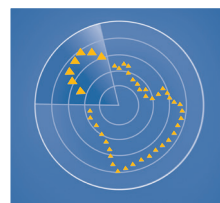


# AL AHLI GULF FUND

## FACT SHEET - SEPTEMBER 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:	31 <sup>th</sup> Oct 2013
Last dealing price:	KD 0.915512 / Unit

### Current performance summary

NAV	Sep'13	YTD'13
KD 0.916	+0.79%	+19.08%

### 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%	+0.79%			

### Historical performance

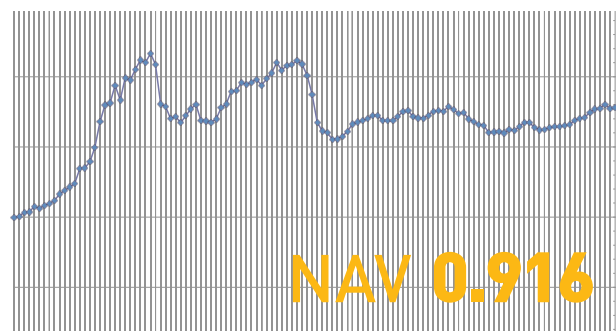
2004	2005	2006	2007	2008	2009
+31.6%	+53.1%	-21.0%	+28.8%	-28.8%	+10.8%
2010	2011	2012	Since Inception		
+11.69%	-10.01%	+4.19	+88.05%		

Returns inclusive of dividends / Bonus distributed

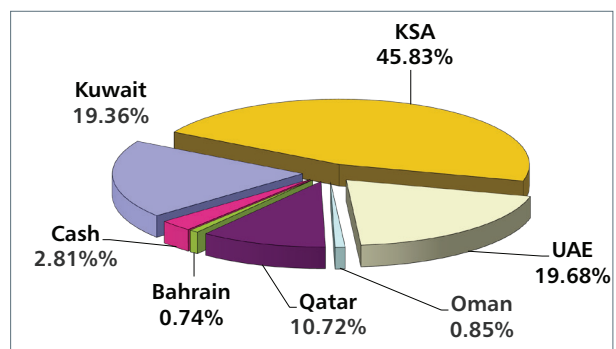
### Profits distributed

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

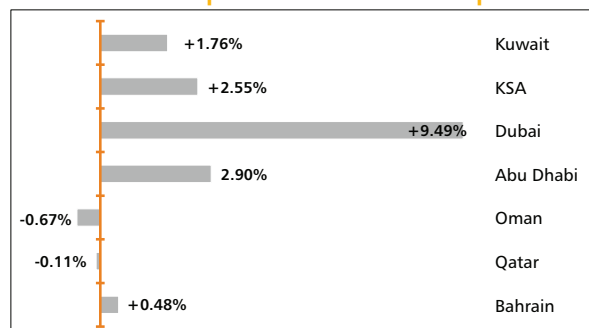
Kuwait	Ahli Capital Investment Co.
KSA	Sico
UAE	NBAD
Oman	Bank Muscat
Qatar	Sico
Bahrain	Sico

### Top 3 positions / market

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

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### GCC market performance -Sep'13



### Market review:

Most of the GCC indices ended the month of September in a positive performance except Oman and Qatar. The KSE was +1.76%, Saudi (TASI) +2.55%, UAE (DFM) +9.49%, UAE (ADX) +2.90%, Oman (MSM) -0.67%, Qatar (DSM) -0.11%, and Bahrain (BAX) +0.48%.

