

# AL AHLI KUWAITI FUND

## FACT SHEET - AUGUST 2012



الصندوق  
الأهلي الكويتي  
Al Ahli Kuwaiti Fund

### Fund objective

To achieve capital growth through investing in the shares of companies registered at the Kuwait Stock Exchange by realizing outstanding investment returns above the market average with an acceptable level of investment risk.

### Executive summary

Fund type:	Open-Ended
Subscription /Redemption:	Monthly
Launch date:	February 2003
Management fees:	1.50%
Manager:	Al Ahli Bank of Kuwait
Local Manager	Ahli Capital Investment Co.
Custodian:	Kuwait Clearing Co.
Nominal price:	KD 1.000 / Unit
Next dealing date:	26 <sup>th</sup> Sep. 2012
Last dealing price:	KD 0.876696 / Unit

### Current performance summary

NAV	Aug'12	YTD'12
KD 0.877	+2.96%	+1.86%

### Monthly performance

Jan'12	Feb'12	Mar'12	Apr'12	May'12	Jun'12
-0.45%	+4.17%	+1.63%	+1.09%	-3.85%	-1.07%
Jul'12	Aug'12	Sep'12	Oct'12	Nov'12	Dec'12
-2.38%	+2.96%				

### Historical performance

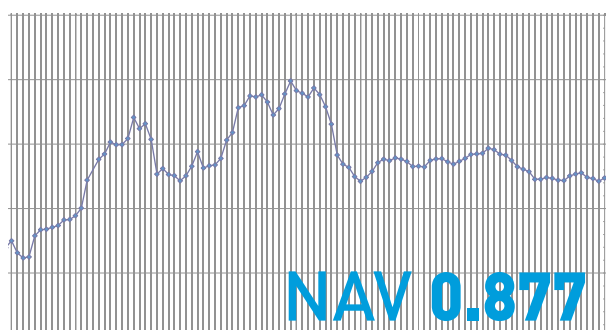
2003	2004	2005	2006	2007
+37.8%	+2.7%	+57.5%	-15.4%	+32.5%
2008	2009	2010	2011	Since Inception
-27.9%	+0.9%	+13.40%	-14.96%	+81.77%

Returns inclusive of dividends / Bonus distributed

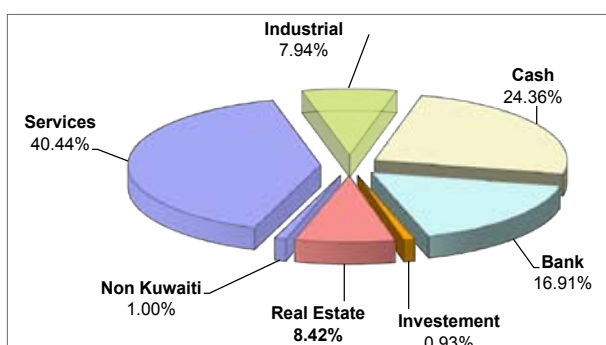
### Profits distributed

2003	2004	2005	2006
Cash	Cash	Cash	Bonus
KD 0.190	KD 0.070	KD 0.105	15.6%
KD 0.120			
2007	2009	2010	Since Inception
Cash	Cash	Cash	Cash
KD 0.160	KD 0.060	KD 0.080	KD 0.785
			15.6%

### Performance chart since inception



### Sector allocation



### Fund top 5 positions

1	NBK
2	CGC
3	MTC (Zain)
4	PCEM
5	ALAFCO

### Fund performance analysis

Best month performance	+17.5%
Worst month performance	-17.71%
No. of up months	66
No. of down months	49
Average monthly gain	+0.711%

### Market performance

	MTD	YTD
Kuwait price index	+2.01%	+0.90%
Kuwait weighted index	+1.06%	-1.17%
KIC index	+1.08%	-3.68%

### Market review:

The Kuwait Stock Exchange on the Fund's NAV date 29th of August 2012 closed positive. The KSE price index was +2.01% MTD and +0.90% YTD, closing at 5,866.64 points while the KSE weighted index increased by +1.06% MTD and -1.17% YTD, ending at 400.89 points.

The daily average Volume and average value of shares traded on the exchange for the year was 331.23 million shares and KD 28.63 million respectively. Total Market Capitalization stood at KD 27.78 Billion.

The Price Index achieved a month high of 5,874.35 points on the 30th of August.

### Fund review:

The Kuwait Stock Exchange (KSE) added 142 points, or 2.49%, to close at 5,862.56 during the month ended August 31, 2012. In August, there were reports of the country posting a record budget surplus in FY 2011-12, with the latest being provided by Bloomberg that reported a figure of KWD13.2bn (USD47bn) on higher oil prices and output. Forecast of an oil price hike for 2012 and 2013 by 28 analysts worldwide due to supply concerns and expectations of a rebound in economic recovery also added to the positive sentiment.

In the US, the economy grew 1.7% YoY in Q2 2012, lower compared to Q1 2012 (2%) and Q4 2011 (4.1%). Consumer confidence fell to 60.6 in August from a revised 65.4 in July, the lowest level in 10 months, due to rising gasoline prices, a high jobless rate (above 8%) and limited income. The discouraging economic data was discussed at the Federal Open Market Committee (FOMC), and Chief of the Federal Reserve Ben Bernanke hinted at another round of monetary stimulus (QE3) soon to boost the economy. The Federal Reserve is expected to announce stimulus plans during its policy-setting board meet on September 12-13.

The Eurozone's economy contracted 0.2% in Q2 2012, pushing it to the verge of a double-dip recession. The PMI Composite Output Index, which measures new orders in manufacturing and services, stood at 46.6 in August vis-à-vis 46.5 in July. As per a plan by the European Commission, the European Central Bank (ECB) would oversee the 6,000 banks in Europe. The plan would abolish the authority of the existing national supervisors to shutdown or restructure failing banks in their countries. In Greece, Prime Minister Antonis Samaras announced the government might sell or lease some of the country's islands to help revive the state-asset sales plan, which is important to receive international funds. He also said the new spending cuts planned for 2013-14 would be the last major austerity package. He opined that EUR11.5bn (USD14.4bn) in cutbacks, economic reforms and privatizations would help the economy grow after four years of deep recession. Separately, Catalonia, the most economically important region in Spain, requested for a EUR5bn bailout from the central government. Catalonia faces bond maturities of EUR5.6bn in 2012.

In China, profits of industrial companies fell 5.4% YoY in July for the fourth straight month, indicating low export growth and weak spending. However, expectations of a revision in credit policy that will encourage growth are rising.

The Al Ahli Kuwaiti fund performance was +2.96% MTD and +1.86% YTD as compared to the KSE weighted index which was +1.06% MTD and -1.17% YTD, and its benchmark the KIC index that recorded +1.08% MTD and -3.68% YTD.

The fund managers constantly take into account the volatility of the stock market as a whole in deciding the asset mix and cash percentages in this volatile period, this approach in turn has and will continue to reflect on the Fund's overall future performance. We believe that an extremely careful stock selection criteria needs to be continuously adopted in the future with risk aversion at its peak. The fund holdings are monitored regularly, various risk factors are taken into account by our investment team and appropriate action to rebalance both stock and cash allocations is taken when needed.