

# Monthly Factsheet

Markaz Islamic Fund

NAV KD 2.369 As of June 30, 2021



**Fund Objective:** To obtain returns through investments in Islamic Sharia Equities in Boursa Kuwait.

Fund Performance	Fund
Total Return (Oct 03 - Dec 03)	9.3%
Total Return (Oct 03 - Dec 05)	153.5%
Total Return (Dec 05 - Dec 08)	-33.4%
Total Return (Dec 08 - Dec 11)	-14.7%
Total Return (Dec 11 - Dec 14)	10.1%
Total Return (Dec 14 - Dec 17)	-1.3%
Total Return (Dec 17 - Dec 20)	23.6%
Total Return (Oct 03 - Jun 21)	136.9%
CAGR Since Inception	5.0%
Volatility (SD) [36 months]	17.2%
Number of Holdings	14

\*Total Return: Net of Fees

## Fund price performance Rebased @1 KD since inception\*



## Annual Total Return %

	2003	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20
<b>Fund</b>	9.3	40.4	65.2	-10.5	34.9	-44.8	-9.5	8.6	-13.2	11.4	4.0	-4.9	-13.6	5.1	8.7	7.8	21.7	-5.7

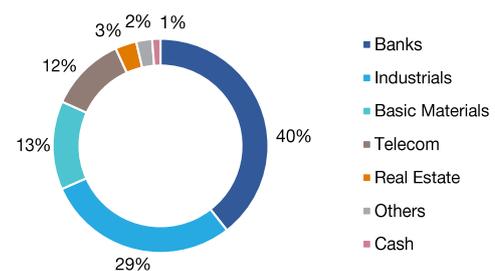
## Key Facts

Net Assets	KD 20.627 Million
NAV per unit	KD 2.36871032
Type	Open-ended
Fund Manager	Kuwait Financial Centre K.P.S.C.
Sharia External Auditor	Osol for Shari'a Consultations
Fund Inception	October 2003
Management Fees	1.50% p.a.
Subscription Fees	0.50%
Redemption Fees	0.50%
Minimum Subscription	100 units
Subscription/Redemption	Weekly
Fund Valuation	Weekly
Custodian	Kuwait Clearing Co
Auditors	RSM Albazie & Co.
ISIN	KW0EQ0903314
Bloomberg	MARISLM KK
Lipper Code	LP65038183
Zawya Code	KFCISLM.MF
Morning Star SecID	F00000251U

## Top 5 Holdings (66% of NAV)

Kuwait Finance House
Agility
Mobile Telecommunication Co. (ZAIN)
Boubyan Bank
Boubyan Petrochemical Co.

## Sector Allocation



## Awards



Winner of four Lipper Fund Awards  
2008 .2010 .2011 .2012



"Kuwait Equity Fund of the Year"  
Award from MENA FM  
2012

# Monthly Factsheet

Markaz Islamic Fund

NAV KD 2.369 As of June 30, 2021



## Market Commentary

During June, Bursa Kuwait All Share index gained 2.8%, bringing the total gains for the year to 17%. Liquidity reached a daily average of KD 64.60 million compared to KD 72.50 during May. The Premier Market index gained 10% during the second quarter of the year, and was close to 7000 points, before the last session of the month, where the profit-taking process caused the market significant losses at the closing of the 30th of June.

Gradually returning to normal life, coinciding with the vaccine rollout and easing precautionary measures, in addition to the significant improvement in oil prices since the beginning of 2021, where factors which contributed to sustaining market attractiveness to investors and enhanced their confidence, especially in light of low bank interest rates.

