

NAV: 7.57

Fund Size: USD 77.52 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 7.57, a decrease of 4.06% compared to the previous month.
- Year to date, Al Basha'er is up 0.32%, underperforming the benchmark which is up 7.00%.

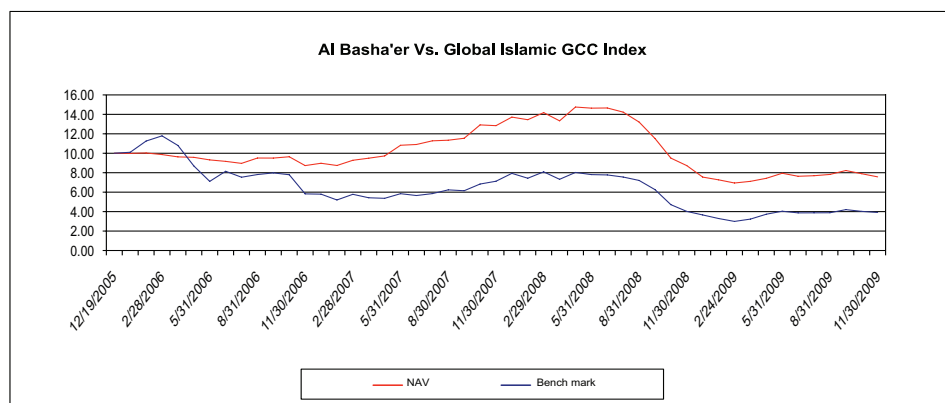
Performance as of 30/11/09

| | Al Basha'er | Benchmark |
|-----------------|-------------|-----------|
| 1 Month | -4.06% | -2.76% |
| YTD | 0.32% | 7.00% |
| Since Inception | -24.26% | -60.86% |

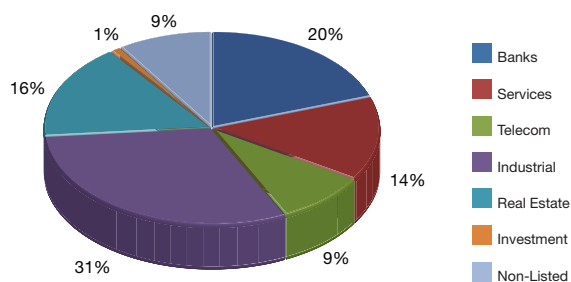
Portfolio Analysis

| | |
|------------------|--------|
| Avg PE | 25.72 |
| Avg Yield | 2.15% |
| Avg Mkt Cap | 156.34 |
| Avg Traded Value | 5.87 |

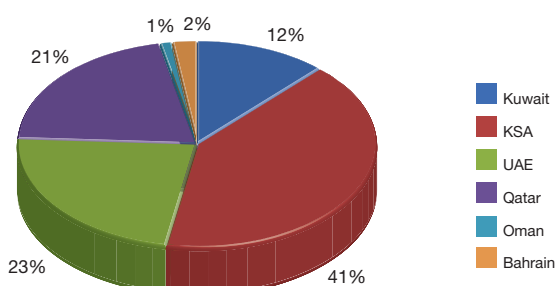
Cumulative performance



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
44

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 |
| QGTS | Qatar | Industrial |
| QIBK | Qatar | Banking |

GCC Market Review

Looking closer at the GCC markets we see that four markets have decreased and three have increased in November. The Kuwaiti market marked the highest decrease by 5.63% closing at 6,933.70 end of November compared to last month due to the results of the 3rd quarter 2009 and the news over the conflict between Agility and the US Department of Justice and the confusion over Zain's selling negotiations. Kuwait was followed by Bahrain, Dubai and Abu Dhabi all decreasing by 5.45%, 4.75% and 3.73% respectively. On the other hand, the Saudi market witnessed the most increase among GCC countries which rose by 1.39% to reach 6,355.82, followed by Doha market that rose by 0.82% and Muscat market that rose by 0.49%.

The Gulf market closed the month influenced by the negative news of Dubai World and its related companies requesting a 6 month freeze on its debt repayment whose debt was said to reach \$ 26 billion; this caused a shockwave along all the Gulf States expecting Gulf lenders to be exposed either directly or indirectly to the troubled company.

