

NAV: 6.94

Fund Size: USD 73.41 mn

Investment Objective & Strategy

- The objective of the Fund is primarily to achieve medium to long-term capital appreciation through investing primarily in listed securities issued in the GCC countries in accordance with the Sharia'a Investment Guidelines.
- The Fund may also invest in shares on non-listed Sharia'a compliant companies up to 10% of its Net Asset Value

Management Comment

- The February 2009 NAV of Al Basha'er was 6.94, a 3.05% fall on the previous month.
- The benchmark fell 9.89% in February 2009.
- Al Basha'er is down 30.58% since inception - outperforming the benchmark - which has lost 70.08% over the same period.

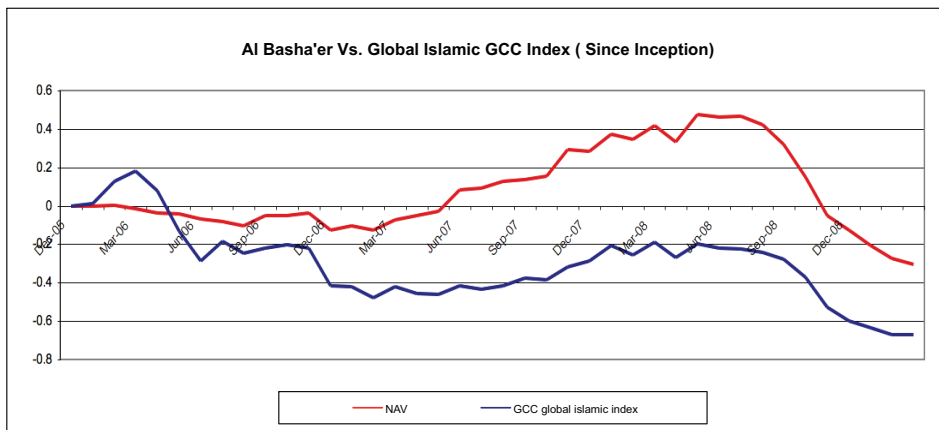
Performance as of 28/02/09

	Al Basha'er	Benchmark
1 Month	-3.05%	-9.89%
YTD	-7.84%	-18.19%
Since Inception	-30.58%	-70.08%

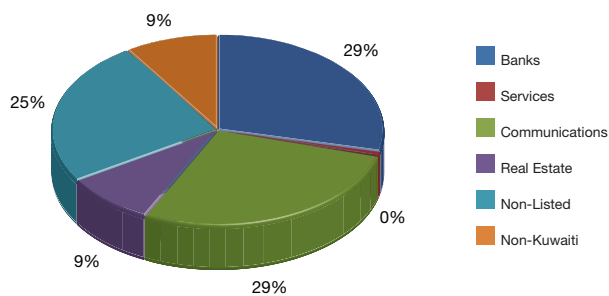
Portfolio Analysis

Avg PE	8.12
Avg Yield	4.99%
Avg Mkt Cap	\$ 6.89 BL
Avg Traded Value	8.83

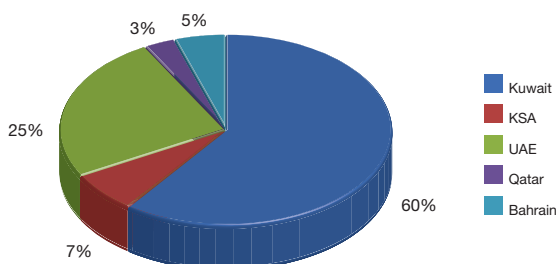
Cumulative performance



Sector Breakdown



Geographic Breakdown



Awards: Lipper Fund Awards

Al Basha'er GCC Equity Fund won the 'Lipper Fund Award' in 2006 by topping the following category: Sharia'a compliant GCC Equity Fund

Fund Managers
Kuwait Finance & Investment Co.
Gulf Finance House

Benchmark
Global GCC Islamic Index

No. of Holdings
20

Fund Details

Fund Sponsors:	KFIC, GFH & QIB
Placement Agents:	KFIC, GFH, QIB, Gulf Bank
Inception Price:	USD 10
Inception Date:	Dec 19th 2005
Jurisdiction:	Bahrain
Currency:	USD
Subscription /Redemption:	Monthly
Min Subscription:	USD 10,000
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

Portfolio's main holdings

Company	Country	Sector
Etisalat	UAE	Telecom
Bayan Holding Co.	Kuwait	Investment
Kuwait Finance House	Kuwait	Banking
Aviation Lease and Finance Co.	Kuwait	Services
Khaleej Commercial Bank	Bahrain	Banking

GCC Market Review

GCC equity markets experienced a mixed performance in February 2009. The Doha stock market witnessed the biggest loss, falling 15.52%. This was followed by the KSA market which fell 8.82%. Kuwait declined by 4.73% and Bahrain was down 4.68%. The markets in the UAE finished the month in positive territory. Abu Dhabi was up by 5.28% and Dubai increased 1.53%. Meanwhile, Oman rose 0.83%.

