

Investment Objective & Strategy

- Capital appreciation primarily through investment in Sharia Compliant GCC listed equities. The Fund may also invest in non-GCC Arab equities to a maximum of 10% and in non listed equities to a maximum of 10%.
- Active management with focus on stock selection
- Concentrated positions with adequate diversification

Management Comment

- Al Basha'er has recorded an NAV of \$14.75 an increase of 10.6% in April
- Since inception it is up by 47.53% in absolute terms
- The fund is ranked number 1 by Lipper



Awards:
Lipper Fund Awards

Al Basha'er GCC Equity Fund won the 'Lipper Fund Award' by topping the following category: Sharia'a compliant GCC Equity Fund

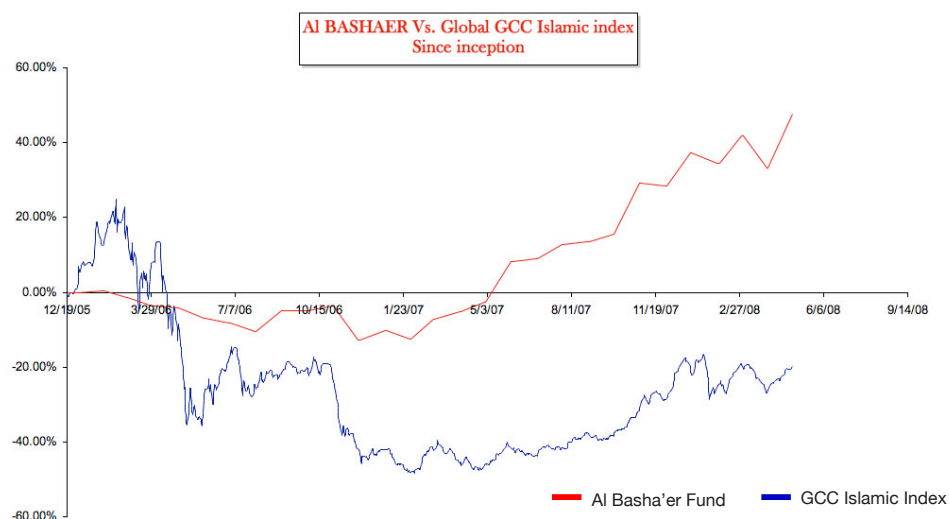
Performance as at 30/04/08

	Al Basha'er	Benchmark
1 month	10.60%	9.60%
year to date	7.54%	1.20%
Since inception	47.53%	-19.72%

Portfolio Analysis

Avg P/E	13.51
Avg Div Yield	3.04%
Avg Mkt Cap Per Stock	\$27.98 BL
Avg Daily Liquidity Per Stock	\$35.33 MM

Cumulative Performance



Fund Managers:
Faisal Al-Osaimi
Alan Durrant
Abdulwahab Al-Marzoq

Benchmark:
GCC Islamic Index

Key figures: USD

NAV: 14.75

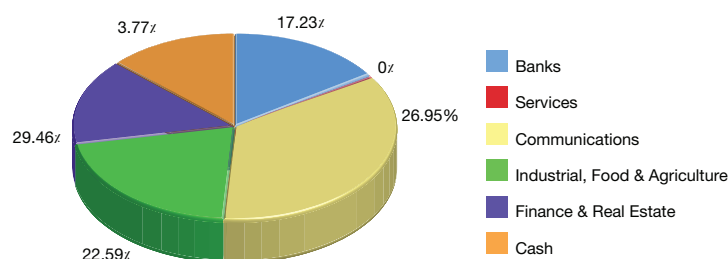
% Cash: 3.77

% Non-listed equities:
5.68

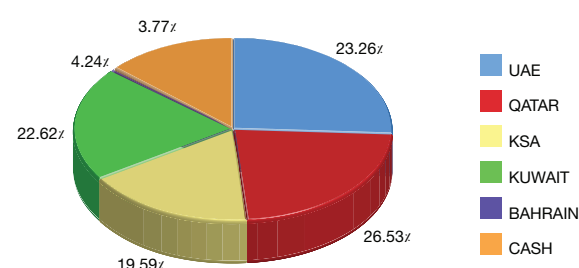
No. of Holdings: 24

www.al-bashaerfund.com

Sector Breakdown



Geographic Breakdown



Fund Details

Fund Sponsors: KFIC & GFH
Placement Agents: KFIC, GFH, QIB, Gulf Bank
Investment Managers: KFIC & GFH
Inception Price: USD 10
Inception Date: Dec 19th 2005
Jurisdiction: Bahrain
Currency: USD
Subscription /Redemption: Monthly

Min Subscription:
Custodian:
Legal Advisor:
Auditors:
Management Fee:
Performance Fee:
Subscription Fee:
Next Distribution:

