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MARKAZ

H2 | 2021

Leading across generations

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EDITORIAL TEAM

Sondos Saad: Editor-in-Chief; **Khaled Almubarak:** Editor MENA Real Estate; **Ahmad Al-Shalfan:** Editor MENA Equities;
Rasha Othman: Editor Capital Markets; **Abdulrazzaq Razooqi:** Editor Advisory; **Sadon Al-Sabt:** Editor International Real Estate;
Peter Kelly: Editor Human Resources; **Johny Al-Khoury:** Editor Information Technology;
Anu Abraham: Editor Compliance; **Velmurugan Natarajan:** Editor Risk Management

Markaz ended 2021 on a strong note with Net Profit attributable to shareholders of KD 14.99 million

- **Management Fees and Commission up by 21% y-o-y**
- **AUM increased to KD 1,041 million, up by 6.4% from December 2020**

Kuwait Financial Centre “Markaz” (KSE: Markaz, Reuters: MARKZ.KW, Bloomberg: MARKAZ:KK) reported its financial results for 2021 with total revenues of KD 30.64 million, as compared to KD 13.16 million in 2020. Markaz delivered a Net Profit attributable to shareholders of KD 14.99 million, as compared to a loss of KD 1.72 million in 2020, and Earnings Per Share of 31 Fils as of 31 December 2021.



Mr. Diraar Yusuf Alghanim, Chairman stated: “In 2021, we saw a quicker than expected recovery around the world and it was much needed after the pandemic induced a financial crisis in 2020. The broad based recovery was visible across GCC countries, most industries and various asset classes. However, in last quarter of 2021, growth decelerated with the risk arising from the new Covid-19 variant Omicron. During the year, Markaz has not only successfully navigated through the pandemic effects, but has emerged stronger than before. Overall, I am proud of all my colleagues at Markaz, who have shown great determination in delivering high quality asset management and investment banking services to clients and remaining the partner of choice in wealth

We remain well positioned to benefit from emerging trends; our liquidity is high, and our balance sheet is well capitalized and flexible

creation. In recognition of these efforts, Markaz team has been awarded five prestigious industry awards during the year 2021 and it gives me honor to note this external recognition of how Markaz is meeting the client objectives and responding to an ever-evolving competitive landscape.”

Mr. Ali H. Khalil, Chief Executive Officer, stated: “Our performance was underpinned by a worldwide economic recovery and buoyant global equity markets, which delivered strong returns to investors. In

these market conditions, Markaz remained focused on offering innovative investment solutions and diligently monitoring risk positions, to deliver consistent returns to its clients.

During 2021, Markaz Asset Management fees reached to KD 8.79 million, growth of 17% year-on-year, due to the growth in our Assets Under Management, which reached KD 1,041 million in 2021, compared to KD 979 million in 2020, and by the successful exit gains from US and Europe Real Estate projects. Investment Banking fees increased to KD 1.02 million, up by 67% as compared to last year with the execution of high-profile Capital Markets and Advisory Mandates. Total Revenues also include gains from investments of KD 15.50 million as compared to a loss of KD 2.08 million in 2020.

Our MENA Equity team actively managed our Markaz equity funds to maximize the risk-adjusted returns, and to benefit from the special market conditions marked by high liquidity and the participation of foreign investors. As a result, Markaz flagship funds recorded solid returns in 2021. Markaz also launched its Market Making services covering five clients. In addition, occupancy, rental rates, and rent collection continue to improve driving performance across our real estate properties in the MENA region.

Looking ahead, we have started the year on a mixed note due to rising inflation and interest rates, placing pressure on the economic outlook. We remain well positioned to benefit from emerging trends; our liquidity is high, and our balance sheet is well capitalized and flexible. Internally, our business departments’ mindset revolves around three pillars: Growth, Efficiency, and ongoing Transformation. As always, maintaining and enhancing internal controls remains a priority along with fiscal discipline to drive sustainable growth and create in the long-term wealth for our shareholders.”



Al Ahli Bank of Kuwait completes KD 50 million bond issuance

The offer, whose Joint Lead Managers included Ahli Capital, Kamco Invest, Markaz and NBK Capital, marks the first Kuwaiti Dinar denominated bond issuance for the bank.



for local issuances. At Markaz, we look forward to supporting different sectors in obtaining the required financing to develop its operations through managing its sukuk and bonds issuance. We have structured the first BOT- backed bonds in Kuwait, the first sukuk for a Kuwaiti real estate company and the first high-yield bonds in Kuwait. We are pleased to be part of ABK's first Kuwaiti Dinar issuance building on our longstanding relationship and commitment to supporting the nation's businesses and economy."

Mr. Fawzy Althunayan, Chairman of Ahli Capital, said: "We are pleased to be completing this bond issuance and witnessing such a high level of interest. The success of this transaction is attested to the robust investor demand and further underlines our commitment to paving the way for future issuances that will ultimately strengthen local and regional debt markets. ABK's solid reputation and clear growth strategy have been a catalyst in closing the bond issuance in record time."

Mr. Faisal Sarkhou, CEO of Kamco Invest, said: "With great pride, we assist ABK in their inaugural Kuwaiti Dinar denominated bond issuance, which saw strong investor interest and was oversubscribed. The success of the bond issuance is a testament to the collaboration of all parties involved. We are encouraged by the healthy investor response as this is a strong indicator of Kuwait's positive economic outlook and the investor community's confidence in the country and the banking sector."

Mr. Nabii Maroof, CEO of NBK Capital said: "The bond issuance reflects our confidence in the local market while further developing the local debt capital market. We are honored to have assisted ABK in this successful transaction."

In closing, Mr. Richani added: "I would like to extend our appreciation to the Central Bank of Kuwait, the Capital Markets Authority and our joint lead arrangers, Ahli Capital, Kamco Invest, Markaz and NBK Capital for the effective role they played in this transaction's success."

Al Ahli Bank of Kuwait (ABK), as the Issuer, and Ahli Capital Investment Company K.S.C.C "Ahli Capital", Kamco Investment Company K.S.C.P "Kamco Invest", Kuwait Financial Centre K.P.S.C. "Markaz", and Watani Investment Company K.S.C.C. "NBK Capital," serving as the Joint Lead Managers, announced in a statement the successful issuance of KD50 million Subordinated Tier 2 Bonds, for a period of 11 years, callable after 6 years, offering a rewarding return for holders of both fixed interest and variable interest bonds. The issuance was oversubscribed, reflecting the investors' trust in the quality of the issue, the reputation of ABK, and the effectiveness of the joint distribution of the lead managers. This marks ABK's first Kuwaiti Dinar denominated bond issuance.

