

# Al Ahli Gulf Fund

## FACT SHEET - APRIL 2006



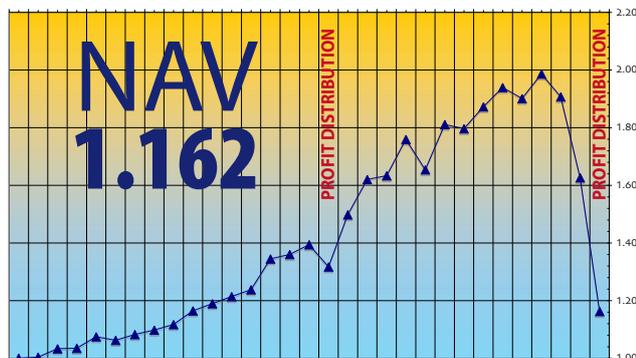
Al Ahli  
Gulf Fund

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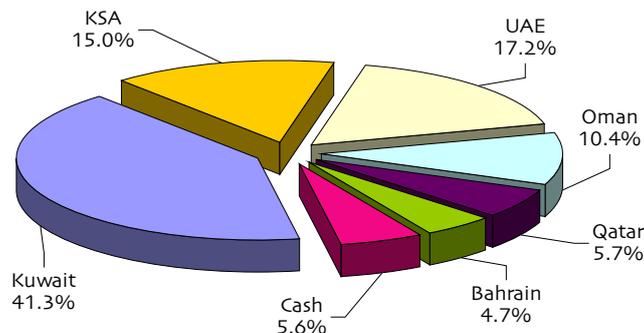
### Fund Objective

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.

### Performance Chart



### GCC Market Allocations



### Performance Summary

NAV	Apr'06	YTD'06	2005 <sup>(1)</sup>	2004	Since Inception <sup>(2)</sup>
KD 1.162	-1.14%	-14.86%	+53.05%	+31.6%	+92.83%

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

### Monthly Performance

Jan'06	Feb'06	Mar'06	Apr'06	May'06	Jun'06
+4.46%	-3.98%	-14.2%	-1.14%		
Jul'06	Aug'06	Sep'06	Oct'06	Nov'06	Dec'06

### 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:	29 <sup>th</sup> May 2006
Last Dealing Price:	KD 1.162053 / Unit

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

### Country Manager Market Per.

Country	Manager	MTD	YTD
		Kuwait	Al Ahli Bank of Kuwait
KSA	Saudi British Bank	-23.55%	-21.96%
UAE	NBAD/Shuaa Capital	-19.62%	-26.97%
Oman	Bank Muscat	-4.23%	+5.13%
Qatar	Shuaa Capital/Taib	+0.28%	-18.9%
Bahrain	Taib Bank	-1.3%	-3.9%

### Top 3 Positions / Market

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

### GCC Market Review

Last month was truly reflective of the reign of the bears in all stock markets of the region. Notwithstanding bullish underlying fundamentals in the regional economies, the stock markets were pummeled so hard that the year-to-date gains were completely wiped out in most exchanges. For example, the DFM market was down for the year by 44% (MTD -18.29%), and the neighboring ADASM was down by 28% (MTD -16.48%). However, the biggest market in the region was also the worst performer. The Saudi Stock Exchange index lost 23.55% during the month (YTD -22%). Bahrain and Muscat markets were relatively steady when compared to the other larger markets in the region. Bahrain was off by 1.3% while Muscat was down 4.23%.

The wide-spread selling was reminiscent of the Black Wednesday seen in mid-march when most indices went into a tail-spin. Many market observers are still trying to pinpoint the catalyst for this sharp decline. Some attribute the weakness to lack of transparency, while others point the finger at some local banks for having encouraged over-leveraging by new entrants to the stock market. It is also evident that weakness in one market spills over into another because all the regional stock exchanges are closely linked at least in terms of investor sentiment. The markets continued to be sold off despite some positive news. Marvelous results announced by several market leaders and blue chip corporations apparently have had no effect on the sentiment. Clearly, short-term traders are swaying the market's direction even as longer-term investors are sitting on the sidelines.

One encouraging development is the introduction of new capital market laws by some supervisory authorities with a view to ensure smooth functioning of the capital markets. Kuwait's cabinet, for example, approved a plan to create a body to oversee the Kuwait Stock Exchange. This change in the regulatory framework will surely contribute to market stability and improve investor confidence over the long run. GCC Governments are also adopting economic reforms across the board. With oil revenue at record highs, and the private sector also doing so well, it is hoped the regional stock markets will soon find some support and stabilize.

### Fund Review

The marginal decrease of just -1.14% in the fund's performance during the month reflects a strong conservative policy adopted by the fund manager, which has succeeded in protecting investors' holdings within the portfolio despite such market volatility and bearishness climate due to fund strong restructuring/diversification policy. This safety-first approach toward investment is also reflected in the performance, which, while not spectacular, is keeping investors' best interest in mind always. Going forward, the fund is expecting to benefit from any positive performance across the markets.