

Kuwait Market I Equity Al Durra Islamic Fund

Factsheet I December 2020

Fund Information

Benchmark

KIA Kuwait Islamic Liquid Capped Index

Domicile

Kuwait

Launch Date

March 2004

Structure

Open-Ended

NAV

KWD 1.535

Current Fund Size

KWD 34.79 m

Base Currency

Kuwaiti Dinar (KWD)

Initial Investment

KD1,000

NAV Frequency

Weekly

Initial Charge

49,999 and less	2%
50,000 - 499,999	1.5%
500,000 and above	1%

Fees

Management	1.0% p.a.
Custodian & Controller	0.125% p.a.
Performance	None
Redemption	None

Custodian & Controller

Gulf Custody Company (K.S.C.C.)

Sharia Advisory

Bait Al Tadqeeq Al Shariea

Auditors

Deloitte & Touche, Al Wazzan & Co.

Bloomberg Code

GLISLAM

Fund Manager

Kamco Investment Company

Salah Ahmad AlWuheib

Senior Executive Director

Mahmood Ali Tifouni

Director

Fund Objective & Strategy

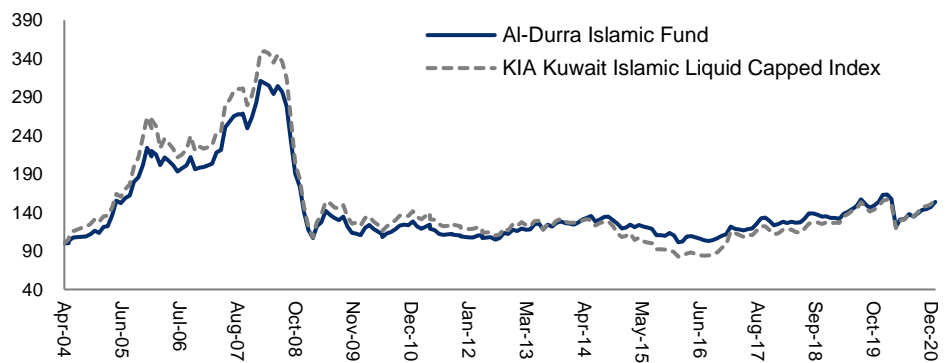
The fund seeks to achieve long-term capital appreciation by investing in a diversified portfolio of Shariah compliant stocks listed Boursa Kuwait.

bottom-up stock selection methodology along with a macroeconomic overlay to identify growth opportunities in Kuwait.

The investment process is based on a

The fund invests in multiple sectors and growth/value categories.

KWD100 Invested Since Inception



Cumulative Returns (%)

	1 M	3 M	6M	YTD	1 Y	3Y	5Y	*SI
Fund	4.5%	7.0%	11.2%	-5.7%	-5.7%	22.8%	39.8%	53.5%
Benchmark	4.5%	6.8%	13.8%	1.4%	1.4%	39.2%	77.6%	57.2%
Difference	0.0%	0.2%	-2.6%	-7.1%	-7.1%	-16.3%	-37.8%	-3.7%

Yearly Performance Ending 31st December (%)

	2014	2015	2016	2017	2018	2019
Fund	-4.9%	-7.8%	1.8%	11.8%	6.5%	22.4%
Benchmark	-14.8%	-17.9%	11.5%	14.4%	11.5%	23.1%

Statistics over 5 years

Tracking Error	Beta	Information Ratio	Sharpe Ratio	Standard Deviation
5.23%	0.87	(1.73)	0.29	15.34%