The KD25 million Fixed Rate bonds offer 4% interest, and the KD25 million Floating Rate bonds provide a margin of 2.25% over the discount rate. The interest will be paid in two instalments annually on 10 April 2022 and 10 October 2022, with the first coupon payment date commencing on 10 April 2022.

ABK's Subordinated Tier 2 bonds were rated "BBB" (Investment grade) with a stable outlook by Capital Intelligence. The rating reflects the strength of the Bank's solid capital ratios, good loan asset quality, very strong loss reserve coverage, comfortable liquidity and pro-active and

At Markaz, we look forward to supporting different sectors in obtaining the required financing to develop their operations through managing sukuk and bonds issuance

robust risk management.

Commenting on the occasion, ABK's Group CEO, Mr. George Richani, said: "This transaction has been met with great interest by investors in view of the excellent reputation of all parties involved. ABK's clear business strategy along with the professional expertise of our lead arrangers has helped in closing the issuance in a short period. Strong demand from a great number of institutional and individual investors reflects the market's confidence in the Kuwaiti banking sector in general, and in ABK and all the joint lead managers in particular. We are confident that this issuance will contribute to enhancing ABK's capital adequacy and support our growth plans."

Commenting on the bond issuance, Mr. Ali Khalil, CEO of Markaz, said: "Our collaboration with ABK is built on previous successful transactions of which the last were the current bonds. It is gratifying that the issuance was widely received by our clients and local institutions signifying the high quality of the issue and reflecting investors' confidence in and appetite

Markaz appointed by DHAMAN to manage auction of strategic investor shares

In a boost to the efforts aimed at strengthening the healthcare sector in Kuwait.



This appointment is a strong testimony to the stellar track record and the vast experience of Markaz's Investment Banking services across various sectors

Markaz has been appointed by the Health Assurance Hospitals Company (DHAMAN) to manage the auction of strategic investor shares in the Company, which is set to become one of the key healthcare providers for expatriates in Kuwait. The collaboration will also further solidify Markaz's track-record as one of the leading investment banking institutions in the Middle East and North Africa region.

As the financial advisor, Markaz will manage the public auction process for the sale of a 26 percent stake in DHAMAN. The sale will help DHAMAN to unleash its full potential and achieve many shining milestones on its journey.

Commenting on the announcement, Mr. Ali H. Khalil, CEO of Markaz, said: "We are pleased that DHAMAN has chosen Markaz as the financial advisor in the sale of its strategic investor shares. This appointment is a strong testimony to the stellar track record and the vast experience of Markaz's Investment Banking services across various sectors. By employing the

best of our technical execution capabilities and in-depth industry knowledge, we will help bring on board a strategic investor who will add value to DHAMAN and play a decisive role in accelerating its growth, while also contributing meaningfully to the development of the healthcare sector. Through this collaboration, we aim to forge a strong relationship with DHAMAN, which is primed to establish itself as a leading provider of healthcare solutions in Kuwait."

On his part, Dr. Mohammad Al-Qenai, Acting CEO of DHAMAN, commented: "DHAMAN is offering the strategic partner's stake to the bidding through cooperation with Markaz as a consulting partner for the auction management due to its distinguished expertise in this field. This offering of the 26% of shares in DHAMAN comes in conjunction with the near completion of the Company's first operational phase, as it is planned to receive hospital buildings in Jahra and Ahmadi governorates from the contractor at the beginning of the year 2022. DHAMAN is conducting an extensive recruitment campaign to attract qualified and experienced staff in related fields in parallel with the completion of the opera-

tion of 5 primary healthcare centers and the start of receiving beneficiaries of the new mandatory medical insurance service expected in the second half of 2022. This represents an achievement of the goals of establishing DHAMAN as included in Kuwait's National Development Plan (New Kuwait 2035), which is an important step in upgrading the healthcare sector in Kuwait.

Additionally, Mr. Abdulaziz Alardi of Meshari Al-Osaimi Law Firm, the Legal Adviser appointed by DHAMAN for the sale of the strategic investor's shares in the Company, commented: "We were able to obtain a Resolution from the Capital Markets Authority (CMA) regarding proceeding with the sale of the shares of the strategic investor after the current investor failed to pay the consideration for the shares, in accordance with Article 155 of the Companies Law, which considers the sale as a peremptory rule, and therefore excluded from the rules of sale specified in the civil and commercial Pleadings Law and CMA regulations".

It is worth mentioning that Markaz offers its clients a world-class variety of investment banking solutions across advisory related to mergers and acquisitions (M&A), equity and debt issuance, listing and credit rating advisory and capital restructuring. Since 1997, Markaz has successfully executed investment banking transactions of over USD 5.1 billion across the region.



Markaz crowned 'Real Estate Asset Manager of the Year' at Global Investor MENA 2021 Awards

In recognition of its excellence in investing and managing income-generating real estate assets.



In yet another recognition that cements its leadership in asset management in the Middle East and North Africa, Markaz has been named the 'Real Estate Asset Manager of the Year' by Global Investor MENA 2021 Awards, which recognize outstanding performance across asset management, custody, fund administration, wealth management, and transition management, among many others.

The coveted honor recognizes Markaz's excellence in serving institutions and individuals seeking to unlock the investment potential of real estate asset classes in the region through actively managed funds, particularly Markaz Real Estate Fund (MREF), as well as portfolio management, property management, real estate development and real estate advisory services. Markaz has built a strong portfolio of real estate assets across the dynamic markets in the region through its dedicated MENA Real Estate department. It has regional

MREF sets the benchmark in the region. The low bar to entry, monthly dividend and an innovative approach to tenant retention has contributed to this best-in-class real estate fund

offices in Riyadh, Khobar, Dubai and Abu Dhabi and a team of experienced professionals providing in-depth local market knowledge.

Commenting on this achievement, Mr. Bassam N. Al-Othman, Managing Director, MENA Real Estate at Markaz said: "We are delighted to have received 'Real Estate Asset Manager of the Year' award, which represents an acclaimed recognition of our commitment to providing our clients



with solid investment opportunities in the real estate sector across the region, and reaffirms the quality of our real estate assets and investment strategies. Leveraging its extensive market footprint and exceptional operational expertise, Markaz MENA Real Estate employs its time-tested approach to the acquisition, management and disposal of properties in the most promising segments of the real estate market to drive superior value."

He added: "Our MENA real estate team ensures unmatched operational excellence by managing acquisition risk through thorough legal, technical, operational and commercial due diligence on target properties. The qualified professionals also work closely with property managers to enhance the performance of assets by optimizing rent levels, increasing rent collection rates and efficiency, and improving occupancy, rent levels and tenant retention, as well as managing expenses and maintaining the properties. They also adopt world-class policies and procedures and state-of-the-art technology platforms for enhanced financial and operating management and reporting such as Yardi."