Kuwait

- Kuwait's Al Abraj Holding Co. is in talks with a strategic investor from the United Arab Emirates to participate in its planned capital increase.
- Kuwait's Global Investment House may face legal action with regard to a dispute over a \$29 mn loan from Egypt's Commercial International Bank.
- Kuwait's Abyaar Real Estate Development Co. has signed a contract to reschedule KD 45 mn of debts owed by its customers to Global Investment House.
- Kuwait's A'ayan Leasing and Investment Co. is in talks with banks to evaluate its assets in order to guarantee a loan the end of March.
- Global Investment House boosted the capital of its Jordan Unit by \$31 mn at the end of 2008 to prevent a liquidation of assets.
- National Bank of Kuwait has stopped negotiations with Investment Dar to buy around 18.80% of its stake in Boubyan Bank due to a disagreement over the value of the deal.

UAE

- UAE Ministry of Finance has modified the terms of its \$19 bn liquidity facility granted to banks last year.
- UAE's Aabar Investment Co. bought 12 towers on Abu Dhabi's Reem Island for Dh5 bn, the biggest real estate investment since the company started.
- UAE Banks plans to boost liquidity, allowing banks to recognize all borrowings from inter-bank market as deposits while calculating credit-deposit (CD) ratio could help improve the liquidity in the system.
- Dubai's Emaar Properties bought the entire shares of Emaar Turkey from Cihan Kamer, chairman of gold exporter Atasay Group.

KSA

- Bahraini Al Salam Bank is in merger talks with Bahrain Saudi Bank. Al Salam Bank is in the early stages of exploring the possibility of combining its operations by issuing shares to Bahrain Saudi Bank shareholders.
- A consortium of Saudi-based Binladin Group and al-Muhaidib Group was the lower bidder for the landbridge rail project, The bid beat bids by Agility and Mada's consortia.
- Saudi Aramco and the Dow Chemical Company of the US are seriously thinking to drop the cash-strapped Royal Bank of Scotland as project financing manager of their joint venture industrial facility in Ras Tanura in eastern Saudi Arabia.
- Saudi authorities will take some actions to stop speculative trading in its bourse to rescue it from further collapse and minimize the damage to the economy.
- The Saudi market regulator agreed to cancel the brokerage license granted to Emaar Saudi Financial Services upon a request by the company's shareholders.

Qatar

- Qatar Telecom announces it has completed offer to buy additional shares of Indosat that represent 24% of shares.
- Barwa Real Estate Co. set up two firms that will each have a capital of 2 mn Qatari riyals.
- Qatar National Bank is planning to launch operations in Syria and to strengthen its existence in the Middle East and North Africa markets.

Market Digest

Country	Percentage Change			P/E	P/B	Market Cap (USD billion)	Average Daily Traded Value (USD mn)
	2008 (%)	Current Month (%)	YTD (%)				
KSA - Tadawul	-57.02	-8.82	-8.71	8.98	1.49	226.90	1,388.21
Kuwait - KSE	-38.03	-4.73	-17.19	7.36	1.09	91.89	225.94
Abu Dhabi - ADMS	-47.83	5.28	-0.57	6.74	1.26	64.68	56.84
Dubai - DFM	-72.42	1.53	-4.72	5.94	0.87	35.17	148.67
Qatar - DSM	-28.12	-15.52	-35.55	7.43	1.52	60.06	309.94
Bahrain - Share Index	-34.52	-4.68	-12.56	7.41	1.19	17.76	12.45
Oman - MSM	-39.78	0.83	-10.80	7.86	1.41	13.49	0.18



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Gulf Finance House b.s.c. - Investment Bank
P.O.Box 10006, Manama, Kingdom of Bahrain
Tel. +973 17 538 538 , Fax. +973 17 540 006
E-mail. info@gfhouse.com
Website. www.gfhouse.com

KFIC
P.O.Box 21521, Safat 13037
Tel. +965 889000 , Fax. +965 2420174
E-mail. kfic@kfic-kw.com
Website. www.kfic-kw.com