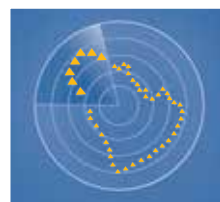


AL AHLI GULF FUND

FACT SHEET - AUGUST 2013



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:	30 th Sep 2013
Last dealing price:	KD 0.908378 / Unit

Current performance summary

NAV	Aug'13	YTD'13
KD 0.908	+0.05%	+18.18%

Monthly performance

Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13
+3.77%	+1.91%	+0.62%	+4.35%	+2.62%	+0.59%
Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13
+3.06%	+0.05%				

Historical performance

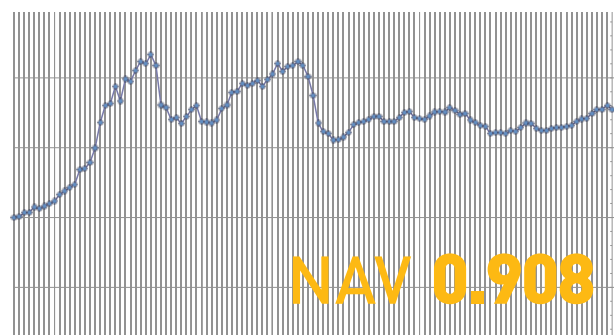
2004	2005	2006	2007	2008	2009
+31.6%	+53.1%	-21.0%	+28.8%	-28.8%	+10.8%
2010	2011	2012	Since Inception		
+11.69%	-10.01%	+4.19	+87.34%		

Returns inclusive of dividends / Bonus distributed

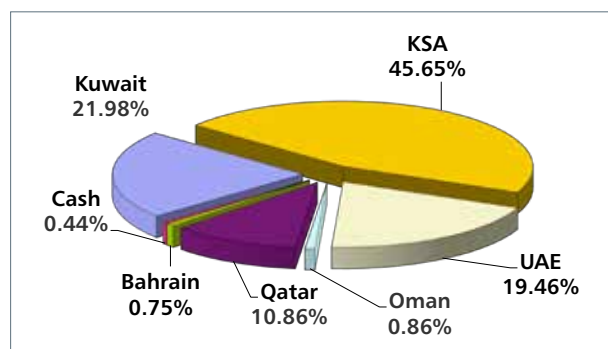
Profits distributed

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	2012	Since Inception	
Cash	Cash	Cash	Cash	Bonus
KD 0.060	KD 0.070	KD 0.030	KD 0.742	22.3%

Performance chart



GCC market allocation



Country Manager

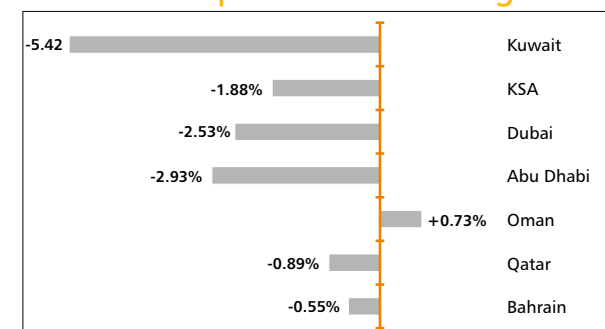
Country	Manager
Kuwait	Ahli Capital Investment Co.
KSA	Sico
UAE	NBAD
Oman	Bank Muscat
Qatar	Sico
Bahrain	Sico

Top 3 positions / market

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

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GCC market performance -Aug'13



Market review:

All the GCC indices ended the month of August in a negative performance except Oman. The KSE was -5.42%, Saudi (TASI) -1.88%, UAE (DFM) -2.53%, UAE (ADX) -2.93%, Oman (MSM) +0.73%, Qatar (DSM) -0.89%, and Bahrain (BAX) -0.55%.