Luke Jeffs, Managing Editor of Global Investor, said: "The Markaz Real Estate Fund sets the benchmark in the Middle East region. The low bar to entry, enabling smaller investors to participate, the monthly dividend and the open-ended nature of the fund have continued to its ongoing success while Markaz's innovative approach to tenant retention has further contributed to the success of this best-in-class real estate fund."

Markaz's excellence and market-leading performance in asset management, investment banking, real estate investment, and wealth management have been recognized by more than 50 prestigious awards since its inception. Earlier in 2021, it was named the 'Best Investment Bank in Kuwait' by Global Finance Magazine for the 10th time in 11 years.





Invest in Markaz Real Estate Fund

**Total return
annualized:**

6.37%

**Average annual
distribution since
inception:**

5.06%

Fund Performance

Total Return (Jan 03-Dec 03)	17.80%
Total Return (Jan 03-Dec 05)	40.02%
Total Return (Jan 06-Dec 08)	32.10%
Total Return (Jan 09-Dec 11)	4.60%
Total Return (Jan 12-Dec 14)	21.10%
Total Return (Jan 15-Dec 17)	2.10%
Total Return (Jan 18-Dec 20)	2.70%
Total Return (Jan 03 – Dec 21)	151.49%
Capital Gain since Inception	23.83%
Income Distribution since Inception	127.66%
Total Return Annualized	6.37%
Average Annual Yield (Cash)	4.77%
Volatility (3 year)	2.21%

The Markaz Real Estate fund, established in 2003, is considered the first open-ended real-estate investment fund in Kuwait, and stands as a testament to Markaz's innovation in the financial services field. This is reflected through the ongoing development of unique investment tools that cater to investors' needs. Markaz Real Estate Fund is Sharia compliant and aims to achieve stable and recurring returns, through investing in income generation properties in Kuwait.

Important info:

- Fund manager: Kuwait Financial Centre K.P.S.C "Markaz". Universal Tower, Ahmad Al-Jaber Street, Sharq, Kuwait, Tel: +965 2224 8000, P.O. Box 23444, Safat 13095, State of Kuwait
- Fund Executive Committee Members: Bassam Al-Othman, Milad Elia, Khaled Al-Mubarak, Abdullatif Al-Nusif
- To get a copy of the Fund's Articles of Association and the subscription form, please visit our website: markaz.com
- To obtain the fund's financial reports, please contact us by email to info@markaz.com
- The Total Return consists of the Capital Gain and the Dividend Yield after deducting all fees and expenses

Disclaimer: This announcement is prepared for promotional purposes and has been approved by Markaz. This announcement does not disguise, diminish or obscure important items from the investment subject of promotion. Investments in funds are subject to market risks. There can be no assurance or guarantee that the investment will produce any returns. Prospective Investors must therefore be aware of and understand that such investment carries a significant degree of risk of loss of their capital; and the dividend rate cannot be predicted or guaranteed. The Fund's NAV is variable and subject to decrease or increase. Past performance is not a reliable indicator of future performance. Before investing, prospective investors must carefully examine the Articles of Association and all Fund's related documents to be aware of the investment methods, including the merits and risks involved.

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MARKAZ NEWS

Markaz Appointed as Market Maker for Land United Real Estate and Gulf Cable & Electrical Industries

Reinforcing its reputation as a trusted institution in the equities market.



Markaz announced that it has been appointed as a Market Maker for the shares of Land United Real Estate Company "Land" and Gulf Cable and Electrical Industries Company "Cable". Markaz will provide its specialized market making services to boost the trading of the two companies' shares on Boursa Kuwait.

In its role as a Market Maker, Markaz will support Land and Cable in increasing the volume of trading on their shares and boosting liquidity, thereby contributing to their growth and stability in the market. It will facilitate the buying and selling of the two companies' shares by investors and

traders through increasing their access to trading opportunities by continuously quoting the competitive prices and providing liquidity. Markaz also seeks to create the much-needed balance, in the case where there is a high supply of shares and low demand, and vice versa.

Commenting on the announcement, Mr. Azzam Al-Otaibi, Assistant Manager, MENA Equities at Markaz, stated: "We are pleased that Markaz has been designated

As Market Maker, Markaz will support Land and Cable in increasing their share trading volume and boosting liquidity, thereby contributing to their growth and stability

to provide market making services for Land and Cable. This appointment reflects the trust of the market in Markaz's capabilities as a Market Maker with a proven track record in creating significant value for companies and traders alike. It also confirms that our market making services are in line with best international standards and are managed by a qualified team consisting of trading experts and specialists."

"The appointment also comes as a testament to our ongoing commitment and constant efforts to drive the development of the Kuwaiti market. Working closely with Boursa Kuwait, we are striving to boost transactions and investments to improve liquidity. We will continue to explore new opportunities to further our contributions to the financial markets sector and the wider national economy," added Mr. Al-Otaibi.

Mr. Al-Otaibi said that the Market Maker services aim to create a balance between supply and demand and reduce the spread between the bid and ask prices. This can result in greater revenues for companies benefitting from these services. It also might positively impact the companies' borrowing costs, the value of company shares and the ability to trade at fairer values. In addition, market maker services support the overall development of the Kuwaiti economy by encouraging other companies to list their shares on the national exchange.

Earlier this year, the Capital Markets Authority of Kuwait granted a license to Markaz to operate as a Market Maker, following which it started providing market making services to Boursa Kuwait and Aleid Foods Company.



Markaz unveils new website to provide enhanced customer experience

Incorporating a modern design, advanced interactive features and a user-friendly interface.



Markaz launched its new website as part of its efforts to leverage digital technology to offer best-in-class investment information and opportunities.

Interactive features for an enriched experience

The new site's refreshed, modern design combines advanced interactive features, an easy-to-use interface, and engaging content to provide an enhanced user experience for the company's clients and investors as well as website visitors. The website address, www.markaz.com, remains the same.

Created in accordance with the latest international trends and standards in website design and development to offer improved navigation and functionality, the new Markaz site allows easier and more secure access to information that fulfills the investment objectives of its stakeholders. The user interface has been completely refreshed to reflect the Markaz brand and its dynamic solutions, while also enabling website visitors to effortlessly browse and navigate through the company's comprehensive suite of asset management and investment banking products and services.

Markaz's efforts to ensure that the user experience is optimized have resulted in new website features including a completely revised navigational structure, menus and user journey to enable intuitive

and easy browsing; new search engine and improved search engine optimization to help users find the company's products and services from Google searches; and content tags and keywords in specific sections to allow easier navigation to related contents.

