

AL AHLI KUWAITI FUND

FACT SHEET - SEPTEMBER 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:	31 st Oct. 2012
Last dealing price:	KD 0.915582 / Unit

Current performance summary

NAV	Sep'12	YTD'12
KD 0.916	+4.44%	+6.38%

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%			

Historical performance

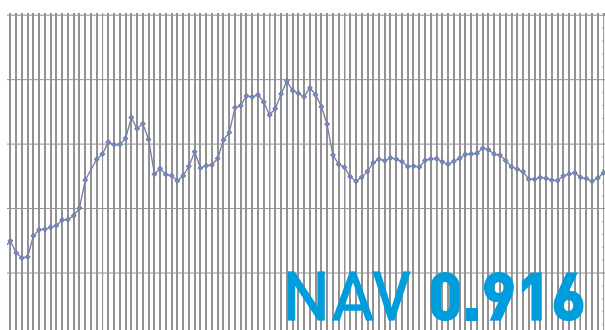
2003	2004	2005	2006	2007
+37.8%	+2.7%	+57.5%	-15.4%	+32.5%
2008	2009	2010	2011	Since Inception
-27.9%	+0.9%	+13.40%	-14.96%	+85.66%

Returns inclusive of dividends / Bonus distributed

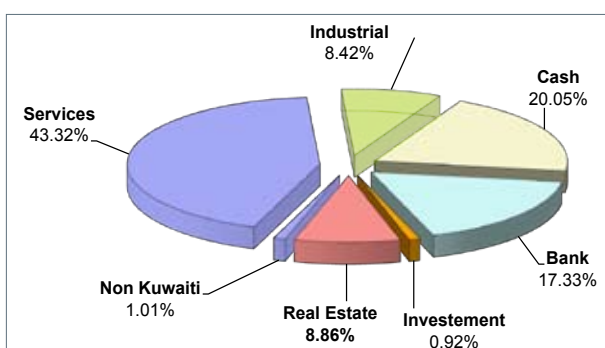
Profits distributed

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	Position
1	NBK
2	CGC
3	ALAFCO
4	MTC (Zain)
5	PCEM

Fund performance analysis

Best month performance	+17.5%
Worst month performance	-17.71%
No. of up months	67
No. of down months	49
Average monthly gain	+0.738%

Market performance

	MTD	YTD
Kuwait price index	+1.34%	+2.26%
Kuwait weighted index	+3.64%	+2.44%
KIC index	+3.99%	-0.16%

Market review:

The Kuwait Stock Exchange on the Fund's NAV date 26th of September 2012 closed positive. The KSE price index was +1.34% MTD and +2.26% YTD, closing at 5,945.37 points while the KSE weighted index increased by +3.64% MTD and +2.44% YTD, ending at 415.50 points.

The daily average Volume and average value of shares traded on the exchange for the year was 325.16 million shares and KD 28.59 million respectively. Total Market Capitalization stood at KD 28.80 Billion.

The Price Index achieved a month high of 5,991.17 points on the 27th of September.

Fund review:

Kuwait; The Kuwait Stock Exchange (KSE) surged 120 points, or 2.05%, to close at 5,982.69 for September end, 2012. Volume traded on the KSE grew 72.18% to 6.05bn, while value traded more than doubled to KWD619.08mn. During the month, Kuwait announced it will produce around 3mn barrels of oil per day for the next few months due to strong demand. The government's announcement that it plans to increase investment in the Future Generations Fund to 25% of revenues (compared to the 10% invested earlier) aided the positive sentiment. Kuwait's consumer price index (CPI) inched up to 3.1% YoY in July from 2.8% YoY in June as food prices (the second largest contributor to Kuwait's CPI basket at 18.3%) rose to 6.6% YoY from 4.9% YoY. On a monthly basis, overall inflation rose to 0.5% in July from 0.2% in June.

US; The US Federal Reserve announced the much-anticipated stimulus program (QE3) to boost the economy. Under QE3, the Fed plans to purchase USD40bn of mortgage debt each month until the outlook for jobs improves substantially. Global markets rose on optimism that further stimulus would eventually lower borrowing costs and encourage banks to lend more, paving the way for high economic growth and improved employment opportunities.

Eurozone; Mario Draghi; President of European Central Bank (ECB) announced Outright Monetary Transactions (OMTs), a new bond purchase program. Under OMTs, the ECB would buy unlimited bonds of member states in the secondary market with a maturity of 1- 3 years, provided the participating countries abide by strict conditions. This move is expected to help countries such as Spain and Italy reduce their borrowing costs. Meanwhile, the Markit Purchasing Managers' Index (PMI) fell to 45.9 in September from 46.3 in August, raising fears that the Eurozone's economy could shrink 0.6% in Q3 2012..

Asia; Manufacturing activity in China stabilized in September, with the HSBC Flash China manufacturing Purchasing Managers' Index (PMI) rising to 47.8 from 47.6 in August.

The Al Ahli Kuwaiti fund performance was +4.44% MTD and +6.38% YTD as compared to the KSE weighted index which was +3.64% MTD and +2.44% YTD, and its benchmark the KIC index that recorded +3.99% MTD and +0.16% 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.