

Local and GCC Equity Fund

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

27 February 2023



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
- Weekly liquidity
- Online subscription/redemption
- Possible annual distributions

Fund Facts

Fund structure	Open ended
Inception date	16 January 2020
Liquidity	Weekly
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

Considering the sharp volatility on a global & regional scale, during February, the Local & GCC equity fund managed to surf the period relatively better, to close the period from 30th of January 2023 to 27th of February 2023, down by -0.92%, while YTD performance was almost flat, & yielding +17.47% since the fund's inception. On the global front, global indices faced a muted but volatile month. Where MSCI world index closed the period down losing almost -0.3% following spectacular rebound for global markets in January, starting the year positively, particularly after a 15% decline in 2022, mainly on growing fears of a global economic slowdown ignited by the Fed's hawkish tone regarding inflation and interest rates. On the other hand, regionally, Led by Saudi Arabia, GCC equities faced harsh volatility since the beginning of the year, where they underperformed their global counterparts by a hefty margin during February on the back of weak performance of oil prices during the period (down by -3%). Where S&P GCC Sharia Index ended the period down by around -6%, causing markets to lose all their gains in January in anticipation of the dividend season and interim announcements. Regional markets are especially weaker on the back of tighter liquidity faced by the Saudi banking sector amid aggressive monetary policy, weighed down further by the prospects of lower GDP growth, specially following the Saudi budget announcement for 2023, primarily on the back of recently announced OPEC+ oil production cuts. We are still maintaining a higher degree of caution, as we expect the heated volatility to persist over the short term, driven mainly by central banks' intention around the world to continue tackling inflation by maintaining higher interest rates for longer, which might weigh on the real economy in 2023. Nevertheless, as mainly commodity based economies, we believe that our regional economies relatively shielded against global inflationary pressures. As such, GCC governments will be able to sustain the ongoing spending efforts to support the economic activity, and to continue diversifying their economies and support the private sector, which in turn will continue to provide alternatives for sustainable 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 1.1497

Fund Performance

Month to Date (30/01/2023 to 27/02/2023)	-0.92%
Cumulative YTD Return	0.01%
1 Year Return	-5.34%
2 Year Return	15.64%
Cumulative Since Inception Return	17.47%
Standard Deviation	2.61%

Profit Distribution

Date	February 2022
Type of distribution	Cash
Percentage	2.5%

Fund's Top Five Holdings

Name	Weight
Cash & Cash Equivalent (Net of Liabilities)	57.29%
Integrated Holding Co.	10.98%
Ali Al Ghanim & Sons	6.01%
AlRajhi Bank	5.16%
Bank AlJazira	5.13%

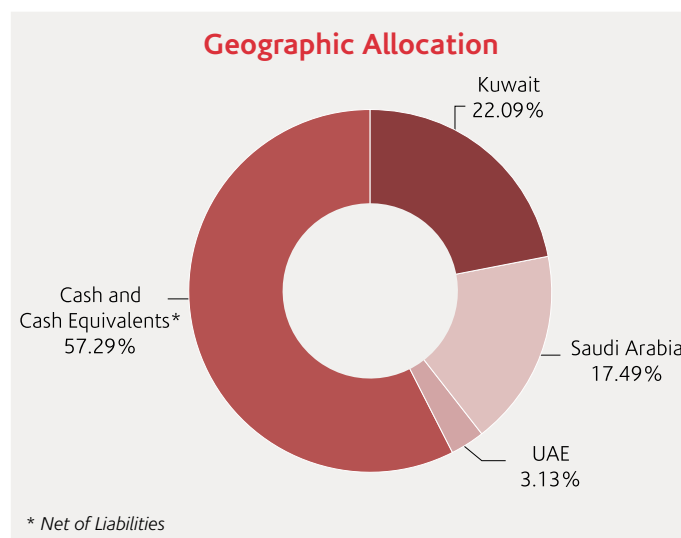
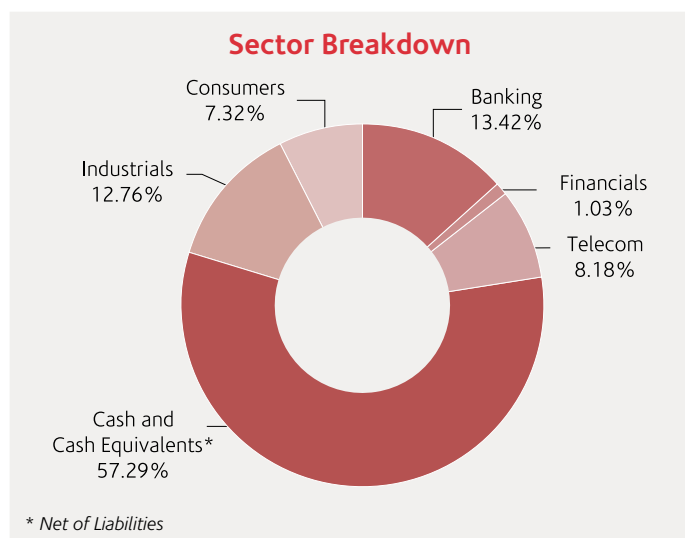
Executive Committee

