

2026

Markaz House views

Unlocking Emerging Opportunities Amid Complexity

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Foreword

We are pleased to present our House views for 2026 amid an opportunity-rich market setting that reflects our conviction in disciplined strategies to capture long-term returns. This report outlines Markaz's forward-looking house views for 2026, focusing on expected market dynamics, investment risks, and opportunities across asset classes. In 2026, we expect the global investment landscape to be shaped by rich valuations, geopolitical friction, and rapid technological disruption. We are entering a decade that will be fundamentally defined by heavy capital expenditure, a period where governments and corporations are aggressively investing across key sectors, including infrastructure, energy transition, technology, logistics, and digital scaling, against a backdrop of historically elevated public debt in major economies. Global capital flows are likely to depend on three defining forces – i) Policy cycles, which are seeing new interest-rate regimes redefine the cost of capital and reset asset valuations; ii) Political realignment, where evolving fiscal priorities and industrial strategies are generating new investment themes; and iii) Geopolitics, which is driving significant shifts in traditional trade routes, supply chains, and investment corridors. Despite these complex dynamics and seemingly elevated valuations in certain sectors, sustained earnings growth continues to reward disciplined investors.

In the GCC, especially Kuwait, reform momentum is accelerating while business-friendly regulations are supporting the business environment and job creation. The reforms reflect commitment to improved governance and digitalization across the public sector, while strengthening core public provisions such as housing, healthcare, and education to develop robust, long-term national capacity. The market has reflected this positive shift, with the Kuwait's All Share index (PR) returning 21% in 2025, which is significantly better than the -1.5% return for the S&P GCC Composite index, a powerful signal of confidence and liquidity. Kuwait continues to benefit from maintaining one of the lowest borrowing costs across the region.

Internationally, compelling opportunities are emerging within international real estate and private markets. Recognizing that growth cycles are often accompanied by steep volatility, these periods are precisely when strategic opportunities materialize, necessitating careful liquidity and robust risk management. We maintain a strong investment focus in the GCC region, with Kuwait continuing to be a key market.

The outlook for Kuwait remains particularly optimistic, combining economic opportunity with a deep and liquid capital market. Kuwait possesses a clear national vision featuring viable projects and active private sector engagement. Given its deep stock market, low public debt, and high lending capacity of its banks, the country is positioned to deliver solid, sustainable returns. Over the next decade, more than \$120 billion is slated for investment in projects involving private sector participation, including housing (\$40B), logistics (\$5B), infrastructure (\$7B), oil (\$50B over five years), and technology. The projected expenditure is expected to have a strong multiplier effect, creating a favourable environment for the formation of new sectors and businesses.

As an investment company, Markaz stands out for its diverse yet complementary verticals and agile approach. Looking ahead to 2026, we remain optimistic about the opportunities emerging in Kuwait, across the GCC, and in international markets. While we recognize the risks inherent in the global investing landscape, we are confident in our ability to navigate them effectively and maintain a balanced, resilient approach.

