



Al Ahli Gulf Fund

Al Ahli Gulf Fund FACT SHEET - JANUARY 2007

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:	26 th February 2007
Last Dealing Price:	KD 1.051492 / Unit

Current Performance Summary

NAV	Jan'07	YTD'07
KD 1.056	-0.38%	-0.38%

Monthly Performance

Jan'07	Feb'07	Mar'07	Apr'07	May'07	Jun'07
-0.38%					

Jul'07	Aug'07	Sep'07	Oct'07	Nov'07	Dec'07

Historical Performance

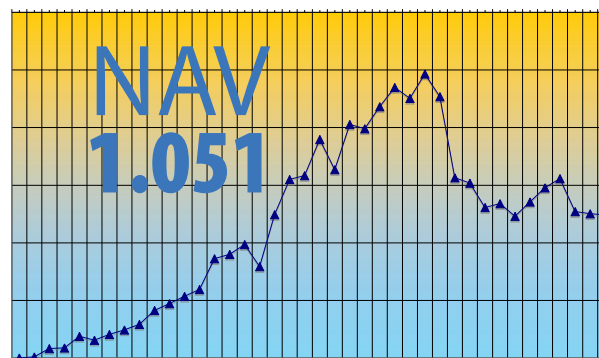
2006	2005 ⁽¹⁾	2004	Since Inception ⁽²⁾
-21.0%	+53.05%	+31.6%	+67.65%

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

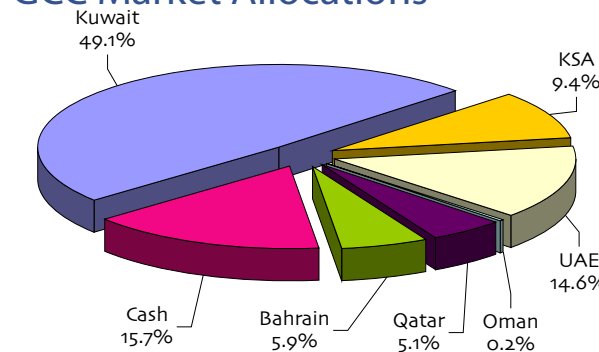
Profits Distributed

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

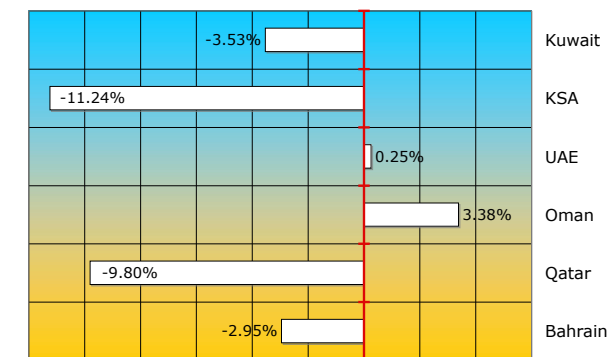
Manager

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	NBAD
CBK	MCI	Etisalat
Agility	STC	Emaar
Oman	Qatar	Bahrain
NBO	Indust. Qatar	AUB
-	QNB	NBB
-	Qatar Telecom	GFH

GCC Market Performances - Jan'07



GCC Review

Although the stock Markets witnessed some year-end buying activity in December 2006, the performance for the month of January 2007 was negative for the majority of the GCC markets. The poor performance in January 2007 confirms that the buying seen in December was merely artificial position adjustment. Most GCC markets witnessed monthly losses as follows: Qatar -9.8%, Saudi -11.24%, Kuwait -3.53%, and Bahrain -2.95%. Only Oman with +3.38% and UAE with +0.25% were in the positive territory. With the beginning of the earning season investors are anticipating the profit announcements especially after suffering steep drawdowns in 2006.

We believe that the trading activity is likely to gather steam in the next couple of months as investors re-position themselves after analyzing the annual earnings reports.

Fund Review

Al-Ahli Gulf Fund recorded a return of +67.65% since inception, and a loss of -0.38% for the month, due to the decline in 4 out of 6 GCC markets. Our asset allocation in the GCC market is as follows: Kuwait 48.2%, UAE 14.9%, Saudi 9.6%, Bahrain 6.0%, and Qatar 5.2%. The fund finished the month with 16.0% in cash.

The fund management team believes that selected sectors and stocks in the GCC markets present a good case for stock accumulation. The massive sell-off that investors witnessed in 2006 has resulted in more attractive valuations. Markets are expected to consolidate during the second quarter of 2007 as investor expectations start to moderate and valuations appear more reasonable since corporate earnings growth is likely to remain on track. However, the political tensions in the region will continue to remain a concern.

