AHLI INTERNATIONAL MULTI-ASSET HOLDING FUND

FACT SHEET - JUNE 2021

الصندوق الأهلي الدولي متعدد الأصول القابض
Ahli International Multi-Asset Holding Fund

Fund Objective

Aims to provide long-term capital appreciation and diversify risk globally with investments spread across asset classes and licensed funds.

Executive Summary

Fund type	Open-ended
Asset Class	Multi-Asset
Investment Universe	International
Launch Date	December 2018
Risk Categorization	Moderate
Currency	KWD
Minimum Subscription	KWD 500
Subscription / Redemption	Monthly
Subscription Fee	1.00%
Management Fee	1.35%
Fund Manager	Ahli Capital Investment Company K.S.C.C.
Investment Manager	BlackRock Asset Management Limited
Custodian	Gulf Custody Company
Auditor	Deloitte & Touché

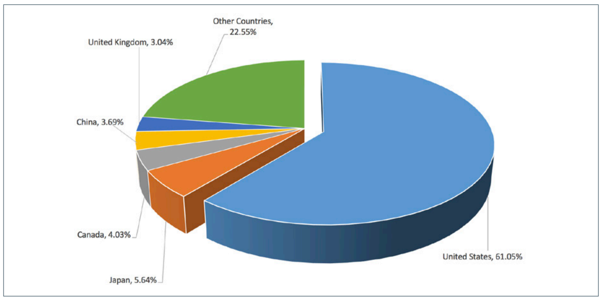
Current Performance Summary

NAV	JUNE'21	YTD'21	Since Inception
11.473599	0.96%	5.69%	22.77%

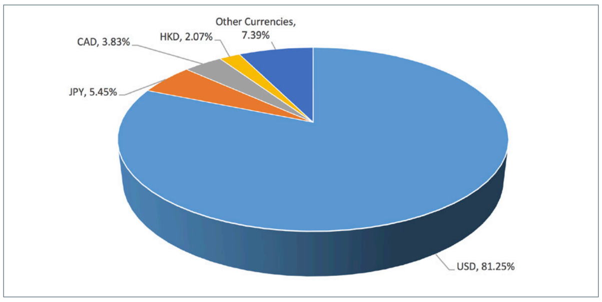
Top 5 Funds

Classification	Weight	NAME
Equity	18.70%	ISHARES CORE S&P 500 UCITS ETF USD
Equity	12.98%	ISHARES MSCI USA ESG ENHANCED UCIT
Equity	6.00%	ISH MSCI ACWI ETF $ ACC
Fixed Income	5.28%	ISH US AGG BND ETF $ DIST
Equity	5.09%	ISH CORE MSCI JPN IMI ETF $ ACC

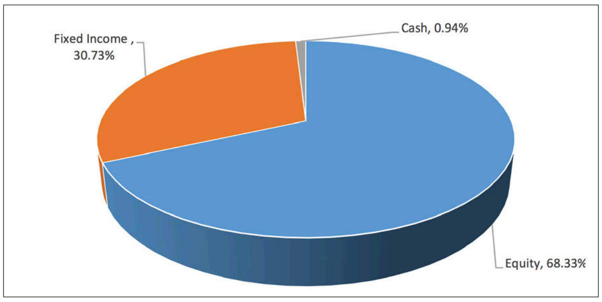
Geographical Allocation



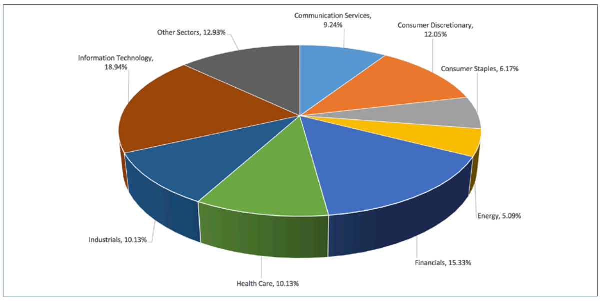
Currency Allocation



Asset Allocation



Sector Allocation



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Market Commentary:

Equities continued to advance in June supported by the accelerating Covid-19 vaccine rollout, especially in developed economies. Governments in most developed markets have eased Covid-related mobility restrictions and activity levels have picked up. Although emerging economies continued to lag on the vaccination front, cases remain very low in China and seem to have peaked in India. Against this backdrop, developed markets ended the month up 2.4% while emerging markets finished the month up 0.9%. The dollar appreciated 2.7% over the month, supported by a surprisingly hawkish shift in the Fed's rate outlook and concern over the spread of the Delta variant. The greenback also extended gains after data showed U.S. private payrolls increased more than expected in June. Within fixed income markets, US treasuries ended the month up 0.8% while UK gilts ended the month up 0.7%.

The reopening of economies and quick rebound in activity has fuelled inflation in some countries. The US CPI increased by 5% y-o-y although the Fed continues to see the rise in inflation as transitory. However, the central bank has become slightly more hawkish and has acknowledged that tapering is being discussed. The Fed is expected to raise rates twice in 2023, up from no rates hikes just three months ago. On the economic front, US GDP grew at an annualised rate of 6.4% during Q1 2020. The growth in consumption was especially strong. On the other side of the Atlantic, the Euro Area economy shrank 0.3% q-o-q during the first three months of 2021. The bloc entered a double-dip recession as activity and demand were hit by fresh distancing and lockdown measures imposed during that period, to curb the spread of the coronavirus pandemic. However, leading economic indicators have reached multi-year highs in many regions, pointing to strong economic rebound having taken placing during Q2. On the policy front, the European Commission signed off on the first of the national recovery plans which will receive funding from the €800 billion Next Generation EU fund. The UK saw a rise in COVID-19 cases in June, however this did not lead to significantly higher hospital admissions, suggesting efficacy of vaccines against the variant. On the monetary policy front, the BoE left interest rates and quantitative easing unchanged at the June meeting, however, the central bank acknowledged that inflation had been higher than expected. Inflation rose to 2.1% in May, above the BoE's 2% target, however, is viewed a temporary rise and the central bank is being cautious against 'premature tightening' in policy.

10-year government bonds ended the month in positive territory across the board for major developed regions. The FOMC meeting in June communicated a hawkish shift in tone and indicated that interest rates will rise earlier than expected. This provided insight to the Fed's tolerance to an inflation overshoot, removing the market's assurance of infinite policy support. Additionally, investors appear to prefer the relatively higher treasury yields to the still deeply negative real Euro sovereign yields. Benchmark 10-year yields fell by 15bps to 1.44% in the US, 8bps to 0.72% in the UK, 3bps to 0.05% in Japan, 2bps to -0.20% in Germany and 9 bps to 0.83% in Italy. Oil prices rallied over the month as the global roll-out of Covid-19 vaccines continued to spur investor optimism for a global economic recovery and demand for the commodity surged. Oil (Brent) finished the month up 7.9%, at $75/ barrel. Gold headed for the biggest monthly drop in more than four years on the back of gains in the dollar following the Federal Reserve's hawkish shift. Investors have trimmed their holdings in the precious metal as the dollar became stronger. Moreover, with an improving economic backdrop, investor interest has waned in the yellow metal, which finished the month down 7.4% at $1,765/ ounce.

Disclaimer:

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