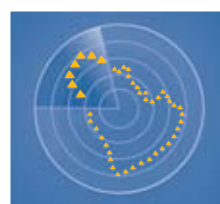


AL AHLI GULF FUND

FACT SHEET - AUGUST 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:	24 th Sep 2012
Last dealing price:	KD 0.772954 / Unit

Top 3 positions / market

Kuwait	KSA	UAE
CGC	Sabiric	Emaar
MTC (Zain)	Etisalat	NBAD
Aqar	Al Rajhi	ADCB

Oman	Qatar	Bahrain
Bank Muscat	QNB	Baraka
-	IQ	Invest corp.
-	QEWS	BBK

Current performance summary

NAV	Aug'12	YTD'12
KD 0.773	+1.82%	+1.43%

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%				

Historical performance

2004	2005	2006	2007	Since Inception
+31.6%	+53.1%	-21.0%	+28.8%	+70.80%
2008	2009	2010	2011	
-28.8%	+10.8%	+11.69%	-10.01%	

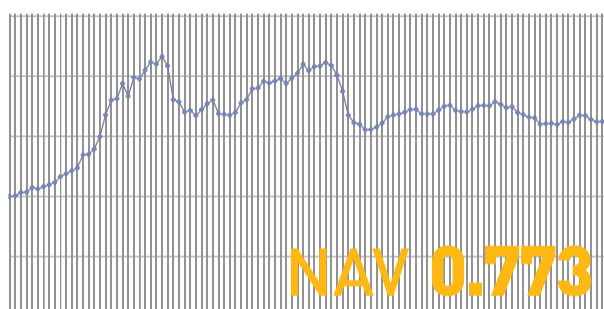
Returns inclusive of dividends / Bonus distributed

Profits distributed

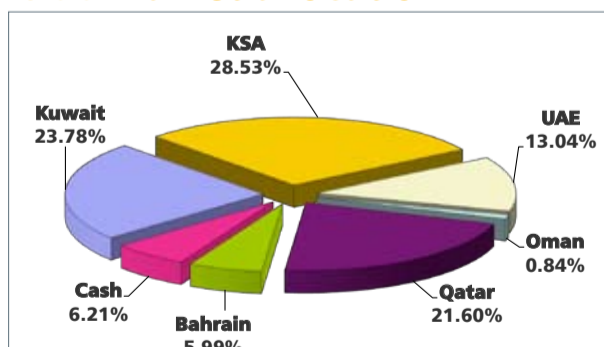
2004	2005		2006	2007
Cash	Cash	Bonus	Cash	Cash
KD 0.180	KD 0.222	22.3%	KD 0.050	KD 0.130

2009	2010	Since Inception	
Cash	Cash	Cash	Bonus
KD 0.060	KD 0.070	KD 0.712	22.3%

Performance chart



GCC market allocation

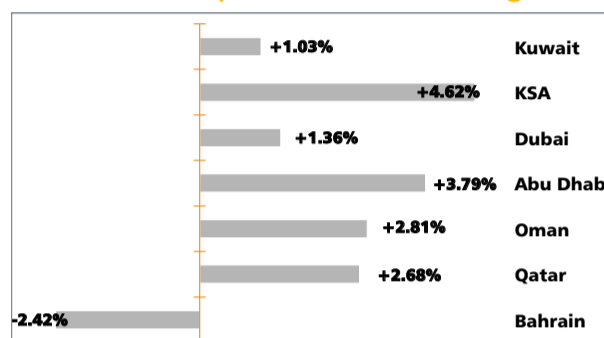


Country

Manager

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

GCC market performance - Aug'12



Market review:

Six of seven GCC indices ended in green in August 2012. Saudi Arabia's TASI recorded the highest gains, while Bahrain's BAX was the only loser. On the NAV date the KSE was +1.03%, KSA +4.62%, Dubai +1.36%, Abu Dhabi +3.79%, Oman +2.81%, Qatar +2.68%, and Bahrain -2.42%.