Dynamic information for investment funds

In response to the increasing interest of its clients and investors in funds, Markaz has made significant enhancements to the funds section on its new website. Users can now see a snapshot of the performance of all its funds, and all the data related to funds is now available dynamically on the website, while they can still download the fund details as PDF files. Similarly, improvements have been made to Markaz's technology stack to use the latest and best solutions for performance, efficiency, reliability, and security so that the website provides the best user experience possible. In addition, Markaz has deployed a platform that allows it to continue to enhance and optimize the website and more easily introduce new features over time to respond to its client's evolving needs.

Providing existing & prospective clients a better way to explore our products and services, the new website aims to bring a new level of digital experience to their investment journey

Understanding investors' needs

Commenting on the announcement, Deena Y. Al-Refai, Senior Vice President, Investor Relations at Markaz, said: "At Markaz, we strive to listen to our clients

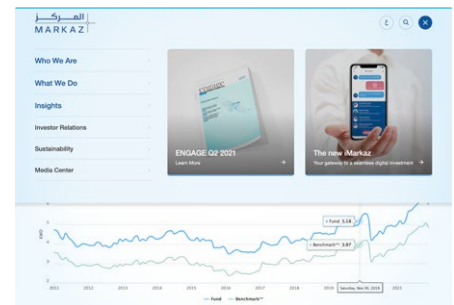
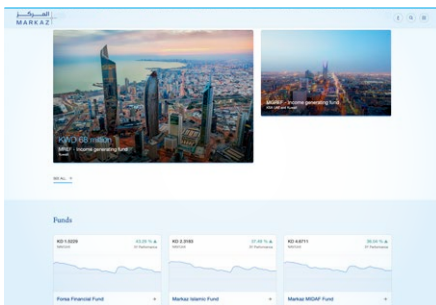
and investors to understand their evolving needs. Through the launch of the new website, we have sought to meet their want for innovative, technology-driven solutions. We are committed to exploring new possibilities that digitalization offers to enhance our offerings and deliver solid returns especially in the post-Covid-19 era."

"Providing our existing and prospective clients with a better way to explore our products and services, the new website aims to bring a new level of digital experience to their investment journey. In addition, there is also a dedicated Investor Relations section where users can find the latest regulatory information and disclosures," added Al-Refai.

Best international practices in website development

Sondos S. Saad, Vice President, Media and Communications at Markaz, said: "Created with the user experience in mind, the new website's design reflects Markaz's constant evolution to better serve our stakeholders. We have incorporated cutting-edge features and followed the best international practices in website development to provide them with easier access to information. With its responsive design, the website can adapt to any device enabling our clients to seamlessly enjoy a superior user experience. In addition, we have simplified the navigation menus considering their valuable time."

She added: "Available both in English and Arabic to cater to a diverse audience, the new website ensures high levels of cybersecurity and confidentiality. We hope the new design and enhanced features will resonate with all website visitors and look forward to continuing to provide the best experience for our stakeholders both online and offline."



The importance of an asset manager in wealth development

By: Ahmed Khaled Al-Shalfan, Vice President, MENA Equities Department



Asset Management is one of the most prominent services provided by Kuwait Financial Centre “Markaz”. Could you provide us with more details about this service, and the key products and opportunities available to clients in this sector?

Markaz provides asset management services and investment solutions, tailored to every client’s needs, through investment funds and investment portfolio management. The broad spectrum of financial investment funds we offer includes the Markaz Mumtaz Fund, Markaz MIDAF Fund, Forsa Financial Fund and the Markaz Islamic Fund. There is also a private placement fund; Markaz Arabian Fund, which has been operating since 2006. Markaz also offers other funds in the field of fixed income and real estate, such as the Markaz Fixed Income Fund, which is also a private placement fund, in addition to the Markaz Real Estate Fund and the Markaz Gulf Real Estate Fund (a private placement fund). Markaz’s approach entails the investment of these funds in different sectors and markets, in an effort to meet the diverse requirements and investment objectives of our clients.

Moreover, Markaz provides various types of investment portfolio management services, be it for portfolios managed by the company or by the clients themselves. It also provides investment portfolios with different strategies that address the requirements of larger segments of investors, such as Conventional and Sharia-compliant portfolios, dividend-yield portfolios that provide annual cash dividends to clients, and last but not least, high conviction (opportunistic) portfolios,

Mr. Ahmed Khaled Al-Shalfan, Vice President, MENA Equities Department at Markaz shares his views with Al-Qabas investment supplement on the importance of asset managers in wealth growth.

which are directed towards a select number of promising stocks that represent an attractive opportunity. These stocks are identified based on the conviction of the portfolio management team and the feasibility of investment. Other than the foregoing, Markaz offers investment advisory services.

At Markaz, we work in a systematic manner, whereby stock selection is based on quantitative and qualitative studies conducted by our specialized team to identify the best opportunities within different asset classes and geographical areas. Our focus is on the client and its needs, to ensure the provision of the best opportunities that lead to sustainable growth of wealth.

Markaz has a proven track record in managing client assets. Can you provide us with a brief overview of Markaz’s distinguished journey in asset management and its most key achievements?

Markaz manages assets totaling KD 1.053 billion (US\$ 3.49 billion) as of September 30, 2021, which has increased by 8% since December 2020. Over the course of its journey since 1974, Markaz received several awards, including the “Best Asset Manager in Kuwait” from reputable financial institutions in the field of asset management such as Global Finance, EMEA Finance, MENA Fund Manager, Global Investor, and others.

One of the latest additions to our roster of activities is the “Market Maker” licensing, as we currently work on the shares of a number of reputable companies in Kuwait from various sectors. “Market Maker” is considered a vital tool to increase liquidity and efficiency in the capital markets. This activity allows Markaz to provide appropriate prices for the shares of listed companies by achieving liquidity through buying and selling orders. This is one of the services we provide to the companies we currently work with.

Moreover; we have invested in the best global systems and programs to meet two key objectives; enhance transparency

and facilitate the provision of “Market Maker” services in order to ensure that there is no conflict of interest among the pool of clients we work with and create added value in the market by achieving liquidity for investors, thus maximizing clients’ profits.

What is the added value that distinguishes the “Asset Manager” from individual investment management?

The role of an active “assets and investment manager “nowadays has become crucial in comparison to any time in the past. Many challenges emerge as a consequence of constant changes in markets and the crises arising from these changes, which make individual management impractical. The essence of the asset manager’s role is manifested in the deep understanding of these changes and the ability to identify the right opportunities in line with the client’s demands, which leads to achieving positive returns on investment. This requires extensive experience and knowledge of the market and its challenges, in addition to a high level of professionalism, and the availability of in-depth studies, information and research that all contribute to making the right decision.

As a partner in wealth management, what does Markaz offer to its clients?

