

AL AHLI KUWAITI FUND

FACT SHEET - AUGUST 2013



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:	30 th Sep 2013
Last dealing price:	KD 0.892225 / Unit

Current performance summary

NAV	Aug'13	YTD'13
KD 0.892	-0.25%	+1.56%

Monthly performance

Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13
+1.61%	-0.33%	+0.00%	+2.54%	+1.30%	-4.20%
Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13
+1.02%	-0.25%				

Historical performance

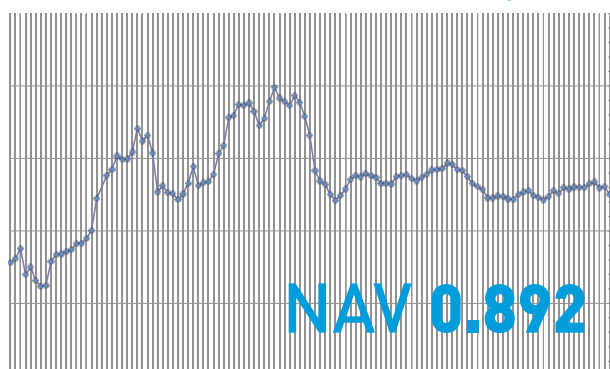
2003	2004	2005	2006	2007	Since Inception
+37.8%	+2.7%	+57.5%	-15.4%	+32.5%	
2008	2009	2010	2011	2012	+88.32%
-27.9%	+0.9%	+13.40%	-14.96%	+7.79%	

Returns inclusive of dividends / Bonus distributed

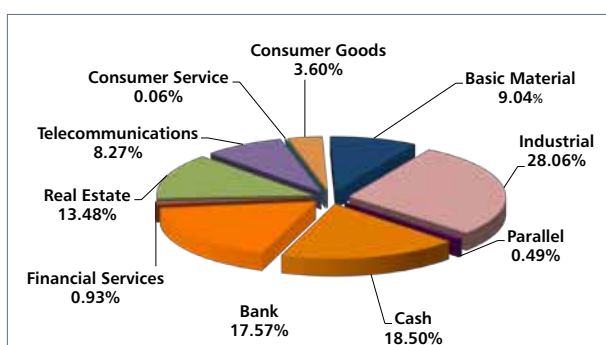
Profits distributed

2003	2004	2005	2006	2007
Cash	Cash	Cash	Bonus	Cash
KD 0.190	KD 0.070	KD 0.105	15.6%	KD 0.120
KD 0.160				
2009	2010	2012	Since Inception	
Cash	Cash	Cash	Cash	Bonus
KD 0.060	KD 0.080	KD 0.050	KD 0.835	15.6%

Performance chart since inception



Sector allocation



Fund top 5 positions

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

Fund performance analysis

Best month performance	+17.5%
Worst month performance	-17.71%
No. of up months	72
No. of down months	55
Average monthly gain	+0.695%

Market performance

	MTD	YTD
Kuwait price index	-5.42%	+28.62%
Kuwait weighted index	-2.26%	+8.07%
KIC index	-1.97%	+4.12%

Fund review:

The Fund's NAV for August 2013 was 0.892225 while the respective index closings were as follows, The KSE price index, KSE weighted index and the KIC index closed at 7,632.57, 451.37 and 515.22 points respectively.

The Al Ahli Kuwaiti fund performance was -0.25% MTD and +1.56% YTD as compared to the KSE price index which was -5.42% MTD and +28.62% YTD. The KSE weighted index was -2.26% MTD and +8.07% YTD, and its comparable benchmark the KIC recorded a gain of -1.97% MTD and +4.12% YTD.

Market review:

The Kuwait Stock Exchange (KSE) edged 438 points, or 5.42%, lower to end below 8,000 at 7,632.57 in August 2013. During the month, Kuwait's new Prime Minister Sheikh Jaber Al Mubarak Al Hamad Al Sabah formed a new cabinet, which included six members of the royal family, as well as appointed new oil and finance ministers. Investors remained cautiously optimistic over the reform process to be carried out by the new government. In addition, most companies posted encouraging H1 2013 results. Toward the end, however, the market lost ground due to escalation of the Syrian crisis. US agencies concluded that Syria used chemical weapons in a Damascus suburb, triggering the possibility of a US military strike on Syria. This will adversely impact global oil supply.

In international markets, the US GDP was revised upward to an annualized rate of 2.5% in Q2 2013 from the estimate of 1.7% earlier. The higher growth rate in Q2 2013 compared with 1.1% YoY in Q1 2013 is ascribed to gains in consumer spending, exports and residential and non-residential fixed investment. The US Flash Market Purchasing Manufacturing Index (PMI) rose to 53.9 in August (consensus: 53.5) from 53.2 in July. Moreover, the new orders index increased 1.1 points to 56.5, indicating robust growth. The trade deficit narrowed 22.4% to USD 34.2bn in June 2013 to record the smallest shortfall since October 2009. Export rose 2.2% to USD 191.2bn, while imports fell 2.5% to USD 225.4 bn. Export of good, industrial supplies and capital and consumer goods increased, while imports of petroleum products declined, indicating reduced dependence on oil from foreign countries. In the Eurozone, economic deterioration came to a halt, with GDP growth of 0.3% QoQ in Q2 2013 (consensus: 0.2%). Germany and France expanded 0.7% and 0.5%, respectively. On the other hand, Spain and Italy fell 0.1% and 0.2%, respectively. Meanwhile, the PMI for Eurozone rose for the fifth successive month to 51.7 in August (highest level since June 2011) from 50.5 in July. Germany witnessed the fastest growth in output since January. Inflation in Germany slowed to 1.5% YoY in August from 1.9% in July, mainly due to a fall in energy prices. Separately, retail sales volumes declined 0.5% MoM and 0.9% YoY in June. The food, drinks and tobacco category fell 0.6% MoM and 1.6% YoY while nonfood sector declined 0.2% on both MoM and YoY basis. On the borrowing front, Spanish banks reduced their borrowing from the European Central Bank (ECB) to EUR 251.9bn in July from EUR 253.1bn in June.

Volume and value traded on the KSE fell 35.76% to 4.76bn and 33.27% to KWD 469.41mn respectively. The Financial Services (1.98bn) and Real Estate (1.57bn) indices represented 74.53% of the total traded volume; the two sectors also led in terms of traded value, together accounting for 58.69%. The market capitalization fell 2.71% to KWD 28.97bn. The Price Index achieved a month high of 8,144.97 points on the 19th of August 2013.

The fund managers constantly take into account the volatility of the stock market as a whole in deciding the asset mix and cash percentages the strategy has helped in controlling volatility in the fund's performance.