

AL AHLI KUWAITI FUND

FACT SHEET - OCTBER 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:	28 th Nov 2013
Last dealing price:	KD 0.915821 / Unit

Current performance summary

NAV	Oct'13	YTD'13
KD 0.916	+0.48%	+4.11%

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%		

Historical performance

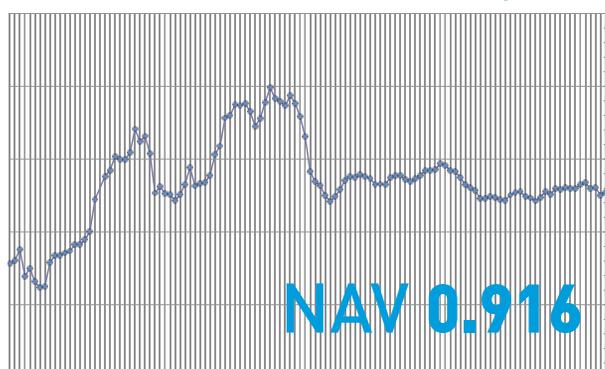
2003	2004	2005	2006	2007	Since Inception
+37.8%	+2.7%	+57.5%	-15.4%	+32.5%	
2008	2009	2010	2011	2012	+90.24%
-27.9%	+0.9%	+13.40%	-14.96%	+7.79%	

Returns inclusive of dividends / Bonus distributed

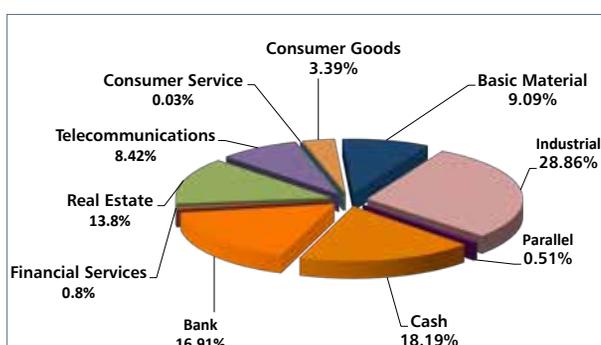
Profits distributed

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	Mabaneer

Fund performance analysis

Best month performance	+17.5%
Worst month performance	-17.71%
No. of up months	74
No. of down months	55
Average monthly gain	+0.699%

Market performance

	MTD	YTD
Kuwait price index	+2.31%	+33.91%
Kuwait weighted index	+1.01%	+11.93%
KIC index	+0.89%	+8.00%

Fund review:

The Fund's NAV for October 2013 was 0.915821 while the respective index closings were as follows, The KSE price index, KSE weighted index and the KIC index closed at 7,946.39, 467.46 and 534.41 points respectively.

The Al Ahli Kuwaiti fund performance was +0.48% MTD and +4.11% YTD as compared to the KSE price index which was +2.31% MTD and +33.91% YTD. The KSE weighted index was +1.01% MTD and +11.93% YTD, and its comparable benchmark the KIC recorded a gain of +0.89% MTD and +8.00% YTD.

Market review:

The Kuwait Stock Exchange (KSE) advanced 179 points, or 2.31%, to end at 7,946.39 in October 2013. Kuwait's oil minister Mustafa Al Shamali opined that oil prices in the range of USD100-110 per barrel are acceptable to producers and consumers. The country, while creating its annual budget, assumes oil prices in the range of USD65-70; however, actual oil prices are much higher, which leads to surpluses. According to reports, Kuwait's non-oil growth is forecasted at 4.6% for FY 2013-14 due to strong recovery in the industrial and real estate sectors, supported by the substantial budget allocated to government capital expenditure. Companies posted encouraging Q3 2013 results, indicating full year results would be positive. Concurrently, the country's trade surplus narrowed to KWD5.9bn in Q1 2013 on lower oil prices and production as well as higher imports. Separately, the IMF stated that Kuwait should curtail its spending and accelerate its reform process, including the USD106bn development plan.

In international markets, the IMF lowered the global economic growth forecast to 2.9% for 2013 and 3.6% for 2014, citing weakness in emerging economies [previous estimate: +3.2% (2013e) and +3.8% YoY (2014e)]. The partial government shutdown in the US ended and default was averted after the US Congress passed a legislation that permits the Treasury to borrow through February 7, 2014, or a month longer, and funds the government through January 15, 2014. The US Federal Reserve retained its policy rates (federal funds rate target level of 0-0.25%) and decided to continue its quantitative easing plan (USD 85bn monthly bond purchases). The US trade deficit widened to USD38.8bn (consensus of USD40.0bn) in August from the revised USD38.6bn in July.

In the Eurozone, the European Central Bank (ECB) announced a wide range of reviews for its commercial banks would begin in November 2013 and require one year. The review intends to restore the private sector's confidence in the banking system. Meanwhile, the region's composite PMI fell to 51.5 in October (consensus of 52.4) from 52.2 in September. Concurrently, the unemployment rate remained at a record 12.2% in September vis-à-vis the revised figure of 12% in August. The Eurozone has been facing the problem of high unemployment for long; moreover, in September, around 3.5mn of the region's total 19.5mn youth (aged below 25) were jobless.

Volume and value traded on the KSE declined 34.12% to 7.11bn and 34.08% to KWD625.35mn, respectively. The Financial Services (3.36bn) and Real Estate (2.00bn) indices represented 75.34% of the total volume traded; the two sectors also led in terms of value traded, together accounting for 59.90%. Market capitalization grew 0.91% to KWD30.30bn.

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.