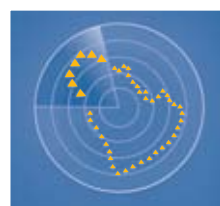


AL AHLI GULF FUND

FACT SHEET - JULY 2012



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:	27 th Aug 2012
Last dealing price:	KD 0.759102 / Unit

Current performance summary

NAV	July'12	YTD'12
KD 0.759	+0.47%	-0.39%

Monthly performance

Jan'12	Feb'12	Mar'12	Apr'12	May'12	Jun'12
-1.39%	+3.59%	+4.19%	-0.33%	-4.13%	-2.52%
Jul'12	Aug'12	Sep'12	Oct'12	Nov'12	Dec'12
+0.47%					

Historical performance

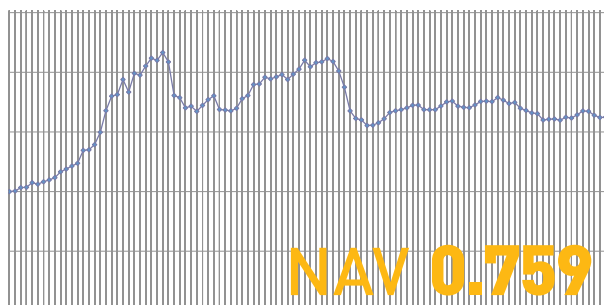
2011	2010	2009	2008	2007	2006	2005	2004	Since Inception
-10.01%	+11.69%	+10.8%	-28.8%	+28.8%	-21.0%	+53.1%	+31.6%	+69.41%

Returns inclusive of dividends / Bonus distributed

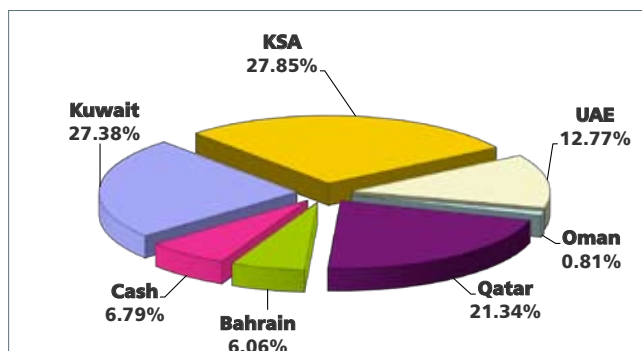
Profits distributed

2004	2005		2006	2007
Cash	Cash	Bonus	Cash	Cash
KD 0.180	KD 0.222	22.3%	KD 0.050	KD 0.130
2009	2010	Since Inception		
Cash	Cash	Cash	Bonus	
KD 0.060	KD 0.070	KD 0.712	22.3%	

Performance chart



GCC market allocation



Country

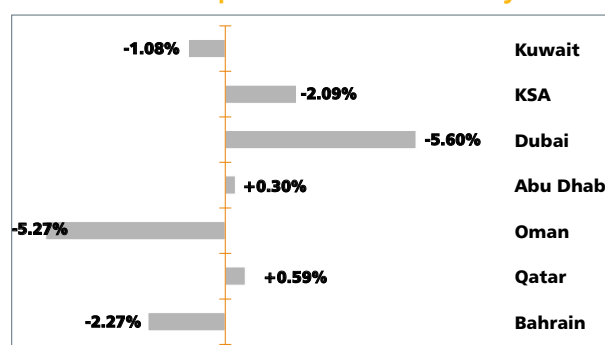
Manager

Kuwait	Ahli Capital Investment Co.
KSA	Sico
UAE	NBAD
Oman	Bank Muscat
Qatar	Sico
Bahrain	Sico

Top 3 positions / market

Kuwait	KSA	UAE
CGC	Sabic	Emaar
MTC (Zain)	Etisalat	NBAD
Aqar	Al Rajhi	ADCB
Oman	Qatar	Bahrain
Bank Muscat	QNB	Baraka
-	IQ	Invest corp.
-	QEWS	BBK

GCC market performance - July'12



Market review:

The GCC markets had a mixed performance in July 2012. On the NAV date the KSE was -1.08%, KSA +2.09%, Dubai +5.60%, Abu Dhabi +0.30%, Oman -5.27%, Qatar +0.59%, and Bahrain -2.27%.