Ali H. Khalil
 Chief Executive Officer
 Kuwait Financial Centre - Markaz

2025 Overview

Global Asset Class performance

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Crypto (Bitcoin) 124.3%	Crypto (Bitcoin) 1336.4%	Gold -1.5%	Crypto (Bitcoin) 94.1%	Crypto (Bitcoin) 304.5%	Crypto (Bitcoin) 59.4%	Oil (Brent) 10.5%	Crypto (Bitcoin) 155.7%	Crypto (Bitcoin) 121.0%	Gold 64.4%
Oil (Brent) 52.4%	EM Equity (MSCI EM) 34.3%	US Bonds (US Agg. Index) -2.6%	US Equity (S&P 500) 28.9%	Gold 25.0%	Oil (Brent) 50.2%	Gold -0.2%	US Equity (S&P 500) 24.2%	Gold 27.2%	EM Equity (MSCI EM) 30.6%
US Equity (S&P 500) 9.5%	DM Equity (MSCI World) 20.1%	US Equity (S&P 500) -6.2%	DM Equity (MSCI World) 25.2%	US Equity (S&P 500) 16.3%	US Equity (S&P 500) 26.9%	US Bonds (US Agg. Index) -15.0%	DM Equity (MSCI World) 21.8%	US Equity (S&P 500) 23.3%	DM Equity (MSCI World) 19.5%
EM Equity (MSCI EM) 8.6%	US Equity (S&P 500) 19.4%	DM Equity (MSCI World) -10.4%	Oil (Brent) 22.7%	EM Equity (MSCI EM) 15.8%	DM Equity (MSCI World) 20.1%	US Equity (S&P 500) -19.4%	Gold 13.1%	DM Equity (MSCI World) 17.0%	US Equity (S&P 500) 16.4%
Gold 8.5%	Oil (Brent) 17.7%	EM Bonds (JPMC EMBI) -10.5%	Gold 18.3%	DM Equity (MSCI World) 14.1%	US Bonds (US Agg. Index) -3.5%	DM Equity (MSCI World) -19.5%	EM Equity (MSCI EM) 7.0%	EM Equity (MSCI EM) 5.1%	EM Bonds (JPMC EMBI) 8.1%
DM Equity (MSCI World) 5.3%	Gold 13.1%	EM Equity (MSCI EM) -16.6%	EM Equity (MSCI EM) 15.4%	US Bonds (US Agg. Index) 5.2%	Gold -3.6%	EM Equity (MSCI EM) -22.4%	EM Bonds (JPMC EMBI) 5.3%	EM Bonds (JPMC EMBI) 0.3%	US Bonds (US Agg. Index) 3.1%
EM Bonds (JPMC EMBI) 4.2%	EM Bonds (JPMC EMBI) 5.3%	Oil (Brent) -19.5%	EM Bonds (JPMC EMBI) 10.2%	EM Bonds (JPMC EMBI) 1.2%	EM Equity (MSCI EM) -4.6%	EM Bonds (JPMC EMBI) -22.4%	US Bonds (US Agg. Index) 2.3%	US Bonds (US Agg. Index) -2.4%	Crypto (Bitcoin) -6.3%
US Bonds (US Agg. Index) 0.0%	US Bonds (US Agg. Index) 1.2%	Crypto (Bitcoin) -73.4%	US Bonds (US Agg. Index) 5.5%	Oil (Brent) -21.5%	EM Bonds (JPMC EMBI) -5.9%	Crypto (Bitcoin) -64.2%	Oil (Brent) -10.3%	Oil (Brent) -3.1%	Oil (Brent) -18.5%

Source: LSEG Workspace

Equities

The U.S. equity market delivered a strong performance in 2025 (16.4%) supported by continued outperformance of technology stocks, optimism surrounding AI-driven growth, resilient valuations, and a more accommodative interest-rate environment. European equities have benefited from foreign capital rotation away from U.S. markets, accommodative monetary policy, lower valuations and improving

economic fundamentals. Broader EM index (27.1%) outperformed U.S equity markets (16.4%) during the year driven by a weaker U.S. dollar, favourable valuations, and strong earnings growth expectation. Chinese stocks have regained momentum, supported by government stimulus and policy clarity.

GCC equity market performance in 2025 has been mixed, shaped by factors such as U.S. Fed rate cuts, mixed corporate earnings and phasing

out of oil production cuts by OPEC+. Kuwait emerged as the region's second-strongest performer (20.3%) after Oman, supported by improving investor sentiment linked to ongoing reforms, rebound in oil output and resilient non-oil sector activity. Dubai markets maintained solid momentum, underpinned by strong corporate earnings, a buoyant real estate sector, and an active IPO pipeline. In contrast, Saudi Arabia's equity performance (-12.0%) was constrained by fluctuating oil prices and subdued earnings results among blue chips.

Fixed Income

Fixed Income Markets generated positive returns in 2025, as broad bond indices delivered gains supported by a cycle of Federal Reserve rate cuts and moderating economic conditions, which boosted investor demand for fixed income assets. In addition, the weakening U.S. dollar further supported emerging market (EM) bonds, as currency tailwinds enhanced total returns for hard-currency and local-currency EM debt.

The strategic visions of GCC governments have elevated the importance of debt capital markets as a key financing channel. The Gulf states seized a favorable market backdrop—characterized by lower spreads and investor appetite to tap international capital markets. Notably, Kuwait issued a USD 11.25 billion sovereign bond, split across multiple tranches (including 3-, 5-, and 10-year maturities), marking its return to global debt markets for the first time in eight years.

Alternatives

Oil prices declined during the year amid weaker-than-expected global demand, unwinding of OPEC+ oil production cuts, concerns about oversupply and easing geopolitical risk premiums at various points during the year. Gold delivered exceptional returns (64.0%) supported by increased demand owing to heightened geopolitical and macroeconomic uncertainty. A probable escalation of Geopolitical tensions in Venezuela could trigger further volatility in commodity prices (Oil, Gold and Silver) in early 2026. Private equity benefited from easing interest rates, improved exit activity, and valuation recovery following prior-year markdowns.

2025 was a year of robust performance across MENA real estate driven by renewed transactional momentum, strong foreign demand and solid rent growth in residential, office, retail and industrial segments. Prime GCC city residences witnessed price and rental growth supported by foreign buyers, visa/investment reforms and robust demand from high net-worth individuals. As for global real estate, conditions continued to stabilise as policy rates plateaued, price discovery improved, and the bid-ask gap narrowed in select markets. Liquidity remained selective, favouring income-resilient segments such as logistics, rental housing, and data-adjacent assets, while weaker offices saw further dispersion. With lenders disciplined and refinancing needs elevated, underwriting quality, structure, and business-plan visibility remained the primary drivers of returns.

