

Local and GCC Equity Fund

Fund Licensed by the Kuwaiti CMA (LCIS/F/EQ/2020/0001)

31 December 2020



Fund Objective & Strategy

A regional equity fund that seeks to generate competitive returns within an acceptable risk level by investing in the securities of companies listed on Boursa Kuwait and other GCC stock markets with a preference to blue-chip companies.

The Fund also aims to distribute dividends, if any, on an annual basis upon the discretion of the Fund Manager.

Fund Features

- Low minimum investment
- Well diversified Portfolio
- Monthly liquidity
- Online subscription/redemption
- Possible annual distributions

Fund Facts

| | |
|--------------------------------------|---|
| Fund structure: | Open ended |
| Inception date: | 16 January 2020 |
| Liquidity: | Monthly |
| Currency: | Kuwaiti Dinar (KWD) |
| Minimum subscription: | KWD 1,000 |
| Subscription fees: | None |
| Redemption fees: | None |
| Management fees: | 0.75 % annually |
| Fund manager: | Boubyan Capital Investment Company K.S.C.C. |
| Distributor: | Boubyan Bank K.S.C.P. |
| Custodian and investment controller: | Kuwait Clearing Company |
| Sharia Auditor: | Legitimate Auditor House Company |
| Auditor: | KPMG (Kuwait) |
| Domicile: | State of Kuwait |

Manager's Comments

Thanks to its constituents & positioning, the local & GCC equity fund managed to end December positively, outperforming regional markets, gaining +0.78% during the month, whereas the return since inception was -1.82%. Markets across the globe have recorded a relatively strong performance in December, fueled by more stimulus hopes globally, where MSCI World index gained a solid +4%. Oil too, managed to close December with +7% gains, as demand outlooks improved. Coming from strong November, GCC markets on the other hand had a relatively dull performance during the month, underperforming their global peers, on lack of catalysts in anticipation of Q4 results. Where MSCI GCC index managed to close the month up +0.14% only, while still down -4.37% since the fund's inception. Performance among GCC markets varied in term of magnitude. Kuwait & Qatar were the best performing markets on better political outlook during December, gaining +1.3% & +1.2% respectively. On the other hand, Saudi & UAE had the worst performance, recording flat performance for the month. Our fund's defensive stance led to significant outperformance relative to most GCC markets since its inception. Although we retain a degree of cautious over the short run, ahead of Q4 results, as well as the outcome of the US Senate elections, which should be cleared out during the coming few months, we believe most of the uncertainty is behind us. We think the positive progress in the Covid-19 vaccine, as well as the ongoing economic stimulus efforts from global & regional governments, are pathing the way for a brighter economic outlook over the long run, especially for our markets, as oil demand outlooks improves. That being said, we think that the support from regional governments through programs to diversify their economies and the private sector will continue to provide a cushion for growth. This is likely to help operationally and fundamentally solid companies to continue generating strong performance and provide opportunities to investors over the long term.

Net Asset Value | KWD 0.9818

Fund Performance

| | |
|-----------------------------------|--------|
| Cumulative 1 Month Return | 0.78% |
| 12 Months Return | N/A |
| Cumulative YTD Return | -1.82% |
| Cumulative Return Since Inception | -1.82% |
| Standard Deviation | 1.86% |

Fund's Top Five Holdings

| Name | Weight |
|----------------------------|--------|
| Cash and Cash Equivalent | 30.0% |
| Zain Group | 9.9% |
| Kuwait Finance House | 9.6% |
| Integrated Holding Company | 7.3% |
| Agility Public Warehousing | 7.1% |

Executive Committee

- Badria Hamad Al Humaidhi
- Hadi Oussama Salame
- Asok Kumar Ayinikkal
- Ali Habeeb Atesh
- Mohammad Mane Alajmi

