

# AL AHLI KUWAITI FUND

## FACT SHEET - DECEMBER 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:	31 <sup>st</sup> Jan 2013
Last dealing price:	KD 0.902737 / Unit

### Current performance summary

NAV	Dec'13	YTD'13
KD 0.903	+0.77%	+2.70%

### 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%	+2.15%	+0.48%	-2.18%	+0.77%

### Historical performance

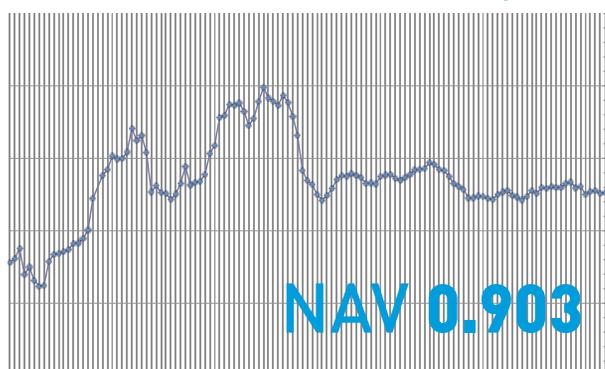
2003	2004	2005	2006	2007	Since Inception
+37.8%	+2.7%	+57.5%	-15.4%	+32.5%	+89.37%
2008	2009	2010	2011	2012	
-27.9%	+0.9%	+13.40%	-14.96%	+7.79%	

Returns inclusive of dividends / Bonus distributed

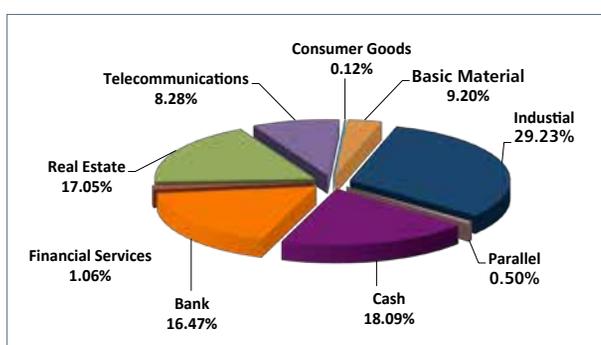
### Profits distributed

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	75
No. of down months	56
Average monthly gain	+68.22%

### Market performance

	MTD	YTD
Kuwait price index	-3.03%	+27.2%
Kuwait weighted index	-1.34%	+8.43%
KIC index	-2.47%	+3.18%

### Fund review:

The Fund's NAV for December 2013 was 0.902737 while the respective index closings were as follows, The KSE price index, KSE weighted index and the KIC index closed at 7,549.52, 452.86 and 510.58 points respectively.

The Al Ahli Kuwaiti fund performance was +0.77% MTD and +2.70% YTD as compared to KSE price index -3.03% MTD and +27.22% YTD, KSE Weighted Index -1.34% MTD and +8.43% YTD and KIC Index -2.47% MTD and +3.18% YTD.

### Market review:

The Kuwait Stock Exchange (KSE) continued its bearish trend, losing 236 points, or 3.03%, to end at 7,549.52 in December 2013. Market sentiment remained negative due to political issues prevailing in the country. However, the constitutional court rejected the petitions to scrap the polls conducted in July 2013, thereby avoiding threat to the current government. Furthermore, investors remained pessimistic owing to lower oil price (USD80-90 per barrel) forecast by local experts due to fall in demand and increase in supply as a result of recovery in Libya's oil production and increase in Iraq's crude output. On the positive side, Fitch reiterated its high credit rating for Kuwait and maintained long-term foreign Issuer Default Rating at 'AA' with a 'stable' outlook. Overall, Kuwait's index ended 2013 with annual returns of 27.22%.

In international markets, 2013 proved to be one of the best years for US equities since the 1990s, driven by the Federal Reserve's massive stimulus and expectations of accelerating growth. Over the year, S&P rose 29.6% (the best YoY performance since 1997), Dow jumped 26.5% (highest since 1995), and Nasdaq advanced 38.3% (the most since 2009). The US economy grew at the fastest rate since late 2011, with real GDP growth being revised to annualized rate of 4.1% from 3.6% in Q3 2013 on account of stronger consumer spending, primarily in healthcare. However, GDP is expected to expand around 1.7% in 2013 compared with 2.8% in 2012 due to depressed consumer spending because of higher taxes from January 2013 and lower government spending. Meanwhile, the Federal Reserve has decided to curtail its monthly asset buying program by USD10bn to USD75bn January onward. Meanwhile, US pending home sales rose for the first time in five months by 0.2% MoM in November. However, sales declined 1.6% compared with the earlier year due to rising home prices and mortgage rates. Consumer confidence jumped 6.1 points to 78.1 in December compared with 72.0 in November, led by a better outlook for hiring and overall economic growth. Manufacturing Purchasing Managers' Index (PMI) marked a reading of 55.0 in December, its best since January 2013, due to significant rise in new orders and high employment growth, signaling improved business conditions. In Eurozone, the European Union's long-term credit rating was downgraded to 'AA+' from 'AAA' by S&P over disagreements between the member states regarding common budgetary support mechanisms and weakening of the financial profile. Meanwhile, Composite Purchasing Managers Index (PMI) rose to 52.1 in December compared with 51.7 in November, indicating signs of recovery after declining for two consecutive months. Meanwhile, retail sales unexpectedly fell 0.2% MoM in October, implying a cautious household sector. European Central Bank (ECB) President Mario Draghi declined any possibilities of a further rate cut after the bank reduced the benchmark refinancing rate to a record low of 0.25% in November.

Volume traded on the KSE rose 2.96% to 5.12bn, while value traded declined 2.87% to KWD 515.83mn. The Financial Services (1.96bn) and Real Estate (1.66bn) indices represented 70.78% of the total traded volume; the two sectors also led in terms of traded value, together accounting for 54.48%. Market capitalization declined 1.31% to KWD 29.69bn.

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.