Kuwait Market | Equity

Al Durra Islamic Fund

Top Five Fund Holdings

Agility Public Warehousing

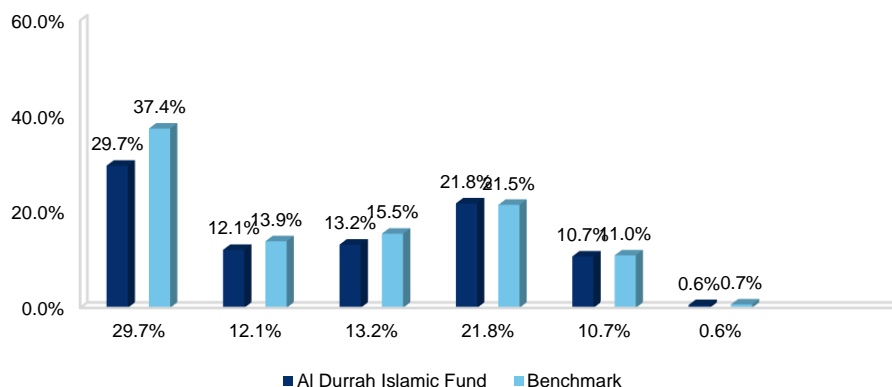
Zain

Kuwait Finance House

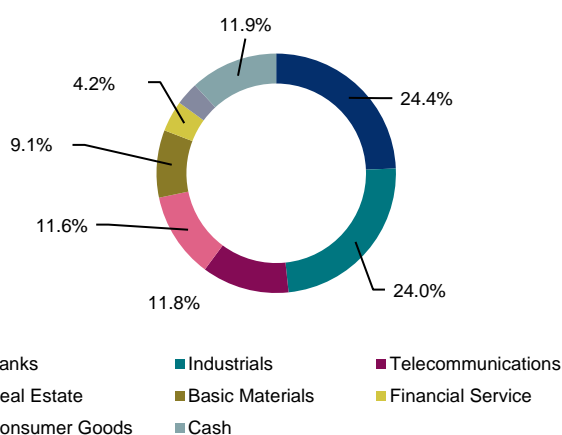
Salhiya Real Estate Company

Humansoft Holding

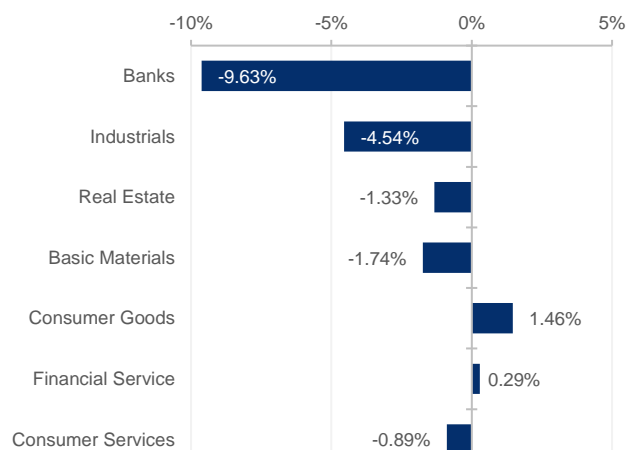
Market Cap Weightings



Sector Breakdown



Sector Allocation vs. Benchmark



Market Commentary

Global equities closed at a record high in 2020 despite the COVID-19 pandemic. In the US, the solid market performance was underpinned by the loose monetary policy and strong performance of the technology sector. Accordingly, both the S&P 500 and Dow index leapfrogged 16.26% and 7.25% respectively during the year. Elsewhere, despite the uncertainties, the MSCI EAFE index (which represents developed markets ex North America) gained 5.43% while the MSCI Emerging Markets index soared 15.84% in 2020. These gains were amplified by a weaker USD as DXY index eased 7.1%. On the natural resources front, the Bloomberg Commodities index corrected by 3.5% in 2020 as the pandemic adversely impacted the demand for basic materials. Finally, Brent oil fell by 21% during the year

as a sharp plunge in demand was only partly offset by aggressive supply cut measures by OPEC+ bloc.

Moving to the GCC, the MSCI GCC Index returned negative 3.65% in 2020- partially weathering weaker oil and geo-political headwinds. The Saudi Arabian index returned 3.6% and was the best performing market in the region. On the contrary, Kuwait performed the worst with a return of -11.7% as it relinquished a part of 2019 gains. The performance of Kuwaiti market was adversely impacted due to the challenging macro backdrop, driven by lower oil prices, and even the MSCI inclusion only offered a partial offset. In the Emirates, Dubai and Abu Dhabi returned -9.9% and 0.6% respectively. For a consecutive second year, the Qatar Index

remained muted with a gain of 0.1%. Other weaker links in the GCC were Oman and Bahrain as both markets lost 8.1% and 7.5% respectively.

For the year 2021, our outlook for the GCC countries remains mixed due to the adverse impact of the moderate energy prices- restricting the fiscal space- but supported by a strong non-oil recovery in the post-pandemic world. Although the regional markets have lagged global equities the valuations remain on the higher side. Overall, we expect the GCC markets to deliver muted low single digit returns in 2021. Accordingly, our strategy for alpha generation is by positioning the markets selectively and opportunistically in the UAE, Saudi and Qatar.

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