

NAV: 7.63

Fund Size: USD 79.36 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 was 7.63 in June 2009, a decrease of 3.99% on the previous month.
- Al Basha'er is up 1.03% year to date - underperforming the benchmark - which has gained 5.81% year to date.

Performance as of 30/06/09

	Al Basha'er	Benchmark
1 Month	-3.99%	-4.22%
YTD	1.03%	5.81%
Since Inception	-23.72%	-61.30%

Portfolio Analysis

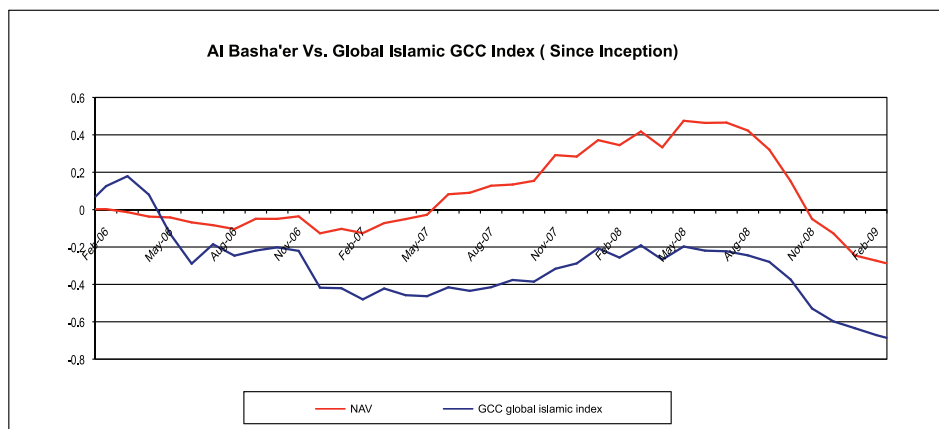
Avg PE	13.19
Avg Yield	2.90%
Avg Mkt Cap	\$ 7.98 BL
Avg Traded Value	23.79 MN



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

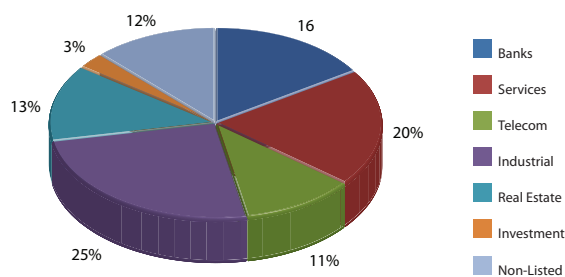
Benchmark

Global GCC Islamic Index

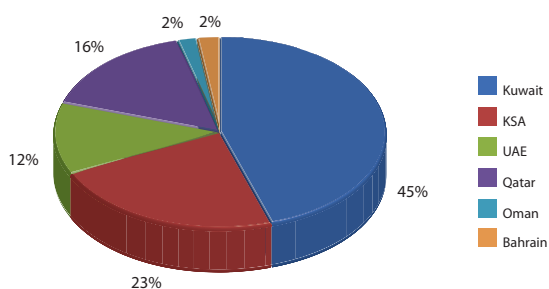
No. of Holdings

36

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
Bayan Holding Co.	Kuwait	Real Estate
Etisalat	UAE	Communication
SABIC	KSA	Industrial
Kuwait Finance House	Kuwait	Banking
QGTS	Qatar	Industrial

GCC Market Review

All of the equity markets in the Gulf recorded a decline in June except the Oman Market, which gained 2.03%. The market that was hit the most was the Doha Market – losing around 7.00%; followed by KSA and Dubai Markets which decreased 5.26% and 5.00% respectively. The Bahrain market ended the month losing 2.50% and Abu Dhabi declined around 1.80%, leaving Kuwait Stock Exchange the least to decrease by 0.86%.

Kuwait

- The Central Bank of Kuwait has instructed local banks to freeze all dealings with the two Saudi multiline conglomerates Saad Group owned by Saad Al- Sanea and Abdul Aziz Alghosaibi Group.
- Kuwait's Al Madina for Finance and Investment Co. is merging with Sarh Al Madina Real Estate through acquisition and also will increase its paid up capital by 11.40%.
- Kuwait's Investment Dar creditor's committee rejects Credit Suisse plan for settling Dar's debt and appoints Deloitte Financial Advisory to prepare a new plan.
- Kuwaiti banks are seeking to reduce the volume of allocations that were set up to hedge against the global financial crisis before posting their first-half results.
- Kuwait Investment Authority intends to sell its 20% stake in Boubyan Bank through a public auction, and NBK boosted Boubyan stake to 12.40%.

UAE

- UAE's Sorouh Real Estate and Tameer Holding Investment have dissolved two joint venture partnerships for projects on Reem Island.
- UAE's Central Bank has ordered lenders to halt loans to Saudi billionaire Maan Al Sanea and three private Saudi businesses.
- Dubai's Arabtec Holding said its Saudi unit won a \$533.9 mn contract in Jeddah seeking to diversify away from its domestic market.
- The Abu Dhabi Securities Exchange is still pushing ahead with an ambitious plan to introduce exchange trade funds (ETF) that could be listed before the end of 2009.
- Dubai's Deyaar Development has formally cancelled its Enclave project after making a full refund to all investors.

KSA

- Saudi Arabia's central bank has ordered the kingdom's banks to freeze the accounts of Maan al-Sanea, a leading Saudi businessman who is also a significant shareholder in HSBC.
- Prince Saud bin Abdullah bin Thenian, the President of the Royal Commission for Jubail and Yanbu, has recently signed six development contracts at a cost of SR 883 mn.
- Saudi Arabia's Capital Market Authority (CMA) has approved creation of a securities market in the country for trading in conventional bonds and in Islamic bonds known as sukuk.
- Saudi investors will launch a holding company for the manufacture of cement and its derivatives with a capital that will reach \$534 mn.

Qatar

- The Industries Qatar said that the government has approved a total of QR1.16bn in settlement for steel prices caps.
- India's Tata Communications Ltd. said it has entered into an agreement with Qatar Telecom where both companies will align their infrastructure and provide connectivity solutions.
- Vodafone Qatar may not be able to launch its services to the Qatari public on July 1 as planned earlier mainly due to the unavailability of outdoor ad space at present.

Bahrain

- Japan Bank for International Cooperation has signed an agreement on comprehensive strategic partnership with the Bahraini government aimed at creating opportunities for Japanese businesses in the Middle.
- Bahrain and London-listed alternative investments firm Investcorp said it has bought real estate loans worth \$170.9 mn in the United States at a discounted price.
- Bahraini Albaraka Bank plans to list on the South Africa Johannesburg bourse by the end of next year.

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	-5.26	16.52	12.36	1.85	278.25	1,827.74
Kuwait - KSE	-38.03	-0.86	3.83	14.15	1.70	112.17	582.96
Abu Dhabi - ADMS	-47.83	-1.79	10.10	7.68	1.24	69.48	142.89
Dubai - DFM	-72.42	-4.99	9.05	8.66	0.99	38.37	371.46
Qatar - DSM	-28.12	-7.01	-5.73	9.98	2.08	74.31	877.55
Bahrain - Share Index	-34.52	-2.50	-12.33	7.98	1.21	17.79	4.00
Oman - MSM	-39.78	2.03	3.14	9.85	1.76	15.80	36.68



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