



# Al Ahli Gulf Fund

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FACT SHEET - OCTOBER 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 <sup>th</sup> November 2006
Last Dealing Price:	KD 1.177852 / Unit

## Current Performance Summary

NAV	Oct'06	YTD'06
KD 1.178	+2.80%	-14.6%

## 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%		

## Historical Performance

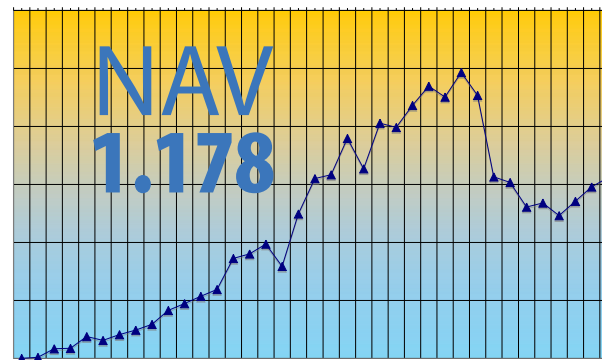
2005 <sup>(1)</sup>	2004	Since Inception <sup>(2)</sup>
+53.05%	+31.6%	+80.3%

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

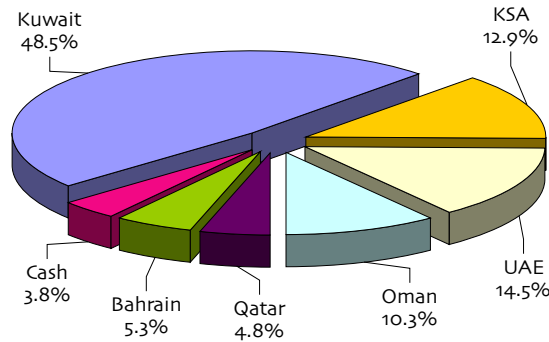
## Profits Distributed

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

## Performance Chart



## GCC Market Allocations



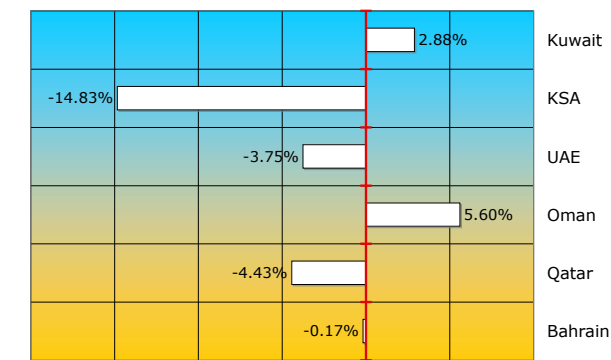
## Country Manager

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	Arabtec
Oman	Qatar	Bahrain
Bank Muscat	Indust. Qatar	BBK
NBO	QNB	NBB
Ray. Cement	Qatar Telecom	BDFS

## GCC Market Performances - Sep'06



## GCC Review

October, being the holy month of Ramadan, the GCC markets have shown a mixed trend, where Oman and Kuwait continued to increase by 5.6% & 2.8% respectively in comparison to September. Reason being the investors started building up their positions based upon the 3rdQ results as well as the increase of buying interest from the foreign investors in the Omani market. However 4 out of 6 GCC markets decreased: Bahrain -0.17%, UAE-3.75%, Qatar-4.43%, and Saudi-14.83% respectively, due to the slow trades during the holy month of Ramadan.

## Fund Review

During the month of October the net asset value of the fund increased by 2.8% in comparison to the previous month, and 7.2% with comparison to August due to the well diversified asset allocation present in our fund throughout the GCC markets, with a concentration asset allocation exposure by 48.45% in the Kuwaiti market having high growth stock selection, as well as the 10.33% exposure in Muscat which supported the funds positive performance. This positive performance shows that our fund allocation in the GCC markets proved itself in spite of the downside in the 4 GCC markets as seen in the table above.

The fund management team still believes that the fund would benefit more from any positive movements in the GCC markets after the close of the 3rd quarter announcements of their financial disclosure. GCC markets did not have any increase other than Kuwait & Oman market for the month of October; therefore we are expecting an up move from the GCC markets in the future.