We strongly believe that there is a real difference between being a manager and being a partner. At Markaz, our client relationship is more of a partnership rather than being an asset manager. Our clients’ best interest is our first and foremost priority, and thus we start by gaining a clear and in-depth understanding of their investment expectations, and meet them accordingly, to deliver consistent and realistic returns on investment. We also focus on offering them unique investment opportunities across various investment sectors, in addition to innovative investment solutions and tools that are developed based on extensive research and financial analysis, to achieve our clients’ investment targets.

Markaz also contributes by creating investment products that it invests in itself alongside its clients, which reinforces our confidence in our capabilities and investment experience.

What distinguishes Markaz is its professional investment management and sound investment decisions that are made by a team of specialists in the financial sector, who retain the necessary experience to allocate the most cost-effective investment opportunities.

In addition, Markaz creates access to local, regional, and international investment opportunities in various sectors, through the development of new solutions and projects for businesses, family businesses, and high net worth individuals. We top this off by providing them with the appropriate tools to enable them to invest in internal and external projects that drive sufficient returns on investment.

What are the factors that motivate “Markaz” to become a model of excellence in Asset Management?

Our investors’ trust is the most important driving force for Markaz. Since its establishment, Markaz managed to earn the trust of investors in various segments, and the recognition of international financial institutions, in addition to receiving more than 50 awards in the assets management

industry and investment banking services.

Furthermore, Markaz has acquired an outstanding record of achievements in the financial sector and wealth development through professional management and making sound decisions, based on research carried out by an experienced team in the financial sector.

Moreover, creativity is another key factor that distinguishes us in asset management, where Markaz was determined, since its establishment, to create original investment tools and solutions. Accordingly, we launched the “Markaz Mumtaz Fund” as the first local joint fund, “Markaz Idikhar Fund” as the first money market fund in Kuwaiti, “Markaz Real Estate Fund” as the first open fund for real estate investment in Kuwait, and “Forsa Financial Fund,” which is the first and sole optional fund in the GCC since 2004, in addition to the launch of new and different investment concepts and strategies. This includes portfolio returns, and the iMarkaz app, a personal investment app in Kuwait, led by Markaz’s experienced cadres.

One of the most important factors to be highlighted is Markaz’s presence across more than one generation. Markaz continuity and its position as one of the key financial institutions reflects its strong ability over the years, to develop and adjust to all market variants, to match the

investment demands of successive generations. Moreover, the presence of Markaz regionally and internationally equipped it with the necessary understanding of the nature of these markets, and hence, the flexibility to deal with and overcome various challenges that may arise.

At Markaz, we believe in the significance of successful partnerships and we thrive to collaborate with specialized partners in the field of assets management regionally and internationally. Recently, we cooperated with elite partners in international investment services and global real estate services. This stands as a key factor behind Markaz’s success in allocating the best opportunities across different markets.

At Markaz, we take pride in our ability to overcome challenges. Throughout our journey, markets witnessed many financial and economic crises, on a local, regional, and international level. However, Markaz has managed to overcome major financial crises throughout its history, which reflects the stability and strength of its performance and strategy.

Can you tell us more about the Markaz team that leads the growth and success of Markaz whether inside or outside the local Kuwaiti market?

Our team consists of selective specialists that focus solely on the provision of investment solutions that match the investment demands and targets of each client, and the client’s approval of investments accompanied by high or low risks. We also rely on a talented and highly experienced team of analysts in different investment sectors. Their role is to identify optimum investment opportunities by conducting in-depth research for each sector individually, and selecting the best companies from a long-term cash dividend perspective, or those which depend on technology to surpass its competitors in the future. Moreover, we meet market demands through a dedicated team, with an informed vision for the future of the asset management sector. Accordingly, we develop new solutions and projects for customers of all segments and provide them with the opportunity to enter distinct markets and investments that generate fair and sustainable returns.



MARKAZ NEWS

Markaz Graduate Development Program opens its door for Kuwaiti graduates

As part of its efforts to nurture young financial services sector leaders.

Markaz announced the launch of its 2022 Markaz Graduate Development Program (MGDP). The program was established as part of its ongoing corporate social responsibility initiatives to build human capabilities and promote youth development in Kuwait. Markaz is inviting Kuwaiti graduates to apply for the hands-on training program and take advantage of the opportunity to develop skills and knowledge and support their career growth. Applications will be accepted until 16 January 2022.

The program, which was established in 2017 and has been running successfully for four years, will commence in February 2022. Participants will gain work experience over a 12-month period. The trainees will be rotated through all departments at Markaz to provide them an overview of various aspects of its operations as well as day-to-day work, and then allocated to a specific department for an extended placement. Throughout the program, graduates receive a mix of direct and online training, alongside practical activities.

We are proud that we have had 42 graduate trainees and hired 38% of the participants who proved their capabilities and skills

Commenting on the announcement, Bibi Maqames, HR Officer at Markaz, said: "Transforming Kuwait into a regional financial and trade hub is a key objective of the Vision 2035 plan, and the financial services sector has a central role to play in achieving this goal. Through our Markaz Graduate Development Program, we are aiming to nurture future Kuwaiti leaders by thoroughly involving them in every aspect of our work. We are proud that we have had 42 graduate trainees and hired 38% of the participants who proved their capabilities and professional skills."

"We enable graduates to gain insights into how companies operate and guide them to make better career choices by providing them an opportunity to undertake

and excel at day-to-day tasks and responsibilities in the investment banking and asset management sectors. On completion of the program, our competitively-selected group of trainees will have benefitted from the experience of working in a leading private financial sector organization and from constant and meaningful interactions with leaders, professionals and operational teams at Markaz," added Maqames.

Outstanding Kuwaiti graduates holding any business-relevant major from a recognized university and proficient in Arabic and English can apply. Those successful in qualifying tests and interviews will be inducted into the one-year Markaz Graduate Development Program. To certify the valuable exposure and learning they have gained, each trainee will, at the end of the program, receive an Experience Letter and a Completion Certificate, which will provide a significant helping hand as they make their future career choices. To learn more about the program, please contact mgdp@markaz.com.

Markaz Graduate Development Program participants from 2017-2021



Markaz report signals sustained robust recovery for UAE's real estate sector

On the back of strong macroeconomic outlook, investor-friendly government policies and Dubai 2040 Urban Master Plan.

Markaz announced the launch of its 'UAE Real Estate Outlook H1 2021' report that features indicators signifying positive signs of sustained recovery for the country's real estate sector. The report highlights the significant rebound in real estate transactions in H1 2021, which was buoyed by a confluence of factors including the swift roll-out of vaccines, reopening of economies and attractive yields. Moreover, this will lead to a ripple effect and an increase in prices.

