

NAV: 7.28

Fund Size: USD 69.39 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 \$7.28, an increase of 5.50% compared to the previous month.
- Year to date, Al Basha'er is up 0.94% underperforming the benchmark which is up 1.43%.

Performance as of 30/09/2010

	Al Basha'er	Benchmark
1 Month	5.50%	4.36%
YTD	0.94%	1.43%
Since Inception	-2716%	-61.68%

Portfolio Analysis

Avg PE	12.78
Avg Yield	3.22%
Avg Mkt Cap	\$14.16 BL
Avg Traded Value	\$18.66MN

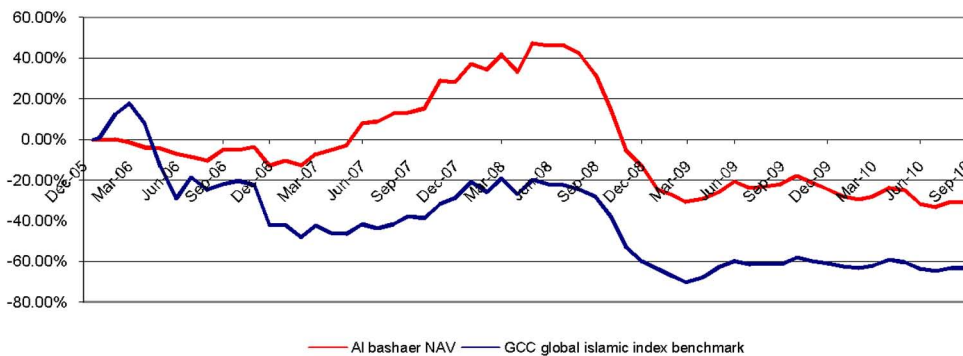


Awards: Lipper Fund Awards

Al Basha'er GCC Equity Fund won the 'Lipper Fund Award' in 2006, 2008 & 2009 by topping the following category: Sharia'a compliant GCC Equity Fund

Cumulative performance

Al Basha'er Vs. Global Islamic GCC Index (Since Inception)



Fund Managers

Kuwait Finance & Investment Co.
Gulf Finance House

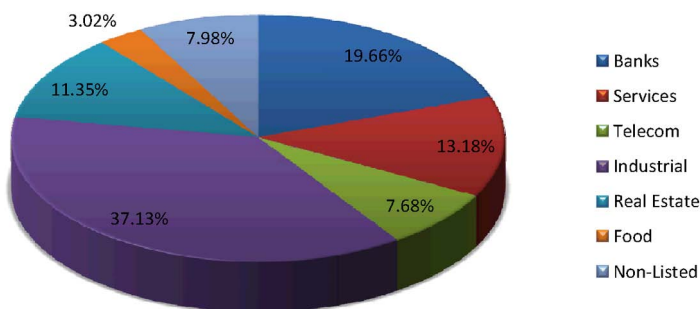
Benchmark

Global GCC Islamic Index

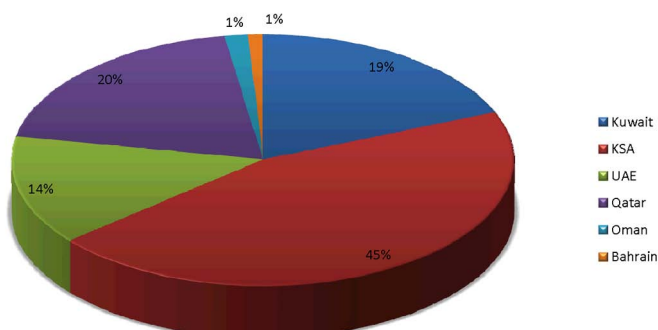
No. of Holdings

40

Sector Breakdown



Geographic Breakdown



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
IQCD	Qatar	Industrial
Qatar Gas Transport	Qatar	Industrial
Bayan Holding Co	Kuwait	Investment

GCC Market Review

Al Bashaer Fund's NAV gained around 5.50% on a MoM basis to reach USD 7.28 following the increase of all GCC Markets Indexes in September. The UAE markets was the top gainer of this month with Dubai increasing 13.48% and closing at 1,683.69 points and Abu Dhabi with a 7% gain setting at 2,673.19 points, while the least gaining market was Bahrain which achieved an appreciation of 1.84% to close at 1,444.76 points.

Gulf markets contained a general atmosphere of optimism in September, with speculation and profit taking of some of the leading stocks in the end of the month, and an announcement from Emirates Telecommunications Co. for an offer to buy a stake in Zain Group, which impacted positively on the UAE and Kuwait Markets, and increase in its activity.

Investors are currently awaiting the results of the listed companies for the third quarter, which is likely to determine the expected annual results of many listed companies.

Kuwait

- UAE's Etisalat has offered to buy 46% of ZAIN Group knowing that no final agreement is yet made.
- KFIC announced upon its own request it will be delisted from the Dubai Financial Market.
- Kuwait Investment Authority bought a stake in the Indian Bank Tameland Mir Kantyl TMB with the sovereign fund Brunei.
- The application of the Convention (Basel 3) in Kuwait for new standards for banks will be based on the Central Bank vision to adopt it or not.
- A Kuwaiti and Qatari consortium plans to take control of a major stake in Al Safat Investment Company to allow it to acquire the largest share of seats in the Board of Directors.

UAE

- Etisalat Co. has offered to buy 46% of ZAIN Group knowing that no final agreement is yet made.
- Aldar Properties is studying acquisitions and joint ventures for sharing district cooling infrastructure as it seeks to reduce costs for customers.
- Emaar board had agreed to issue a convertible bond worth \$375 mn.
- Arabtec Saudi Arabia, a unit of Dubai Arabtec Holding has received an order from Saudi Binladin Group to construct 5,000 villas valued at \$1.33 bn.

KSA

- Saudi Arabia's food producer Savola Group Co. plans to acquire an additional 7% stake in its unit Al Azizia Panda United Co. to expand its businesses in high-value products with more acquisitions and partnerships.
- Etihad Etisalat has won a contract to execute an exploratory project for the Communications and Information Technology Commission's Comprehensive Service Fund.
- A Saudi-Kuwaiti joint venture has extended to Oct. 11 the bidding for the construction of gas and natural gas liquids distribution facilities at Khafji oilfield.
- Jarir Marketing Co. net profit for the third quarter rose 12% to SAR102 mn from SAR91 mn in the year earlier period.

Qatar

- A Kuwaiti and Qatari consortium plans to take control of a major stake in Al Safat Investment Company to allow it to acquire the largest share of seats in the Board of Directors.
- QIB, Al- Futtaim and Aqar Real estate Investments signed a \$1.63 bn joint venture deal to construct a entertainment and retail complex in Doha, Qatar.
- Qatar may ease the foreign investment limit for listed companies as the country's bourse is set to be linked to global stock markets.

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	4.68	3.94	15.39	2.02	338.14	576.67
Kuwait - KSE	-9.99	4.43	-0.29	20.23	1.66	122.18	176.13
Abu Dhabi - ADASM	14.79	6.99	-2.57	9.71	1.14	75.79	41.70
Dubai - DFM	10.22	13.48	-6.65	10.87	0.85	53.95	75.35
Qatar - DSM	1.06	6.49	10.57	11.84	2.15	111.59	286.35
Bahrain - Share Index	-19.17	1.84	-0.92	11.76	1.09	20.90	0.59
Oman - MSM	17.05	3.45	1.63	12.01	1.75	17.87	11.42



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