

# AL AHLI KUWAITI FUND

## FACT SHEET - OCTOBER 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:	28 <sup>th</sup> Nov. 2012
Last dealing price:	KD 0.896687 / Unit

### Current performance summary

NAV	Oct'12	YTD'12
KD 0.897	-2.06%	+4.18%

### 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%		

### Historical performance

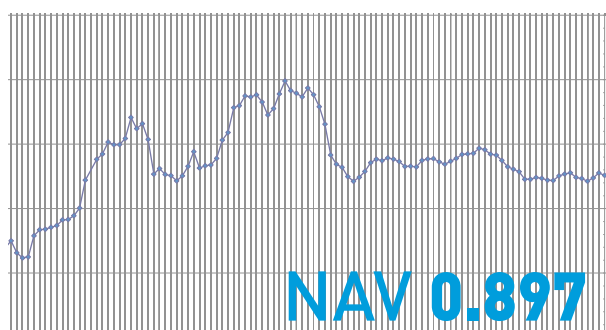
2003	2004	2005	2006	2007
+37.8%	+2.7%	+57.5%	-15.4%	+32.5%
2008	2009	2010	2011	Since Inception
-27.9%	+0.9%	+13.40%	-14.96%	+83.77%

Returns inclusive of dividends / Bonus distributed

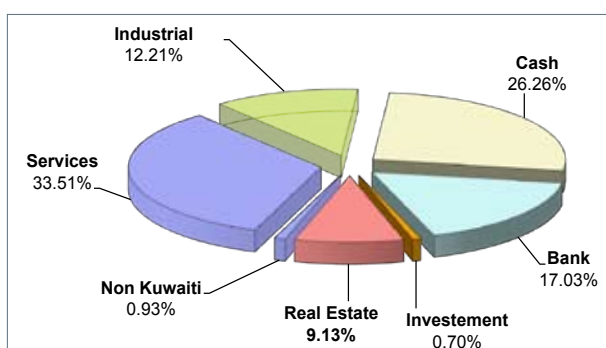
### Profits distributed

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

Rank	Company
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	67
No. of down months	50
Average monthly gain	+0.716%

### Market performance

	MTD	YTD
Kuwait price index	-3.00%	-0.81%
Kuwait weighted index	-2.08%	+0.31%
KIC index	-2.01%	-1.85%

### Market review:

The Kuwait Stock Exchange on the Fund's NAV date 31st of October 2012 closed negative. The KSE price index was -3.00% MTD and -0.81% YTD, closing at 5,766.96 points while the KSE weighted index increased by -2.08% MTD and +0.31% YTD, ending at 406.87 points.

The daily average Volume and average value of shares traded on the exchange for the year was 327.65 million shares and KD 28.44 million respectively. Total Market Capitalization stood at KD 28.18 Billion.

The Price Index achieved a month high of 6,011.27 points on the 9th of October.

### Fund review:

Kuwait; The Kuwait Stock Exchange (KSE) plummeted 216 points, or 3.61%, to close at 5,766.96 during October 2012 as the country witnessed violent political protests by the opposition, leading to arrests and use of force by the government. The opposition criticized HH Emir Sheikh Sabah Al-Ahmad Al-Sabah's decision to amend the electoral law and threatened to boycott the December 01, 2012, elections. Fitch threatened that further escalation in political protests could be detrimental to Kuwait's coveted 'AA' sovereign rating. On the economic front, the Central Bank of Kuwait cut its benchmark discount rate by 50 basis points to 2.0%, its first reduction in 32 months. The rate cut will reduce borrowing cost and boost growth in the non-oil sector. Meanwhile, the cabinet approved a budget deficit of KWD7.3bn for FY 2012-13 because it calculated oil income in a very conservative manner. Kuwait has been projecting budget deficits since the past 13 fiscals, but has ended up with healthy surpluses.

Volume traded on the KSE surged 11.54% to 6.75bn, while value traded declined 16.32% to KWD518.05mn. The Financial Services (3.01bn) and Real Estate (2.27bn) indices jointly accounted for 78.28% of total traded volume. In terms of value traded, the Financial Services index (KWD168.85bn) accounted for 32.59% of the total. Market capitalization fell 3.34% to KWD59.68bn.

In global markets, S&P downgraded Spain's sovereign credit rating to 'BBB-' from 'BBB+', two notches above the junk territory, citing deepening recessionary conditions with one-quarter of workers unemployed, mass protests, and growing political friction between Madrid and the debt-struck regions. Eurozone unemployment hit a record high of 11.6% in September (11.5% in August), as the number of unemployed people touched 18.5mn.

The US Federal Reserve (Fed) announced new rounds of stress tests for all banks with more than USD50bn in assets; however, this year it will apply only to the 19 largest banks that the Fed tested in 2011. Meanwhile, consumer confidence stood at its highest level since February 2008; the Conference Board's sentiment index increased to 72.2 mainly led by lower unemployment and stable housing prices. Inflation rose 0.6% in September, which is in line with the increase in August, mainly due to a surge in energy costs and marginal gains in prices of other goods and services.

The Al Ahli Kuwaiti fund performance was -2.06% MTD and +4.18% YTD as compared to the KSE weighted index which was -2.08% MTD and +0.31% YTD, and its benchmark the KIC index that recorded -2.01% MTD and -1.85% 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.

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