Bright macroeconomic prospects, underpinned by rising oil prices, a higher vaccination rate among its population and global events like Expo 2020 Dubai, are expected to stimulate the rebound of the UAE's real estate sector for the coming years. The country's economic recovery from the repercussions of the Covid-19 pandemic has been on an upward trajectory since the third quarter of 2020. Diminishing government deficit along with an increase in expenditure growth and improving employment rate further demonstrate the economy's resilience.

The Markaz report highlights that investor-friendly government policies incorporated to mitigate the impact of the virus, such as the 10-year golden visa

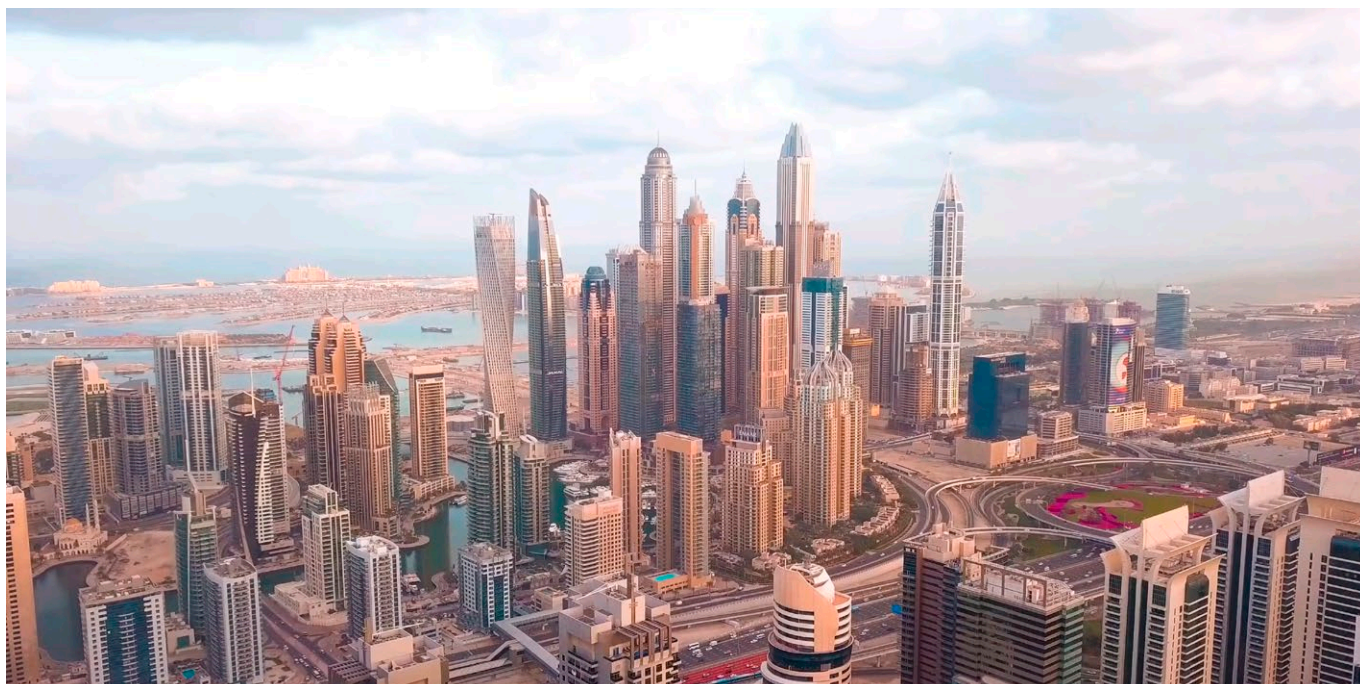
Macroeconomic prospects, aided by rising oil prices, higher vaccination rates and events like Expo 2020, are expected to stimulate the rebound of the UAE's real estate sector

program and 100% foreign ownership of commercial companies, as well as the new reforms in mortgage lending and the efforts taken to restrict new supply are positives for the real estate sector and the investment environment in the country. Further, residential rental gross yields in UAE remain relatively high (nearly 6%) when compared globally. Adding to that, the UAE has witnessed the highest population growth in the Gulf region. This along with long-term plans for urban and sustainable development under the Dubai 2040 Urban Master Plan are expected to incentivize investors who are looking for a steady stream of income.

In a positive step, the government increased mortgage lending limits by 5% in March 2020. In addition to this, Abu Dhabi removed property and mortgage transfer fees to ease the availability of financing and facilitate real estate transactions.

Similarly, the country has launched initiatives, including the establishment of a higher committee of real estate, to achieve a balance between real estate supply and demand, considering that over-supply has caused the property market to slow down significantly – resulting in stalled projects, redundancies, and a lack of confidence in the sector. Separately, the Dubai Real Estate Regulatory Agency (RERA) has introduced a new law that forces developers to deposit 50% of the project's construction cost upfront compared to 20% previously to curb future supply.

In a bid to ease doing business in the country, the UAE government has announced full foreign ownership of commercial companies without the need for an Emirati shareholder or agent. The move is expected to liberalize the business environment and play a key role in attracting investments into the country. In yet another pioneering initiative in the region, the UAE launched a golden visa program to provide 10-year residency for investors, professionals, and students. While foreign students can sponsor their families under the long-term visa program, retired residents could enjoy the provision of a 5-year renewable retirement visa.



Markaz: Accelerating digital readiness in GCC banks imposes need for periodic evaluation to adopt effective strategies

Banks in GCC are catching up on the Covid-19 spurred digitalization trend.



Markaz has released through its research arm, Marmore MENA Intelligence, a report titled 'GCC Banks - Making them Digitally Ready'. The report addresses multiple aspects of the digital readiness of banks in the GCC region. It provides key insights on how top banks in the GCC fare in terms of their digital presence on various customer touchpoints such as websites, mobile apps and social media. The report discusses the important metrics that indicate the strength of a bank's digital presence and how to effectively leverage them to enhance consumer engagement and experience.

Banks in the GCC are catching up on

The report discusses important metrics that indicate the strength of a bank's digital presence and how to effectively leverage them to enhance consumer engagement

the Covid-19 spurred digitalization trend and are racing to innovate and differentiate. They are coming out with many end-to-end digital products such as account opening and payment services. The report emphasizes that as banks embark on digitalization, it is essential and prudent to evaluate the initiatives in terms of three key aspects - feature sophistication, business impact and integration with customer journey.

According to the report, given the integration of net banking and e-commerce applications and smartphone penetration, websites and mobile apps are loaded with valuable insights that could help banks

improve their customer engagement and experience. Analysis of important metrics such as website traffic, its sources, bounce rate, etc., help in gauging the fruitfulness of the banks' outreach efforts.

