

Al Basha'er GCC Equity Fund

Fact Sheet - March 2011

Monthly Return
5.66%

NAV: US\$ 7.30
Fund Size: US\$ 67.17 mn

Fund Overview

Open-ended investment fund which seeks medium to long-term capital appreciation through investing primarily in the shares of GCC-listed Shari'ah compliant companies.

The Fund may also invest in shares of non-listed Shari'ah compliant companies up to 10% of its Net Asset Value.

Fund Managers

Kuwait Finance & Investment Company
Gulf Finance House

Tickers

Bloomberg: KFIBASH
Reuters: LP65038297

Benchmark

S&P GCC Shariah Composite (TR)

Fund Details

Sponsors: KFIC, GFH & QIB
Placement Agents: KFIC, KHCB, QIB, Gulf Bank, ADCB
Inception Price: US \$10
Inception Date: 19th December 2005
Jurisdiction: Bahrain
Currency: USD
Subscription/Redemption: Monthly
Minimum Subscription: US\$ 10,000
Subsequent Subscriptions: Multiples of US\$ 3,000
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

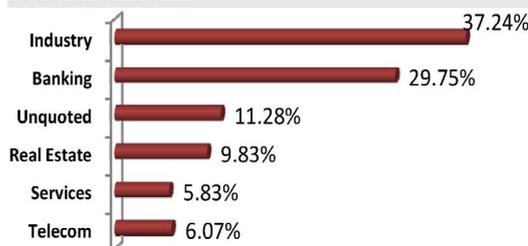
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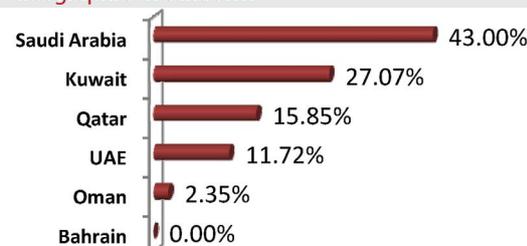
www.al-bashaerfund.com

Returns Performance	Fund	Benchmark	Concentration	Fund	Benchmark
MTD	5.66%	7.44%	Total Holdings	38	144
YTD	-3.88%	-2.03%	Top 5 Holdings %	30.83%	42.02%
12 Months	-4.25%	1.26%	Top 10 Holdings %	46.26%	55.04%
Three Year Annualized	-18.19%	-11.45%	Cash Holding	29.27%	-
Five Year Annualized	-5.38%	n/a			
Since Fund Inception	-27.00%	n/a			

Sector Breakdown



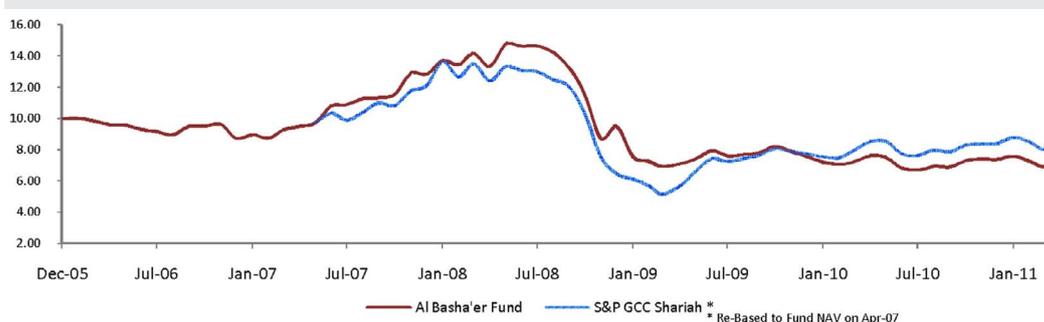
Geographic Breakdown



Statistics	Fund	Benchmark	Top 5 Holdings (30.83% of Fund)		
	(since benchmark inception)				
Volatility (Annualised)	21.85%	27.24%	Al-Rajhi Bank	Banking	Saudi Arabia
Sharpe Ratio*	-0.020	-0.018	SABIC	Industry	Saudi Arabia
Beta		0.67	Industries Qatar	Industry	Qatar
Tracking Error (Annualised)		18.57%	BHC	Unquoted	Kuwait
Information Ratio (Annualised)		-0.26	Qatar Islamic Bank	Banking	Qatar

* Risk-Free Rate 3.58%

NAV Performance



Management Comments

Compared to the S&P GCC Shariah Composite Index, the Fund's performance lagged behind this month. The GCC markets in general rebounded from their lows in early March, this believed to be a correction measure from the overreaction to the recent negative news in the region. The benchmark tracked ahead of the Fund mainly due its higher exposure in Saudi Arabia while the market experienced a significant positive recovery, however the Fund's key holdings in the GCC telecommunication and banking sectors attributed positively compared to the benchmark holdings. With the unrest in the GCC comes the scope of higher oil prices which management believes will have a positive effect on GCC economies and this will be reflected with positive performance in the near future across the stock exchanges. Management is adjusting its outlook of the region and implement an appropriate investment strategy for the upcoming quarters.

Market Summary

Al Basha'er Fund gained +5.66% in March 2011 while the benchmark S&P GCC Shariah Composite Index gained +7.44%. GCC markets went through a fluctuating month resulting from the effects of the unrest in the region, especially evident in Bahrain and Oman. Most GCC indices, except Kuwait and Bahrain, ended on a positive note signaling to a market correction sentiment and positive outcome from the various government measures taken in the region. The Fund went through variable performance during the month attributed to market conditions, but this fluctuation was partly controlled by the Fund's increase in cash holdings over the past months. March 2011 saw the KSE Weighted Index fall -3.25% and Bahrain All Share -0.43%. In the gaining side were Tadawul All Share Index which gained +10.46%, Dubai Financial Markets Index +10.30%, Abu Dhabi General Index +0.70%, Qatar DSM +6.60%, and Oman MSM30 Index appreciated +0.41%.

Confidentiality

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