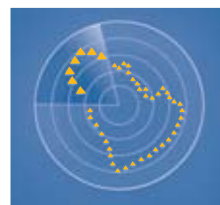


# AL AHLI GULF FUND

## FACT SHEET - DECEMBER 2010



الصندوق  
الأهلي الخليجي  
Al Ahli Gulf Fund

### 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> Jan. 2011
Last dealing price:	KD 0.923010 / Unit

### Current performance summary

NAV	Dec'10	YTD'10
KD 0.923	+3.818%	+11.507%

### Monthly performance

Jan'10	Feb'10	Mar'10	Apr'10	May'10	Jun'10
+0.003%	+3.46%	+3.76%	+0.733%	-4.764%	-1.13%

Jul'10	Aug'10	Sep'10	Oct'10	Nov'10	Dec'10
-0.371%	+2.754%	+3.373%	+0.265%	-0.393%	+3.818%

### Historical performance

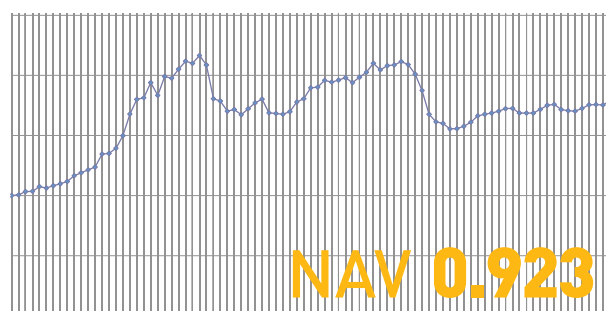
2009	2008	2007	2006	2005	2004	Since Inception
+10.8%	-28.8%	+28.8%	-21.0%	+53.1%	+31.6%	+78.801%

Returns inclusive of dividends / Bonus distributed

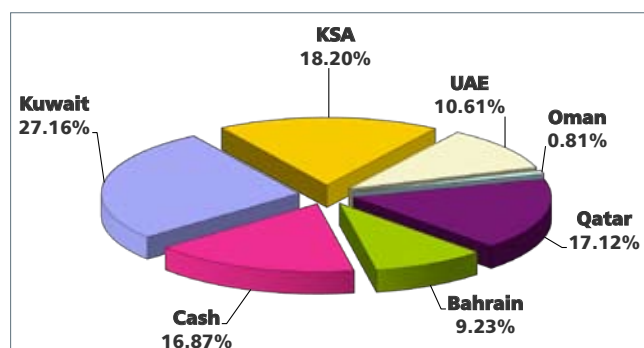
### Profits distributed

2004	2005	2006	2007	2009	Since Inception
Cash	Cash	Bonus	Cash	Cash	Cash
KD 0.180	KD 0.222	22.3%	KD 0.050	KD 0.130	KD 0.060
					KD 0.642
					22.3%

### Performance chart



### GCC market allocation



Ahlan Ahli 1 899 899  
www.eahli.com

### Country

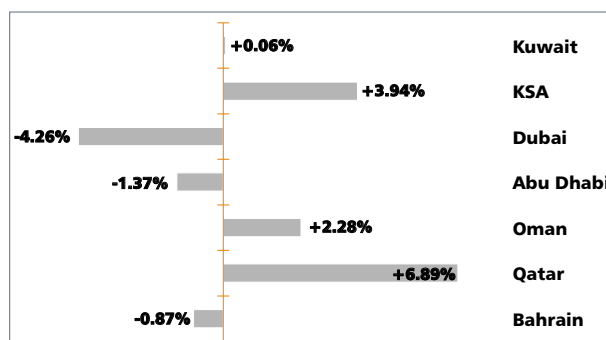
Country	Manager
Kuwait	Ahli Capital Investment Co.
KSA	Sico
UAE	NBAD
Oman	Bank Muscat
Qatar	Sico
Bahrain	Sico

### Top 3 positions / market

Kuwait	KSA	UAE
MTC (Zain)	Etisalat	Emaar
Yiaco	SABIK	FGB
Aqar	SCC	DP World

Oman	Qatar	Bahrain
Bank Muscat	CBQ	Batelco
-	IQ	Baraka
-	QEWC	AIG

### GCC market performance - Dec'10



### Market review:

The GCC markets had mixed performance during December. For the month the KSE was +0.06%, Saudi +3.94%, Dubai -4.26%, Abu Dhabi -1.37%, Oman +2.28%, Qatar +6.89%, and Bahrain -0.87%.

During December, trading activity was dominated by Qatar and Saudi Arabia which incidentally were also the best performing markets of 2010. The fund outperformed each of the country indices it is invested in. During 2010 the GCC markets showed signs of recovery and relatively low correlation to the global markets. Partly this was possible due to the renewed energy demands and improved Crude oil prices. M&A activity showed a few glimpses of recovery with the region starting to have some activity during 2010 after the lull created in the prior two years. Strategic investors returned to the markets seeking attractive long term returns as specific stock valuations appear extremely attractive.

For the coming year we expect this recovery to continue as the regulatory framework improves in the region and individual GCC nations begin implementing sovereign projects and infrastructure expenditure driven by higher energy earnings and deployment of cash to equities by cash rich mutual funds and high net worth individuals and corporate clients.

### Fund review:

The Al-Ahli Gulf Fund recorded a small gain of +3.818% MTD and a gain of +11.507% YTD. The S&P GCC Composite Price Index gained +4.08% MTD and was up +12.55% YTD mainly due to the Saudi weight factor of the index. The Gulf Funds gain since inception stood at +78.801%, the NAV of the fund was KD 0.923010 on the NAV date.

The fund manager shall continue to take into account the volatility of the region as a whole in deciding the asset mix and cash percentages this approach in turn has and will continue to reflect on the Fund's overall future performance. The current GCC allocations remain stable with a selective allocation of Blue Chip stocks across the region. The fund holdings are constantly monitored for the various risk factors by our investment team and appropriate action to rebalance the country allocation, cash percentages, as well as sector allocations is taken when needed.

