

NAV: 7.23

Fund Size: USD 70.13 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 7.07, a decrease of 2.04% compared to the previous month.
- Year to date, Al Basha'er is down 2.04%, outperforming the benchmark which is down 2.65%.

Performance as of 28/02/2010

	Al Basha'er	Benchmark
1 Month	2.25%	3.91%
YTD	0.17%	1.17%
Since Inception	-27.72%	-61.78%

Portfolio Analysis

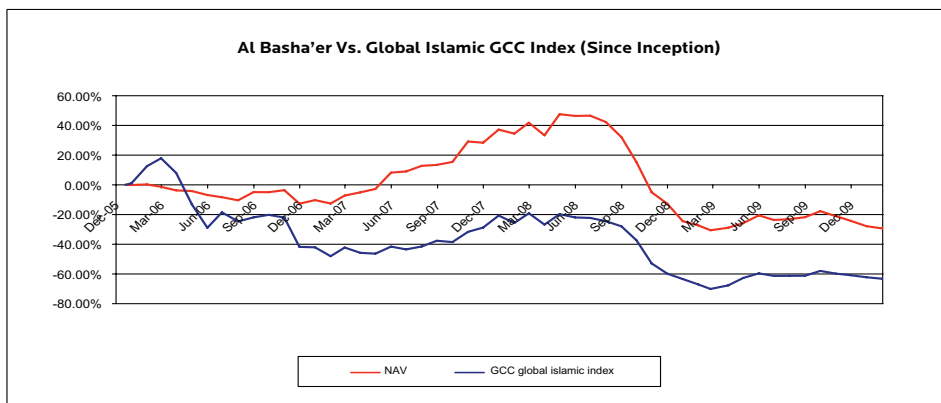
Avg PE	15.58
Avg Yield	2.64%
Avg Mkt Cap	\$ 15.17 BL
Avg Traded Value	30.01MN



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

Cumulative performance



Fund Managers

Kuwait Finance & Investment Co.
Gulf Finance House

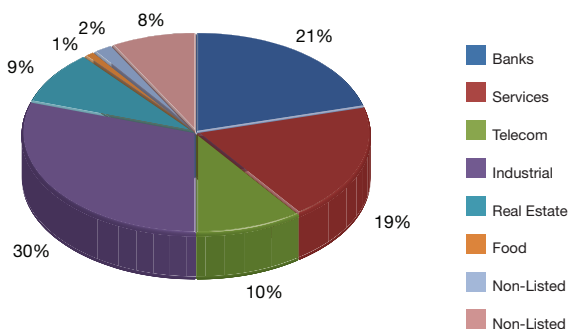
Benchmark

Global GCC Islamic Index

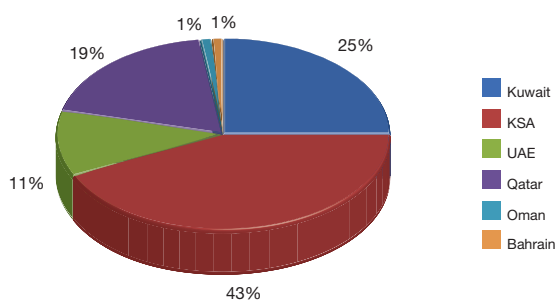
No. of Holdings

46

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
BHC	Kuwait	Real Estate
QIBK	Qatar	Banking
QGTS	Qatar	Industrial

GCC Market Review

Al Bashaer Fund's NAV gained around 2.25% on a MoM basis to reach USD 7.23, affected by the performance of GCC markets where all the markets closed in green, the Kuwaiti market was at the top in February where it closed at the level of 7,378.80 points, having a monthly gain of 5.03% from January and a 5.33% YTD gain, where news received on Zain's deal led to investors optimism and confidence in the ability of the market to rise as investors are awaiting more information about Zain. Speaking about the Gulf markets, Doha market was up by 4.79% after Kuwait; to close at 6,872.82 points, followed by KSA market with an increase of 2.96%, Bahrain and Abu Dhabi markets both increased around 2.70% and Muscat Market gained 2.41% while the Dubai Financial Market recorded the lowest profits gaining 0.18% for the month of February.

GCC markets are still dominated by caution and uncertainty pending the outcome of the annual results of listed companies and the declaration of dividend which is leading to selective buying in the market.

Kuwait

- Agility said that a U.S. court entered a not guilty plea on its behalf as the company continues talks to settlement a case over allegations it overcharged on about \$8.5 billion worth of contracts.
- Zain will focus on expanding in the Middle East as part of its new strategy and is eyeing opportunities after the telecom operator entered exclusive talks to sell its Africa operations.
- Syndicates of up to nine banks are arranging a medium-term loan worth US\$9 bn to US\$10 bn to help Bharti Airtel Ltd. finance its purchase of the African assets of ZAIN.
- KIA, the country's sovereign wealth fund, plans to pump the remaining \$3.8 bn in a fund created at the end of 2008 to shore up the bourse.

UAE

- Abu Dhabi Islamic Bank net profit for 2009 fell 91% to \$21.3 mn due to heavy provisions.
- Al- Dar Properties sold infrastructure and other property assets on Yas Island to the Abu Dhabi Government for AED9.1 bn.
- Al- Dar posted a net profit slightly above AED1 bn in 2009, marking a massive drop from about AED3.4 bn achieved in 2008.
- Emaar reported a 98% jump in net profit to AED327 mn last year compared to AED165 mn in 2008.
- Dana Gaz net profit for 2009 slumped 27% to \$23.9 mn.

KSA

- Saudi Arabian Mining Co. and Sabic will start production at their phosphate fertilizer manufacturing joint venture unit in the last quarter of 2010.
- Dar Al- Arkan Co. concluded deals valued at SR1 bn with local companies to set up the Riyadh Shams project in the capital.
- The financial committee of the Saudi Shura Council has rejected a proposal to set up a company that will act as bourse for real estate projects in the kingdom.
- Saudi Cable Co. won a \$26.6 mn contract from Saudi Electricity Co. to supply and install high voltage cables for a project in North Jeddah.

Qatar

- Industries Qatar saw 2009 net profit drop 33% year-on-year to \$1.12 bn due to a fall in global petrochemical, fertilizer and steel prices.
- MediCare Group (Al-Ahli Hospital) and Virgin Health Bank have signed an agreement creating a partnership that will assist in the development of cord blood stem cell banking in Qatar.
- QIB announced a QR. 1.32 bn net profit for the 2009 fiscal year representing a 23% growth rate from 2008.

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		2.96	4.68	17.77	2.11	344.04	719.89
Kuwait - KSE	-9.99	5.03	5.33	14.11	1.48	119.08	320.86
Abu Dhabi - ADASM	14.79	2.67	-1.46	9.40	1.12	79.59	32.79
Dubai - DFM	10.22	0.18	-11.68	9.24	0.97	52.88	63.45
Qatar - DSM	1.06	4.79	-1.24	14.36	2.29	103.12	361.84
Bahrain - Share Index	-19.17	2.69	4.10	9.43	1.11	20.94	1.77
Oman - MSM	17.05	2.41	5.03	12.04	1.79	18.14	16.41



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