

# Monthly Factsheet

## Forsa Financial Fund



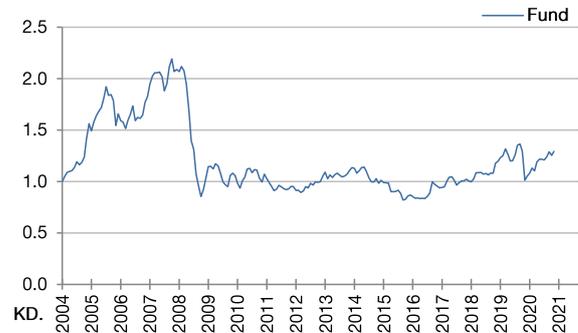
NAV KD 1.292- As of March 31, 2021

**Fund Objective:** The fund aims to achieve stable returns with low volatility by investing in the shares of companies listed on Bursa Kuwait, issuing and selling derivative instruments (Call Options) on Bursa Kuwait listed stocks.

Fund Performance vs. benchmark*	Fund
Total Return (Nov 03 - Dec 04)	16.3%
Total Return (Nov 03 - Dec 06)	62.2%
Total Return (Dec 06 - Dec 09)	-40.4%
Total Return (Dec 09 - Dec 12)	-0.3%
Total Return (Dec 12 - Dec 15)	-8.4%
Total Return (Dec 15 - Dec 18)	20.3%
Total Return (Nov 03 - Mar 21)	29.2%
CAGR Since Inception	1.5%
Volatility (SD) [36 months]	17.62%
Number of Holdings	21

\*Total Return: Net of Fees

Fund price performance Rebased @1 KD since inception\*



### Annual Total Return %

	2004	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20
Fund	16.3	57.9	-11.7	20.3	-45.1	-9.8	15.5	-16.7	3.7	8.2	-4.3	-11.5	0.5	11.2	7.7	27.2	-8.2

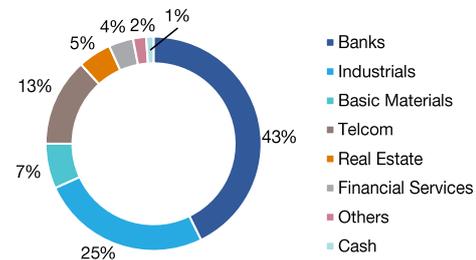
### Key Facts

Net Assets	KD 47.397 Million
NAV per unit	KD 1.29204233
Type	Open-ended
Fund Manager	Kuwait Financial Centre K.P.S.C.
Fund Inception	Nov-2003
Management Fees	1.625% p.a.
Subscription Fees	0.50%
Redemption Fees	0.50%
Minimum Subscription	100 units
Subscription/ Redemption	Monthly
Fund Valuation	Monthly
Custodian	Kuwait Clearing Co.
Auditor	KPMG Safi Al-Mutawa & Partners
ISIN	KW0EQ0903256
Bloomberg	FORSAFF KK
Lipper Code	LP65038181
Zawya Code	KFCFORS.MF
Morning Star SecID	F00000251S

### Top 5 Holdings (59% of NAV)

Mobile Telecommunication Co. (ZAIN)
Agility Public Warehousing
National Bank of Kuwait
Kuwait Finance House
Ahli United Bank

### Sector Allocation



### Market Commentary

During the month, the Boursa Kuwait all share index gained 3.18%, bringing the total gains for the year to 5.12%, and the average daily value traded reached KD 41.23 million, a decrease of 11% vs. February. The strong performance is a result of investors purchase wave after vaccination rollout and the increase in oil prices, as well as incentives by the Parliament and the Cabinet to support with a package of up to KD 250 thousand and postponing the installments of citizens' loans estimated at a value of KD 376 million, while the state bears the cost.

Standard & Poor's credit ratings agency has classified the Kuwaiti banking sector at AA- (AA- negative / A-1+), within the fourth group of risk assessment in the banking industry, noting that banks in this group also include Malaysian, New Zealand, Saudi Arabia and Taiwanese. The agency said in a report on Kuwaiti banks that the country's economy accounts for about 90% of government exports and revenues, and although the cost of Kuwaiti oil production is among the lowest in the world, the high concentration on oil and the weak reform agenda means that Kuwait's economic performance will likely remain severely limited through Oil price trends. The agency added that it expects an economic growth of 0% this year, which hides a recovery in the non-oil economy that contracted last year due to the Corona pandemic and the drop in crude prices, offset by restrictions on Kuwaiti oil production, in line with OPEC and its allies' agreement to reduce crude production.

Standard & Poor's has placed 3 strengths for the Kuwaiti banking system as follows:

1. Strong deposits for lending and government and semi-government agencies.
2. Financial reserves that support banks' asset quality.
3. Government support with large financial assets.

### Fund Executive Committee Members

Ghazi Al Osaimi, Ahmed Al Shalfan, Fahad Al Rushaid, Abdullatif Al Nusif

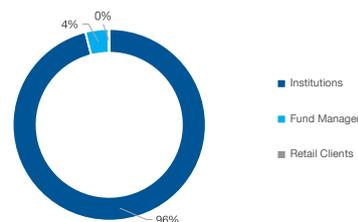
Weaknesses of the Kuwaiti banking system were also identified as follows:

1. The country's economy is highly dependent on oil revenues.
2. A high concentration of lending in the commercial real estate sector.
3. Significant unilateral exposure from one party in line with those of their GCC counterparts.

The rating agency concluded: by assessing the risks of the Kuwaiti banking industry, it reflects the good institutional framework of the state, however, that the quality of bank reports still lags behind international standards. Competition among Kuwaiti banks is still good with a limited presence of non-bank financial institutions to provide credit facilities, and financing terms in Kuwaiti banks remain favorable and supported by strong retail and government deposits.

The Parliament approved a law to voluntarily postpone the installments of citizens' loans and referred it to the government. Finance Minister Khalifa Hamadeh affirmed the government's commitment to implementing the law in accordance with legal frameworks and as soon as possible, expressing hope for the implementation of these laws, which we hope will relieve the burdens of citizens, according to him. Amending the text of Article 1 to provide for the optional postponement of installments for those citizens who are eligible for the postponement. The Parliament approved the amendment of the Minister of Finance regarding the option of the citizen to postpone the installments of his loans and financial obligations with the bodies mentioned in the law, local banks, finance and social insurance companies, family funds and defaulters. The total cost of deferring the payment of loans is expected to reach approximately KD 376 million.

### Fund Shareholders



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The information in this document does not constitute tax advice. Investment in funds may not be suitable for all investors and prospective investors should consult their own professional advisors as to the suitability, legal, tax and economic consequences of an investment in a fund. At all times, prospective investors considering an investment in a fund should carefully review such fund's Articles of Association which describes the investment objectives, operations, fees, expenses, risks of investing and reporting of the fund's performance to the investors. The most recent Articles of Association are available on our website. Funds' financial reports can be obtained upon request to the Fund Manager.

For further information on this fund, including but not limited to investment objectives and policies, fees, expenses, risks and other matters of importance to prospective investors, please contact Markaz at +965 2224 8000 or e mail [info@markaz.com](mailto:info@markaz.com).