

NAV: 7.0691

Fund Size: USD 72.32 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 NAV of the Al Basha'er fund closed at 7.07, a decrease of 2.04% compared to the previous month.
- Year to date, Al Basha'er is down 2.04%, outperforming the benchmark which is down 2.65%.

Performance as of 31/01/2010

	Al Basha'er	Benchmark
1 Month	-2.04%	-2.65%
YTD	-2.04%	-2.65%
Since Inception	-29.31%	-63.22%

Portfolio Analysis

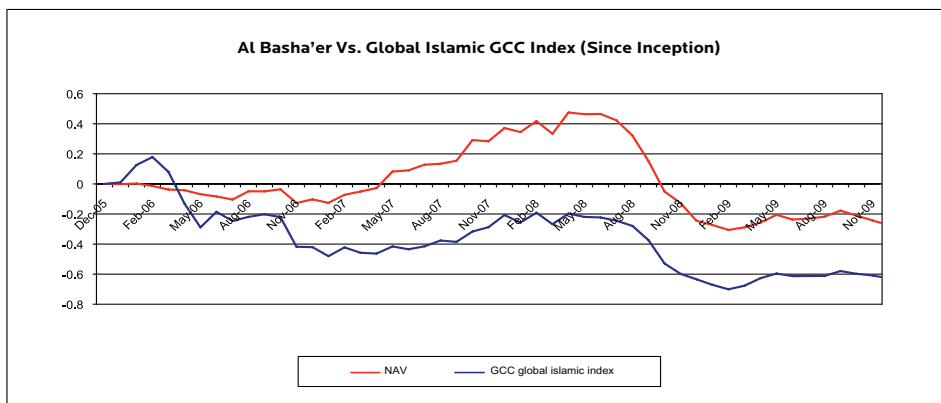
Avg PE	16.16
Avg Yield	3.53%
Avg Mkt Cap	\$ 15.49 BL
Avg Traded Value	34.63MN



Awards: Lipper Fund Awards

Al Basha'er GCC Equity Fund won the 'Lipper Fund Award' in 2006 & 2008 by topping the following category: Sharia'a compliant GCC Equity Fund

Cumulative performance



Fund Managers

Kuwait Finance & Investment Co.
Gulf Finance House

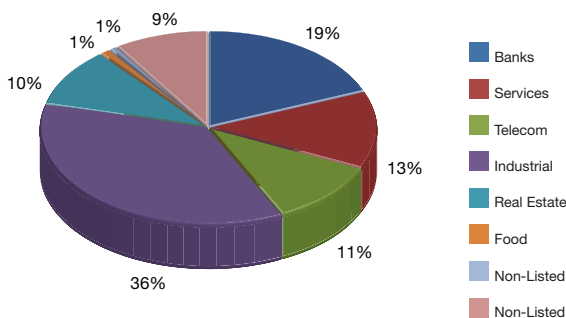
Benchmark

Global GCC Islamic Index

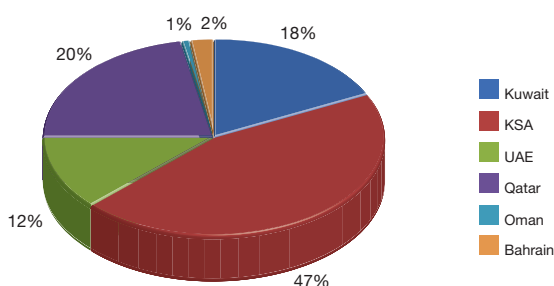
No. of Holdings

43

Sector Breakdown



Geographic Breakdown



Fund Details

Fund Sponsors:	KFIC, GFH & QIB
Placement Agents:	KFIC, KHCB, QIB, Gulf Bank, ADCB
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
SABIC	KSA	Industrial
Al- Rajhi Bank	KSA	Banking
BHC	Kuwait	Real Estate
Etisalat	UAE	Telecom
QGTS	Qatar	Industrial