Social media is fast emerging as the go-to tool for broadening customer outreach in the banking sector. Under this broad umbrella, the presence of major banks varies across platforms. In this context, the report highlights some of the popular promotions that are run by GCC banks on social media. It also discusses how the top banks fare on vital statistics in each of these platforms. For example, banks in Kuwait are quite active and popular on Instagram. However, their engagement rate is lower than the GCC average.

As banks expand their digital footprint, periodic evaluation of the important metrics for each of their customer touchpoints, as highlighted in the report, would help them adopt an effective strategy and reap benefits of their digitalization initiatives.



Markaz sponsors students representing Kuwait at Harvard National Model United Nations in support of INNOVA

In line with its corporate social and economic responsibility strategy.



Furthering its commitment to developing human capacities, Markaz recently extended its support to the INNOVA International English School's (IIES) efforts to facilitate the participation of students in the Harvard National Model United Nations (HNMUN) 2022 conference. IIES selected students from various schools in Kuwait to take part in the 68th annual session of HNMUN, which will be held in Boston, Massachusetts from 27-30 January 2022. Along with this initiative, a flagship application (U-APP) has been created to act as a directory for all premiere universities and colleges to help students explore their options and apply for multiple entities with a tap of a button.

For nearly seven decades, Harvard National Model United Nations has served as an annual forum for over 2,000 college-level students from across the globe to discuss the world's most pressing



issues and devise solutions to difficult challenges in international affairs. Over the four-day event, delegates will gain insight into the workings of the United Nations by actively participating in the resolution of important global issues, such as covid-19 ramifications, and will develop their skills in negotiation, diplomacy and communication.

For nearly 70 years, the forum draws 2,000 college students from across the globe to discuss the world's pressing issues and devise solutions

The sponsorship comes in line with Markaz's corporate social and economic responsibility strategy, which envisages the company's active participation in community service and its contribution to building a strong base of active and

qualified youth in Kuwait. Through supporting INNOVA, Markaz aims to play a pivotal role in empowering youth by providing them opportunities to acquire leadership skills and capabilities from the world's finest platforms.

Commenting on the announcement, Abdullatif W. Al-Nusif, Managing Director, Wealth Management and Business Development at Markaz, said: "As a company committed to always working towards investing in youth for a sustainable future for Kuwait, Markaz has supported and partnered with many organizations to contribute to human capacity building, and further enhance the skills of individuals in various educational, cultural, sports, health and economic fields. Through our sponsorship of the INNOVA initiative, we aim to nurture a new generation of informed and highly skilled young leaders who are capable of transforming the Kuwaiti society and economy."

Markaz's corporate social and economic responsibility strategy is founded on three pillars, namely, building human capacity, aligning its business environment with the principles of sustainable development, and promoting good governance in the business environment. Markaz has collaborated with several reputable organizations such as Kuwait Red Crescent Society, Kuwait Association for the Care of Children in Hospitals, LOYAC, AC Milan Academy Kuwait and the Children's Cancer Center of Lebanon (CCCL).

Markaz supports Indian English Academy School



Committing to nurturing human skills and building a well-educated generation of youth who can become an added value to society, Markaz renewed its support to the distinguished students of the Indian English Academy School (IEAS) for the third year.

Markaz's sponsorship of the students at IEAS aims to support and motivate them to continue their academic success. The students are selected in cooperation with IEAS based on their academic performance, grades and behavior at school during the year.

CSR ACTIVITIES

Markaz sponsors Kuwaiti champion in Aquabike World Championship and honors him after victory

Underpinning Markaz’s commitment to supporting Kuwait Youth Development.



Markaz honored Yousef Al-Abdulrazzaq in celebration of his outstanding performance in the 2021 Aquabike World Championship Grand Prix of Kuwait.

Mr. Abdullatif W. Al-Nusif, Managing Director, Wealth Management & Business Development at Markaz, presented a trophy to the Kuwaiti jet ski champion in appreciation of his accomplishment. Markaz supported Al-Abdulrazzaq’s participation in the championship as the ‘Gold Sponsor’ in furtherance of its commitment to developing and promoting local talent and supporting sports and healthy lifestyles.

Al-Abdulrazzaq won the Grand Prix of Kuwait in the Aquabike World Cham-

pionship 2021 held at Marina Crescent in Kuwait City from 11-13 November. Al-Abdulrazzaq has won 1st place in all 3 Motos recording total points of 75 from the 3 Motos. In February last year, he was crowned the World Champion title at the 2020 UIM-ABP Aquabike Grand Prix of Kuwait, the first international competition of its kind to be held in the country.

Commenting on the announcement, Mr. Abdullatif W. Al-Nusif said: “We congratulate Yousef Al-Abdulrazzaq and are proud that he won the 2021 Grand Prix of Kuwait after showcasing a thrilling and stunning performance in the Aquabike World Championship, competing with many international champions. It is grat-

ifying that Markaz’s support as the Gold Sponsor of the Kuwaiti jet ski champion contributed to this shining achievement, which we hope will serve as a source of inspiration to all Kuwaiti talents to excel in different fields, and to promote sports in Kuwait.”

“Markaz places special importance on developing local talent and young leaders in various fields in line with our CSR strategy. We are also keenly promoting sports and healthy lifestyles as we strongly believe that a healthy society is the biggest asset of the country. We wish Al-Abdulrazzaq success in future championships to keep Kuwait’s flag flying high”, he added.

Markaz renews its partnership with LOYAC AC Milan Kuwait



LOYAC AC Milan Soccer Academy aims to provide the youth with an open environment in which they can get training and development in soccer from willing and well-qualified coaches. The collaboration between Milan Soccer School and LOYAC Soccer Academy provides the youth of Kuwait with innovative and personalized training method from world-class AC Milan trainers.

Markaz is proud to contribute to this successful partnership by offering its support to Loyac and AC Milan Kuwait Academy over the years, as part of its CSR strategy aiming to build human capabilities.

Markaz launches 'EDGE' program to strengthen innovation culture and improve competitiveness in new phase of growth

Accelerating organizational efforts to make innovation an everyday habit.



Aiming to consolidate its position as a pioneer of innovation in the financial industry, Markaz has launched a new program to make innovation an everyday habit. The custom program, named EDGE which ran from 4 November to 15 December 2021, was organized in partnership with Circuit Learning, a leading corporate trainer.

The new program reflects Markaz's keenness to foster creativity and innovation at the workplace and serve its clients better through innovative products and services. It is also in line with the company's efforts to bolster its culture of looking ahead and preparing in advance to enable

its clients to leverage new and emerging opportunities to generate wealth. In addition to stimulating innovation, the program sought to facilitate the smooth movement of new product/service ideas from conception to the market, consolidating the company's industry-leading position.