Kuwait

- After its current dispute with the U.S. Department of Justice over allegedly overcharging on \$8.5 billion worth of food contracts to the American military in Iraq, Kuwait's Public Warehousing Co. (Agility), has announced that it was granted a continuance to allow it to examine whether the government followed the law when providing notice of the charges.
- Total net profits of firms listed on the Kuwait Stock Exchange slumped by about 73 % in the first nine months of the year due to the global financial crisis.
- Kuwait plans to base its next fiscal budget that starts on April 1, 2010 on an oil price of \$43 a barrel, compared with \$35 a barrel in the current fiscal budget.
- Al Ahli Bank of Kuwait and Gulf Bank both have a combined exposure of \$118 million to Dubai World and its troubled real estate unit, Nakheel.
- Kuwait China Investment Co., or KCIC, an affiliate of the Kuwait's sovereign wealth fund, plans to double its assets to \$1 billion within three years through three new funds targeting Asia.

UAE

- Dubai's debt bombshell will further hit confidence in the emirate's expatriate community and could lead to a wave of redundancies at government-owned companies forced to restructure, after Dubai World stopped debt repayment and is seeking to reschedule its \$ 26 billion in debt.
- Emirate's NBD, the Gulf's biggest lender, has exposure of up to \$350 million (Dh1.28 billion) to two Saudi conglomerates now restructuring their debt.
- Dubai-based investment bank Rasmala has about \$120 million ready to invest in private equity and is eyeing opportunities in the U.A.E., Saudi Arabia and Egypt.
- Talks on the merger of Emaar Properties PJSC with three state-owned developers should be completed in about a month, with the new entity set to announce new projects as soon as the merger is complete.
- Dubai-based Perla Group International, is planning to go public in February 2010 to raise \$33 million (Dh121m).
- Government of Abu Dhabi could consider acquiring the 20.6% stake of London Stock Exchange PLC (LSE.LN) currently held by Dubai authorities.

KSA

- Saudi Arabia's Qassim Cement Co. announced that its shareholders approved a plan to double its capital to 900 million Saudi riyals (\$239.9 million) to meet the company's current and future expansion.
- Saudi Arabia's Almarai Co., the Gulf's largest dairy firm by market value, plans to up its share in Egypt's dairy market to 50% by 2013.
- Saudi Arabia's Capital Markets Authority, or CMA, announced that it has approved three investment funds set up by the Saudi unit of Dubai-based investment bank Shuaa Capital.

Bahrain

- Bahrain and London-listed investment firm Investcorp is acquiring a 20% stake in Kuwait-based industrial gases manufacturer Gulf Cryo.
- Bahrain-based Islamic investment bank Gulf Finance House has signed an agreement with Deutsche Bank (DB) for the placement of its second \$100 million convertible murabaha facility.

Qatar

- The Qatari government plans to launch an initial public offering for the shares of Hassad Food, the strategic food investment arm of Qatar Investment Authority, in order to list it on the local bourse.
- The Commercial Bank of Qatar, the country's third-largest lender by market value, announced it has no exposure to debt-laden Dubai World or its property unit Nakheel (NAK.YY), which are seeking a six-month freeze on debt payments.

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 | 1.39% | 32.33% | 17.73 | 2.08 | 329.82 | 1,047.25 |
| Kuwait - KSE | -38.03 | 5.63% | 10.91% | 13.82 | 1.34 | 91.867 | 162.75 |
| Abu Dhabi - ADSEM | -47.83 | 3.73% | 21.77% | 10.02 | 1.21 | 67.21 | 58.06 |
| Dubai - DFM | -72.42 | 4.75% | 27.92% | 11.86 | 1.03 | 38.95 | 146.16 |
| Qatar - DSM | -28.12 | 0.82% | 4.46% | 13.1 | 2.14 | 87.121 | 480.50 |
| Bahrain - Share Index | -34.52 | 5.45% | 20.03% | 8.57 | 1.05 | 16.679 | 3.17 |
| Oman - MSM | -39.78 | 0.49% | 17.36% | 5.19 | 1.74 | 1717 | 15.82 |



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