

AL AHLI KUWAITI FUND

FACT SHEET - DECEMBER 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:	30 th Jan. 2013
Last dealing price:	KD 0.927863 / Unit

Current performance summary

NAV	Dec'12	YTD'12
KD 0.928	-0.96%	+7.80%

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%	+4.44%	-2.06%	+4.48%	-0.96%

Historical performance

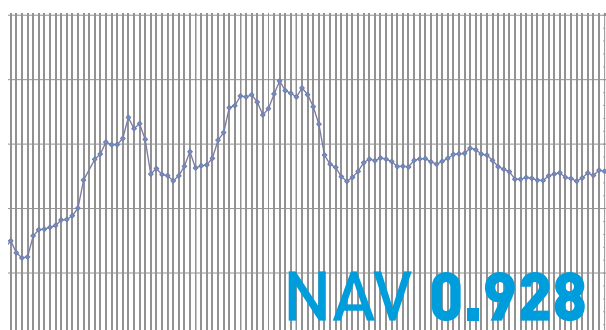
2003	2004	2005	2006	2007
+37.8%	+2.7%	+57.5%	-15.4%	+32.5%
2008	2009	2010	2011	Since Inception
-27.9%	+0.9%	+13.40%	-14.96%	+86.89%

Returns inclusive of dividends / Bonus distributed

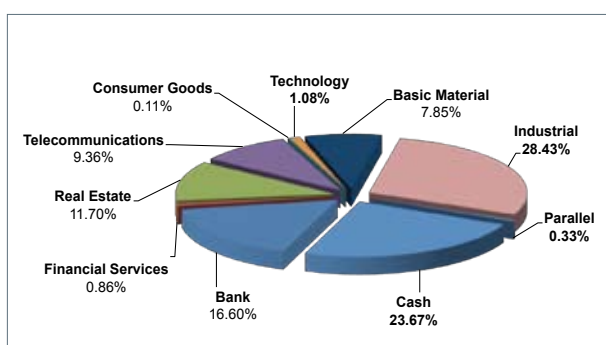
Profits distributed

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	ALAFCO
5	BPCC

Fund performance analysis

Best month performance	+17.5%
Worst month performance	-17.71%
No. of up months	68
No. of down months	51
Average monthly gain	+0.730%

Market performance

	MTD	YTD
Kuwait price index	+0.24%	+2.34%
Kuwait weighted index	-0.94%	+3.35%
KIC index	-1.37%	+1.11%

Market review:

On the Fund's Valuation date of 26th of December 2012 the NAV was 0.928 while the respective indexes closings were as follows. The KSE price index, KSE weighted index and the KIC index at 5,950.38, 419.20 and 441.67 points respectively.

The daily average Volume and average value of shares traded on the exchange for the year was 331.75 million shares and KD 28.95 million respectively. Total Market Capitalization stood at KD 29.05 Billion.

The Price Index achieved a month high of 6,004.06 points on the 2nd of December.

Fund review:

The Kuwait Stock Exchange (KSE) ended the last month of 2012 slightly up of the NAV period. The country was forced into its second annual elections amid continuous protests and boycott by the opposition. The Emir reappointed Sheikh Jaber Al-Mubarak Al-Sabah as Prime Minister and named a new cabinet without major changes to the last government. Although investors opined the new government would speed up the reform process, there was anxiety that the political stalemate could continue. On the positive side, Kuwait's budget surplus surged 43% YoY to KWD14.7bn at the end of October 2012 (seven months of FY 2012-13).

In international markets, the US consumer confidence index fell to 65.1 in December from 71.5 in November, the second straight decline and its lowest level since August. The new low reflected consumer worries about the imminent 'fiscal cliff' tax hikes effective January 1, 2013 if the White House and the US Congress failed to reach a budget deal.

In the Eurozone, the European Central Bank (ECB) sharply reduced its 2013 growth forecast for the region to 0.9%–0.3% from 0.5% earlier. The Eurozone's annual inflation rate fell to its lowest level in almost two years to 2.2% in November from 2.5% in October. The decline brings inflation close to the ECB's target rate of a little below 2.0%. The Spanish government approved the 2013 budget under which it aims to reduce public deficit to 4.5% of GDP from 6.3% in 2012. The stringent measures include reducing ministry budgets by 8.9% and freezing public sector wages for the third straight year. On the ratings front, S&P downgraded Greece to Selective Default (SD) from 'CCC' after the government began buying its bonds back from investors. Greece has offered USD13.1bn to purchase the debt issued earlier this year in an attempt to cut its debt load.

The Al Ahli Kuwaiti fund performance was -0.96% MTD and +7.80% YTD as compared to the KSE weighted index which was -0.94% MTD and +3.35% YTD, The KSE price index was +0.24% MTD and +2.34% YTD, and its benchmark the KIC index that recorded -1.37% MTD and +1.11% 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 the strategy has worked well with the fund beating all comparable indexes for the year 2012 by a big margin.