AL AHLI GULF FUND

FACT SHEET - SEPTEMBER 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:	29th Oct 2012
Last dealing price:	KD 0.778012 / Unit

Current performance summary

NAV	Sep'12	YTD'12
KD 0.778	+0.65%	+2.09%

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%	+1.82%	+0.65%			

Historical performance

2004	2005	2006	2007	Since Inception
+31.6%	+53.1%	-21.0%	+28.8%	
2008	2009	2010	2011	+71.30%
-28.8%	+10.8%	+11.69%	-10.01%	

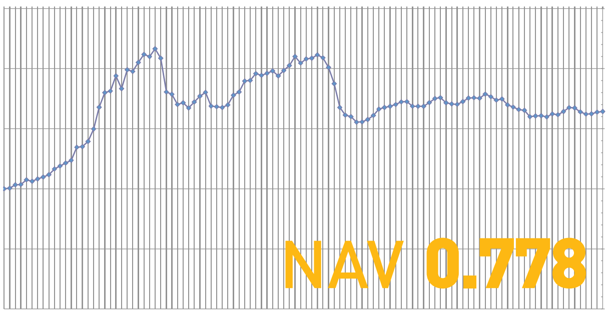
Returns inclusive of dividends / Bonus distributed

Profits distributed

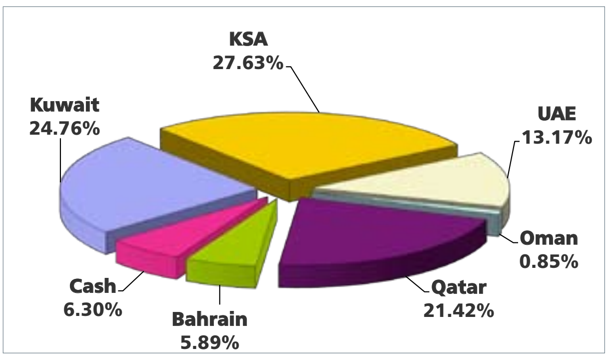
2004	2005		2006	2007
Cash	Cash	Bonus	Cash	Cash
KD 0.180	KD 0.222	22.3%	KD 0.050	KD 0.130

2009	2010	Since Inception	
Cash	Cash	Cash	Bonus
KD 0.060	KD 0.070	KD 0.712	22.3%

Performance chart



GCC market allocation



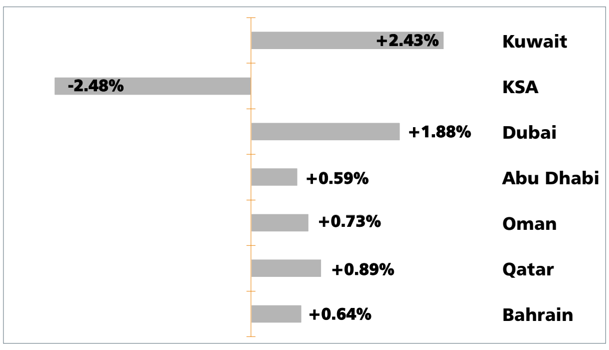
Country	Manager
Kuwait	Ahli Capital Investment Co.
KSA	Sico
UAE	NBAD
Oman	Bank Muscat
Qatar	Sico
Bahrain	Sico

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 - Sep'12



Market review:

Six of seven GCC indices ended in the green in September 2012. Kuwait's KSE recorded the highest gain, while Saudi Arabia's TASI was the only loser. On the NAV date the KSE was +2.49%, KSA -4.19%, Dubai +2.00%, Abu Dhabi +1.71%, Oman +0.99%, Qatar +0.31%, and Bahrain +0.09%.

GCC Country Highlights in August 2012

- Saudi Arabia's non-oil private sector PMI increased to 58.3 in August from 58.1 July, according to a survey by Saudi British Bank, HSBC Bank and Market Economics. This is ascribed to improvements in businesses, led by increased sales and marketing efforts and better market conditions. Saudi Arabia's foreign assets increased by SAR25bn to around SAR2.4tn in July, according to data from the Saudi Arabian Monetary Agency (SAMA). The assets grew despite lower investment in overseas bank deposits, which was, in turn, offset by a SAR38bn increase in foreign securities during the month.

- The UAE's current account surplus increased sharply to AED112.69bn in 2011 from AED26.59bn in 2010, according to official data. This is ascribed to higher oil revenues, which more than offset the rising imports during the period. The UAE's oil exports increased to a record high of AED409.8bn in 2011 from AED274.1bn in 2010. The UAE's non-oil foreign trade sustained its growth momentum in Q1 2012, according to the Federal Customs Authority. According to the data, the emirate's non-oil exports grew 38%, or AED9.5bn, to AED34.3bn in Q1 2012 from AED24.8bn in Q1 2011. Meanwhile, non-oil imports by the UAE rose 6% to AED156.3bn from AED147bn. During this period, re-exports reached AED47.8bn. Dubai attracted AED16.5bn in foreign direct investment (FDI) during H1 2012, according to statistics compiled by the foreign investment office in the emirate>s Department of Economic Development (DED). During this period, 115 FDI projects were initiated in Dubai by 113 companies, which accounted for 1.5% of the global total.

- Qatar's nominal GDP grew 11.9% YoY to QAR173.36bn in Q2 2012, according to the Qatar Statistics Authority (QSA). The oil & gas sector expanded 8.2% to QAR96.81bn during the quarter. Real GDP grew 5% YoY to QAR84.88bn. The total assets of Qatari banks increased 10.7% to QAR772.6bn during January–August 2012 from QAR698bn at the end of 2011, according to the Qatar Central Bank (QCB). Growth in assets was mainly driven by the 18.5% increase in loans to QAR479.7bn.

- Bahrain's real GDP fell 1.3% QoQ in Q2 2012, after increasing 0.9% QoQ in Q1 2012, according to a report by the Central Informatics Organization. Output in the hydrocarbon sector fell 7.7% QoQ, financial corporation 1.2% QoQ, and construction 0.7% QoQ, resulting in an overall slowdown. However, real GDP advanced 4.3% YoY in Q2 2012, after rising 5.9% YoY in Q1 2012. Bahrain's mortgage lending doubled in H1 2012 as the government increased efforts to get more people to buy homes. Home loans soared to BHD702mn in H1 2012 from BHD355.4mn a year ago, according to data from the central bank. Total loans to consumers increased 5% YoY to BDH6.78bn.

- Oman's exports to India rose at a CAGR of 55.9% (over the past five years) to OMR1.7bn, including re-exports of OMR55mn, in 2011, according to data from the Ministry of Commerce and Trade. During the same period, imports from India rose on an average of 4.8% to OMR437mn, including supply of machinery, agro products, automobiles and several other products. Oman plans to boost its 2013 budget spending by 10% YoY to fund new infrastructure projects, according to an official source. The 2013 budget plan would be based on an oil price of USD85 per barrel and assume a deficit of about the same size as originally projected for this year. Oman had approved an expenditure of OMR10bn for 2012 with a deficit forecast of OMR1.2bn, based on

Fund review:

The Al-Ahli Gulf Fund recorded a small gain of +0.65% MTD and +2.09% YTD. The Gulf Funds gain since inception stood at +71.30%, the NAV of the fund was KD 0.778012 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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