

NAV: 6.68

Fund Size: USD 63.87 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 6.68, a decline of 2.39% compared to the previous month.
- Year to date, Al Basha'er is down 7.43%, underperforming the benchmark which is down 5.88%.

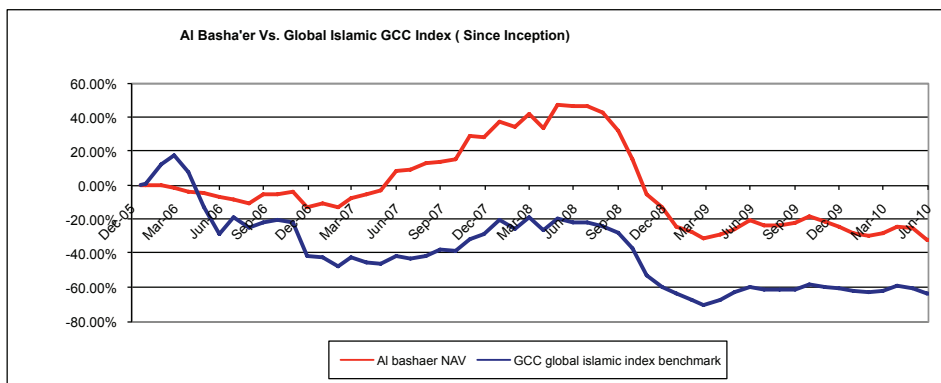
## Performance as of 30/06/2010

	Al Basha'er	Benchmark
1 Month	-2.39%	-2.61%
YTD	-7.43%	-5.88%
Since Inception	-33.2%	-64.44%

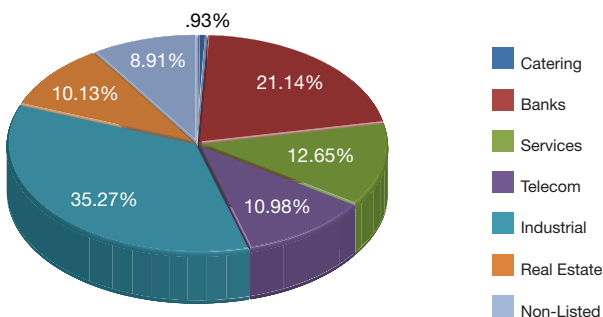
## Portfolio Analysis

Avg PE	14.26
Avg Yield	3.34%
Avg Mkt Cap	\$13.95 BL
Avg Traded Value	22.47MN

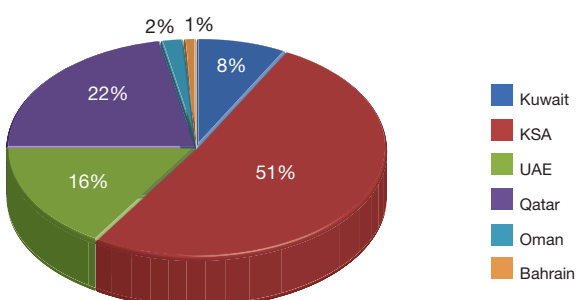
## Cumulative performance



## Sector Breakdown



## Geographic Breakdown



## 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

## Fund Managers

Kuwait Finance & Investment Co.  
Gulf Finance House

## Benchmark

Global GCC Islamic Index

## No. of Holdings

38

## 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
Al- Rajhi Bank	KSA	Banking
SABIC	KSA	Industrial
BHC	Kuwait	Real estate
Etihad Etisalat	KSA	Telecom
Qatar Gas Transport	Qatar	Transpot

## GCC Market Review

Al Bashaer Fund's NAV lost around 2.39% a MoM basis to reach 6.68 NAV following the decline of most of the GCC Markets Indexes during June. Dubai Stock market was at the top of the list declining 7.45% to close at 1,461.80 points, Kuwait market ended the month down by 2.34% with a YTD loss of 6.60% setting at 6,543.20 points while Al Doha stock market was the only market that witnessed an increase of 1.68%.