Outlook for 2026

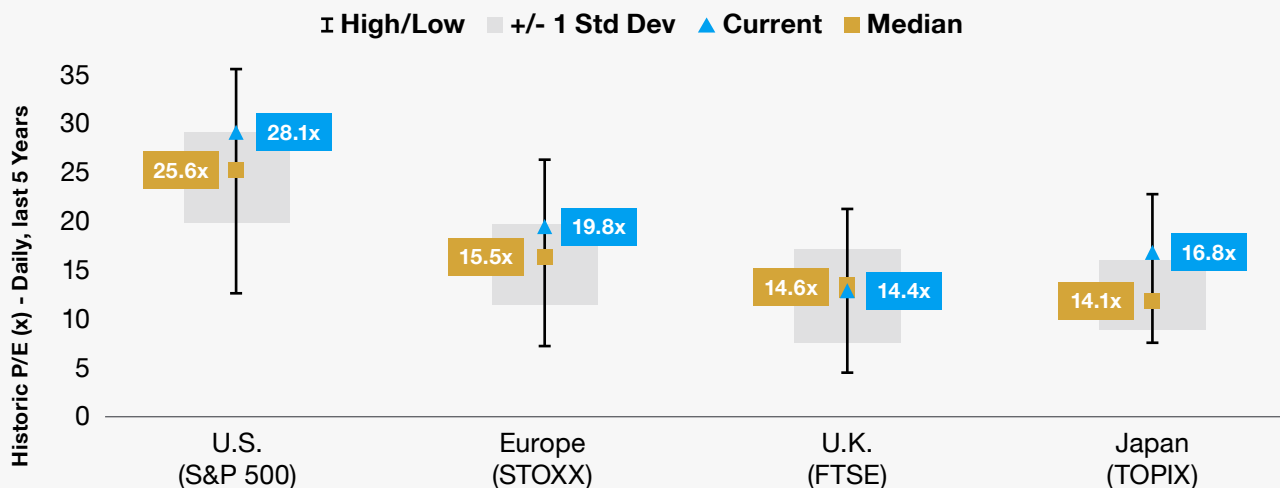
a. Equities

Global Markets

'U.S. exceptionalism' is a theme that is likely to continue into 2026. While concerns regarding a potential bubble persist, the valuations of many leading U.S. technology companies are underpinned by solid fundamentals. This growth has, however, led to significant market concentration. The combined market capitalization of the "Magnificent Seven" (M7) stocks now accounts for nearly 35% of the S&P

500, indicating the high degree of concentration risk in U.S. markets. Consequently, there is a need to diversify beyond the technology sector and into areas like healthcare, utilities, banking, and industrials. The recent volatility in U.S. policy also underscores the necessity for geographic diversification. Among non-U.S. equity markets, Europe and Japan stand out in the developed space, while China and India offer growth opportunities in the Emerging market space.

Historical Valuation (P/E) of major global indices between 2021 and 2025



Source: LSEG; Data as of January 2, 2026, close. The high/low PE ratio, median, standard deviation has been calculated for the last five years.

Despite a slower pace in AI adoption, the European market is poised for a new cycle of expansion. After reporting three years of stagnant earnings, growth is expected to accelerate driven by a rebound in goods consumption, rigorous cost management by corporations, and favourable monetary policy from the ECB. European stocks are also trading at a discount to their global peers, serving as a good entry point.

Japan is fundamentally transitioning away from its decades of low inflation and near-zero interest rates supported by strengthening wages and growing consumer spending power. Equity

market performance is anticipated to be strongly supported by fiscal and regulatory measures and comprehensive corporate governance reforms.

Emerging Markets are increasingly attracting capital, driven by a combination of macroeconomic tailwinds that include a weaker U.S. Dollar, lower future interest rates, and attractive valuations. This is further bolstered by strong corporate earnings growth expectations for 2026, particularly across India, China and Brazil. Despite ongoing headwinds related to the China's slow reflationary progress, key growth drivers remain robust.

GCC Markets

GCC equity market performance is expected to remain positive, owing to stronger fiscal position, sovereign investment activity, strong foreign inflow, attractive valuations and ongoing reform momentum. Robust investment in both oil & non-oil sectors led by infrastructure mega projects and a strategic focus on non-oil sectors like logistics and energy, are likely to support growth. This momentum is expected to collectively boost the construction, finance, and industrial/building material sectors, while the oil and gas sector continues to attract its share of investment. GCC equity markets are transforming at a much faster pace, with average IPOs during 2020-25 rising

by 3x to 44 from 14 during 2000-19. We expect Saudi Arabia markets to rebound in 2026 due to privatization initiatives, accelerated project awards, increased IPO activity, and improved foreign investor access that offers more liquidity. We are cautiously optimistic on the outlook for Kuwait equities that is set to benefit from ongoing economic reforms, renewed foreign/institutional interest and government investment while being susceptible to oil price risks. Fluctuations in Oil prices due to an escalation in geopolitical tensions in Venezuela could possibly be a downside risk for the GCC economy and markets in 2026 depending on the duration and magnitude of the event.