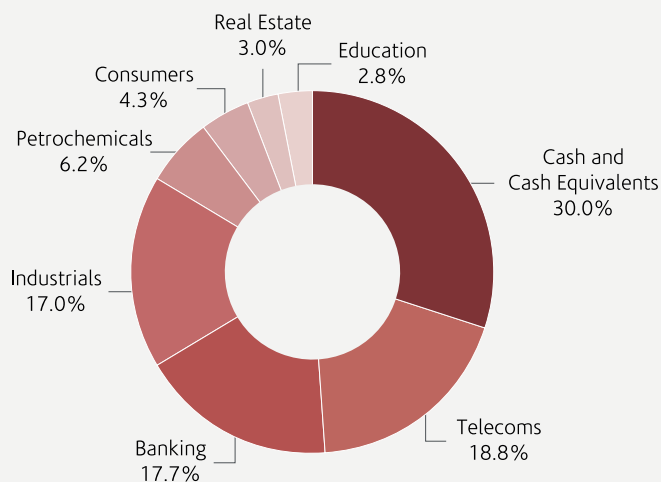
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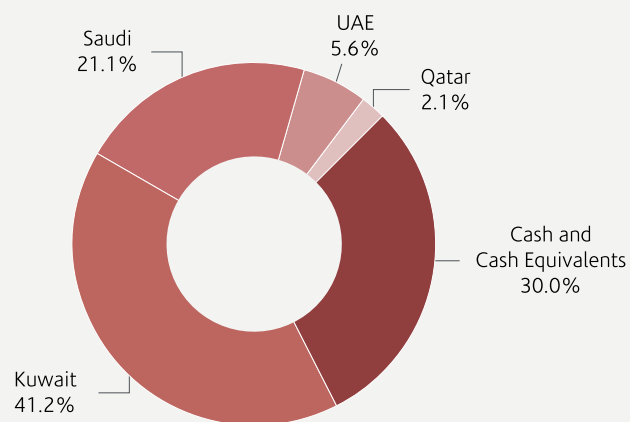
31 December 2020



Sector Breakdown



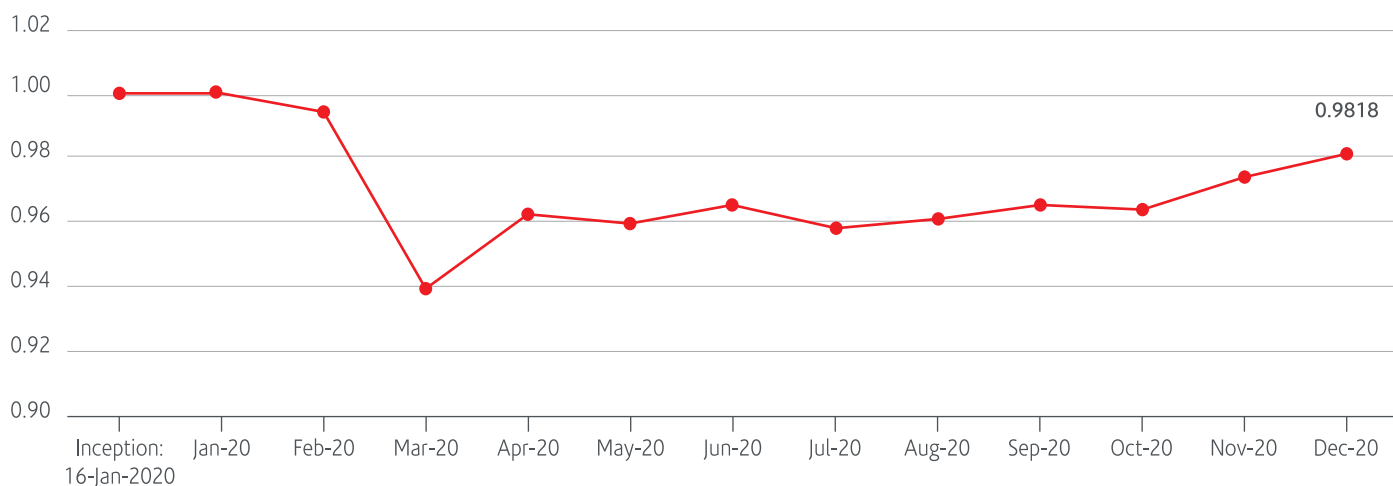
Geographic Allocation



Monthly Performance

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Return for the year |
|------|-------|--------|--------|-------|--------|-------|--------|-------|-------|--------|-------|-------|---------------------|
| 2020 | 0.01% | -0.52% | -5.66% | 2.50% | -0.32% | 0.64% | -0.80% | 0.37% | 0.41% | -0.05% | 1.03% | 0.78% | -1.82% |

Net Asset Value (NAV)



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boubyancapital.com

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Towards perfection