

Al Ahli Kuwaiti Fund

FACT SHEET - MAY 2006



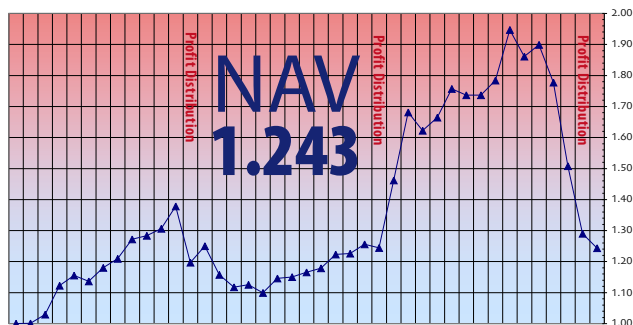
Al Ahli
Kuwaiti Fund

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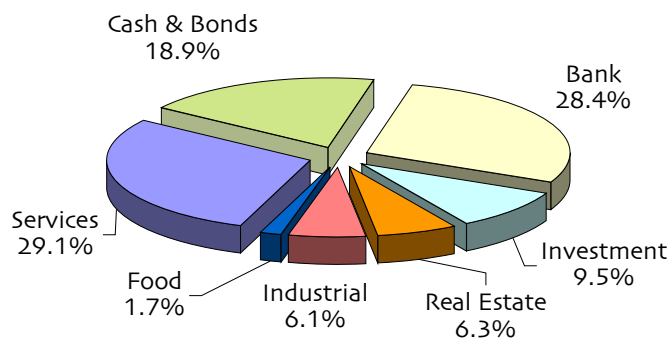
Fund Objective

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	May'06	YTD'06	2005	2004	2003 (11Months)	Since Inception
Fund	KD 1.243	-3.59%	-19.14%	+57.48% ⁽¹⁾	+2.7%	+37.8%	+76.44% ⁽²⁾
KIC (Kuwaiti Cos.) Index		-3.59%	-13.69%	+66.04%			

(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	Jul'06	Aug'06	Sept'06	Oct'06	Nov'06	Dec'06
+2.05%	-6.39%	-15.2%	+2.86%	-3.59%							

Executive Summary

Fund Type: Open-ended
 Subscription /Redemption: Monthly
 Launch Date: 1st February 2003
 Management Fees: 1.50%
 Manager: Al Ahli Bank of Kuwait
 Custodian: Kuwait Clearing Co.
 Next Dealing Date: 28th June 2006
 Last Dealing Price: KD 1.243446 / Unit

Dividends distributed:	2003	2004	2005		Since Inception	
			Cash	Bonus	Cash	Bonus
	KD 0.190	KD 0.070	KD 0.105	15.6%	KD 0.365	15.6%

Top 5 Positions

- 1- MTC
- 2- PWC
- 3- Kuwait Finance House
- 4- Burgan
- 5- CBK

Performance Analysis

Best Month: 17.5%
 Worst Month: -15.2%
 No. of Up Months: 31
 No. of Down Months: 10
 Average Monthly Gain: 2.47%

Market Background

The month of May continued to witness a bearish trend in the Kuwaiti market as a result of selling pressures across all sectors with the only exception being the Insurance sector. The sectors worst affected were the Industrial and Food sectors. The month saw the KSE (price-weighted) reducing by approx. 3.6% bringing its YTD-06 performance to a negative 10%.

The correction in the Kuwaiti market can be attributed to the upcoming elections, the US-Iran stand-off, bearish trends being witnessed simultaneously in Latin America, Asia & Europe due to uncertainty over rising global interest rates, high oil prices etc.

On the other hand, the KIC Index (Kuwaiti Cos) also corrected by approx. 3.6% during the month, bringing its YTD-06 performance to a negative 14%. The total market capitalization as of 31-May-06 stood at KD 38.17bn.

The month saw 5 new companies being listed on the KSE – Boubyan Bank, Noor Financial Inv. Co., Tamdeen Inv. Co, Al-Alamiah Tech. Group, & Mishref General Trd & Cont. Co., having a total mkt cap of approx. KD 761mn. As of 31-May-06, the number of listed companies in Kuwait totaled to 168.

Going forward, we believe that with the oil prices trading at US\$ 70 levels, the fundamentals continue to remain strong for the overall GCC region. Further, with the Kuwait stock market being the most undervalued market in the GCC, a positive performance is only imminent.

Fund Review

The bearish trend during the month was reflected in the Fund's performance for the month. However, the Fund has still maintained a healthy positive performance of approx. 76% since its inception.

The correction has also opened up new opportunities for the Fund to further add undervalued quality stocks thereby strengthening the portfolio so as to benefit the maximum once the Kuwaiti market rebounds into positive territory.