

NAV: 7.27

Fund Size: USD 76.88 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 Al Basha'er fund recorded an NAV of \$ 7.27, thus outperforming the benchmark which fell by 10.07%
- Since inception, Al Basha'er is down 27.33%, significantly outperforming the benchmark which has lost 67.11% of its value.

## Performance as of 31/01/09

	Al Basha'er	Benchmark
1 Month	-8.36%	-10.07%
YTD	-8.36%	-10.07%
Since Inception	-27.33%	-67.11%

## Portfolio Analysis

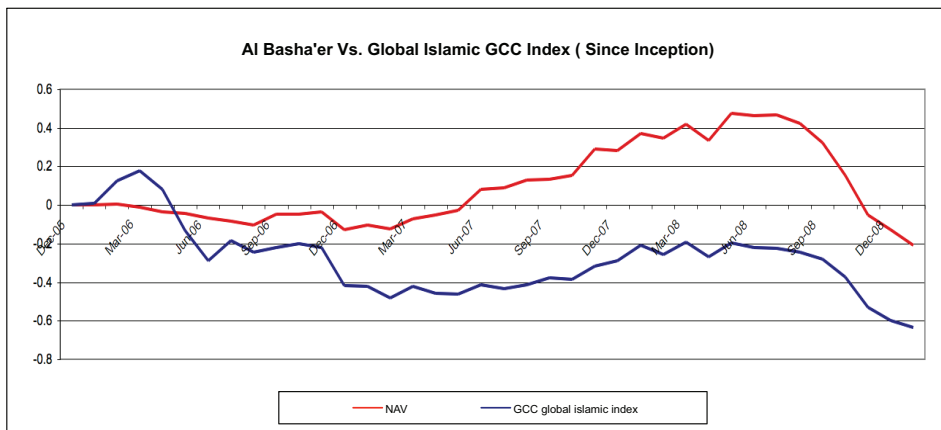
Avg PE	10.76
Avg Yield	4.52%
Avg Mkt Cap	\$ 7.52 BL
Avg Traded Value	13.13



### 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

## Cumulative performance



### Fund Managers

Kuwait Finance & Investment Co.  
Gulf Finance House

### Portfolio Managers

Alan Durrant  
Abdulwahab Al-Marzoq

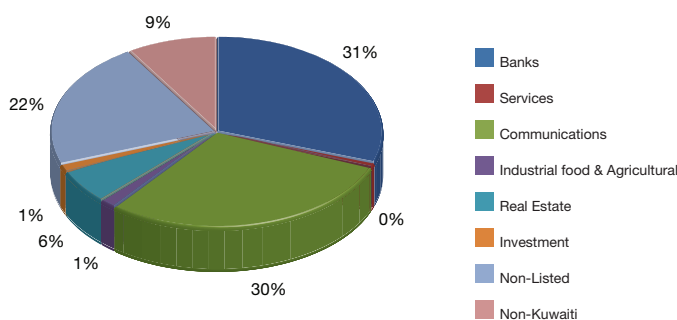
### Benchmark

Global GCC Islamic Index

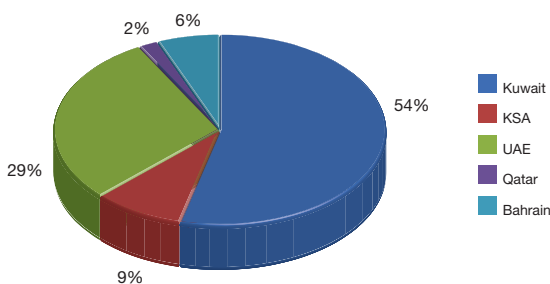
### No. of Holdings

19

## Sector Breakdown



## Geographic Breakdown



## 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
Kuwait Finance House	Kuwait	Banking
Bayan Holding Co.	Kuwait	Investment
Gulf Finance House	Bahrain	Banking
Khaleej Commercial Bank	Bahrain	Banking

## GCC Market Review

Equity indices in the GCC continued to decline in Jan 2009. Doha experienced the steepest decline, falling 23.72%. This was followed by Kuwait, where the index was down 13.08% and a 11.53% drop in Muscat. Bahrain and Dubai fell 8.27% and 6.16% respectively. Abu Dhabi lost 5.55%, while KSA was relatively the best performer with only a fall of 4.27%.

### Kuwait

- Bank of Kuwait and the Middle East has allocated KD 400 mn to help finance defaulting local companies.
- Some Kuwaiti banks have stopped some credit lines they had opened for a number of local investment and real estate companies facing liquidity shortages.
- The Investment Dar Co. plans to sell its stakes in Aston Martin, Bahrain Islamic Bank and Kuwait's Boubyan Bank to finance the repayment of its debts.
- The Kuwaiti Ministry of Commerce and Industry has authorized Gulf Bank to double its capital to KD250.7 mn from KD125.3 mn through a rights issue.
- Bank of Bahrain and Kuwait is expected to announce the opening of an investment bank with a paid-up capital of \$125 mn.
- Kuwait's A'ayan Leasing and Investment Co is soon securing a KD 160 mn long term loan from local banks.

### UAE

- Abu Dhabi plans to inject more liquidity through the banking system into the market to ease the impact of the global financial crisis.
- UAE central bank asked local lenders not to rush the announcement of their fourth-quarter earnings and to be fair in evaluating their investments.
- Abu Dhabi National Energy Co. (TAQA) plans to acquire an energy firm in Saudi Arabia this year.
- Emaar the Economic City signed a SAR 196 mn deal with Huta Marine Works to build a water plant for the King Abdulla Economic City.
- Saudi Arabia may from now on grant licenses to new foreign exchange brokers after 36 years of suspension of such licenses.

### KSA

- Saudi Arabian Airline had lost of SR1.798 bn last year as a result of no-show passengers, who change their travel plans without informing the airline.
- Saudi company Al Baha Cement Holding Co. has received the Saudi authority's approval for its establishment and the plans to sell part of its shares in an initial public offering later.
- The Saudi Stock Market Co., or Tadawul, said it has joined the union of Arab stock exchanges

### Qatar

- Barwa Real Estate Company awarded main contract for the second phase of Doha Exhibition Centre and Tower to Qatari Diar Real Estate Investment Company.
- Qatar Islamic Bank announced that the Qatar Investment Authority will begin the acquisition of a 10% stake.
- Qatari Diar is pressing ahead with plans to build a massive residential complex in the West Bank and plans are also afoot to launch a similar project in Gaza.
- Qatar National Hotels Co (State-owned), acquired a 5-star international hotel and food chain group for \$274.6 mn.

## Market Digest

Country	Percentage Change			P/E	P/B	Market Cap (USD billion)	Average Daily Traded Value (USD mn)
	2007 (%)	Month (%)	YTD (%)				
KSA - Tadawul	-57.02	-5.61	-5.61	9.75	1.58	243.86	1,451.18
Kuwait - KSE	-38.03	-8.27	-8.27	6.36	1.09	93.77	169.52
Abu Dhabi - ADSM	-47.83	-23.72	-23.72	5.67	1.10	55.26	48.55
Dubai - DFM	-72.42	-7.09	-7.09	4.15	0.78	33.23	79.10
Qatar - DSM	-28.12	-4.27	-4.27	7.5	1.5	58.75	400.75
Bahrain - Share Index	-34.52	-11.53	-11.53	6.82	1.15	18.84	0.12
Oman - MSM	-39.78	-13.08	-13.08	6.72	1.4	13.39	9.41



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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