



## Al Ahli Gulf Fund

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FACT SHEET - JUNE 2006

### 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>st</sup> July 2006
Last Dealing Price:	KD 1.091039 / Unit

### Current Performance Summary

NAV	Jun'06	YTD'06
KD 1.091	+1.35%	-19.19%

### Monthly Performance

Jan'06	Feb'06	Mar'06	Apr'06	May'06	Jun'06
+4.46%	-3.98%	-14.74%	-1.14%	-7.36%	+1.35%

Jul'06	Aug'06	Sep'06	Oct'06	Nov'06	Dec'06

### Historical Performance

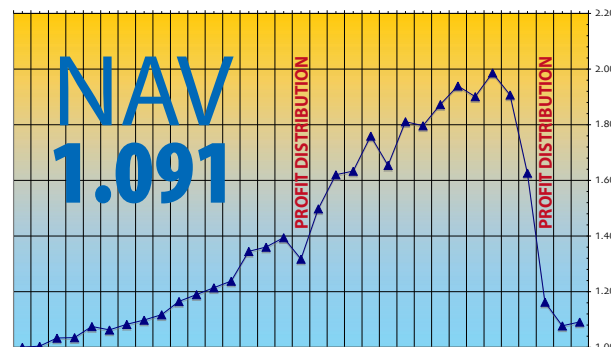
2005 <sup>(1)</sup>	2004	Since Inception <sup>(2)</sup>
+53.05%	+31.6%	+71.60%

(1) Inclusive of 2005 dividends distributed during 2006 (2) Inclusive of dividends distributed since inception

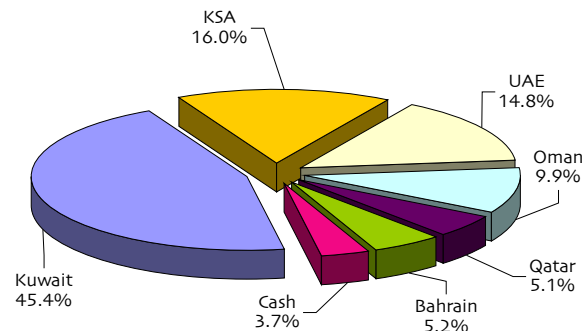
### Profits Distributed

2004		2005		Since Inception	
Cash		Cash	Bonus	Cash	Bonus
KD 0.180		KD 0.222	22.3%	KD 0.402	22.3%

### Performance Chart



### GCC Market Allocations



### Country Manager

Country	Manager	MTD	YTD
Kuwait	Al Ahli Bank of Kuwait	+0.82%	-12.61%
KSA	Saudi British Bank	+18.43%	-21.62%
UAE	NBAD/Shuaa Capital	-4.74%	-33.38%
Oman	Bank Muscat	-1.11%	-0.27%
Qatar	Shuaa Capital/Taib	+0.07%	-30.99%
Bahrain	Taib Bank	+1.00%	-6.81%

### Market Perf.

### Top 3 Positions / Market

Kuwait	KSA	UAE
KFH	SABIC	ADCB
CBK	Al Rajhi	Etisalat
MTC	STC	FGB
Oman	Qatar	Bahrain
Bank Muscat	Qatar Telecom	AUB
NBO	Indust. Qatar	BBK
Ray. Cement	QNB	NBB

### GCC Market Review

The month of June saw a positive performance from 4 out of the 6 GCC markets with Saudi returning the best performance. However, bearish trends continued to be witnessed in the UAE & Omani markets as a result of selling pressures being witnessed in their respective Services & Banking Sectors.

Currently, the GCC markets are trading at more realistic levels as compared to their respective unprecedented and unrealistic bull-run witnessed in the past couple of years. We continue to believe that these current levels provide a perfect opportunity for the bulls to enter into these markets. As of 29-June-06, the GCC's total market capitalization stood at approx. US\$ 896bn.

Overall, we are of the opinion that the fundamentals in the GCC markets continue to remain strong with oil prices trading at record levels, positive anticipation of 2nd Qtr GCC corporate results, & the GCC markets trading at more realistic and cheap levels. Going forward, we believe that the GCC investors will focus on company fundamentals such as consistent generation of operation results, dividend yields etc rather than mere market sentiments/trends.

However, we are also cautious of the fact that the current uncertain geo-political environment in the Middle East as well as the other regions may have a temporary adverse impact of the performance of the GCC markets in the coming months.

### Fund Review

The Fund witnessed a positive performance thereby maintaining its strong performance of approx. 72% since its inception.

During the month, the Fund's Saudi allocation returned the best performance, while the Fund's exposure to the UAE market underperformed. We continue to strengthen the Fund's exposure to the much-undervalued Kuwaiti market while maintaining the allocations to the other GCC markets.

Overall, going forward, we are of the opinion that the Fund's current GCC markets allocations would benefit the maximum once a consistent bullish environment is witnessed in the GCC markets.