GCC Equity Market Performance

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Dubai Equity (DFMGI) 12.1%	Kuwait Equity (All Share TR) 10.3%	Qatar Equity (QE Index) 20.8%	Kuwait Equity (All Share TR) 28.3%	KSA Equity (TASI) 3.6%	Abu Dhabi Equity (ADI) 68.2%	Abu Dhabi Equity (ADI) 20.3%	Dubai Equity (DFMGI) 21.7%	Dubai Equity (DFMGI) 27.1%	Kuwait Equity (All Share TR) 25.3%
Kuwait Equity (All Share TR) 0.2%	KSA Equity (TASI) 0.2%	Abu Dhabi Equity (ADI) 11.7%	Dubai Equity (DFMGI) 9.3%	Qatar Equity (QE Index) 0.1%	GCC Equity (S&P GCC) 31.4%	Kuwait Equity (All Share TR) 6.4%	KSA Equity (TASI) 14.2%	Kuwait Equity (All Share TR) 12.2%	Dubai Equity (DFMGI) 17.2%
Abu Dhabi Equity (ADI) -0.5%	GCC Equity (S&P GCC) -0.5%	GCC Equity (S&P GCC) 8.4%	GCC Equity (S&P GCC) 8.3%	Abu Dhabi Equity (ADI) -0.6%	Kuwait Equity (All Share TR) 30.0%	Dubai Equity (DFMGI) 4.4%	GCC Equity (S&P GCC) 6.2%	GCC Equity (S&P GCC) 2.0%	Abu Dhabi Equity (ADI) 6.1%
KSA Equity (TASI) -3.3%	Abu Dhabi Equity (ADI) -3.3%	KSA Equity (TASI) 8.3%	KSA Equity (TASI) 7.2%	GCC Equity (S&P GCC) -1.7%	KSA Equity (TASI) 29.8%	KSA Equity (TASI) -7.1%	Qatar Equity (QE Index) 1.4%	KSA Equity (TASI) 0.6%	Qatar Equity (QE Index) 1.8%
GCC Equity (S&P GCC) -4.6%	Dubai Equity (DFMGI) -4.6%	Kuwait Equity (All Share TR) 7.8%	Abu Dhabi Equity (ADI) 3.3%	Kuwait Equity (All Share TR) -8.0%	Dubai Equity (DFMGI) 28.2%	GCC Equity (S&P GCC) -7.2%	Kuwait Equity (All Share TR) -3.1%	Abu Dhabi Equity (ADI) -1.7%	GCC Equity (S&P GCC) -1.5%
Qatar Equity (QE Index) -18.3%	Qatar Equity (QE Index) -18.3%	Dubai Equity (DFMGI) -24.9%	Qatar Equity (QE Index) 1.2%	Dubai Equity (DFMGI) -9.9%	Qatar Equity (QE Index) 11.4%	Qatar Equity (QE Index) -8.1%	Abu Dhabi Equity (ADI) -6.2%	Qatar Equity (QE Index) -2.4%	KSA Equity (TASI) -12.8%

Source: LESG Workspace

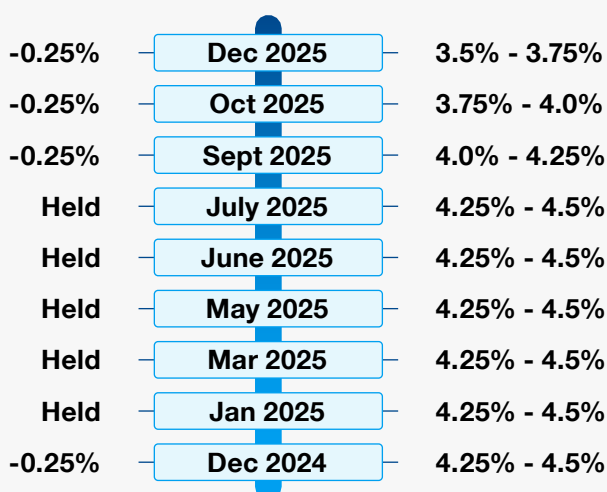
Outlook for 2026 (continued)

b. Fixed income

Global and GCC Fixed Income

Despite expectations of further Fed rate cuts in 2026, rising U.S debt levels and lingering inflation risks cloud the outlook for U.S treasuries. Increasing allocation to mid-duration bonds that have lower volatility compared to long-term bonds and reallocating part of U.S. Treasury exposure towards other developed-market sovereign debt could remain a trend in 2026. Demand for Investment Grade credit is expected to stay robust, supported by strong issuer quality and the need for yield and diversification.

