

Al Ahli Gulf Fund

FACT SHEET - MAY 2006



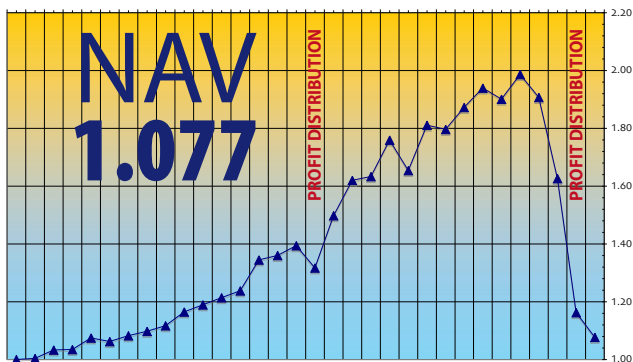
Al Ahli
Gulf Fund

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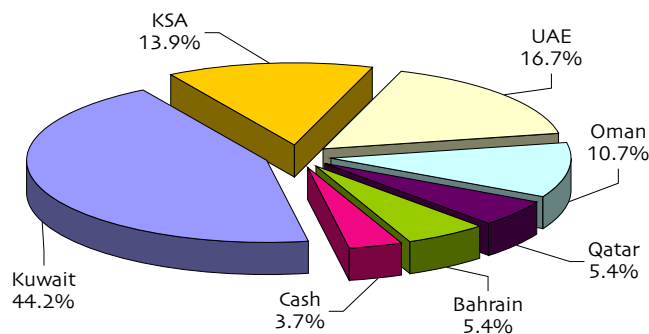
Fund Objective

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	May'06	YTD'06	2005 ⁽¹⁾	2004	Since Inception ⁽²⁾
KD 1.077	-7.36%	-19.95%	+53.05%	+31.6%	+70.15%

(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%	-14.74%	-1.14%	-7.36%	
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:	26 th June 2006
Last Dealing Price:	KD 1.076536 / 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	-41.23%	-33.82%
UAE	NBAD/Shuaa Capital	-29.92%	-30.06%
Oman	Bank Muscat	-9.73%	+0.85%
Qatar	Shuaa Capital/Taib	-27.58%	-31.04%
Bahrain	Taib Bank	-13.58%	-7.74%

GCC Market Review

May witnessed substantial corrections in all the GCC markets with the Saudi, UAE & the Qatari markets being the worst performers. During the month selling pressures were witnessed across most of the sectors in the GCC markets. Also, since the past several months, GCC markets have been characterized by high correlation among each other mainly due to the fact that all these markets had seen an unprecedented bull run during the last 3 years which had made the markets unrealistically over-valued. Hence, the recent corrections were imperative.

The recent corrections in the GCC markets has also had a substantial adverse impact on the total GCC market capitalization which now currently stands at approx. 780bn, much below the highs of US\$ 1.3 trillion witnessed a couple of months ago.

We believe that the recent bearish trends witnessed in the GCC markets were much needed as these have resulted in the GCC markets to currently trade at more realistic levels. Also, these corrections have resulted in providing ample opportunities for the Bulls to enter into these markets

Overall, we are of the opinion that the Fundamentals in the GCC markets continue to remain strong with the ongoing high oil prices, huge liquidity, and huge local Govt. budget surpluses that are being plowed back into the local economies.

Top 3 Positions / Market

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

Fund Review

The negative breath witnessed in the GCC markets was also reflected in the Fund's performance during the month. All of the Fund's GCC exposure contributed to the Fund's underperformance for the month.

However, during the month we continued to strengthen the Fund's exposure to the much under-valued Kuwaiti market by further adding quality undervalued stocks, while maintaining the allocation to the other GCC markets.

Overall, we continue to believe that the Fund's current GCC allocations are well poised to benefit the maximum once the GCC markets return to a much-needed bullish environment.