

June 07 NAV: \$10.9**AIBasha'er GCC Equity Fund - Sharia'a Compliant****Fund Performance:**

	Current Month end	YTD	2006	Since inception
Fund	0.70%	21.50%	-10.3%	9.0%
Index (GCC Islamic Universe)	-2.4%	3.3%	-43.7%	-40.4%



Lipper ranking : 1

Investment Objectives:

Capital appreciation primarily through investment in Sharia'a Compliant GCC listed equities. The Fund may also invest in non GCC Arab equities to a maximum of 10% and in non listed equities to a maximum of 10%.

Investment Strategy:

Active management with focus on stock selection and not indexing
Concentrated positions with adequate diversification.

Fund Sponsors:

Kuwait Finance & Investment Company, Gulf Finance House and Qatar Islamic Bank

Placement Agents:

Kuwait Finance & Investment Company, Gulf Finance House, Qatar Islamic Bank, Gulf Bank, Gulf Finance House - Commercial Bank & Abu Dhabi Commercial Bank

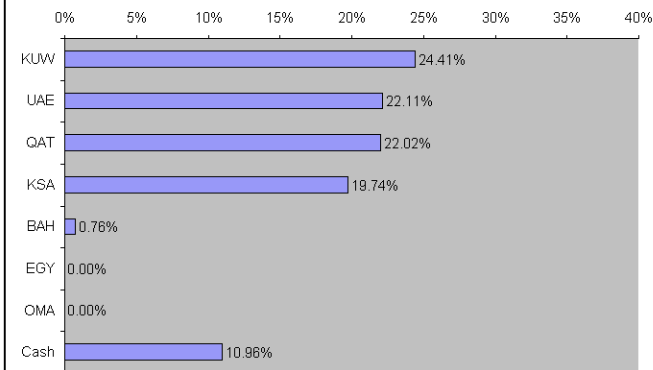
Investment Managers:

Kuwait Finance & Investment Company & Gulf Finance House

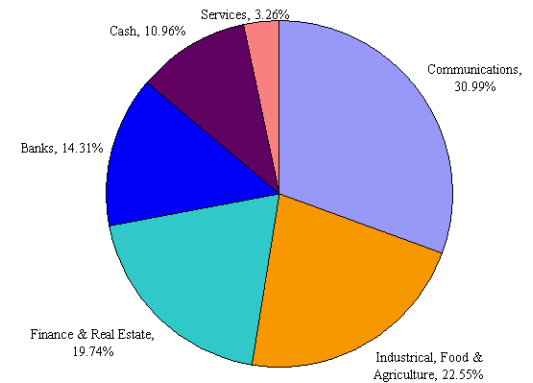
Fund Information:

Inception price:	USD 10
Inception date:	December 19 th , 2005
Jurisdiction:	Bahrain
Currency:	U. S. Dollars
Subscription/Redemption:	Monthly
Minimum subscription:	USD 10,000
Custodian, Administrator & Registrar:	Gulf Clearing Co. (Bahrain)
Legal Advisor:	Haya Rashed Al-Khalifa Law Firm, Bahrain
Auditors:	Ernst & Young, Bahrain
Management Fee:	2.25% per annum
Performance Fee:	10% of the profits above 10% hurdle rate per annum
Subscription Fee:	Up to 3% of the subscription amount

Fund size : USD 304.76 Million
% Cash : 10.96
% Non-listed equities : 6.41
No. of holdings : 28

Country Allocation:**Portfolio Analysis**

Avg P/E : 17.03
Avg Dividend Yield : 3.25%
Avg M/Cap per stock : 16.46
Avg Daily Liquidity per Stock : \$ 35.87 Million

Sector Allocation:

Country	Performance			Valuation		Size	
	2006 (%)	Current month (%)	YTD (%)	P/E	P/B	MarketCap (\$B)	Avg. D. liquidity (\$ MM)
KSA - Tadawul	-53.0	-6.98	-12.15	14.33	3.02	296	1,421
Kuwait - KSE	-12.0	5.59	20.50	14.72	3.01	193	620
Abu Dhabi - ADSEM	-42.0	-0.92	18.17	14.48	2.54	96	209
Dubai - DFM	-44.0	-1.51	6.81	13.62	2.48	96	243
Qatar - DSM	-36.0	0.57	3.03	15.50	3.23	66	74
Bahrain - Share Index	1.1	4.26	8.64	10.97	1.90	23	5
Oman - MSM	14.3	2.20	13.57	12.68	2.46	14	18
SC GCC	-42.5	-2.50	6.10	12.00	2.70	625	400
GCC Islamic Universe	-43.7	-2.37	3.30	15.00	2.50	288	507

GCC Market Review / June

Gulf equity markets reported mixed performance during June 2007. The overall index both Islamic and Conventional was down over 2%. This was mostly accounted for by Saudi Arabia which was down 7% in June bringing YTD losses to over 12%. The UAE markets also fell in June by about 1% and Qatar was flat whereas Oman, Bahrain and Kuwait rose 2%, 4% and 5.5% respectively.

The Saudi market continues its negative trend evidenced by a disappointing debut by Kayan shares which opened at SAR 12. The market has witnessed a big contraction in liquidity in the face of a continuing pipeline of IPOs. Despite attractive valuations, investors remain nervous especially of banks that continue to carry the negative traces of the stock market decline and Telecoms that are expected to face fierce price competition going forward.

Bahrain benefited from GFH's GDR issue and expectations of the sale of AUB by the Kuwaiti Al-Marzouk family. Oman rallied on relief of limited damage by the cyclone Gonu while Qatar was flat following steep rises last month as investors awaited Q2 earnings expected to be positive particularly for the banks and Industries Qatar.

The UAE also took a breather with profit taking in Abu Dhabi real estate and energy shares while Dubai still awaits details of Emaar's land for share swap.

The star performer is Kuwait that surged through the 12000 level amid positive expectation for Q2 earnings and a handful of M & A rumours in the Banking, Telecom and Investment sectors.

Given the solid economic fundamentals and reasonable valuations, we believe the GCC markets will perform well throughout the year.

Fund Performance and Activity:

Your fund recorded an NAV of \$10.9 representing 0.7% gain for the month bringing YTD gains to 21.5% and since inception gains to 9%. We continue to take profits in Kuwait and slowly build positions in Saudi Arabia.

الشركة الكويتية للتأمين والاستثمار
KUWAIT FINANCE & INVESTMENT COMPANY



بنك الخليج
GULF BANK

البنك
QIB

بنك الخليج
Gulf Finance House s.s.c.

بنك الخليج
Gulf Finance House

بنك أبوظبي التجاري
ADCB