USD 10,000
 Gulf Clearing Company
 Haya Rashed Al-Khalifa Law Firm
 Ernst & Young, Bahrain
 2.25% per annum
 10% of the profits above hurdle rate
 Up to 3% of the subscription amount
 Q2 2008

Portfolio's main holdings

Company	Country	Sector
Etisalat	UAE	Telecoms
KFH	Kuwait	Banks
Al Dar properties	UAE	Finance & Real Estate
Barwa	Qatar	Finance & Real Estate
Rayan Bank	Qatar	Bank

GCC Market Review

GCC equity markets rallied in April as all indices in the region closed the month higher than the previous month. The average change in April was an increase of 8.6%. The markets in Doha and Muscat recorded the biggest change with 18% and 11% increase respectively. KSA rose 10.2% and Abu Dhabi and Dubai went up by 9.5% and 7.2% respectively. Kuwait and Bahrain ended the month as the worst performers despite moving up 2.8% and 2% respectively.

On average, overall GCC traded value increased 31% in April. However not all markets ended the month in positive territory. Doha was significantly above the average with an 133.7% increase. At the other extreme, Bahrain recorded a 47% decrease in liquidity. In between the two extremes, KSA and Abu Dhabi each gained 45%, Dubai and Oman both rose 31.5% and Kuwait suffered a 22.7% decline in liquidity.

April was characterised by a number of new deals and projects as well as first quarter 2008 earnings announcements. Zain achieved another first with the "One Network" mobile service to four countries in the Middle East: Bahrain, Sudan, Iraq and Jordan. KFH and A-ayan are partnering together to buy a car agency in Turkey. KFH is also trying to enter the Australian market from its subsidiary in Malaysia and also invest in India and Singapore. In other news, Agility won a contract from KNPC worth \$20m for logistic services.

Global launched its first GCC index for the Gulf telecommunication sector. In addition, the company acquired 20% of Al-Bareeq Holding. Global sold a 19.9% stake in Jordan Union Bank and is now left with 20.1%. Furthermore, Global are trying to be a strategic partner in Palestinian Bank Al-Rafah which is a small business lender. Qatari Islamic lender Masraf Al-Rayyan will now allow foreign investors to hold up to 49% of its share capital. In addition, the bank also plans to invest up to \$1 billion this year in sectors including telecommunications and real estate. Dalalah started its new company «Dalalah International» to help enter international markets and attract more foreign customers.

In UAE this month, Emaar Properties signed an initial agreement to cooperate with a Chinese firm on real estate, healthcare and education opportunities in Chinese cities. Emaar also signed a contract with the Bin Ladin company to build 16 residential towers worth \$373m. ADCB could borrow up to \$1.31 billion by selling bonds to help finance expansion and lending to inter Islamic lending and acquisitions in Malaysia. Etisalat sold part of its stake in Saudi affiliate Etihad Etisalat and now holds 26.25% compared with 35%. The company is also trying to invest \$4bn in India. Arabtec Holding won a \$817 million contract to build almost 2,300 houses in the emirate, pushing its stock to a record high. In KSA, SABIC increased its selling price of metal to offset higher input costs and is considering investments in iron ore mines overseas to reduce the impact of rising prices on its steel production unit.

Nearly all companies in the GCC have revealed their financial statements for first quarter 2008 except for Kuwait, where only banks and a few companies have disclosed their reports, here some major GCC companies :

Company name	First quarter profit	First quarter profit	Growth
BKME	KD 13909535	KD 13909535	+10.3%
Commercial real estate	KD 5282138	KD 5282138	-20.8%
GFH	KD 30878168	KD 30878168	+60.8%
UP	AED 238350000	AED 238350000	+ 70%
Al- Rayan	QR 217800000	QR 217800000	+400%
Etisalat	AED 2122000	AED 2122000	+ 15.5%
SABIC	SAR 6920000	SAR 6920000	+ 10%
Nakilat	QR 39500000	QR 39500000	+ 71.7%
Yamama cement	SAR 197500000	SAR 197500000	+ 14%

GCC Market Digest

Country	USD						
	2007	Current Month	YTD	P/E	P/B	Mkt Cap	Av Daily Liquidity
KSA Tadawul	40.87	10.19	-9.93	21.74	3.66	496	1991.22
Kuwait KSE	29.75	2.82	16.98	12.33	2.60	216	389.67
Abu Dhabi - ADSM	51.74	9.49	9.6	15.33	3.00	135	217.13
Dubai - DFM	43.72	7.21	-3.27	13.82	2.72	137	281.04
Qatar - DSM	34.31	18.15	17.84	21.92	4.17	131	244.90
Bahrain Share Index	24.25	1.85	3.13	10.95	1.80	29	4.57
Oman MSM	61.88	10.97	24.08	16.49	3.33	26	48.34
GCC Islamic Universe	30.25	9.28	0.59	13.51	3.04	167	454



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