- Badria Hamad Al Humaidhi
- Asok Kumar Ayinikkal
- Mohammad Mane Alajmi
- Omar Abdulaziz Alrasheed

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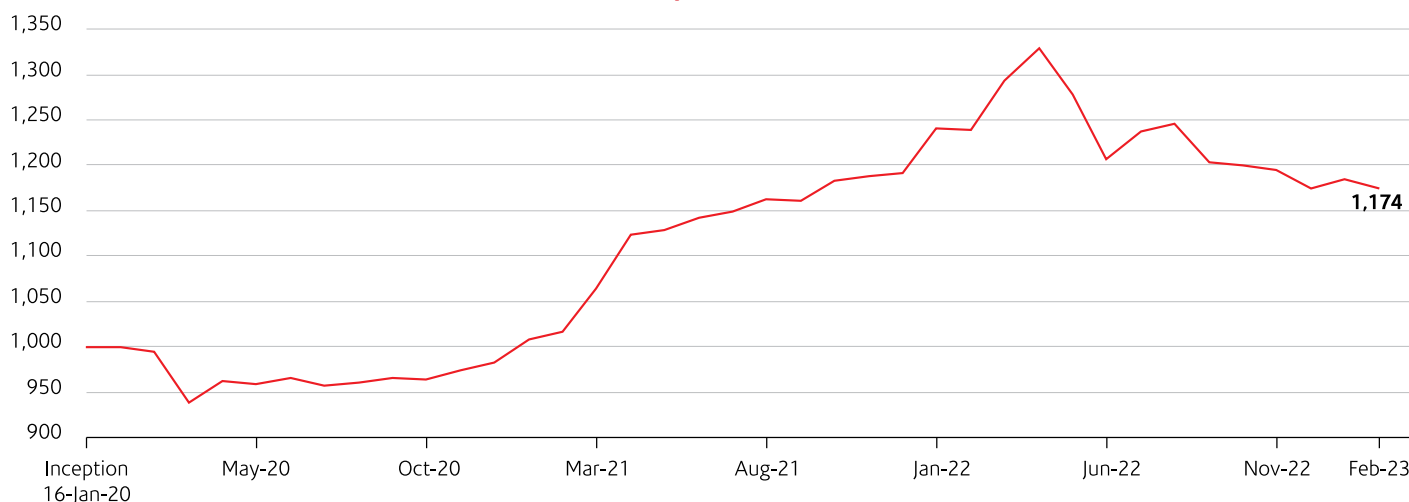
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Monthly Performance

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%
2021	2.59%	0.85%	4.70%	3.05%	2.97%	2.61%	-1.94%	2.37%	-0.76%	2.53%	0.39%	0.33%	21.32%
2022	4.13%	-0.06%	4.45%	2.77%	-3.97%	-5.62%	2.54%	0.64%	-3.75%	0.08%	-0.43%	-1.72%	-1.39%
2023	0.94%	-0.92%											0.01%

KWD 1,000 Invested Since Inception (inclusive of cash distributions)



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