



Al Ahli Gulf Fund

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FACT SHEET - AUGUST 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:	27 st September 2006
Last Dealing Price:	KD 1.097443 / Unit

Current Performance Summary

NAV	Aug'06	YTD'06
KD 1.097	+4.77%	-18.85%

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
-4.0%	+4.77%				

Historical Performance

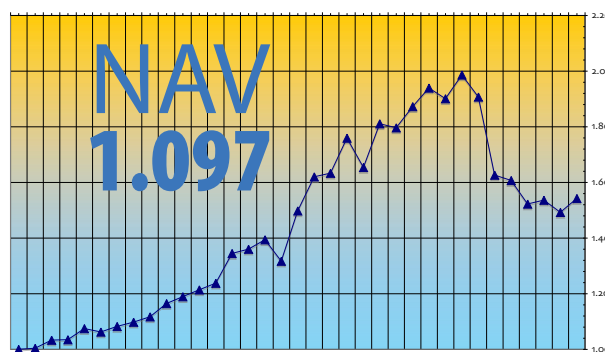
2005 ⁽¹⁾	2004	Since Inception ⁽²⁾
+53.05%	+31.6%	+72.24%

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

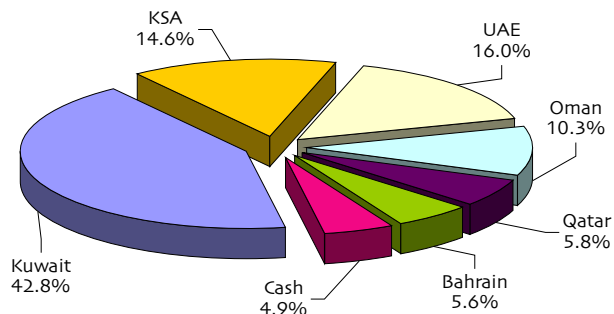
Profits Distributed

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

Performance Chart



GCC Market Allocations



Country

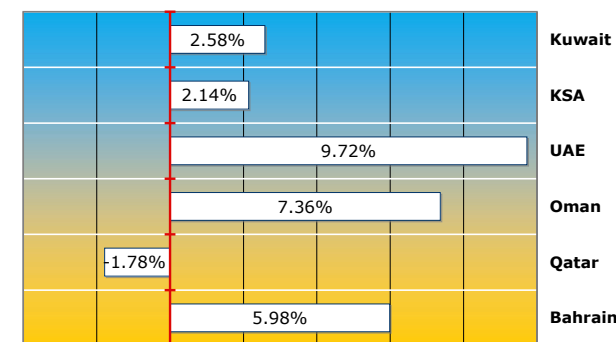
Manager

Kuwait	Al Ahli Bank of Kuwait
KSA	Saudi British Bank
UAE	NBAD/Shuaa Capital
Oman	Bank Muscat
Qatar	Shuaa Capital/Taib
Bahrain	Taib Bank

Top 3 Positions / Market

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

GCC Market Performances



Fund Review

This has been a stellar month for the region as all the GCC markets with the exception of Qatar registered positive performance. The sentiment turned positive as investor's participation in the market improved on account of regional stability and end of the holiday season. The cheaper valuations of the most of the companies have also attracted the investors as can be seen from the improved volumes across all the GCC markets during the month. Oman and UAE witnessed the strongest performances among their regional peers, during the month of August, recording 7.36% and 9.72% respectively.

During the past month, the Fund's portfolio has been maintaining overweight position in diversified sectors including banking, Industrial, and services sector and it has benefited in terms of better portfolio performance. The Fund's Oman allocation returned the best performance, while the Fund's exposure to the Saudi market returned the worst performance. We continued our strategy to strengthen the Fund's exposure to the Kuwait market by adding undervalued stocks with strong profits.

The GCC markets are expected to continue their rebounding trend as the liquidity flows in the markets improve and investors build up their positions in the key stocks in expectations of better earnings. The Fund portfolio has maintained its overweight position in fundamentally sound companies, which is likely to result in strong performance in the medium term.