Actual Fed Rate Cuts in 2025



Source: FOMC

Interest rates are expected to continue trending lower in 2026, which should provide a supportive backdrop for GCC fixed-income performance. However, volatility in the U.S. economy is likely to persist, creating periods of uncertainty, but also potential opportunities for active investors. Within the GCC, opportunities remain robust. Despite the region's strong credit profiles, GCC bonds continue to offer a yield premium relative to similarly rated markets. Additionally, the growing emphasis on green and sustainable bond issuance is expected to attract foreign investor interest and further deepen the regional fixed-income market. Oil prices will remain a critical determinant of regional

credit conditions. A sustained decline could widen fiscal deficits, elevate sovereign risk, and weigh on overall creditworthiness.

c. Private Markets

As investors look toward 2026, private markets are moving beyond post-tightening normalization into a phase of more selective and diversified opportunity. Private equity, private credit, and infrastructure are increasingly being positioned not as tactical allocations, but as core portfolio building blocks, offering differentiated return drivers, resilient income, and enhanced risk management. Structural shifts in public markets, alongside evolving investor objectives around income, inflation protection, and capital preservation, continue to reinforce the strategic relevance of private assets. We remain constructive on private markets overall and expect the investor base for private credit to broaden meaningfully in 2026, creating attractive deployment opportunities, while infrastructure benefits from long-term structural demand and private equity sees a gradual pickup in exits and improved pricing discipline over the year.

Here are some structural factors at play, supporting our positive outlook for 2026:

Why Traditional investing is no longer sufficient?

For decades, the 60/40 portfolio framework provided a reliable balance between growth and stability, anchored by the assumption that equities and bonds would perform differently across economic cycles. That assumption has become increasingly fragile, as witnessed during the past few years (COVID-19 and Sharp interest rate hikes in 2022). Inflationary risks, uncertainty over interest rate moves, and heightened geopolitical and policy uncertainty have periodically caused equities and bonds to move in tandem, reducing diversification benefits precisely when they are most needed.

Beyond cyclical factors, a deeper structural shift is underway. A growing share of economic value creation now occurs outside public markets. Companies are remaining private for longer as critical infrastructure and investments

are increasingly financed privately. Innovative companies and projects are often captured before assets reach public exchanges. As a result, traditional portfolios anchored solely in public markets risk missing both diversification and return opportunities. In this context, private equity and private credit offer differentiated return drivers that are less dependent on public market beta. Rather than signalling the demise of the 60/40 model, this evolution points toward a more resilient portfolio architecture in which private assets play a foundational role alongside public investments.

Addressing the illiquidity hurdle

Illiquidity remains the most frequently cited concern when allocating to private markets. However, illiquidity should be viewed less as a binary constraint and more as a portfolio design choice. Investors with long-term horizons can often be compensated for reduced liquidity through higher expected returns, more stable cash flows, and access to opportunities that are not available in public markets.

Many strategies now prioritize early and recurring distributions by focusing on operational, cash-generative assets rather than purely developmental exposure. Semi-liquid fund structures have gained traction, offering periodic redemption opportunities subject to defined limits rather than daily liquidity.

Downside Protection

Private assets are often perceived as riskier due to their complexity and illiquidity; however, their structural characteristics frequently provide meaningful downside protection relative to public markets. In particular, private credit and infrastructure benefit from strong contractual frameworks, asset backing, and long-term cash flow visibility, which materially reduce capital impairment risk. Infrastructure investments derive defensiveness from essential services, regulated or contracted revenues, long asset lives, and embedded inflation linkage, offering stability across economic cycles. Private credit embeds downside protection even more explicitly through its contractual nature, with seniority in the capital structure, collateralization, financial

covenants, and active monitoring creating multiple layers of defence. Private equity complements this framework through active ownership and governance rights, enabling value creation through operational improvement and strategic execution rather than reliance on market sentiment. Together, these structural features shift the focus from short-term volatility to long-term capital preservation and compounding.

Our house view for 2026 remains constructive on private markets, with private credit and private infrastructure positioned to play an increasingly central role in diversified portfolios, supported by their income generation, defensive characteristics, and strong risk-adjusted return profiles. Private equity remains an important component, but outcomes will be more differentiated and increasingly driven by manager skill and operational execution. Across private markets, success will depend on selectivity, disciplined underwriting, and thoughtful portfolio construction. As traditional diversification assumptions continue to be challenged, private markets provide a powerful complement to public assets by enhancing portfolio resilience and improving overall risk-adjusted returns.

