



Al Ahli Gulf Fund

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FACT SHEET - SEPTEMBER 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:	1 st November 2006
Last Dealing Price:	KD 1.145844 / Unit

Current Performance Summary

NAV	Sep'06	YTD'06
KD 1.146	+4.4%	-16.30%

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%			

Historical Performance

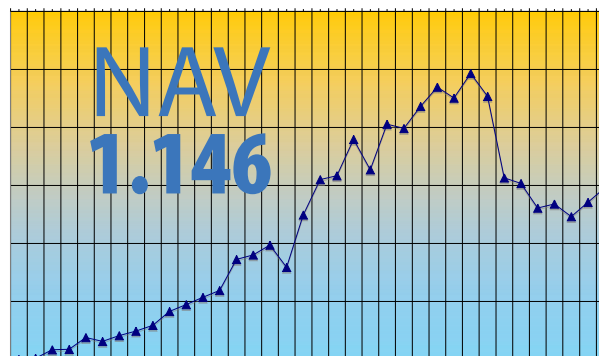
2005 ⁽¹⁾	2004	Since Inception ⁽²⁾
+53.05%	+31.6%	+77.08%

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

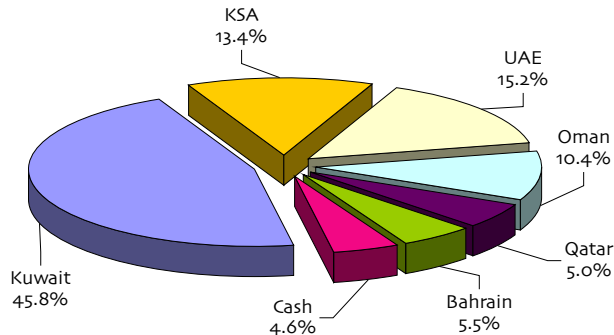
Profits Distributed

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

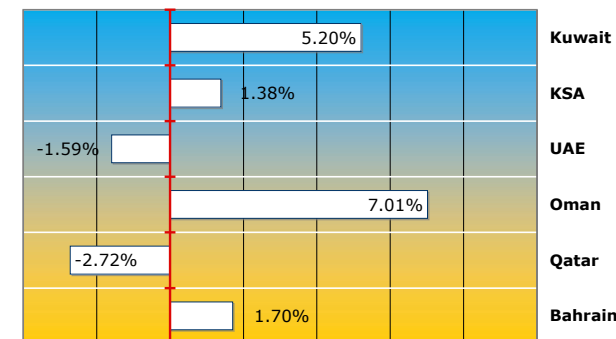
Manager

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	Arabtec
ALMAL	Al Rajhi	Emaar
CBK	STC	Etisalat
Oman	Qatar	Bahrain
Bank Muscat	Qatar Telecom	AUB
NBO	QNB	GFH
Ray. Cement	Indust. Qatar	BBK

GCC Market Performances - Sep'06



GCC Review

GCC markets ended the month of September with mixed performances. Oman, Kuwait, Saudi, and Bahrain registered positive performance while Qatar and UAE ended the month in negative territory. Oman achieved the best performance among the GCC markets recording +7.01% proving its resilience to instability in the region. Cement stocks such as Oman Cement Co. and Raysut Cement drove MSM's stellar performance. KSE rose +5.20% due to the rebounding of the Investment (+6.58%) and Industrial (+5.71%) sectors. Saudi market rose marginally by +1.38% witnessing decline in volumes for the month of September. UAE and Qatar recorded losses this month registering -1.59% and -2.72% respectively.

Fund Review

During the month of September '06, the net asset value of the gulf fund increased by 4.4% in comparison to August '06. Further more, the fund performance beat all of the GCC markets indexes except Muscat as seen in the chart above, this is mainly due to the well selective diversified and conservative investment approach we have in our portfolio among the GCC markets. The Fund's asset allocation is concentrated mainly in the Kuwaiti market being 44%, which reflects the positive performance for the fund during the month, as well as the 10% exposure in the Muscat market which also supported the fund performance.

The fund management team foresees that the fund would benefit from positive movement in the GCC markets during the 4th quarter with reference to the anticipation of positive 3rd quarter results. It is expected that the majority of the "blue chip companies" across the GCC region will declare strong profits for the third quarter of 2006 and hence the markets are expected to continue with the upward trend. Thereby laying down a positive growth trend for the Fund in the upcoming months.

