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**[Kamco Invest raised over USD623mn for several products and transactions in 2020](#)**

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The AGM was chaired by the Company's Vice Chairman, Entisar Abdul Raheem Al-Suwaidi, who began discussing the Board of Director's report by highlighting that 2020 was a historic year led by the unprecedented spread of the coronavirus that affected life and markets across the world. Global economies witnessed the deepest recession since the second world war, resulting in high levels of unemployment. Financial markets around the globe were at their multi-year lows at the peak of the pandemic during Q2-2020 with crude oil sliding to its lowest level in at least three decades. The International Monetary Fund termed it as the worst economic downturn since the great depression.

GCC markets have also underperformed. In addition to the repercussions that the world markets witnessed as a result of the pandemic, the drop in oil prices had a great impact on countries' budgets and the depth of the consequences of this crisis. Apart from Saudi Arabia and Qatar, all equity markets ended the year in the red.

Similar to other companies, the closure and slowdown in business and the performance of the regional markets resulted in the Company incurring net losses amounting to KWD2.7mn (EPS: -7.85 fils) during the year 2020 affected by unrealized losses compared to net profits of KWD3mn in the

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year 2019 (with earnings per share of 12.47 fils).

Al-Suwaidi said, “Total revenue during the year stood at KWD15.1mn, while revenue from fees and commissions was KWD15.0mn. The Company managed to rationalize its cost base by reducing its general and administrative expenses by 26.5% to reach KWD14.3mn. The cost rationalization falls in line with the steps taken by the Company to cope with market conditions and implement its post-merger strategy.”

She added, “The Company reduced its total liabilities by KWD3.8mn, a reduction of 5.5%, continues to enjoy a strong financial position with shareholders' equity of KWD50.0mn as of 31st of December 2020 and a “BBB” long-term credit rating and an “A3” short-term rating with a stable outlook by Capital Intelligence.”

Faisal Mansour Sarkhou, Chief Executive Officer, provided a detailed overview of the Company's operational performance for the year. In 2020, Kamco Invest raised over USD623mn for several products and transactions, distributed around USD49mn to clients (capital and income distributions), and ended 2020 with KWD3.9bn (USD12.9bn) in assets under management.

Sarkhou said, “Despite the unexpected circumstances, our equity funds and managed portfolios continued to outperform their respective benchmarks and three funds were recognized by the 2020 Refinitiv Lipper Fund awards for their consistent risk-adjusted performance relative to peers.”

During the year, the Real Estate Investments team completed two acquisitions in addition to two successful exits in the US and UK real estate office and logistics markets, generating above targeted returns to clients. The real estate assets under management are presently comprised of 14 properties with an aggregate acquisition value of USD1.1bn covering a total area of 3.5 million square feet. The assets under management provide a constant annual distributable income to investors of USD40mn, thereby offering a weighted-average net cash yield of 7.8% on invested equity.

The Special Situations Asset Management team, Kamco Invest's tailored “winddown” asset management service, successfully executed strategies for portfolios which resulted in generated cash inflows of USD744mn since inception in 2013 with USD4mn in 2020. The team successfully unwound a USD90mn portfolio during the year, which was awarded in July 2017, as per agreed target asset values with the client.

On the other hand, the severe impact of the pandemic on key sectors caused considerable

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disruptions to operations of all the private equity portfolio companies resulting in cash flow challenges.

As for Investment Banking, the team successfully played the role of joint lead manager for six debt capital market transactions, two regional and four local offerings, for a total amount equivalent to USD2.6bn. The team also acted as an exclusive sell-side advisor to a healthcare group in Egypt. To battle the ongoing crisis, a strategic initiative was launched through Investment Banking to support companies in mitigating their risks and managing their operations in challenging times. On the M&A side, Kamco Invest was awarded the 'Best M&A Bank in the Middle East – 2020' award from the highly accredited and internationally renowned Global Finance.

The Company's regional offices continued to strengthen their presence in their respective markets, enhanced their offerings and expanded their client base. Kamco Invest – Saudi finalized its rebranding exercise in July 2020 in line with the Company's strategy to operate under a unified brand. The team opened several portfolios for institutional and high net worth individuals, while continuing to deliver high risk adjusted returns under the Kamco Saudi Equity Fund with an alpha of 5.8% despite being highly liquid. The fund is considered the second largest conventional Saudi equity fund and the largest fund managed by an independent investment company not affiliated with a local bank.

Additionally, Kamco Invest – DIFC had another good year in 2020 increasing their contribution to the Group's core business significantly, including raising of funds and acquisition of new clients. The team obtained approvals to launch and manage a new trade finance fund and completed the merger with Global DIFC with seamless integration of licenses, premises, and staff.

First Securities Brokerage Company "Oula Wasata", Kamco Invest's brokerage arm, continued to provide its services to clients without interruption while increasing market share and attracting new clients through its online trading platforms. A key milestone achieved for the team included the successful execution of a substantial share of the KWD1bn value traded on Kuwait's inclusion day in the MSCI Emerging Market Index with high levels of efficiency and professionalism.

As one of the region's recognized thought leaders emphasizing the importance of data-driven investment decisions and enhancing the financial and investment knowledge and awareness of the public to garner informed investment communities. As a result, our timely insightful valuations, latest market trends, financial analysis and outlook reports play a key role in facilitating investment decisions. During 2020, the Investment Strategy and Research team remained committed to serving the investor community and continued producing all periodic reports on timely basis even during the COVID-19 lockdowns covering multiple sectors and proposing multi-asset strategy through fundamental, technical, and economic research. Furthermore, the team issued whitepapers and reports to cover major events; specifically, the pandemic and its economic impact and the inclusion of

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Kuwait in the MSCI Emerging Market index.

An integral part of Kamco Invest's value creation for its stakeholders lies in playing a leading role in the community through Corporate Social Responsibility (CSR) initiatives, especially those that strategically add value to the national economy, industry, and development of local human capital. In 2020, the Company hosted several webinars on key investment related themes, launched an awareness campaign to prevent the spread of COVID-19, distributed supplies for quarantine facilities in collaboration with Kuwait Red Crescent Society and participated in KIPCO's KWD2.5mn contribution to support the government's battle against the pandemic.

Discussing the year ahead, Sarkhou emphasized that Kamco Invest will continue to monitor the ongoing developments in the market and the government's continuity plans in the path towards normalcy. 2020 served as a learning curve to improve the Company's performance and levels of productivity during challenging times by implementing new strategies, expediting the Company's digitization plan and mitigating the risks tied to the COVID-19 global impact. Sarkhou added that the Company will continue to maintain clear communication with stakeholders, and closely monitor new trends and behavioral changes that will inevitably lead to the formulation of new standards and investment opportunities after overcoming the current crisis.

Kamco Invest held its Annual General Meeting for the fiscal year ended 31 December 2020 and its Shafafiyah Investors' Forum 2021 where investors approved all agenda items.