

Al Ahli Kuwaiti Fund

FACT SHEET - DECEMBER 2005



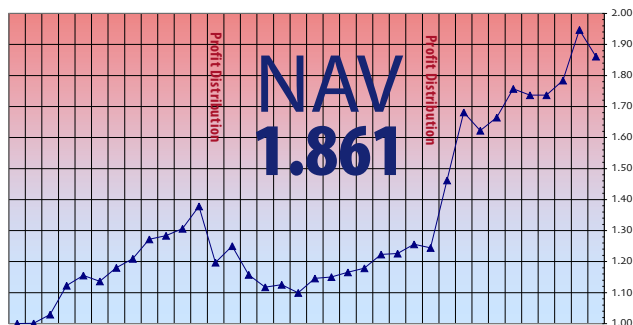
Al Ahli
Kuwaiti Fund

P.O.Box: 1387 Safat, 13014 Kuwait - Tel.: +965 240 0900 Ext. 2270 / 2527 / 2141 - Fax: +965 242 8547 - www.abk-kuwait.com

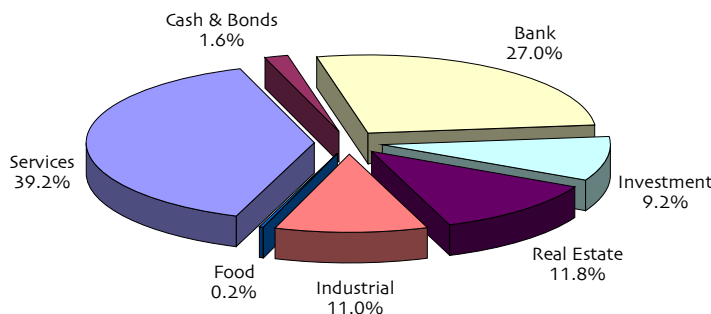
Fund Objective

To achieve capital growth through investing in the shares of companies registered at the Kuwait Stock Exchange by realizing outstanding investment returns above the market average with an acceptable level of investment risk.

Performance Chart



Sector Allocation



Performance Summary

	NAV	Dec'05	YTD'05	2004	2003 (11Months)	Since Inception
Fund	KD 1.861	-4.44%	+57.48% ⁽¹⁾	+3.2	+37.8%	+112.05% ⁽²⁾
KIC (Kuwaiti Cos.) Index		-4.77%	+66.04%			

(1) Inclusive of 2004 dividends distributed during 2005 (2) Inclusive of dividends distributed since inception

Monthly Performance

Jan'05	Feb'05	Mar'05	Apr'05	May'05	Jun'05	Jul'05	Aug'05	Sept'05	Oct'05	Nov'05	Dec'05
+2.4%	+4.7%	+17.5%	+15%	-3.5%	+2.6%	+5.6%	-1.21%	+0.05%	+2.74%	+9.14%	-4.44%

Executive Summary

Fund Type:	Open-ended						
Subscription /Redemption:	Monthly						
Launch Date:	1 st February 2003						
Management Fees:	1.50%						
Manager:	Al Ahli Bank of Kuwait						
Custodian:	Kuwait Clearing Co.						
Next Dealing Date:	25 th January 2006						
Last Dealing Price:	KD 1.860504 / Unit						
Dividends distributed:	<table border="1"> <thead> <tr> <th>2003</th> <th>2004</th> <th>Since Inception</th> </tr> </thead> <tbody> <tr> <td>KD 0.190</td> <td>KD 0.070</td> <td>KD 0.260</td> </tr> </tbody> </table>	2003	2004	Since Inception	KD 0.190	KD 0.070	KD 0.260
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Top 5 Positions

- 1- MTC
- 2- Kuwait Finance House
- 3- PWC
- 4- NBK
- 5- National Real Estate Co.

Performance Analysis

Best Month:	17.5%
Worst Month:	-7.4%
No. of Up Months:	28
No. of Down Months:	7
Average Monthly Gain:	3.20%

Market Background

The 1st week of December witnessed the KSE yet again scaling new heights to reach 11,962 as compared to 6,410 at year-end Dec-04. However, thereafter, the month witnessed a market correction due to the selling pressures across all sectors except Food & Non-Kuwaiti. The sectors worst affected were the Industrial & the services sectors. One of the reasons for this correction can be attributed to profit taking by investors in stocks whose prices had peaked during the previous months. The month saw the KSE (price-weighted) reducing by approx. 4% however, still maintaining its strong performance for the year of approx. 79%.

On the other hand, the KIC Index (Kuwaiti Cos) also corrected by approx. 5% during the month bringing its 2005 performance to approx. 66%. The total market capitalization at the close of the year stood at approx. KD 40.95bn.

During the month, the newsmakers included: MTC's subsidiary Celtel buying majority stake in Madacom – a Madagascar Mobile Telecoms operator; IFA realizing a profit of approx. KD 100mn from the sale of its 45% stake of its subsidiary IFA Hotels & Resorts; Al Mal Investment Co & Gulf Finance House announcing a rights issue of 25% & 30% of their respective of capital @ 300 fils & 400 fils per share respectively; United Fisheries getting a green signal from the Saudi Financial Market to sell its stocks in Sadafco – a listed company in the Saudi Stock Market.

The month continued to see 5 new companies being listed on the KSE – 3 in the Investment Sector & 1 each in the Real Estate & Services Sectors, namely – Kadhma Holding, Iraq Holding, Sokouk Holding, Al Tameer Real Estate & Abaar. The total market cap of the newly listed companies amounted to approx. KD 308mn. As of 31-Dec-05, the number of listed companies in Kuwait totaled to 158. The month saw a correction in the market values of several companies however, some of the companies that managed to witness substantial increases in their market values included – United Fisheries, KIPCO, Gulf Glass Manufacturing, Gulf Franchising & Solidere A.

Fund Review

Following an excellent performance in the previous month, December witnessed a correction in line with the market. However, the Fund still managed to maintain a strong performance for the year of approx. 58%. During the month, the Banking & Industrial stocks were the weakest sectors. The portfolio of the fund continues to be strengthened with the addition of new undervalued stocks.

Overall, with the expectations of excellent 2005 corporate profits and good dividend payouts for 2005, we continue to believe that the Fund's current positions are poised to benefit the maximum from the upside that is imminent in the Kuwaiti market in the coming months.