

# Monthly Factsheet

## Forsa Financial Fund



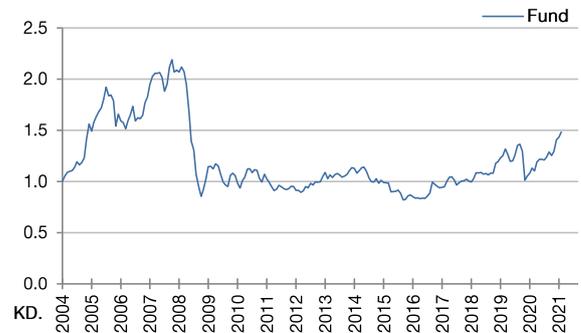
NAV KD 1.483- As of June 30, 2021

**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 - Jun 21)	48.3%
CAGR Since Inception	2.3%
Volatility (SD) [36 months]	18.11%
Number of Holdings	22

\*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

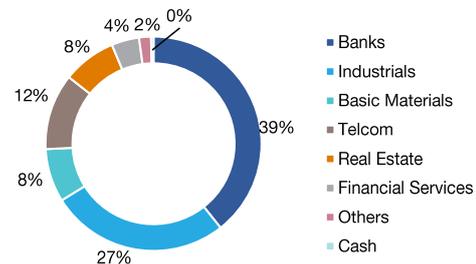
### Key Facts

Net Assets	KD 53.723 Million
NAV per unit	KD 1.48262905
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 (56% of NAV)

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

### Sector Allocation



### 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.

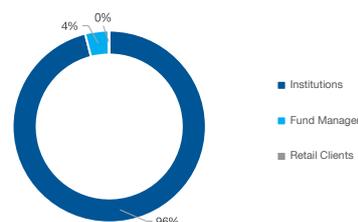
The Central Bank of Kuwait decided to extend the work of the relaxed regulatory limits for some of the regulatory instructions and tools of the macro prudential policy until the end of December 2021, with the exception of those related to the instructions for the controls of financing granted to individual 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 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.

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