AHLI INTERNATIONAL MULTI-ASSET HOLDING FUND

FACT SHEET - JANUARY 2022

الصندوق الأهلي الدولي متعدد الأصول القابض
Ahli International Multi-Asset Holding Fund

Fund Objective

Aims to provide long-term capital appreciation and diversify risk globally with investments spread across asset classes and licensed funds.

Executive Summary

Fund type	Open-ended
Asset Class	Multi-Asset
Investment Universe	International
Launch Date	December 2018
Risk Categorization	Moderate
Currency	KWD
Minimum Subscription	KWD 500
Subscription / Redemption	Monthly
Subscription Fee	1.00%
Management Fee	1.35%
Fund Manager	Ahli Capital Investment Company K.S.C.C.
Investment Manager	BlackRock Asset Management Limited
Custodian	Gulf Custody Company
Auditor	Deloitte & Touché

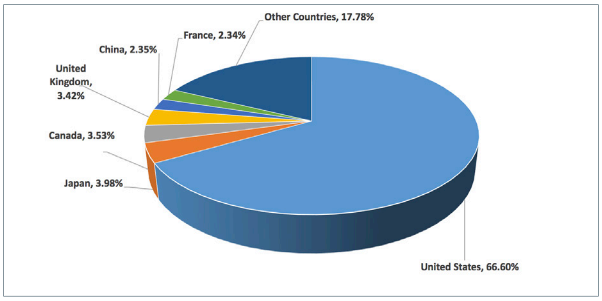
Current Performance Summary

NAV	JAN'22	YTD'22	Since Inception
11.446653	-4.09%	-4.09%	22.48%

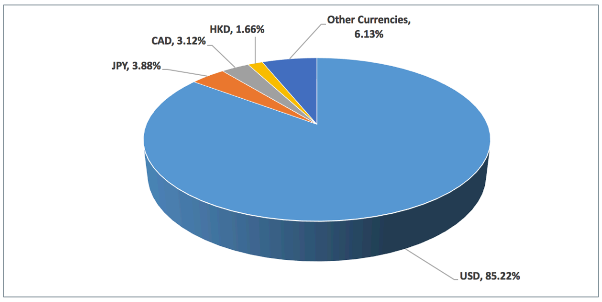
Top 5 Funds

Classification	Weight	NAME
Equity	18.09%	ISHARES CORE S AND P 500 UCITS ETF
Equity	11.73%	ISH MSCI USA ESG EHNCD USD-A
Equity	5.57%	ISHARES MSCI ACWI
Equity	5.37%	BLACKROCK FDS I ICAV-A.EU.EX UK
Fixed Income	5.37%	ISHARES US AGG BND USD DIST

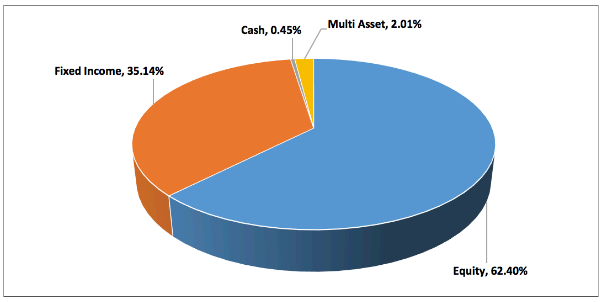
Geographical Allocation



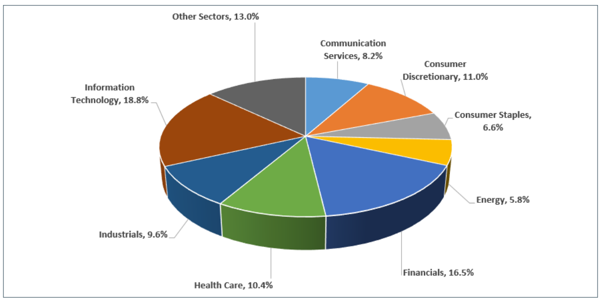
Currency Allocation



Asset Allocation



Sector Allocation



AHLI CAPITAL INVESTMENT CO. K.S.C.C.
PO Box 1387, Safat 13014, Kuwait
E: acic_info@abkuwait.com
F: +965 2246 6187

أهلي كابيتال
AHLI CAPITAL

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Market Commentary:

In January, financial markets were volatile as investors faced a myriad of risks stemming from a 'still-underway' pandemic. The Omicron strain appeared less severe in populations with high vaccination and immunity rates, and this resulted in more lenient restrictions by the month end. Markets were also choppy as they feared that the Fed may remove accommodative monetary policy too rapidly. Against this backdrop, Developed market equities ended the month down -4.9%, while Emerging markets were down -1.9%. In the U.S, the Fed acknowledged that inflation was well above its 2% target and that it would begin removing support from the economy and tamp down on inflation. Treasury yield rose sharply on rumblings that the Fed's rate hikes may be more aggressive than anticipated. In this regard, US treasuries ended the month down -1.7% while UK gilts ended the month down - 4%. For investors who have priced in future Fed interest rate hikes, the duration risk from holding US government bonds has increased and made them less attractive. In currencies this has meant the US dollar has become more attractive in the near-term, due to the rising yield differential with other major developed market currencies that have a less hawkish policy bias. On that basis, the US Dollar rallied in January and was up 1.4% against the Euro and 0.9% against the Sterling.

At January's FOMC meeting the Fed confirmed they were poised for a March interest rate increase as they vowed their sustained inflation fight, with the inflation rate in the US accelerating to 7% year-on-year in December. Fed reaffirmed plans to end their bond purchase in March as well. Sustained recovery in the job market with a low US unemployment rate of 3.9% in December and a Composite PMI for January which printed 50.8, showed an economy still in expansionary territory. On the other side of the Atlantic, the ECB resonated a more dovish tone and kept policy unchanged to provide a copious stimulus even as inflation runs at a record high of 5.1 % year-on-year in January and core inflation eased to 2.3% year-on-year in December. In addition, Euro Area unemployment rate also fell to a historic record low of 7% in December of 2021. In the UK, the Bank of England intensified the squeeze on household finances by kicking off its interest rate hikes since December. This is to get a grip of surging inflationary pressure in UK which has jumped to its highest level in 30 years and rose 5.4% year-on-year in December ahead of economist's expectations.

In January Fixed Income markets slid, as Fed Chair Powell repeatedly emphasized the economy's underlying strength and inflation's persistence and refused to rule out more aggressive policy tightening as needed. Yields on longer dated Treasury securities which are sensitive to the Fed's balance sheet policy, rose. For investors, January brought home the fact that in times of heightened inflationary risks, bonds have provided less protection to portfolios than in times of recessionary risk. On the back of that, Benchmark 10-year yields was up by 28 bps to 1.78% in the US, by 34 bps to 1.31% in the UK, by 10 bps to 0.17% in Japan, 19 bps to 0.1% in Germany and 18 bps to 1.37% in Italy. Oil posted a remarkable gain as heightened demand outstripped tight supply. On one hand, as the effects of the pandemic appear to fade demand for oil is set to rise to new peaks this year. On the other, OPEC+ is likely to stick to a moderate output as it struggles to pump at target. Energy security has also become a major focus amid the Russia-Ukraine conflict contributing to supply fears. Under these circumstances, Oil (Brent) has ended the month up 16.5% at $91 barrel. Gold ended down -1.4% at $1797/ounce.

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