GCC Country Highlights in July 2012

- According to the Central statistics Department, the annual inflation in Saudi Arabia decreased to 4.9% in June from 5.1% in May, while the monthly rate remained constant at 0.2%. Major contributions to the index came from gains in prices of housing, rents and water (up 8.8% YoY) and clothing (2.9% YoY). The Saudi Arabia Purchasing Managers' index (PMI) dropped from 60.4 in May to 59.7 in June. Despite the fall, there is slow improvement in the operating conditions within the non-oil private sector as new export orders increased marginally during the month.
- According to the UNCTAD, capital inflow in UAE increased nearly 40% to around USD7.6bn in 2011 from USD5.5bn in 2010. Despite the drop in FDI outflow to USD2.01bn from around USD2.73bn over this period, the UAE ranked third in the GCC region in terms of capital outflow. Total assets of UAE banks fell for the first time in five months (from a record high of AED1,742bn in April to AED1,725bn in May). Deposits fell from AED1,138bn in April to AED1,125bn in May. Personal loans increased to AED256.3bn in May from AED255.9bn in April.
- The Qatari economy advanced by 6.9% YoY after inflation adjustments in Q1 2012, primarily due to a 6.1% YoY growth in the construction sector. On a quarterly basis, real GDP grew 3%. Furthermore, the authority expects economic growth to slow down to 4.5% in 2013, given the weak global outlook. Qatar's current account surplus amounted to QAR36.1bn, constituting 20.5% of the GDP in Q1 2012, according to preliminary data provided by the central bank. The economy had a current account surplus of QAR38bn in Q1 2011, accounting for 26.9% of the GDP for the quarter.
- According to Emirates NBD, Bahrain's real GDP would grow 3.3% in 2012 compared to 2.2% in 2011. Annual money supply increased by 10.1% YoY in May 2012, up from 5.2% YoY in December 2011. Private sector credit rose by 18.4% YoY in May 2012 after rising 15.0% YoY in December 2011. Inflation edged up, reaching 2.9% YoY in May.
- S&P affirmed Oman's long- and short-term sovereign ratings at 'A/A-1' and the transfer and convertibility (T&C) assessment stood at 'AA-'. The outlook has been revised upward from negative to stable. The agency expects economic growth to remain at 5% in 2012, backed by high government spending, private consumption and investment.
- In the US, the manufacturing index decreased to 51.8 in July from 52.5 a month earlier as weak European markets and slow growth in China limited the demand for US exports. The Federal Reserve, in its policy meet, did not announce any immediate steps (QE3) to revive the economy. However, economists believe that the Federal Reserve could launch another program of buying government bonds and mortgage-backed securities at its September meeting if the economy does not improve.
- Moody's lowered the outlook on its provisional long-term rating of the European Financial Stability Facility from 'stable' to 'negative'. The facility, which had guaranteed commitments of EUR780bn and a lending capacity of EUR440bn, was financed by Eurozone members. All major European indices surged, with the DAX, FTSE, and CAC gaining 5.55%, 1.15%, and 2.97%, respectively.

Fund review:

The Al-Ahli Gulf Fund recorded a loss of -2.52% MTD and -0.86% YTD. The S&P GCC Composite Price Index was -4.13% MTD and +0.61% YTD. The Gulf Funds gain since inception stood at +69.06%, the NAV of the fund was KD 0.755552 on the NAV date.

The fund manager has continued to take into account the volatility of the region as a whole in deciding the asset mix while accumulating stocks with operational income and strong fundamentals, this approach in turn is expected to reflect on the Fund's overall future performance. The current GCC allocations remain stable with a selective allocation of Blue Chip stocks across the region. 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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