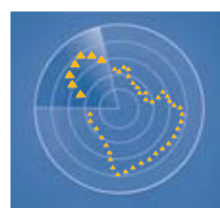


# AL AHLI GULF FUND

## FACT SHEET - OCTOBER 2012



الصندوق  
الأهلي الخليجي

Al Ahli Gulf Fund

### Fund objective

To achieve long-term capital appreciation through investing in the shares of companies listed across all GCC exchanges by realizing outstanding investment returns with an acceptable level of investment risk.

### Executive summary

Fund type:	Open-ended
Subscription /Redemption:	Monthly
Launch date:	November 2003
Management fees:	1.25%
Incentive fees:	10% over 10% Hurdle
Manager:	Al Ahli Bank of Kuwait
Custodian:	Kuwait Clearing Co.
Nominal price:	KD 1.000 / Unit
Next dealing date:	26 <sup>th</sup> Nov 2012
Last dealing price:	KD 0.778147 / Unit

### Current performance summary

NAV	Oct'12	YTD'12
KD 0.778	+0.02%	+2.11%

### Monthly performance

Jan'12	Feb'12	Mar'12	Apr'12	May'12	Jun'12
-1.39%	+3.59%	+4.19%	-0.33%	-4.13%	-2.52%

Jul'12	Aug'12	Sep'12	Oct'12	Nov'12	Dec'12
+0.47%	+1.82%	+0.65%	+0.02%		

### Historical performance

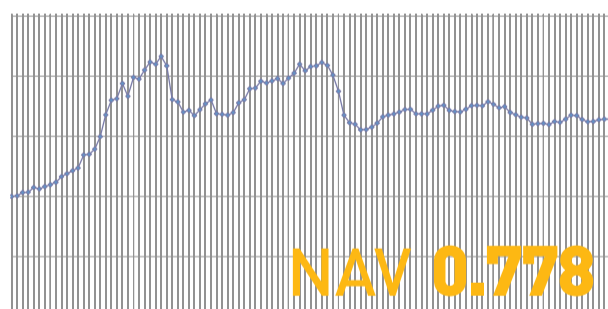
2004	2005	2006	2007	Since Inception
+31.6%	+53.1%	-21.0%	+28.8%	
2008	2009	2010	2011	
-28.8%	+10.8%	+11.69%	-10.01%	+71.31%

Returns inclusive of dividends / Bonus distributed

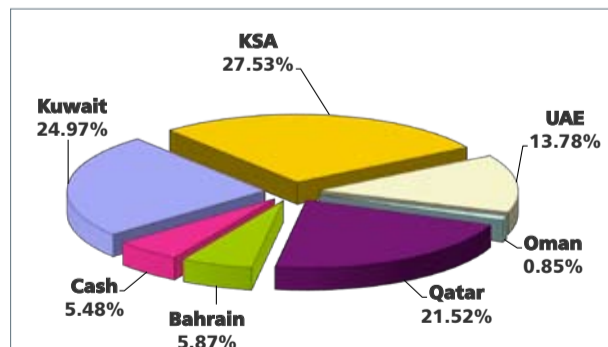
### Profits distributed

2004	2005		2006	2007
Cash	Cash	Bonus	Cash	Cash
KD 0.180	KD 0.222	22.3%	KD 0.050	KD 0.130
2009	2010	Since Inception		
Cash	Cash	Cash	Bonus	
KD 0.060	KD 0.070	KD 0.712	22.3%	

### Performance chart



### GCC market allocation



### Country

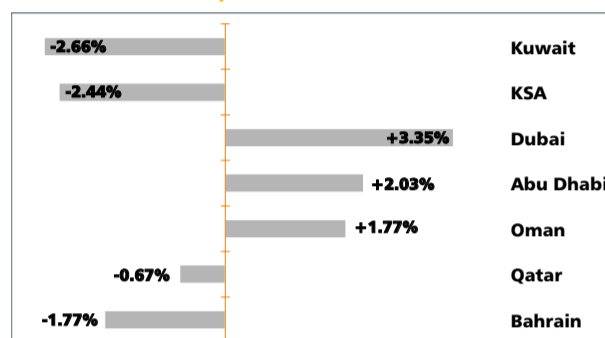
### Manager

Kuwait	Ahli Capital Investment Co.
KSA	Sico
UAE	NBAD
Oman	Bank Muscat
Qatar	Sico
Bahrain	Sico

### Top 3 positions / market

Kuwait	KSA	UAE
CGC	Sabir	Emaar
MTC (Zain)	Etisalat	NBAD
Aqar	Al Rajhi	ADCB
Oman	Qatar	Bahrain
Bank Muscat	QNB	SMMF
-	IQ	Baraka
-	QEWS	Invest corp.

### GCC market performance - Oct'12



### Market review:

The GCC indices ended the month of October 2012 with a mixed performance. Dubai's DFM recorded the highest gain, while Kuwait's KSE recorded the biggest loss. On the NAV date the KSE was -2.66%, KSA -2.44%, Dubai +3.35%, Abu Dhabi +2.03%, Oman +1.77%, Qatar -0.67%, and Bahrain -1.77%.

Four of the seven GCC indices ended in the green for the full month of October 2012. UAE's DFM recorded the highest gains, while Kuwait's KSE recorded the highest losses.

- KSE, the worst performer among the GCC indices, fell 3.61% to end October at 5,766.96. Technology (down 10.32%) led the losers, while Healthcare led the gainers (up 3.00%).
- 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.
- Bahrain's BAX reversed last month's gains to end 2.71% lower at 1,057.91. Even on a YTD basis, the index lost 7.50%, the highest among its GCC peers.
- Qatar's DSM added 0.43% to end the month at 8,546.49. However, the index has underperformed over the year because its YTD returns are still in the red.
- Saudi Arabia's TASI declined 0.71% to end October at 6,791.04. Building & Construction (down 4.17%) was the top loser among sectors, while Allianz Saudi Fransi Cooperative Insurance Co. (down 22.49%) was the biggest loser among stocks. Arabian Shield Cooperative Insurance Co. (up 37.03%) was the biggest gainer.
- Dubai's DFM grew 2.59% to end October at 1,619.61. Even on a YTD basis, the index gained 19.67%, the highest among its GCC peers.
- Abu Dhabi's ADX increased 2.57% to end at 2,672.43. Among sectors, Real Estate grew 9.52%, while Services (down 2.79%) led the losers. Green Crescent Insurance Co. (down 20.00%) lost the most among stocks.
- Oman's MSM added 2.27% to close October at 5,660.03. All sectoral indices ended in the green, with Services & Insurance gaining the most (up 3.37%). Dhofar Cattle Feed Co. (up 20.37%) was the biggest gainer among stocks.

### Fund review:

The Al-Ahli Gulf Fund recorded a gain of +0.17% MTD and +2.11% YTD. The S&P GCC Composite Price Index was -1.48% MTD and +2.76% YTD. The Gulf Funds gain since inception stood at +71.31%, the NAV of the fund was KD 0.778147 on the NAV date.

The current GCC allocations remain stable with a selective allocation of Blue Chip stocks across the region. The fund holdings are constantly monitored for the various risk factors by our investment team and appropriate action to rebalance the country allocation, cash percentages, as well as sector allocations is taken when needed.