The GCC stock markets were affected by the performance of all global markets. At the local level the prevailing pessimism has reflected its trail on the market which witnessed a decline of most blue chip companies to its lowest level during the period. In addition to the blue chip declines, some other listed companies maintained unsatisfactory results which in turn inflicted the market trend during the same period.

### Kuwait

- Kuwait's United Industries Co announced that it has acquired an additional 50% stake in Kuwait National Industrial Projects Co. for 8.24 million Kuwaiti dinars (\$28.23 million) bringing its ownership in the company to 99.9%.
- Kuwait's Gulfinvest International declared its first-quarter loss widened to 5.44 million Kuwaiti dinars (\$18.69 million) from KWD3.64 million in the year earlier period.
- KMEFIC reached advanced stages of negotiations with the International Leasing and Investment Co. for the amounts owed by the International Leasing for the funds belonging to KMEFIC.
- A number of Kuwaiti companies would bid for the competition to win (Heavy Lift) contract from U.S. Defense Department, which may exceed \$5 bn for three years to come.

### UAE

- Abu Dhabi National Energy Co announced it will pay its major shareholder, the Abu Dhabi Water and Electricity Authority about \$400 million for a 40% stake in Oman's Sohar Aluminums Company.
- The United Arab Emirates' economy is expected to grow at 3.2% in 2010, helped by a larger contribution of the non-oil sector, and inflation which will drop to 1%.
- Nakheel, the real estate unit of Dubai World, announced it has started making 40% cash payments, worth about 4 billion U.A.E. dirhams (\$1.08 billion), to trade creditors after the developer signed a substantial number of restructuring agreements.
- RAK Airways, the U.A.E.'s national carrier, has announced that its planning to relaunch before the end of the year after suspending operations over a year ago due to the downturn in the aviation industry.

### KSA

- Sabic Capital IBV, a financial unit of Saudi Basic Industries Corp. delayed the sale of a dollar-denominated benchmark bond due to unstable market conditions.
- Revenues for the Saudi Arabia-listed cement sector increased by eight per cent in 1Q10 yoy to SR2,114 million. Yamamah cement showing the best growth at 35 % while Yanbu reported the weakest with revenues declining by 14%.
- Saud Arabia mining Company Ma'aden and Alcoa, the world leader in aluminum, broke ground on a project that will become the world's largest fully integrated aluminum complex, at Ras Al Zawr in Saudi Arabia.
- While many sectors may have suffered recently due to the global downturn, one industry that has bucked the trend is the region's food business. Buoyed by a rapidly growing population and rising incomes, food firms, both local and global, are focusing in on the Gulf.

### Qatar

- Qatar's economy grew at an impressive 22.7%, but construction activity suffered a major blow as it fell 21.6%.
- The Qatar Investment Authority is considering taking a strategic stake in National Bank of Greece, the country's biggest lender.
- Qatar Islamic Bank has invested 1.25 billion Qatari riyals (\$343.2 million) in an Islamic lease sukuk issued by the country's central bank, as the Gulf Arab state attempts to develop its domestic debt market.

## Market Digest

Country	Percentage Change			P/E	P/B	Market Cap (USD billion)	Average Daily Traded Value (USD mn)
	2009 (%)	Current Month (%)	YTD (%)				
KSA - Tadawul	28.04	-0.44	-0.91	15.17	1.93	319.55	941.66
Kuwait - KSE	-9.99	-2.34	-6.60	13.44	1.34	104.51	92.38
Abu Dhabi - ADSM	14.79	-3.46	-8.37	9.13	1.04	73.38	27.38
Dubai - DFM	10.22	-7.45	-18.95	8.72	0.74	50.48	47.85
Qatar - DSM	1.06	1.68	-0.85	10.31	1.99	101.02	313.87
Bahrain - Share Index	-19.17	-3.72	-4.25	10.90	1.03	20.23	1.15
Oman - MSM	17.05	-3.75	-4.88	10.94	1.69	16.72	10.46



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