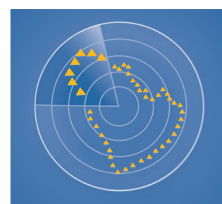


AL AHLI GULF FUND

FACT SHEET - DECEMBER 2014



الصندوق
الأهلي الخليجي
Al Ahli Gulf Fund

Fund objective

To achieve long-term capital appreciation through investing in the shares of companies listed across all GCC exchanges by realizing outstanding investment returns with an acceptable level of investment risk.

Executive summary

| | |
|---------------------------|----------------------------|
| Fund type: | Open-ended |
| Subscription /Redemption: | Monthly |
| Launch date: | November 2003 |
| Management fees: | 1.25% |
| Incentive fees: | 10% over 10% Hurdle |
| Manager: | Al Ahli Bank of Kuwait |
| Custodian: | Kuwait Clearing Co. |
| Nominal price: | KD 1.000 / Unit |
| Next dealing date: | 31 st Jan. 2015 |
| Last dealing price: | KD 0.993513 / Unit |

Current performance summary

| NAV | Dec.'14 | YTD'14 |
|----------|---------|--------|
| KD 0.994 | -2.37% | +7.32% |

Monthly performance

| Jan'14 | Feb'14 | Mar'14 | Apr'14 | May'14 | Jun'14 |
|--------|--------|--------|--------|--------|--------|
| +4.23% | +4.39% | +2.64% | +2.86% | +0.97% | -6.39% |
| Jul'14 | Aug'14 | Sep'14 | Oct'14 | Nov'14 | Dec'14 |
| +6.73% | +6.55% | +0.03% | -4.33% | -7.35% | -2.37% |

Historical performance

| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---------|---------|--------|--------|-----------------|--------|
| +31.6% | +53.1% | -21.0% | +28.8% | -28.8% | +10.8% |
| 2010 | 2011 | 2012 | 2013 | Since Inception | |
| +11.51% | -10.44% | +4.19 | +23.89 | +98.85% | |

Returns inclusive of dividends / Bonus distributed

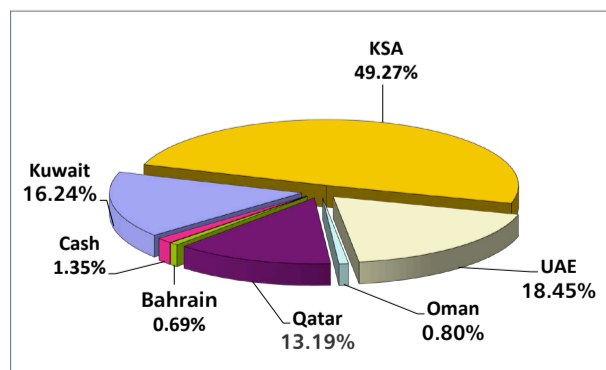
Profits distributed

| 2004 | 2005 | | 2006 | 2007 | 2009 |
|----------|----------|----------|-----------------|----------|----------|
| Cash | Cash | Bonus | Cash | Cash | Cash |
| KD 0.180 | KD 0.222 | 22.3% | KD 0.050 | KD 0.130 | KD 0.060 |
| 2010 | 2012 | 2013 | Since Inception | | |
| Cash | Cash | Cash | Cash | Bonus | |
| KD 0.070 | KD 0.030 | KD 0.030 | KD 0.772 | 22.3% | |

Performance chart



GCC market allocation



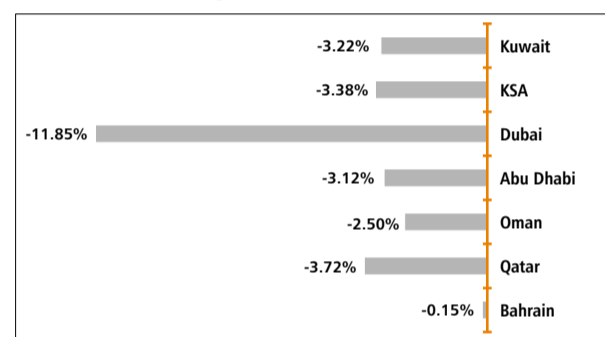
Country

| Country | Manager |
|---------|-----------------------------|
| Kuwait | Ahli Capital Investment Co. |
| KSA | Sico |
| UAE | NBAD |
| Oman | Bank Muscat |
| Qatar | Sico |
| Bahrain | Sico |

Top 3 positions / market

| Kuwait | KSA | UAE |
|-------------|----------|------------------|
| CGC | Samba | Emaar Properties |
| Gulf Bank | Bupa | FGB |
| Aqar | ACC | ADCB |
| Oman | Qatar | Bahrain |
| Bank Muscat | QNB | Invest corp. |
| - | QIB | AUB |
| - | Al Meera | Seef Prop. |

GCC market performance - Dec.'14



Market review:

All of the GCC indices ended December in the red. Dubai's market was the weakest performance (down 11.85%), followed by the Qatar's market (down 3.72%).

The Al-Ahli Gulf Fund recorded a loss of -2.37% MTD and +7.32% YTD. The S&P GCC Composite Price Index on the NAV date was -4.42% MTD and -2.51% YTD. The Gulf Funds gain since inception stood at +98.85%. The NAV of the fund was KD 0.993513 on 31st December 2014.

Saudi Arabia's total revenues in FY 2014 are estimated to have reached SAR 1,046bn. Total expenditure has increased by SAR 245bn to SAR 1,100bn (28.7% higher than the budgeted amount of SAR 855bn), causing a deficit of SAR 54bn. The budgeted expenditure for FY 2015 is expected to be SAR 860bn, whereas revenues are expected to be SAR 715bn, implying a deficit of SAR 145bn. The UAE's HSBC Purchasing Managers' Index (PMI) declined to 58.3 in November from 61.2 in October. Output growth of the firms in the UAE decelerated to 62.8 points in November from an all-time high of 66.1 points in October. RAM Ratings has assigned gAA3(pi)/stable and seaAAA(pi)/stable global- and ASEAN-scale sovereign ratings to Qatar. The high ratings are supported by the country's strong economic performance, high liquidity, vast sovereign wealth fund (SWF) savings, and superior government finances. However, the higher ratings are moderated by Qatar's heavy dependence on the hydrocarbon sector and exposure to geopolitical risks in the GCC region. According to the Ministry of Development Planning and Statistics, Qatar's economy is expected to grow 7.7% in 2015 as compared to 6.3% growth forecast for 2014. The country's fiscal surplus is projected to jump to 8.7% of GDP in 2015 against a projection of 5.5% in June 2014. Fitch revised the outlook on Bahrain's long-term foreign and local currency Issuer Default Ratings (IDR) to 'negative' from 'stable' and affirmed the IDRs at 'BBB' and 'BBB+', respectively. The issue ratings on Bahrain's senior unsecured foreign and local currency bonds have also been affirmed at 'BBB' and 'BBB+', respectively. Total exports from Oman declined 5.5% YoY at the end of September 2014 to OMR 15.4bn from OMR 16.3bn recorded during the same period in 2013. Exports fell primarily due to a decrease in the value of oil and gas exports by 7.2%.

The fund holdings are constantly monitored for the various risk factors by our investment team and appropriate action to rebalance the country allocation, cash percentages, as well as sector allocations is taken when needed.



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