Although Kuwait posted a large deficit of more than -9% of GDP in 2020, which was the worst performance among GCC economies, as well as the Parliament suspending the government's initiatives of its economic program, including imposing value-added tax, increasing fees, reconsidering government subsidies, and privatizing some government assets, The Future Generations Fund managed by the Kuwait Investment Authority was able to achieve the best performance in the Fund's history, as it grew at a rate of 33%, outperforming its peers, not only for this year, but on the basis of 3, 5, 10, and 20 years. The growth of the Fund revenues exceeded oil revenues during the past five years. The Minister of Finance pointed out that the break-even price in 2021/2022 budget is \$90 a barrel, stressing the importance of accelerating financial reform, and cooperation between the legislative and executive authorities, as well as focusing on solutions that serve the interests of state treasury.

The World Bank updated its global growth prospects, and ex-

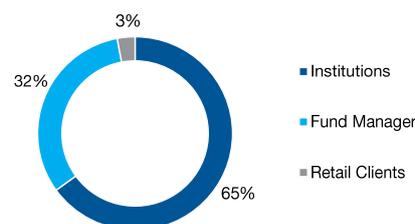
pected that Kuwait's GDP is to grow by 2.4%, compared to previous predictions of 1.9%.

Moody's credit rating agency issued a report affirming the rating of 80% of Kuwaiti companies, based on an optimistic view of the stability of the operating environment and the improvement of economic conditions with the gradual recovery from the repercussions of the pandemic. The USD/KD exchange rate increased by 2.5% throughout the year, which supports the reduction of the cost of the Kuwaiti import bill.

The Central Bank of Kuwait decided to extend the work of the relaxed regulatory limits for some of the regulatory instructions and tools of the macro prudential policy until the end of December 2021, with the exception of those related to the instructions for the controls of financing granted to individual customers for the purpose of buying or developing real estate, which must return to its previous status before the 2nd of April 2020. In its circular, the Central Bank stressed the importance of the vital role of the banking sector in supporting the economy during this crisis, which necessitates the use of additional space (KD 5 billion) in financing the productive and targeted economic sectors by easing regulatory requirements and limiting their use in financing personal facilities.

The results of stress tests conducted by Kuwaiti banks indicated that the banking sector has good resilience in the face of shocks and worst-case scenarios, which exceeds Basel requirements for capital adequacy standard by maintaining an average capital adequacy of 11.4% at the end of 2023. The quality of its assets has also improved, and the percentage of non-performing loans has reached 2% at the end of December.

## Fund Shareholders



## Fund Executive Committee Members

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

**Disclaimer:** This document has been prepared and issued by Kuwait Financial Centre K.P.S.C. "Markaz", which is regulated by the Capital Markets Authority and the Central Bank of Kuwait. This document is owned by Markaz and is privileged and proprietary and is subject to copyrights. This document cannot be quoted without the prior written consent of Markaz. This document is published for informational and promotional purposes only and it is not an invitation to subscribe to units of the fund. The market commentary included in this document was prepared based on the market news at the time of preparation. No relevant or necessary information relating to the fund have been omitted to be included in this document.

The investment results and performance cannot be predicted and no representation or warranty, express or implied, is made. Nothing contained in this material should be relied upon as a promise or representation towards future results or events. For the avoidance of doubt, past performance is not a reliable indicator of future performance. Before investing, prospective investors must carefully evaluate the appropriateness of the investments to determine whether they are appropriate for their investment. Investors should be aware that the investments are subject to decrease or increase in value, therefore at the time of redemption, investor may redeem amount less than that initially invested. Further, Investors should be aware that, wherever applicable, the fluctuation in foreign currency exchange rates may result in a negative effect on the value, price, or income of the Fund's Units. In making an investment decision, the investors must rely on their own examination and analysis of this investment fund, including the merits and risks involved.

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.

Kuwait Financial Centre K.P.S.C. | [Asset Management](#) | [Investment Banking](#)

Fund Manager's Address: 3rd Floor Universal Tower, Ahmad Al-Jaber Streer, Sharq, Kuwait

P.O. Box 23444, Safat 13095, State of Kuwait

+965 2224 8000 | [markaz.com](#)