The new program reflects Markaz's keenness to foster creativity and serve its clients better through innovative products and services

Commenting on the EDGE program, Mr. Peter Kelly, Executive Vice President, Human Resources Department at Markaz said that it aimed to fine-tune the insights and behaviors at Markaz to enrich its culture of innovation in preparation for an exciting phase of growth ahead. "The new program follows our iGen initiative established earlier this year to increase creativity at Markaz and fast-track new product development. We are pleased that EDGE offered us a platform to debate and create and are confident that the outcomes of the program will improve Markaz's competitiveness. Sharing ideas and challenging and influencing each other will help us strengthen innovation

as we seek promising opportunities to create new, sustainable avenues for the continued success of our clients," he explained.

The six-week training program saw the participation of Markaz employees from various business units, including Investment Advisory, Capital Markets, Real Estate, MENA Equities, Wealth Management, and Strategic Planning, bringing together a diverse blend of perspectives, experiences, and competencies. The program mainly aimed to build an everyday innovation mindset, encourage the team to explore new ideas, and promote collaborative behaviors. Training methods included workshops, learning moments, huddles, and digital nudges to ensure effectiveness and involvement.

Being one of the leading asset management and investment banking institutions in the MENA region, Markaz has an unparalleled reputation for innovative product development and focused and rigorous investment strategies and policies. With its broad range of product offerings and a strong commitment to providing clients with high-quality services, Markaz has earned the trust of its clients and has won numerous prestigious regional and global awards.



MARKAZ FAMILY

Markaz organizes training session with Dawn Metcalfe on effective communication's role in high-performance workplaces

In continuation of its efforts to create an enabling organizational culture.



Markaz recently organized a master-class featuring internationally renowned workplace culture advisor, author and speaker Ms. Dawn Metcalfe. The master-class, which was entitled “Effective Communication in High-Performing Teams” and held at Chairman’s Club, Kuwait City, on 17 November, came as part of Markaz’s ongoing efforts to create and sustain an organizational culture that thrives on open and candid communication and enables employees to reach their full potential.

During the hybrid event, which saw the enthusiastic participation of Markaz employees, Ms. Dawn delved deep into the critical importance of effective communication in building successful, well-engaged and high-performing teams. She shared powerful ideas to improve communication skills. The session focused on understanding our own emotional reactions to others, and that no matter where we come from, it is equally hard to

have the difficult conversations that are vital for success. The participants in the event also received a signed copy of the speaker’s book, ‘The HardTalk Handbook’.

Ms. Dawn delved deep into the critical importance of effective communication in building successful, well-engaged and high-performing teams

“Operating in a complex and highly specialized business environment, Markaz professionals have been bred to understand from 47 years of company experience that one of its strongest success factors has been to communicate clearly, transparently and often, to win and retain the fullest confidence of its clients,” said Peter Kelly, Executive Vice President, Human Resources, Markaz. “Candid business conversations can sometimes

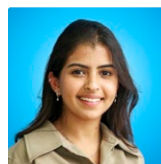
be uncomfortable, particularly when work boundaries overlap, and can reduce the effectiveness of communication around critical issues. The highly engaging masterclass by Ms. Dawn Metcalfe was a significant addition to our efforts aimed at encouraging our people to be skilled in speaking up and speaking out to ensure that our clients’ interests are at the heart of every professional discussion.”

Ms. Dawn authored *The HardTalk Handbook* and *Managing the Matrix*, and is also the founder and Managing Director of Dubai-based consultancy PDSi. She is an expert in winning business behaviors and her professional focus is on how individuals, teams and businesses can use the levers already available in their organizations to build sustainable cultures to match and support their objectives. She speaks regularly at industry and private events and writes for many publications including Harvard Business Review.

New talent join Markaz family



Abdulmohsen S. Al-Fahad
Manager
Media & Communications



Nouf Al-Mraikhi
Assistant Analyst
Advisory



Christopher Santiago
Assistant Vice President
International Real Estate

Why companies must pay more attention to compliance training

By: Rahaf Al Gharaballi, Assistant Analyst - Risk and Compliance

Compliance brings substantial benefits to organizations such as higher returns on investment, risk mitigation, etc.



Employee compliance training can feel a bit like an exercise in bureaucracy and protocol. Both companies and employees treat the subject as if it is a necessary box to tick (which it is), much like every Terms and Conditions page ever, but very few take the time to truly understand the importance behind it.

Nevertheless, the fact remains: compliance training is mandatory training for employees. In addition, for good reason, it is not just the financial and legal ramifica-

tions of noncompliance—although those penalties and lawsuits resulting from the ramifications are pretty steep. It is a fact that employee compliance and employee engagement go hand in hand.

A staff member who does not bother to pay attention or learn the rules that apply to their job is not an employee who sees themselves as a part of the company in the end.

Educating employees on laws, regulations, and policies is a necessary aspect of keeping them engaged with company culture.

The basic definition of compliance is “the action of complying with a command”, or “the state of meeting rules or standards”.

Therefore, implementing and enforcing compliance helps the company prevent and detect violations of rules, which protects our organization from fines and lawsuits. Therefore, the compliance process should be ongoing, by establishing a program to consistently and accurately govern compliance policies over time.

The main purpose is to protect our

Both companies and employees treat compliance training as a necessary box to tick (which it is), but few take the time to truly understand its importance

company, but the return on investment could be significant such as ensuring business continuity, helping in avoiding losses, fraud and other practices that disturb operations and puts our company at risk.

In other words, by following an effective program that all the employees are properly trained for, we are all more likely to recognize and report illegal or unethical activity.

Steps to make the compliance program successful:

- 1 Assigning ownership:** The Compliance Department is responsible for overall compliance with Regulatory and internal policy requirements. In addition, a compliance champion is designated in every department to follow up, test and ensure ongoing compliance for the compliance-related tasks of the department. One person is assigned the responsibility of managing the program day-to-day.
- 2 Conducting risk assessments:** Compliance is all about managing risk. To avoid the risk of noncompliance is why we conduct regular risk assessments.
- 3 Establishing and maintaining our code of conduct, policies, and standards:** This will help define the program’s purpose and set expectations for behavior. Once risk areas have been identified and policies created, procedures may be established to help employees carry out policies correctly. By creating step-by-step guidelines make it easier to follow procedures and identify noncompliance.
- 4 Properly training all employees:** It is important to make sure that company officers, employees, and third-party members read and sign off on all compliance-related policies and procedures.





Crowned with Trust



Throughout the past decade, Kuwait Financial Centre “Markaz” won more than 60 awards from prestigious financial institutions and publications. These awards reflect “Markaz’s” reliable performance and constant endeavor to achieve excellence in the investment banking and asset management fields.

With commitment towards wealth creation for its clients, dedication in offering innovative financial solutions and professionalism in all that it offers, Markaz has proudly gained the trust of its clients and international experts, who remain a key priority at Markaz.

