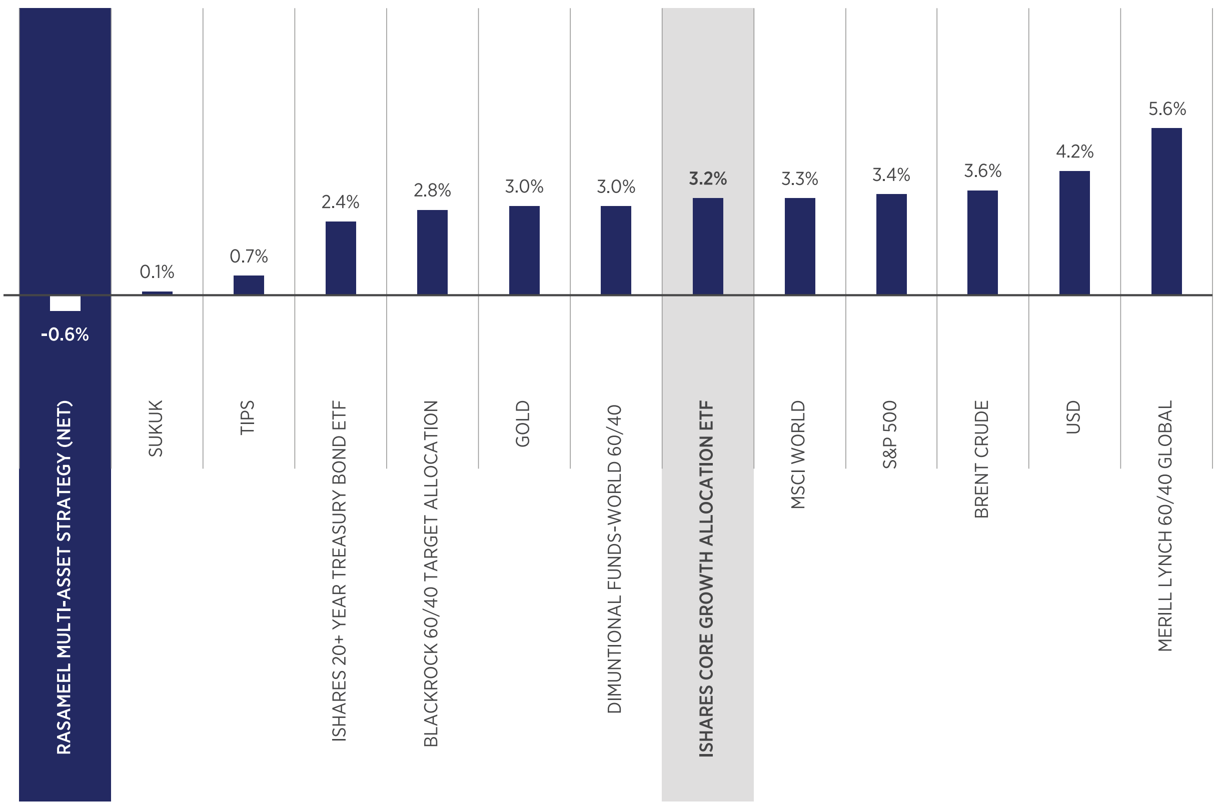
List of service provider fees - The Strategy (Strategy Level)	
Manager Fees	1%
Performance Fees	10% of the Strategy's annual returns that exceed the risk free rate + 3%
Strategy Controller Fees	0.0625%
Custodian Fees	0.0625%
Sharia Fees	KWD 1500/Year
Audit Fees	KWD 1500/Year
Share Registrar	KWD 1000/Year

Strategy Top Holdings

STOCK	INVESTMENT THESIS	
		Fundamental Investment Thesis
SECO 04/08/44	**Rationale**	The Sukuk provides in this case potential for capital appreciation along with attractive income 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.
PHYS US	**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.
QIBQD 03/26/24	**Rationale**	QIB is a leading Qatar based financial institution with strong exposure international with their sharia-compliant products. The strong rating of A- and strong government backed economy makes the sukuk very attractive while offering a competitive yield at 3.98%.
ARAMCO 06/17/31	**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[1] rated corporate bond which only offer 0.86% above Treasuries.
MALAYS 04/28/31	**Rationale**	Malaysia Sukuk is a sovereign backed government rated A- with an opportunity for capital appreciation. Malaysia continues to be stable and have robust natural resources to fuel its economy.

Strategy vs Peers

MULTI-ASSET STRATEGY- YTD PERFORMANCE VS SIMILAR BALANCED STRATEGIES



Reported numbers as of 28 February 2023