

Al Basha'er GCC Equity Fund

Fact Sheet - February 2011

Monthly Return
-4.95%

NAV: US\$ 6.91
Fund Size: US\$ 63.68 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

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

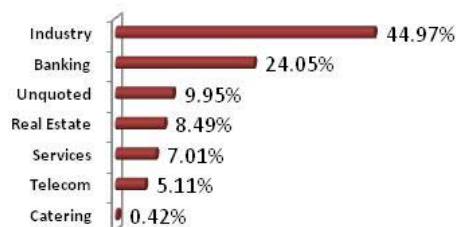
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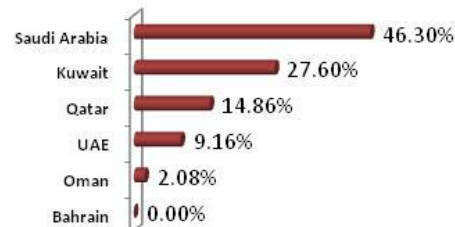
www.al-bashaerfund.com

Returns Performance	Fund	Benchmark	Concentration	Fund	Benchmark
MTD	-4.95%	-5.64%	Total Holdings	40	145
YTD	-9.02%	-8.81%	Top 5 Holdings %	35.75%	42.33%
12 Months	-4.41%	0.68%	Top 10 Holdings %	53.42%	55.65%
Three Year Annualized	-21.31%	-15.91%			
Five Year Annualized	-6.88%	n/a			
Since Fund Inception	-30.91%	n/a			

Sector Breakdown



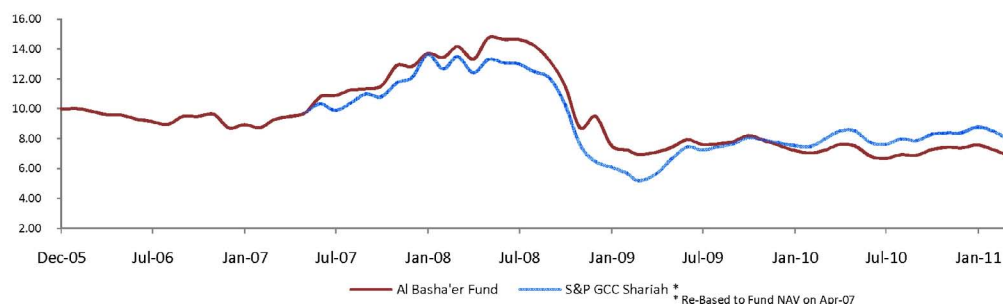
Geographic Breakdown



Statistics	Fund	Benchmark	Top 5 Holdings (38.69% of Fund)		
	(since benchmark inception)				
Volatility (Annualised)	21.86%	27.27%	Al-Rajhi Bank	Banking	Saudi Arabia
Sharpe Ratio*	-0.023	-0.023	SABIC	Industry	Saudi Arabia
Beta		0.67	Industries Qatar	Industry	Qatar
Tracking Error (Annualised)		18.76%	BHC	Unquoted	Kuwait
Information Ratio (Annualised)		-0.24	Qatar Islamic Bank	Banking	Qatar

* Risk-Free Rate 3.58%

NAV Performance



Management Comments

Compared to the S&P GCC Shariah Composite, the Fund was ahead this month due to its lower exposure in the Saudi Arabian and the Kuwait markets during the negative performance. The Fund's absolute negative return is attributed to the performance of our key holdings in the Banking and Petrochemical sectors in Saudi Arabia, in addition to the holdings in the Real Estate sector in the UAE markets. It is management's believe that the continuation of the unrest in the region is the prime reason for our key holdings causing a negative performance but this does not affect our long-term projections and trust in the sectors. Predicting negative sentiment in the market due to the region's political unrest, the Fund generated cash during January and February in order to alleviate the effects of potential losses from share price depreciation. The markets are being closely monitored for temporarily devalued stocks, and to buy long term positions in equities trading under their respective valuations in order to gain from price increases once markets start correcting.

Market Summary

Al Basha'er GCC Equity Fund lost -4.95% in February 2011 while the S&P GCC Shariah Composite index lost -5.64%. GCC markets in general went through a month of significant fluctuations and negative sentiment. The region's markets were going through a period of financial result announcements causing stock price movements, coupled with the unrest taking place in the region, especially in Bahrain and Oman, the markets experienced volatility and negative returns. The fluctuations in the market affected the Fund causing varying performance over the month and ending the returns as a loss for the month. February 2011 saw the KSE Weighted Index lose -5.80%, Tadawul All Share lost -6.55%, Dubai Financial Markets -8.06%, Bahrain All Share Index -1.25%, Qatar DSM -9.29%, and Oman MSM30 fell by -10.18%. The only positive gainer and very minor in nature was the Abu Dhabi Exchange which rose by +0.08%.

Confidentiality

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