

AL AHLI KUWAITI FUND FACT SHEET - MAY 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: | 27 th June. 2012 |
| Last dealing price: | KD 0.881681 / Unit |

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 | 65 |
| No. of down months | 47 |
| Average monthly gain | +0.735% |

Current performance summary

| | | |
|----------|--------|--------|
| NAV | May'12 | YTD'12 |
| KD 0.882 | -3.85% | +2.44% |

Monthly performance

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

Historical performance

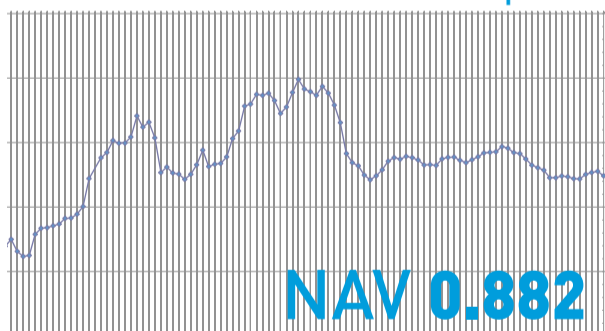
| | | | | | | | | | |
|---------|---------|-------|--------|--------|--------|--------|-------|--------|-----------------|
| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | Since Inception |
| -14.96% | +13.40% | +0.9% | -27.9% | +32.5% | -15.4% | +57.5% | +2.7% | +37.8% | +82.27% |

Returns inclusive of dividends / Bonus distributed

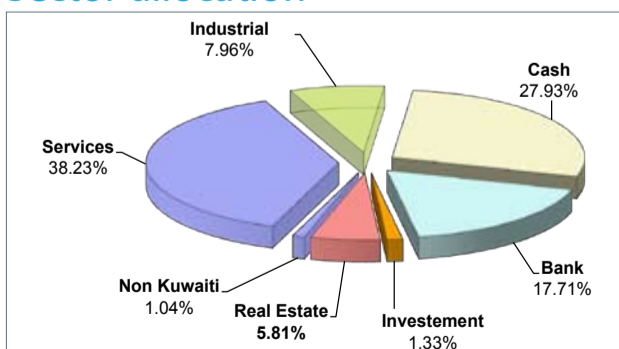
Profits distributed

| | | | |
|----------|----------|----------|-----------------|
| 2003 | 2004 | 2005 | 2006 |
| Cash | Cash | Cash | Bonus |
| KD 0.190 | KD 0.070 | KD 0.105 | 15.6% |
| 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



Market performance

| | | |
|-----------------------|--------|--------|
| | MTD | YTD |
| Kuwait price index | -1.50% | +7.35% |
| Kuwait weighted index | -2.63% | +0.71% |
| KIC index | -3.10% | -2.30% |

Market review:

The Kuwait Stock Exchange on the Fund's NAV date 30th of May 2012 closed negative. The KSE price index was -1.50% MTD and +7.35% YTD, closing at 6,241.42 points while the KSE weighted index decreased by -2.63% MTD and +0.71% YTD, ending at 408.48 points.

The daily average Volume and average value of shares traded on the exchange for the year was 419.92 million shares and KD 36.17 million respectively. Total Market Capitalization stood at KD 28.46 Billion.

The Price Index achieved a month high of 6,522.6 points on the 8th of May.

Fund review:

The Kuwait Stock Exchange (KSE) fell 175 points, or 2.74%, to close at 6,193.82 during the month ended May 31, 2012. On the economic front, the IMF warned Kuwait that its oil savings would be exhausted by 2017 if it continues to spend money at the current rate, and cautioned that the country would not be able to save oil receipts into its Fund for Future Generations'. In addition, fiscal deficit (excluding oil and debt servicing) would have to be cut by at least KWD7bn (USD25bn) by 2017 to ensure long-term fiscal sustainability. Global worries, especially troubles emanating from the Eurozone, kept oil prices below USD100 per barrel for most part of the month.

In global markets, the US, the consumer sentiment index rose to its highest level in four months to 77.8 in May from 76.4 in April due to the fall in the jobless rate to its lowest level in three years and signs of stabilization in the housing market. However, the US manufacturing PMI slid to a three-month low of 53.9 from 56.0 in April due to a slower rise in output, new orders, purchases of inventories and employment compared to the previous month.

Eurozone annual inflation was 2.4% in May 2012, down from 2.6% in April. A year earlier the rate was 2.7%. Monthly inflation was -0.1% in May 2012. EU annual inflation was 2.6% in May 2012, down from 2.7% in April. A year earlier the rate was 3.2%. Monthly inflation was 0.0% in May 2012. These figures come from Eurostat, the statistics office of the European Union. European countries took a hit as Moody's downgraded the long-term debt ratings of 16 Spanish banks by at least one notch due to weak economic conditions and the government's decreased ability to support troubled lenders. In addition, nine financial institutions in Denmark and three in Finland were downgraded. In France, unemployment rose for the 12th consecutive month in April as the number of jobseekers increased by 4,300 to 2.89mn, its highest level since September 1999.

All major European indices declined, as DAX, FTSE and CAC lost 7.35%, 7.27% and 6.09% respectively. Hong Kong's Hang Seng lost 11.68% during the month; this was the worst May performance since 1998 and worst monthly performance since September 2011. The losses were mainly due to a report that China has no plans to introduce large-scale stimulus as it did during the global financial crisis. In addition, China's four biggest state-owned commercial banks reported close to zero growth in loans during the first two weeks of May, raising fears of an economic slowdown in the country.

The Al Ahli Kuwaiti fund performance was -3.85% MTD and +2.44% YTD as compared to the KSE weighted index which was -2.63% MTD and +0.71% YTD, and its benchmark the KIC index that recorded -3.10% MTD and -2.30% 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.