GCC Market Review

Al Bashaer Fund's NAV declined around 2.04% on a MoM basis to reach USD 7.07 outperforming the benchmark which declined 2.65%. However four markets in the GCC made a monthly gain, while the remaining three markets achieved losses with varying degrees. The Kuwaiti market had witnessed an increase by 0.29% closing at 7,025.30 in end of January compared to last month, effected by the positive performance in some of the investment groups and the positive news about Zain where the Kuwait National Investments Company extended the sale of 46% of the shares of Zain, and also the lawsuit of Agility has been postponed to February which led to further speculation on the shares of the group. Kuwait was the lowest to increase, topped by Bahrain which rose by 1.37%, KSA was in the second place gaining 1.67% and Oman was in the first place with 2.57% increase. GCC markets witnessed a volatile performance during the month where most of these markets changed trends several times during the month, the impact of the profit-taking, with trading marked by caution and uncertainty pending the outcome of the annual results of listed companies. Dubai has the largest loss by 11.84% due to the concern of Dubai's debt and fears of the possible annual results of the listed companies, Qatar by 5.76% and finally Abu Dhabi with the lowest decline by 4.02%.

Kuwait

- Kuwait Finance House said its Saudi investment bank unit has received approval from the kingdom's Capital Market Authority to start official operations.
- GFH announced it will take a \$300 mn charge against its proprietary Dubailand position and correspondingly reduce the liabilities on its balance sheet by \$290 million.
- Agility is expected to appear in a U.S. court on February as it seeks an out-of-court settlement with the U.S. government over alleged overcharging on \$8.5 bn worth of contracts.
- Kuwait's parliament approved a bill to set up for the first time an independent regulator to oversee the stock market.
- KFH declared its 2009 financial result with a full year net profit fell 24% to KD118.7 mn from KD156.9 mn in 2008.

UAE

- Emaar will meet the Indonesian government next month to discuss how to progress with a planned \$600 mn tourism development on Indonesia's Lombok Island.
- Aramex announced a joint venture agreement with the Zubair Corporation headquartered in Oman to offer total supply chain solutions in Oman.
- Abu Dhabi Securities Exchange announced the introduction of its Investment Literacy Index and Market Sentiment Index.
- UAE Etisalat Full-year net profit rose 3.8% to AED8.836 bn compared to last year's net profit AED8.511 bn.

KSA

- Etihad Etisalat 2009 Net profit increased 44% to reach SR1.05 bn from SR778 mn in the year-earlier.
- SABIC has signed an agreement for private bond placement with the Public Investment Fund to raise the total amount of SR10 bn.
- Saudi Cable Co. won a SR31 mn contract to supply 66 kilovolt cables for a project in Qatar.
- SABIC Net income for the year ended December 31, 2009, totaled SR 9.1 bn, as compared to SR 22 bn for the same period last year, a decrease of 59%.
- Al- Rajhi Bank declared its 2009 financial results with Net profit increase by 3.7% to SR6.77 bn compared to last year.

Qatar

- Nakilat and Dutch firm Damen Shipyards Group are to jointly operate the first shipbuilding facility to be set up in the country at the Ras Laffan Port.
- Qatar will renew plans to combine its central bank, Financial Markets Authority and the Qatar Financial Center Regulatory Authority into a single regulator.
- QIB announced a QR. 1.32 bn net profit for the 2009 fiscal year representing a 23% growth rate from 2008.

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	28.04	1.67	1.67	16.75	2.04	331.19	831.69
Kuwait - KSE	-9.99	0.29	0.29	12.95	1.28	93.09	209.79
Abu Dhabi - ADSEM	14.79	-4.02	-4.02	8.94	1.09	68.78	45.83
Dubai - DFM	10.22	-11.84	-11.84	9.27	0.80	33.95	110.68
Qatar - DSM	1.06	-5.76	-5.76	11.43	1.80	79.84	352.63
Bahrain - Share Index	-19.17	1.37	1.37	9.36	1.16	18.31	17.08
Oman - MSM	17.05	2.57	2.57	12.24	1.74	17.74	1.24



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