AHLI INTERNATIONAL MULTI-ASSET HOLDING FUND

FACT SHEET - OCTOBER 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

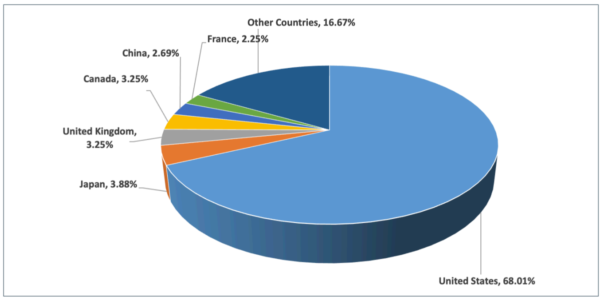
Current Performance Summary

NAV	OCT'21	YTD'21	Since Inception
11.760127	2.63%	8.33%	25.83%

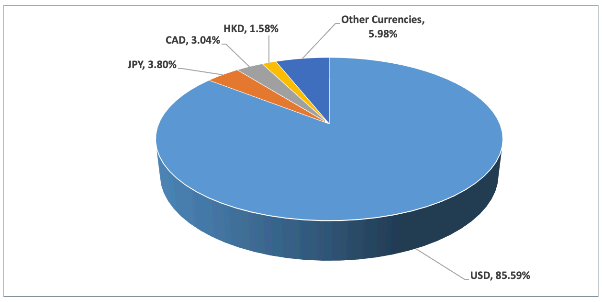
Top 5 Funds

Classification	Weight	NAME
Equity	19.01%	ISHARES CORE S&P 500 UCITS ETF USD
Equity	12.17%	ISHARES MSCI USA ESG ENHANCED UCIT
Equity	5.69%	ISH MSCI ACWI ETF $ ACC
Fixed Income	5.17%	ISH US AGG BND ETF $ DIST
Fixed Income	4.96%	ISHARES $ TREASURY BOND 1-3YR UCIT

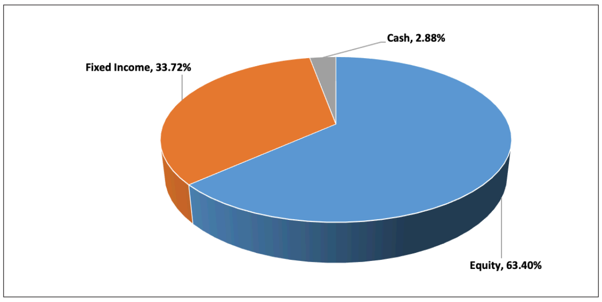
Geographical Allocation



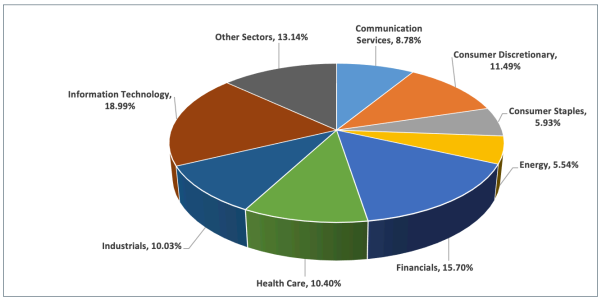
Currency Allocation



Asset Allocation



Sector Allocation



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Market Commentary:

The effects of the resurgence in the pandemic in October were partly mitigated by rising vaccine coverage in combination with the vaccines' high degree of effectiveness. This allowed a robust reopening of economy to continue in most countries. Surprisingly, consumers' and businesses' degree of adaptability to public health restrictions and a pick up in the mobility rate has meant investors' attention is moving towards the post-pandemic recovery process. An initial weak start was followed by stocks regaining momentum throughout the month and many equity indices climbed to new highs during the course of the month. Developed markets rebounded from initial falls and ended the month up 5.5%. U.S equities were the main contributor to global equity returns, rising 7.0% in October as a large proportion of companies exceeded earnings expectations. Emerging market equities returned 1.0%, in part due to the rebound in Chinese equities and progress in the challenged Chinese property sector. The USD currency market which braced for interest rates to rise before those of major peers ended the month up 0.1% against Euro and down 1.7% against the Sterling. Within fixed income markets, US treasuries ended the month flat and UK gilts ended the month up 2.2%.

In the US, data offered encouragement that momentum in US GDP growth is now picking up again with improving labor market prospects and unemployment rates falling to 4.8%. The Composite PMI, a key indicator of the prevailing direction of economic trends, rose to 57.3 in October from 55.0 in the previous month, mainly driven by business activity in the services sector. The US core and headline CPI remain elevated at 4.0% and 5.4% year on year respectively, with inflationary pressures in several areas of the economy proving stubborn. On the back of this economic data, Fed policymakers broadly agreed they could soon begin tapering of bond purchases however were divided over how much of a threat high inflation posed. The ECB on reiterated that it expected the current rise in inflation to be transitory and did its best to push back on market pricing. The slowest private sector growth in six months dragged Euro Area Composite PMI down to 54.3 in October 2021 from 56.2 in the previous month. Against this backdrop, ECB president Christine Lagarde suggested leaving its monetary policy accommodative in order to stimulate the Eurozone's economic recovery and combat jobs losses. The ECB also announced its intentions to pursue expansionary fiscal policies and to postpone fiscal consolidation until much later in the recovery. In October, the UK saw strength in rebounding demand, however the country still faces supply restraints that have been exacerbated by changes in the migration and trading regimes following Brexit. Further, energy prices soared, labor shortages emerged and blockages in supply chains deepened. More positively, the labor market remained strong with the unemployment rate falling to 4.5%. The BOE signaled it remains wary of rising wages and inflationary pressures.

Government bond yields generally climbed higher at the short end of the curve over October as concerns regarding inflation persisted and pressure on central bankers to raise base rates grew. Inflationary pressures continue to be driven by the combination of bottlenecks in the global supply chain and climbing energy prices. Markets have begun to price in a faster pace of tightening activities from central banks. Benchmark 10-year yields rose by 3bps to 1.56% in the US, 2 bps to 1.04% in the UK, 3bps to 0.09% in Japan and 4 bps to -0.15% in Germany. In Italy the 10-year yield rose 27bps to 1.14% as investors pulled forward bets that the ECB would raise rates in 2022. In addition, the spectre of a harsher winter forecast along with an energy crisis continued to galvanize a rally in Oil (Brent) which finished the month at $84/ barrel, up 7.4%. Gold which is seen as a safe haven with rising inflationary pressures was also up 0.9% at $1,777/ounce, further backed by increased demand from an improving economic prospective.

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