Private credit enters 2026 from a position of particular strength, having firmly established itself as a core income-oriented allocation for institutional and private investors alike. Yields remain compelling, supported by floating-rate structures, rate floors, and robust covenant packages. In an environment where public fixed income continues to offer limited real yield and heightened duration risk, private credit stands out as a reliable source of income with capital protection. Infrastructure also benefits from strong secular tailwinds, driven by global investment in energy transition, digital infrastructure, transportation, and essential services. These assets offer stable, long-duration cash flows with meaningful inflation pass-through. The private equity outlook for 2026 is more measured. While exit conditions are gradually improving after a prolonged slowdown, returns are likely to be driven primarily by operational execution rather than multiple expansion, reinforcing the importance of experienced managers, sector specialization, and disciplined value creation.

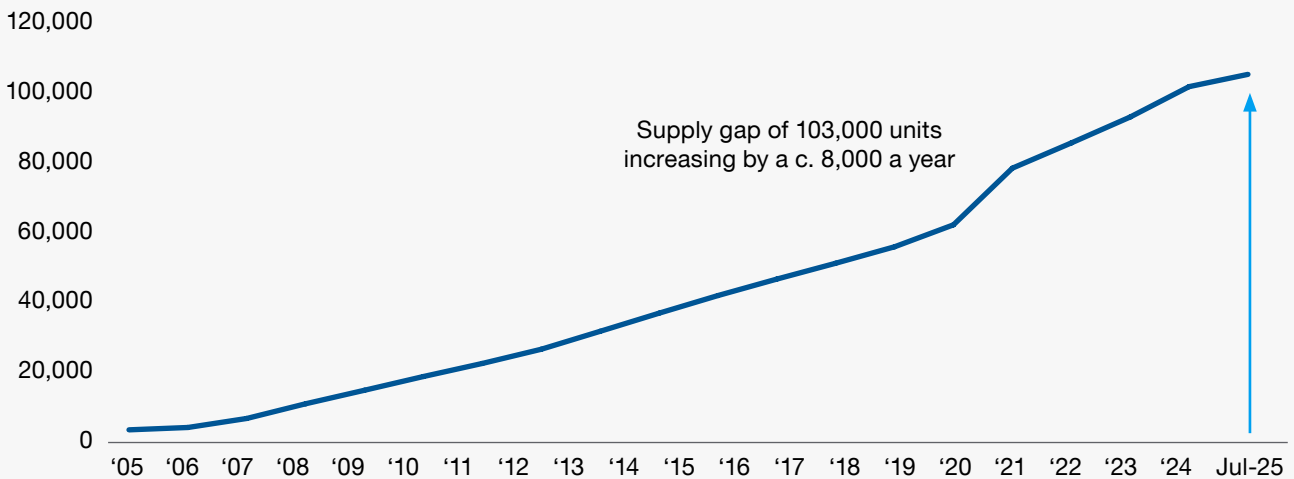
Outlook for 2026 (continued)

d. MENA Real Estate

In 2026, we foresee good investment opportunities in the regional real estate markets, especially Kuwait due to the ongoing reforms. Under the real estate developer law, which was amended this year, the framework increasingly enables public-private partnership participation in residential development. Private developers are expected to develop residential areas and build and sell homes directly to citizens. There are 103,000 housing applications on the waiting list, equivalent to approximately KD 10-15 billion worth of housing.

In addition to these unmet demands, there is a need for approximately 5,000 to 8,000 additional homes annually, worth approximately KD 1 billion per year. The warehousing and industrial real estate in Kuwait is an emerging opportunity due to high government investment. The government has announced the commencement of the Mubarak Al-Kabeer Port development project with an investment of KD 990.8 million. The projects in pipeline under the Kuwait Vision 2035 pave the way for the growth of the logistics sector, particularly warehousing.

Public Authority of Housing Welfare - Cumulative Housing Applications Unfulfilled