- Kuwait's KSE the worst performer among GCC indices, lost 5.42% to end below the 8,000-mark at 7,632.57. Oil & Gas (down 7.47%) was the biggest loser among sectors, followed by Technology (down 6.30%). Among stocks, Kuwait Remal Real Estate Co. (down 21.43%) recorded the highest loss. Kuwait's inflation edged up 3% YoY in June due to a jump in prices of non-food components and housing services. Kuwait's revenue would surge approximately 30% during FY 2013-14 on account of high oil prices and high output. The country's revenue is expected to increase to KWD 29.3bn as against the projected revenue of KWD 18.1bn for the current fiscal year.
- Bahrain's BAX reversed the previous month's gains to end 0.55% lower at 1,188.27. Sector-wise, Services (down 2.51%) was the biggest loser, while Insurance (up 12.31%) led the gainers. Among stocks, Ithmaar Bank (down 9.43%) was the biggest loser. Money supply aggregate (M2) increased 6.5% YoY in June 2013 from 6.0% YoY in May. Bank lending to the private sector slowed down to 5.8% YoY from 6.1% YoY during the same period. Money supply aggregate (M1) rose 4.6% YoY in June compared to 6.1% YoY in May. The central bank's net foreign assets expanded 1.9% YoY to BHD1.84bn in June. Inflation rose 3.6% YoY or 0.8% MoM in July 2013 vis-à-vis 3.3% YoY or 0.2% MoM in June. Housing and utility costs, which constitute 24% of consumer expenses, rose 10.5% YoY in July. Food prices rose 2.9% YoY in July.
- Qatar's DSM lost 0.89% to end at 9,619.04. The Real Estate sector (down 5.58%) was the biggest loser, followed by Insurance (down 3.31%). Widam Food Co. (down 12.02%) was the worst performer among stocks. According to a financial institution, Qatari banks recorded the highest growth in the loan book of 23.1% YoY in Q2 2013 compared to 13.9% YoY in GCC due to heavy public spending in Qatar. Net interest income of Qatari banks rose 30.6% YoY vis-à-vis 12.9% YoY for GCC banks. Total assets advanced 23.2% YoY to USD196bn. As per Qatar Statistics Authority, the country's trade surplus increased 2% YoY to QAR32.15bn in June 2013. Total exports grew 2.4% YoY to QAR39.77bn due to a rise in shipments to the UK, South Korea and Japan. Export of petroleum oil and oil from bituminous minerals (crude) rose 9.6% YoY to QAR7.12bn, while export of other commodities increased 20.1% YoY to QAR4.48bn. Total imports advanced 4.10% YoY to QAR7.62bn.
- Saudi Arabia's TASI ended 1.88% lower at 7,766.52. The Real Estate Development sector (down 11.42%) was the biggest loser, followed by Insurance (down 8.88%). Among stocks, Saudi Indian Co. for Cooperative Insurance (down 30.58%) was the worst performer. According to a financial institution, Saudi Arabia's foreign assets increased to a record high of SAR2.56tn in July, led by healthy oil revenues and high return on the Saudi Arabian Monetary Agency (SAMA)'s investments. The price of oil averaged USD108.6 per barrel in July versus USD103.2 per barrel in June. During the same period, oil output increased to 9.7mn barrels per day (bpd) from 9.6mn bpd in June. SAMA's deposits with foreign banks declined 9% YoY in July. However, investments in foreign securities and foreign currency assets (excluding gold reserves) grew 21.4% YoY and 13.4% YoY, respectively. Saudi Arabia's annual inflation rose 3.7% YoY (or 0.4% MoM) in July 2013 vis-à-vis 3.5% YoY (or 0.2% MoM) in June 2013 due to higher prices of food and beverages during Ramadan. Saudi Arabia's broad money supply growth (M3) accelerated to 15.0% YoY at the end of July from 14% in the previous month. During the same month, bank lending to the private sector increased 15.6% YoY vis-à-vis 15.5% YoY in June. The central bank's net foreign assets reached a record high of SAR2.55tn (USD679.7bn) in July 2013.
- The UAE's DFM shed 2.53% to end at 2,523.13. The Investment & Financial Services sector (down 6.78%) led the losers. Among stocks, Tamweel Co. (down 18.62%) was the top loser. The UAE's ADX slipped 2.93% to end at 3,734.55. Energy (down 8.22%) was the top loser among sectors. Eshraq Properties Co. (down 33.33%) was the worst performer among stocks. According to a financial institution, the UAE's real GDP is expected to decline to 4% in 2013 and 3.8% in 2014 due to lower oil production. Oil prices are estimated to decline to USD97 per barrel in 2014. Growth in the non-oil sector would be offset by deceleration in the hydrocarbon segment, thereby reducing growth forecasts. A drop in oil revenues would also narrow down the surplus to 5% and 3.5% of GDP in 2013 and 2014, respectively. According to the National Bureau of Statistics, in July 2013, inflation rose 1.3% YoY to its highest level since 2011. Housing costs, which comprise more than a third of an average consumer's expenses, increased 0.4% YoY or 0.07% MoM in July. Total bank deposits rose 0.7% MoM to AED1.26tn in June due to the 0.8% growth in resident deposits. UAE's HSBC Purchasing Managers Index (PMI) jumped to 54.5 in July 2013 from 54.1 in June 2013, indicating an increase in output levels and new order intakes by non-oil producing private sector companies.
- Oman's MSM the sole gainer among GCC indices, added 0.73% to end at 6,691.61. The Services & Insurance sector (up 0.75%) advanced the most. Among stocks, Dhofar University (up 17.81%) led the gainers. Flexible Ind. Packages Co. (down 79.17%) was the biggest loser. Oman's average inflation eased to 1.8% for the first six months of 2013 due to a decline in global commodity prices. Moody's maintained 'A1' rating for the Omani economy. The rating is supported by the government's sound fiscal metrics, ongoing economic diversification and strong growth outlook. However, the outlook is constrained by a downturn in global oil prices. Moody's estimates the country's economy to expand 4.6% YoY in 2013 and 4.1% YoY in 2014. The rating agency expects growth in the hydrocarbon sector to decline at an average rate of 2% per year over 2013-14.

Fund review:

The Al-Ahli Gulf Fund recorded a gain of +0.05% MTD and +18.18% YTD. The S&P GCC Composite Price Index on the NAV date was -0.35% MTD and +13.43% YTD. The Gulf Funds gain since inception stood at +87.34%. The NAV of the fund was KD 0.908378 on 29th August 2013.

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.

