



Kuwait Market I Equity Kamco Investment Fund

Factsheet | December 2020

Fund Information

Benchmark

S&P Kuwait Domestic Liquid
Capped Select Index TR

Domicile

Kuwait

Launch Date

April 2004

Structure

Open-Ended

NAV

KWD1.383

Current Fund Size

KWD 31.59 mn

Base Currency

Kuwaiti Dinar (KWD)

Initial Investment

1,000 units

NAV Frequency

Weekly

Initial Charge

2%

Fees

Management	1.75% p.a.
Custodian	0.05% p.a.
Performance	None
Redemption	None

Custodian

Kuwait Clearing Co. K.S.C.

Auditors

BDO Al Nisf & Partners

Bloomberg Code

KAMINVS KK Equity

Fund Manager

Kamco Investment Company

Salah Al Wuhaib

Senior Executive Director

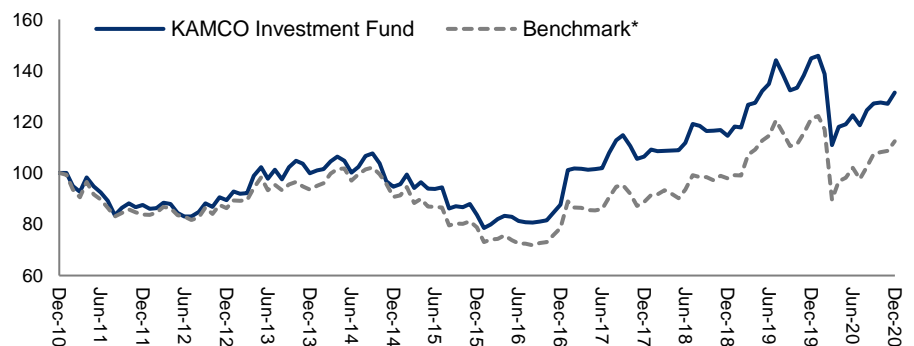
Mahmoud Tifouni

Director

Fund Objective & Strategy

To provide investors with attractive returns both in the form of capital gains and income by investing selectively in companies listed on Boursa Kuwait, Treasury Bills and Initial Public Offerings (IPOs).

USD100 Invested Trailing 10 Years



*Benchmark: Kuwait Weighted Index through December-2016; S&P Kuwait Domestic Liquid Capped Select Index (TR) thereafter.

Cumulative Returns

	1 M	3 M	6M	YTD	1 Y	3Y	5Y	S.I.
Fund	3.5%	3.4%	7.3%	-9.2%	-9.2%	23.5%	57.1%	38.3%
Benchmark	3.4%	4.7%	10.1%	-7.2%	-7.2%	26.8%	42.6%	84.0%
Difference	0.1%	-1.3%	-2.8%	-2.0%	-2.0%	-3.3%	14.5%	-45.7%

Yearly Performance Ending 31st December

	2014	2015	2016	2017	2018	2019
Fund	-5.32%	-11.58%	4.75%	21.41%	7.64%	26.38%
Benchmark	-3.09%	-13.03%	-0.42%	12.93%	10.38%	23.80%

Statistics over 5 years

Tracking Error	Beta	Information Ratio	Sharpe Ratio	Standard Deviation
4.11%	0.90	0.67	0.02	15.23%

Top Five Fund Holdings

Agility

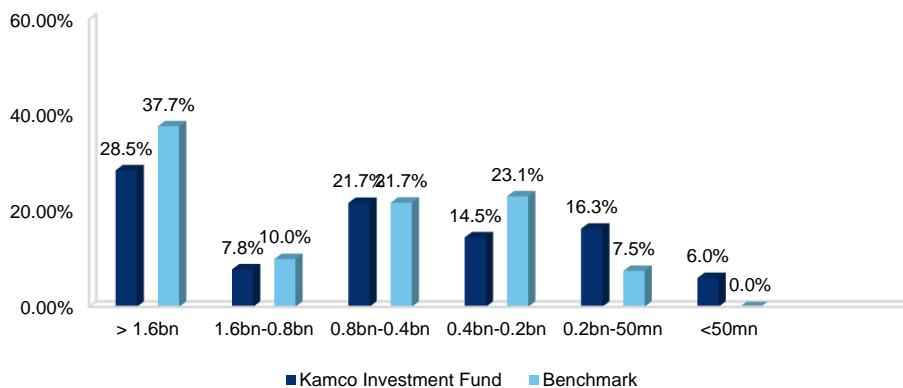
Zain

National Bank of Kuwait

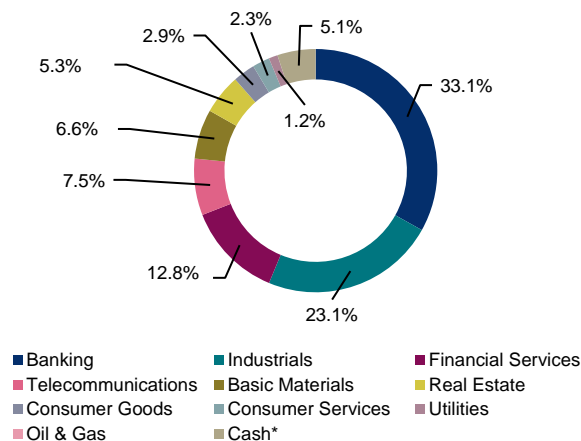
Human Soft Holding Co.

Kuwait Finance House

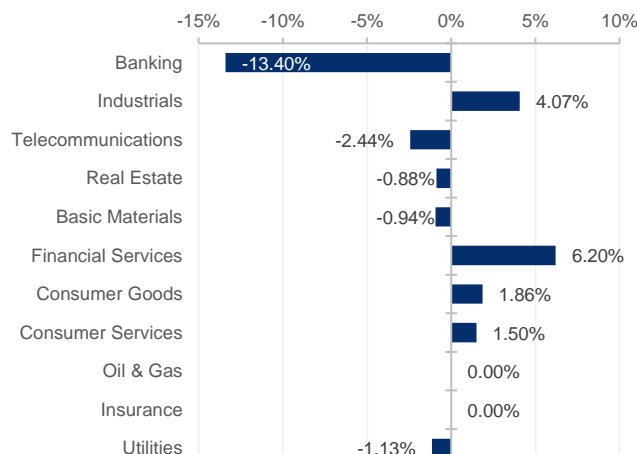
Market Cap Weightings



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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