

Monthly Factsheet

Forsa Financial Fund



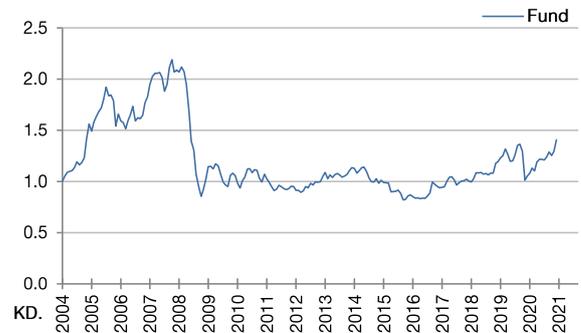
NAV KD 1.405- As of April 30, 2021

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	2.0%
Volatility (SD) [36 months]	18.13%
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

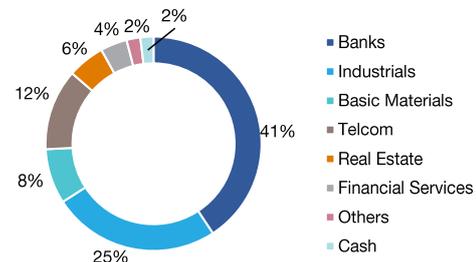
Key Facts

Net Assets	KD 51.546 Million
NAV per unit	KD 1.40514696
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 (57% of NAV)

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

Sector Allocation



Market Commentary

During April, Boursa Kuwait All Share index gained 6.7%, bringing the total gains for the year to 12.16%, and the average daily value traded reached KD 51.60 million, an increase of 25% vs. March. Boursa Kuwait led the GCC markets during April, adding KD 1.98 billion to its market gains and bringing its capital value to KD 35.6 billion, an increase of 5.9% compared to March. The strong performance is a result of investors purchase wave of blue chips, especially Agility Public Warehousing during the last week of the month, after its deal with DSV Panalpina (Denmark). Also, small and medium stocks witnessed a trading revive during April, and Main Market index was up by 5000 bps to end the month at 5127 bps, recording 9.3% gains compared to March.

In a quarterly Reuters survey, economists revised down their 2021 expectations for Kuwait to 1.8% growth from 2.2% previously as it faces a possible liquidity crunch. However, the 3.5% growth seen next year is comfortably above the January forecast of 2.7%, with 2023 expectations at 2.9% versus 3.0%.

Mohamed al-Hashel, Central Bank of Kuwait Governor, expected economic activities in the country to grow during the current year, indicating at the same time that a pre Covid-19 status will take some time. Al-Hashel added that the early monetary, precautionary and financial policy interventions at the beginning of the pandemic prevented the country's production capacity from being severely damaged, the matter that will help in a rapid recovery after controlling the pandemic. He explained that there is "a state of uncertainty surrounding the economic outlook", as we are still in the midst of the pandemic, pointing out that the optimism resulting from the availability of vaccines and the start of the vaccination campaign in the country has improved the public mood and raised expectations about the economic conditions.

Moody's Investors Service issued a report regarding the regular review of the sovereign credit rating of Kuwait, in which it praised the prudence of the monetary policy applied by the Central Bank of Kuwait, and the strength of the conditions of the banking sector in the country. The agency indicated that the management of Kuwait's monetary policy is a source of institutional strength, as evidenced by the relatively low and stable levels of inflation since the application of the Kuwaiti dinar exchange rate system based on a

weighted basket of currencies. The agency indicated the limited risks of infection that the banking system in Kuwait may pose to the state's general budget, as the agency classifies these risks at the level of "baa", and although the agency expects weak banks' profitability due to the negative repercussions of the Corona pandemic, it praised the banks' enjoyment of High capitalization rates, liquidity and provisions, which support the performance of the banking sector. The agency stated that liquidity risks in particular threaten the country's credit rating in the near term, adding that the possibility of the executive and legislative authorities continuing to introduce temporary and partial measures that would prolong the uncertainty about the financing situation in the medium term. On the positive side, the agency indicated that Kuwait has a huge stock of sovereign assets in the Future Generations Reserve Fund, estimated at 420% of GDP until the end of 2020, and that the assets and investment revenues resulting from the Future Generations Reserve Fund are currently excluded from the general budget under The Law, and the financing challenges facing Kuwait can be reduced by amending laws to allow withdrawals from the Future Generations Reserve Fund to fill the public budget deficit, which was recently proposed by the government in a draft law that was submitted to the National Assembly. Consequently, the obstacles that Kuwait faces to solve its financing challenges are primarily political. According to the agency's assumptions for international oil prices in the medium term, the agency expects the balance of the current account balance to continue to record fiscal surpluses.

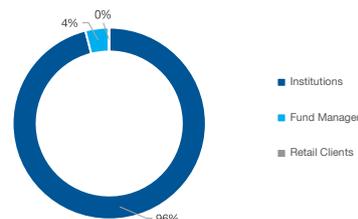
The Capital Markets Authority (CMA) fixed May 2nd for the launch of NETTING service (allocation accounts and the removal of the fresh money rule). It is also expected that the coming period will witness additional important tools, most notably short selling and swap deals, specially that their legal and legislative regulations are in place, but they are awaiting a CMA decision.

The CMA plans to amend the conditions and executive frameworks for the listing and subscription process, aiming to reduce the documentary cycle and to save time and costs. This will be through the acceleration of the process, by focusing on short listing and IPO timelines, to approximately two working weeks.

Fund Executive Committee Members

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

Fund Shareholders



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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](#)

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