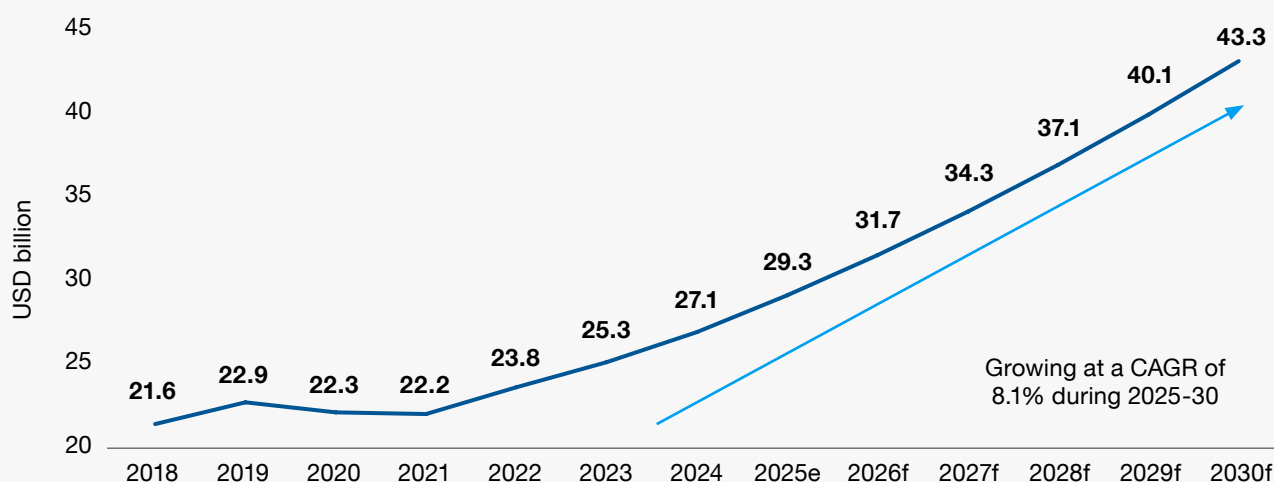


Source: PAHW

In the warehousing segment, Saudi Arabia’s regional market is expected to grow at an annual rate of 8% over the next five years. There is also a gap in the Saudi Arabia market between the supply

and demand for world-class warehouses, as 90% of the currently available warehouses are of category B & C, while high-quality warehouses constitute no more than 10% of the available facilities.

KSA Warehouse Market Revenue



Source: Grand View Research

e. International Real Estate

2026 opens with real estate moving from price discovery toward selective deployment. In Europe, the pause in capital-markets momentum is giving way to more attractive entry points as swap rates and credit spreads ease; prime yields are starting to look compelling again, particularly for USD investors if the euro strengthens. Supply is a helpful shock absorber: industrial construction starts are well off their peak and new office starts are sharply lower, setting the stage for firmer fundamentals where tenant demand concentrates in higher-quality space. In the US, values began to stabilise late in 2025 as policy uncertainty faded; volumes are improving and the window for cyclical opportunities has widened into 2026, though the breadth of the rebound still depends on demand holding through the coming quarters. A cross-market constraint remains the lack of accretive leverage; debt costs still sit above cap rates in many segments so underwriting hinges on income growth and operational execution rather than financial engineering.

On the occupier side, tighter development pipelines and a healthier balance between new supply and demand are supporting rental resilience even as leasing normalises from post-pandemic peaks. Living markets in developed economies continue to show steady rental momentum amid structural undersupply, while modern logistics benefits from scarce land and users' operational needs.

Credit conditions will continue to shape the opportunity set. With refinancing needs elevated and banks cautious, secured real-estate lending is regaining prominence: today's loans often clear at wider spreads with stronger covenants and clearer cash-control, offering a stabilising allocation relative to tight public credit and pockets of stress in private corporate lending. Liquidity is returning unevenly, so manager selection and asset quality remain decisive; investors who focus on clear exit paths, disciplined documentation, and assets benefiting from durable demand and constrained new supply are best placed to act early in this phase and compound through the next leg of the cycle.

How can Markaz help?

a. Equities

Markaz is well-positioned to capitalise on the market opportunities expected in 2026, with a broad suite of investment offerings in the equity segment across public funds and discretionary portfolios. Our rigorous stock selection process enables us to identify compelling opportunities and navigate evolving market conditions. The product lineup includes momentum-driven, actively managed equity funds such as the GCC Momentum Fund, long-established flagship portfolios like MIDAF, Forsa Financial, Mumtaz, and the Islamic Fund, which provide exposure to conventional and Sharia-compliant equities with strong year-to-date performance across several strategies. Markaz also offers a suite of discretionary portfolios including Conventional & Shariah-compliant, High conviction (Opportunistic) and Dividend-yield portfolios.

b. Fixed Income

The fixed income team of Markaz has a proven track record of identifying and capturing positive opportunities amid market volatility. The value of Markaz lies in strategic asset allocation and in selecting sectors that demonstrate inherently low risk, ensuring continued resilience and stability for investors. Markaz manages a portfolio of private fixed income funds that invests in regional and GCC bonds. The Markaz Fixed Income Fund provides an opportunity to generate steady returns by investing in high-quality bonds and Sukuk issued/guaranteed by sovereigns, quasi-sovereign institutions and corporations in the GCC and other MENA countries.

c. Private Markets

As private markets become increasingly integral to portfolio construction, the central question is no longer whether to allocate, but how to size and integrate exposures effectively. Within a diversified private markets allocation, private credit and infrastructure can serve as the stabilizing core, providing durable income, capital preservation, and inflation resilience, while private equity plays a complementary role in driving long-term capital growth. Allocations that are too small may fail

to materially influence portfolio outcomes, while excessive concentration can reduce flexibility during periods of market stress. The service of an experienced asset manager like Markaz, which has strong capabilities and a proven track record of meeting investor requirements, could prove to be pivotal in this regard.