- Kuwait's KSE rose 1.76% to end at 7,766.98. Financial Services (up 5.69%) was the biggest gainer among sectors, followed by Oil & Gas (up 3.72%). During the month, the three notable rating agencies – S&P, Fitch and Moody's – retained high credit ratings for the country with a stable outlook. Kuwait's inflation rate reached 2.5% YoY and 0.08% MoM in August 2013. The total government spending reached KWD19.3bn (up 14% YoY) at the end of FY 2012–13, mainly due to an increase in the 'miscellaneous & transfers' spending category (52% of current spending).
  - Bahrain's BAX reversed the previous month's losses to end 0.48% higher at 1,193.93. Sector-wise, Investment (up 1.81%) was the biggest gainer, while Industrial (down 3.47%) led losers. Mid-cap stocks (up 7.41%) were the best performers, followed by small cap (up 4.49%). Moody's cut Bahrain's rating by one notch to 'Baa2' (with a negative outlook) and warned of further cuts, citing the government's weak fiscal position and lower growth outlook over the medium term. Standard & Poor's and Fitch both rate the country 'BBB' with a 'stable' outlook. Bahrain's three telecom operators – Bahrain Telecommunications Co. (Batelco), Zain and Viva Bahrain – were awarded radio spectrum for next-generation networks (high-speed long-term evolution (LTE) services).
  - Qatar's DSM lost 0.11% to end at 9,608.32. The Industrial sector (down 0.98%) was the biggest loser, while Real Estate (up 1.74%) was the top gainer. Small-cap stocks (up 1.85%) were the best performers. Qatar's real GDP growth slowed marginally to 6% YoY in Q2 2013 from 6.2% in Q1 2013 due to a drop in global oil prices. Qatar raised USD3.1bn through 11 issuances of bonds and sukuk during H1 2013. According to the latest Global Financial Centers Index (GFCI 14), covering 80 financial centers, Qatar ranks as the top financial center in the Middle East. The award was mainly based on the economy's strong growth prospects, improving infrastructure, international connectivity, and low employee taxation.
  - Saudi Arabia's TASI ended 2.55% higher at 7,964.91. The Multi-Investment sector (up 9.36%) was the biggest gainer, followed by Insurance (up 6.76%). Saudi Arabia's GDP grew 2.7% YoY in Q2 2013, as the non-oil sector expanded while contraction in the oil sector eased. Output in the oil sector, which accounts for nearly half of the USD711bn economy, fell 3.7% YoY in the second quarter vis-à-vis 6.3% in the first. The Kingdom's oil exports averaged 9.3mn barrels per day (bpd) in H1 2013 compared with 9.9mn bpd in H1 2012. Growth in the non-oil private sector was 4.2% in Q2 2013 (4.3% in Q1 2013). According to the Saudi Arabian Monetary Agency (SAMA), consumer loans provided by Saudi local banks rose 22% YoY to SAR321bn in Q2 2013. Fitch Ratings affirmed Saudi Arabia's long-term foreign and local currency Issuer Default Ratings (IDRs) at 'AA-', with a positive outlook. In addition, the country ceiling was affirmed at 'AA' and short-term foreign currency IDR at 'F1+'.
  - The UAE's DFM closed 9.49% higher at 2,762.50 to become the best performer among GCC indices. The Services sector (up 17.65%) led gainers, followed by Banks (up 11.87%).
  - The UAE's ADX gained 2.90% to end at 3,842.98. Investment & Financial Services (up 57.47%) was the biggest gainer among sectors, followed by Consumer (up 22.23%).
- According to the National Bureau of Statistics, the UAE's inflation rose 1.3% YoY in August 2013, unchanged levels as compared to July 2013. The UAE's broad money supply (M3) shrank 0.3% MoM to AED1.18tn in July 2013, after increasing 1.6% the previous month, due to lower bank deposits and declining M1. The UAE's HSBC Purchasing Managers' Index (PMI) stood at 54.5 in August 2013, unchanged from July's reading, reflecting increasing output from the UAE's non-oil producing private sector companies.
- Oman's MSM closed 0.67% lower at 6,646.85 to become the worst performer among GCC indices. Among sectors, heavyweight Banking & Investment (down 1.04%) was the biggest loser. Oman's inflation rose to 1.5% YoY in July 2013. Prices of food, beverage and tobacco, which constitute 30% of the index, increased 3.1% YoY, while rents and energy costs, which account for more than 21% of consumer expenses, were up 0.9% YoY. According to a global management consultancy firm, the Omani economy is expected to reach USD95bn by 2018 (USD77.5bn in 2012), with significant contribution from the industrial sector.

### Fund review:

The Al-Ahli Gulf Fund recorded a gain of +0.79% MTD and +19.08% YTD. The S&P GCC Composite Price Index on the NAV date was +2.73% MTD and +16.59% YTD. The Gulf Funds gain since inception stood at +88.05%. The NAV of the fund was KD 0.915512 on 30th September 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.

