

Al Basha'er GCC Equity Fund

Fact Sheet - May 2011

Monthly Return
-2.68%

NAV: US\$ 7.33
Fund Size: US\$ 67.30 mn

Fund Overview

Open-ended investment fund which seeks medium to long-term capital appreciation through investing primarily in the shares of GCC-listed Shari'ah compliant companies.

The Fund may also invest in shares of non-listed Shari'ah compliant companies up to 10% of its Net Asset Value.

Fund Managers

Kuwait Finance & Investment Company
Gulf Finance House

Tickers

Bloomberg: KFIBASH
Reuters: LP65038297

Benchmark

S&P GCC Shariah Composite (TR)

Fund Details

Sponsors: KFIC, GFH & QIB

Placement Agents: KFIC, KHCB, QIB,
Gulf Bank, ADCB

Inception Price: US \$10

Inception Date: 19th December 2005

Jurisdiction: Bahrain

Currency: USD

Subscription/Redemption: Monthly

Minimum Subscription: US\$ 10,000

Subsequent Subscriptions: Multiples of
US\$ 3,000

Custodian: Gulf Clearing Company

Legal Advisor: Haya Rashed Al-Khalifa
Law Firm

Auditors: Ernst & Young, Bahrain

Management Fee: 2.25% per annum

Performance Fee: 10% of the profits
above hurdle rate

Subscription Fee: Up to 3% of the
subscription amount

Contacts

Gulf Finance House B.S.C.

Manama, Kingdom of Bahrain

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Kuwait Finance & Investment Company

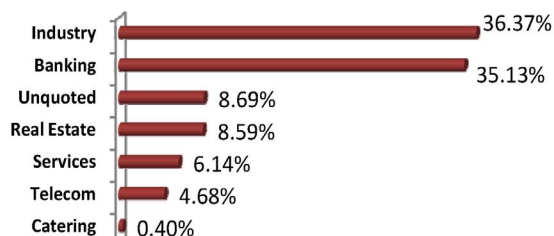
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+9651889000, kfic@kfic-kw.com

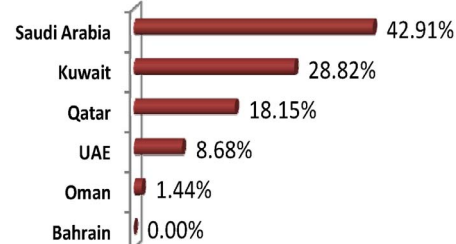
www.al-bashaerfund.com

Returns Performance	Fund	Benchmark	Concentration	Fund	Benchmark
MTD	-2.68%	-1.12%	Total Holdings	37	143
YTD	-3.47%	0.91%	Top 5 Holdings %	39.10%	39.78%
12 Months	7.12%	14.39%	Top 10 Holdings %	59.24%	52.49%
Three Year Annualized	-20.59%	-12.13%	Cash Holding	8.09%	-
Five Year Annualized	-4.68%	n/a			
Since Fund Inception	-26.69%	n/a			

Sector Breakdown



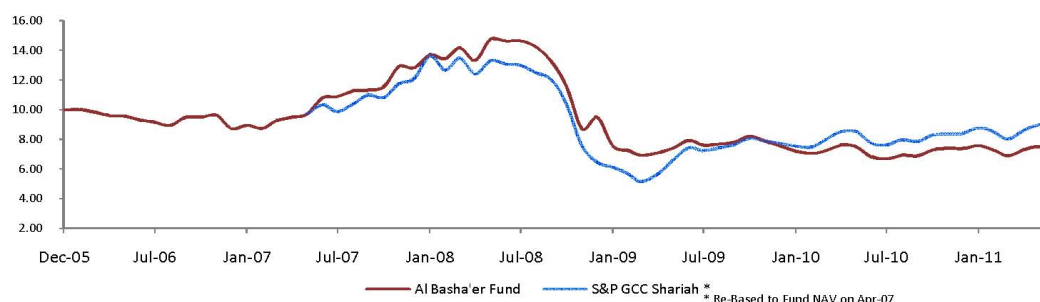
Geographic Breakdown



Statistics	Fund	Benchmark	Top 5 Holdings (39.10% of Fund)		
	(since benchmark inception)				
Volatility (Annualised)	21.58%	26.75%	Al-Rajhi Bank	Banking	Saudi Arabia
Sharpe Ratio*	-0.020	-0.015	SABIC	Industry	Saudi Arabia
Beta		0.67	Kuwait Finance House	Banking	Kuwait
Tracking Error (Annualised)		18.19%	BHC	Unquoted	Kuwait
Information Ratio (Annualised)		-0.29	Industries Qatar	Industry	Qatar

* Risk-Free Rate 3.58%

NAV Performance



Management Comments

The Fund and the benchmark both had negative returns over the month. The Fund performed better in the Kuwaiti market due to its overweight and better selection of securities than the benchmark. Considering the overall sector allocations of the Fund across the GCC, the Telecommunication and Transportation sector picks of the Fund attained positive attribution in performance against the benchmark. Over the month, however the benchmark reported better performance due to its higher exposure in positive performing Saudi market, and lower exposure in underperforming UAE stocks. The sector allocations of the benchmark in Materials, Real Estate, and Banks securities were a part of the better results attained. Management further utilized its cash holdings this month to invest in undervalued companies, but the negative impacts of the markets constrained any significant gains from being established during the month.

Market Summary

Al Basha'er Fund lost -2.68% in May 2011 while the S&P GCC Shariah Composite lost -1.21%. GCC markets had in general a losing month, except for Saudi, and sustained their volatile states as seen through earlier performances this year. Saudi market being the only gainer, the Tadawul All Share had a marginal gain of +0.38%. Of the losing indices, the Bahrain All Share index lost -4.15%, Kuwait Weighted index lost -5.07%, Oman MSM30 dropped in value by -5.17%, Qatar DSM fell -2.03%, Dubai Financial Market -4.54%, and Abu Dhabi General index lost -2.09%. Saudi market had 13 of its 15 sectors perform positively but the index performance was brought down by the heavy weighted Petrochemical and Banks and Financial Services sectors. The negative performance of Kuwait markets resulted from local political problems in the parliament and unimpressive performance of Q1 results of listed companies. Oman's was the largest percentage loser amongst the GCC markets and this was due to its key Banking & Investment sector losing -9.40% over the month.



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