AHLI INTERNATIONAL MULTI-ASSET HOLDING FUND

FACT SHEET - FEBRUARY 2022

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

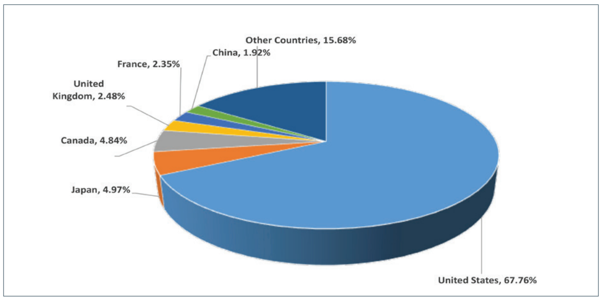
Current Performance Summary

NAV	FEB'22	YTD'22	Since Inception
11.247071	-1.74%	-5.76%	20.34%

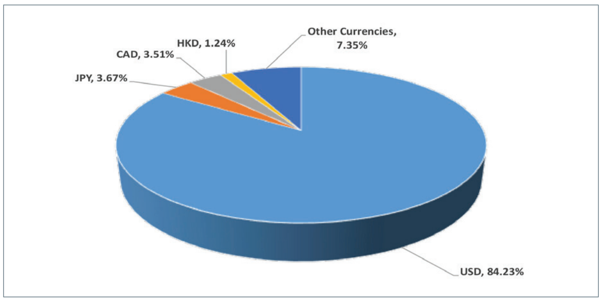
Top 5 Funds

Classification	Weight	NAME
Equity	17.97%	ISHARES CORE S AND P 500 UCITS ETF
Equity	11.33%	ISH MSCI USA ESG EHNCD USD-A
Equity	5.85%	ISHARES MSCI ACWI
Fixed Income	4.94%	ISHARES USD FLOATING USD DIS
Fixed Income	4.94%	ISHARES I PUBLIC LIMITED COMP

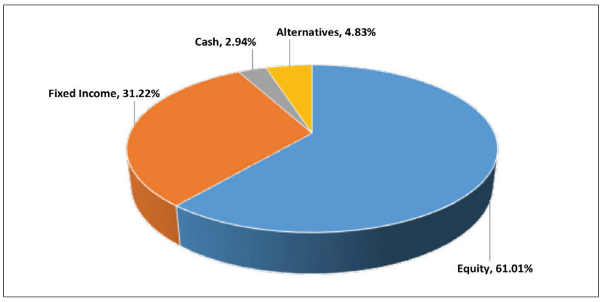
Geographical Allocation



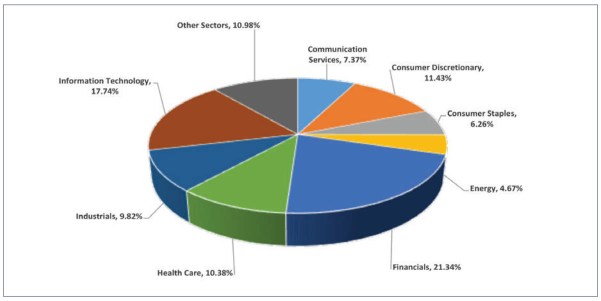
Currency Allocation



Asset Allocation



Sector Allocation



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AHLI CAPITAL

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Market Commentary:

In February investors were jolted by Russia's invasion of Ukraine. Markets which were already tested by the pandemic, rising inflation and a global wave of central bank tightening, were further injected with a new uncertainty. Developed market equities and U.S Equities were down -2.6% and -2.9% respectively. Emerging markets were hit harder and were down -3%. In a classic risk off move, deleveraging of equities and risk assets was witnessed. Global growth stocks were hit hardest, while the UK was the best performing market because of its high exposure to the energy and materials sectors. Emerging markets were hit harder and were down -3%. Government bonds yields fell only slightly during the worst of the selloff, once again showing their less declarative role in providing diversification. Long-term yields headed higher as investors demanded more compensation for holding them amid higher inflation. US treasuries ended down -0.7% and UK gilts were down -1.4%. In currencies, the US Dollar ended the month -0.2% against the Euro and flat against the Sterling.

With the current geopolitical uncertainty and imposing of severe sanctions on Russia, the Fed and other central banks have found it hard to navigate near-term monetary policy and interest rate hikes. However, Fed Chair Powell reiterated expectations that a rapidly healing US economy which had printed a composite PMI of 55.9 in February no longer needed an over accommodative monetary policy. With inflation accelerating to 7.5% in January and no signs of it abating, Powell pointed to a smaller-than-expected 25 basis point rate rise in March. This decision is supportive of a robust economy which has a tight labour market where initial jobless claim fell to 215K and the unemployment rate was at 3.8% in February. On the other side of the Atlantic, the unemployment rate in the Euro Area also fell to a record low of 6.8% in January and the GDP expanded to 4.80% in Q4 of 2021, again showing signs of the economy bouncing back. Following on from that, the ECB finally did not rule out an interest rate increase this year. It was a hawkish turnaround in policy by one of the most dovish banks, but it may be needed to address inflation which has reached 5.8% in the Euro Area in February. The BOE on the other hand raised interest rates to 0.5% in February. The UK has also seen a strong growth in private sector activity with the UK Composite PMI jumping to 60.2 in February. However, BOE has warned that surging energy bills and tighter labour markets would push inflation higher than expected in the coming months, which has already edged up to 5.5% in January.

Bond yields were buffeted throughout the month. Yields ended the month higher, and this was majorly driven by inflation breakevens rising to reflect the risk of higher commodity prices due to the Russia /Ukraine conflict. Benchmark 10-year yields was up by 6 bps to 1.84% in the US, by 10bps to 1.41% in the UK, by 1 bp to 0.18% in Japan, 14 bps to 0.16% in Germany and 39 bps to 1.76% in Italy. Commodity (Brent) was up 10.8% to $101 a barrel, as concerns grew about supply disruption from key exporter Russia. Meanwhile, a possible release of between 60 million and 70 million barrels of reserves being considered by the US and others failed to calm the energy market. Gold was up 6% to $1,904/ounce as investors feared a derailment of the nascent global economic recovery and took shelter in the bullion – often considered as safe haven by investors.

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