

NAV: 7.11

Fund Size: USD 74.35 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 increased by 2.44% to an NAV of \$ 7.11
- The Benchmark index was up 7.95% in March
- Since inception, Al Basha'er is down 28.88%, significantly outperforming the benchmark which has lost 67.70% of its value

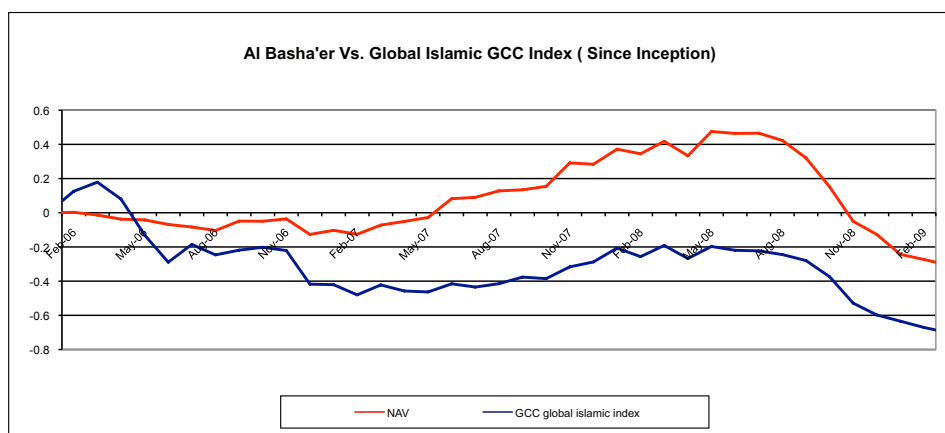
Performance as of 31/03/09

	Al Basha'er	Benchmark
1 Month	2.44%	7.95%
YTD	-5.98%	-11.69%
Since Inception	-28.88%	-67.70%

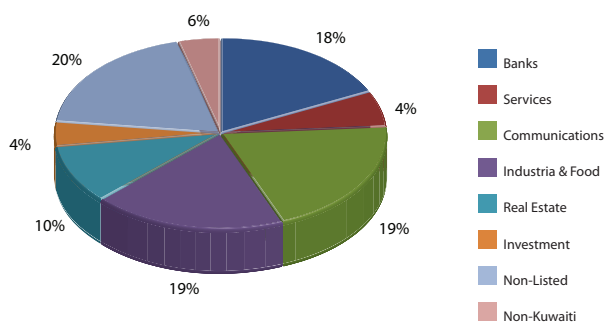
Portfolio Analysis

Avg PE	8.46
Avg Yield	4.36%
Avg Mkt Cap	\$ 8.12 BL
Avg Traded Value	13.33

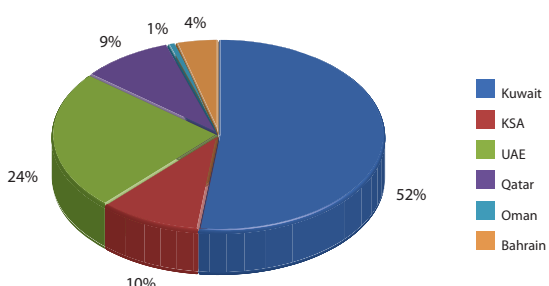
Cumulative performance



Sector Breakdown



Geographic Breakdown



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

Fund Managers
Kuwait Finance & Investment Co.
Gulf Finance House

Benchmark
Global GCC Islamic Index

No. of Holdings
28

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
Bayan Holding Co.	Kuwait	Investment
Kuwait Finance House	Kuwait	Banking
Industries Qatar	Qatar	Industrial
Saudi Basic Industries Co.	Saudi	Industrial

GCC Market Review

All but one GCC market ended the month of March in positive territory. Doha stock market increased the most – rising 10.12%, followed by KSA which was up 7.28%, Kuwait and Abu Dhabi markets increased 4.70% and Bahrain rose 1.16%. Dubai increased the least, up only 0.61% while the only market to decline was Oman which was down 4.64%.

Kuwait

- Global Investment House is in talks with a local bank to have it release KD 45 mn in deposits frozen by the bank over a loan dispute.
- The Investment Dar has discussed with its lending banks the rescheduling of its foreign debts for a period ranging from 18 months to three years.
- Agility said the U.S. military has accepted preliminarily to renew the company's prime vendor contract for logistics services.
- Zain Group is preparing to sell part of Zain Bahrain's shares in an initial public offering shortly.

UAE

- Abu Dhabi's Aabar Investments acquired convertible equity-linked securities worth \$62.6 mn in Italy-based Unicredit S.p.A.
- The UAE Government declared that it would favor mergers of real estate and financial institutions to create better synergies in the current economic situation.
- Dubai's Union Properties will sell its 50% stake in Emirates District Cooling Co. to raise part of the AED 2.5 bn cash needed this year to fund the developer's projects in UAE.
- Civil contractor Drake and Scull, who began listing on the Dubai Financial Market this month, are looking to North Africa as a potential market.

KSA

- Saudi Arabia's Kingdom Holding Company run by Prince Alwaleed bin Talal, sold its 50% stake in the Four Seasons Hotel des Bergues in Geneva for \$60 mn.
- Saudi Mobily is the first Arab firm to get "Dale Carnegie" Leadership Award.
- Saudi Electricity Company has chosen a consortium of South Korea's state-run Korea Electric Power Corp and local ACWA Power International to construct a 1200 megawatt-capacity power plant in Rabigh.
- Bahraini banks Al Salam Bank-Bahrain and Bahraini Saudi Bank are considering a merger.

Qatar

- Vodafone Qatar subscription for the initial public offering of 40% of the company's shares in Doha stock market had opened on April 12 for 14 days.
- Industries Qatar reached a partnership agreement with Commercial bank for an exclusive dividend distribution covering the financial years from 2008 to 2010.
- Qatar's government has completed the purchase of listed shares worth QR 6.5 bn within investment portfolios of local lenders, paying in cash and bonds.
- Qatar Gas Transport Co. signed a memorandum of understanding with the Netherlands' Damen Shipyards Group to set up a shipbuilding joint venture.

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	7.28	-2.07	9.37	1.56	237.96	1,007.38
Kuwait - KSE	-38.03	4.67	-13.33	6.86	1.07	88.15	249.23
Abu Dhabi - ADSM	-47.83	4.69	4.1	6.94	1.15	58.68	39.39
Dubai - DFM	-72.42	0.61	-4.15	6.33	0.82	34.12	137.13
Qatar - DSM	-28.12	10.12	-29.03	7.48	1.57	58.07	504.90
Bahrain - Share Index	-34.52	1.16	-11.54	7.39	1.19	17.89	0.17
Oman - MSM	-39.78	-4.64	-14.93	7.92	1.35	13.23	21.24



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