



Al Ahli Gulf Fund

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FACT SHEET - DECEMBER 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:	29 th January 2007
Last Dealing Price:	KD 1.055518 / Unit

Current Performance Summary

NAV	Dec'06	YTD'06
KD 1.056	-0.72%	-21.0%

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%	+4.4%	+2.80%	-9.73%	-0.72%

Historical Performance

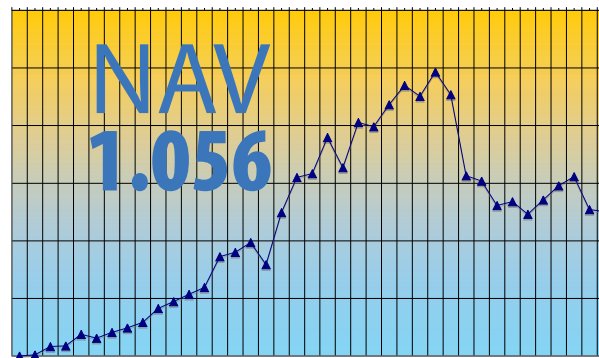
2005 ⁽¹⁾	2004	Since Inception ⁽²⁾
+53.05%	+31.6%	+68.05%

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

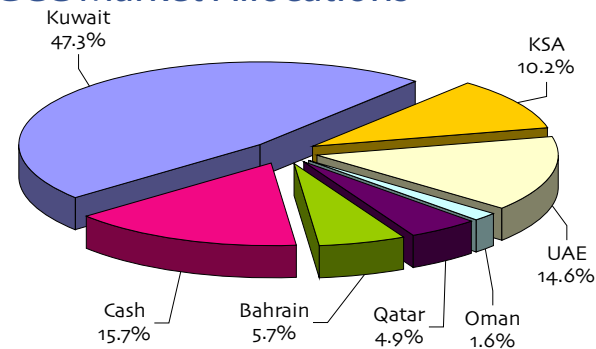
Profits Distributed

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

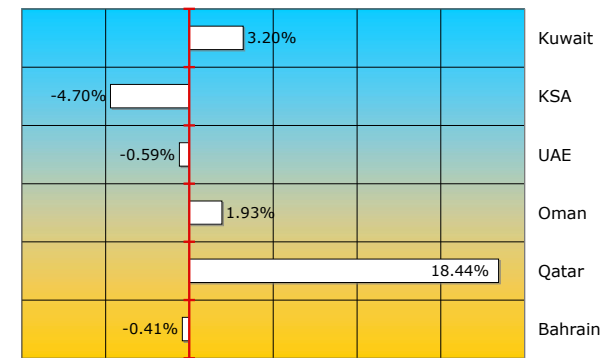
Manager

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	MCI	Etisalat
Agility	STC	Arabtec
Oman	Qatar	Bahrain
Bank Muscat	Indust. Qatar	AUB
NBO	QNB	NBB
Ray. Cement	Qatar Telecom	GFH

GCC Market Performances - Dec'06



GCC Review

During December, being the last month of the year, the GCC markets have shown a mixed trend in comparison to November, which is not surprising as activity is clouded by year-end position adjustments. Qatar, Kuwait and Oman increased by 18.44%, 3.2% & 1.93% respectively. However, the other three GCC markets decreased on month-to-month basis: Bahrain -0.41%, UAE -0.59%, and Saudi -4.7%.

Moreover, on a year-to-year basis, most of the GCC markets registered significant losses: Bahrain -1.11%, Doha -39.2%, UAE (Abudabi -42.3%, Dubai -44.4%) and Saudi -53%. Only Muscat market gained 14.21% due to buying interest from the foreign investors.

Fund Review

During the month of December the net asset value of the fund decreased by 0.7% in comparison to the previous month, and 21% with comparison to the beginning of the year due to the downtrend of all GCC markets on year-to-year basis as it shown above in the market review. Hence, the performance of the fund since inception is +68% for the past 3 years.

The diversified asset allocation present in our fund reduced the losses when compared to the GCC markets performance, and it shows that our fund allocation in the GCC markets proved itself in spite of the large losses sustained in 5 out of 6 GCC countries during the year. Exposure to the Kuwaiti market of 47.31% reflected the lower volatility amongst the liquid market. The Fund finished the year with 15.65% in cash

The fund management team believes that the fund would benefit more from any positive movements in the GCC markets in year 2007. This is likely after a year of consolidation, given the strong fundamentals in the region, and particularly in Kuwait.