d. MENA Real Estate

Markaz has built a strong portfolio of real estate offerings across the MENA markets through the dedicated MENA Real Estate division. Leveraging its extensive regional presence and strong operational capabilities, Markaz MENA Real Estate team applies a proven and disciplined approach to acquisition, management, and divestment of assets across the most attractive real estate segments, with the objective of delivering sustainable value creation. Markaz MENA Real Estate currently manages assets worth KD 294 million across Kuwait, the UAE, Saudi Arabia, and the Levant. Markaz manages a domestic income-generating real estate portfolio valued at KD 191 million. Additionally, the Markaz Real Estate Fund (MREF) reported assets under management of KD 77.8 million¹. The MREF mainly invests in income-generating real estate assets in Kuwait's investment and commercial sectors, whereas MGREF invests primarily in income-generating properties across the GCC in the investment, commercial and industrial sectors. Markaz Real Estate team has successfully developed 13 properties across the MENA region, including Kuwait, Saudi Arabia, the UAE, Lebanon, and Jordan.

e. International Real Estate

Since 1988, Markaz has been conducting real estate transactions in the US through Mar-Gulf Management located in California. In 2017, Markaz strategically expanded into the European market with several investments across various markets and countries. Over the past three decades, Markaz and Mar-Gulf have been involved in the ownership and development of over 120 properties for a total development and acquisition cost of over USD 2.6 billion.

¹ as of Q2 2025

Between 2012 and 2022, the International Real Estate Management at the Markaz delivered an annual internal rate of return of approximately 15% across 29 projects in the United States and 9 projects in Europe. Importantly, these results were generated across a complete cycle that included post-crisis recovery, an extended growth phase, and the onset of market corrections. The lending strategy of Markaz International Real Estate team emphasizes senior secured positions, conservative loan-to-value ratios, and strong borrower sponsorship, ensuring that income generation is supported by structural protections and active risk management.

Our house view is that sustainable results in international real estate come less from static allocation and more from prudent, adaptive management. Real estate is cyclical, capital-intensive, and policy-sensitive; in today's environment, elevated rates, refinancing risk, and uneven occupier demand, capital preservation sits alongside return generation. In 2026, this translates into real estate credit solutions in the US and Europe that target defended, cash-yielding returns with clear take-out paths; selective equity in segments with needs-based demand and constrained new supply, such as modern logistics and living, while pursuing development only when de-risked through pre-let/BTS frameworks, GMP discipline, and credible

contractors. Across all mandates, we align with top-tier local partners through co-investment and robust governance, and we maintain execution standards, standardised underwriting, active post-close surveillance, and transparent reporting, designed to protect downside while preserving the flexibility to pivot as conditions evolve.

f. Investment Banking

Markaz is well positioned to capitalize on the rapid growth in capital market activity in the GCC region, driven by ongoing capital market initiatives. The GCC region is transforming at an accelerated pace and has witnessed a surge in IPO activity during 2020–2025. Over the last five years, GCC issuers have raised approximately USD 768 billion through new bond and sukuk issuances. The number of inbound foreign M&A transactions grew by nearly 40% between 2020–2025 compared to 2015–2020, driven by the region's momentum and rising profile on the global radar. The start-up ecosystem funding in the GCC region is expanding, with total funding of USD 2.1 billion in H1 2025. Heightened deal activity creates significant opportunities within Investment Banking. Markaz provides comprehensive, world-class investment banking solutions spanning equity and debt capital markets, IPOs and listings, financial advisory, restructuring, and mergers and acquisitions advisory.

Concluding Thoughts

The year ahead is expected to be exciting as well as challenging for investors, with selective opportunities emerging across asset classes. We maintain a positive outlook on GCC equities amid emerging foreign investor interest and ongoing reform momentum. GCC Fixed Income markets are likely to remain active in 2026 supported by the Kuwait debt law, raising finance to fund infrastructure projects and improved demand for sustainability products. We are bullish on Real Estate investment opportunities in MENA region, with the residential sector in Kuwait and Warehousing market in Saudi Arabia standing out. We remain constructive on private markets, with private credit and private infrastructure positioned to play an increasingly central role in diversified portfolios.

Amid complexities, Markaz remains confident that ample opportunities exist in the global and regional space to enhance returns and diversify risk, while constructing portfolios aligned with clients' long-term investment objectives. We have a balanced vision, a deep understanding of market cycles, and a disciplined investment approach based on experience and knowledge. We hope 2026 becomes another rewarding year for our investor and will remain committed to supporting them in navigating markets and achieving their long-term investment goals.

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