GCC Country Highlights in August 2012

- Inflation in Saudi Arabia eased to 4.0% in July (the lowest level in almost three years) compared to 4.9% in June. This could be ascribed to a slowdown in food inflation to 4.0% in July from 4.7% in June. The Saudi Monetary Agency (SAMA) expects inflation to ease further in Q3 2012 on lower global food prices. Money supply rose to SAR1.28tn in Q1 2012, according to SAMA. This is ascribed to a rise in demand deposits to SAR. 685.98bn in Q1 2012. Total assets increased to SAR 3.53tn. The IMF expects real GDP to grow 6% in 2012 on higher oil revenues and government spending, and efficient management of the economy. The GDP grew 7.1%, while non-oil economy expanded 8% in 2011. Saudi Arabia's real oil GDP and non-oil real GDP are expected to increase 4.5% and 6.5%, respectively, in 2012.
- The UAE's foreign direct investment (FDI) outflow amounted to USD 57.7bn by end 2011, almost 33% of West Asia's total FDI outflow of USD 173bn, according to the UN Conference on Trade and Development (UNCTAD). The FDI inflow for the UAE was around USD 85.4bn in 2011. Abu Dhabi is planning to construct more than 11,000 housing units by end 2012. About 2,900 additional residential units were completed in the Emirate during Q2 2012, taking the total residential stock to 199,800 units by the end of the quarter.
- Qatar's inflation might drop to 1.5% in 2012 (as against the 2.0% projected earlier) and 2.0% in 2013 (versus the 3.0% estimated previously), according to Bank of America Merrill Lynch. While inflation in the country is mainly driven by rising rents, the situation is expected to change due to excessive supply in the market. Qatar ranked 13th in the survey for the cost of construction activity, as per 2012 International Construction Costs Report. An annual study, which benchmarks building costs in 53 countries, ascribed this finding to the allocation of 40% of the country's overall budget between 2012 and 2016 to the sector.
- Qatar's inflation might drop to 1.5% in 2012 (as against the 2.0% projected earlier) and 2.0% in 2013 (versus the 3.0% estimated previously), according to Bank of America Merrill Lynch. While inflation is mainly driven by rising rents, the situation is expected to change due to excessive supply in the market. Qatar ranked 13th in the survey for the cost of construction activity, as per 2012 International Construction Costs Report. An annual study, which benchmarks building costs in 53 countries, ascribed this finding to the allocation of 40% of the country's overall budget between 2012 and 2016 to the sector.
- Bahrain's financial services sector accounted for 24.7% of GDP, followed by manufacturing (16.7%) and heavy industries (13.1%), according to the Bahrain Economic Development Board. This reflects Bahrain's continuous efforts to expand the non-oil sector. The upcoming USD 16bn mega city project is also expected to provide impetus to the non-oil sector. Central Bank of Bahrain (CBB) issued new currency worth BHD 16.9mn (BHD 16.5mn in new notes and BHD 0.36mn in coins) to meet the increased demand during Ramadan. According to the Director of CBB, money circulation increased 9.7% (or BHD 47.1mn) during the festive season.
- Oman's GDP (at current prices) grew 18.9% YoY to OMR 7,371mn in Q1 2012, according to data provided by Central Bank of Oman (CBO). Nominal GDP from the petroleum sector soared 25.7% YoY, while that from the non-petroleum sector rose 12.4% YoY over the same period. Inflation eased to 3.1% YoY in H1 2012 from 4% YoY in H1 2011. Cash on hand and deposits of commercial banks with CBO rose to OMR 1,112.7mn as of June 2012 from OMR 931.7mn as of June 2011. Total credit surged 19.4% to OMR 13,674.4mn during the same period.

Fund review:

The Al-Ahli Gulf Fund recorded a small gain of +1.82% MTD and +1.43% YTD. The Gulf Funds gain since inception stood at +70.80%, the NAV of the fund was KD 0.772954 on the NAV date.

The fund manager has continued to take into account the volatility of the region as a whole in deciding the asset mix while accumulating stocks with operational income and strong fundamentals, this approach in turn is expected to reflect on the Fund's overall future performance. 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.