

# AlBashaer GCC Equity Fund - Performance Report

July - 2010

NAV: 6.94

Fund Size: USD 66.23 mm

## 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 6.94, an increase of 3.89% compared to the previous month.
- Year to date, Al Basha'er is down 3.81%, underperforming the benchmark which is down 2.35%.

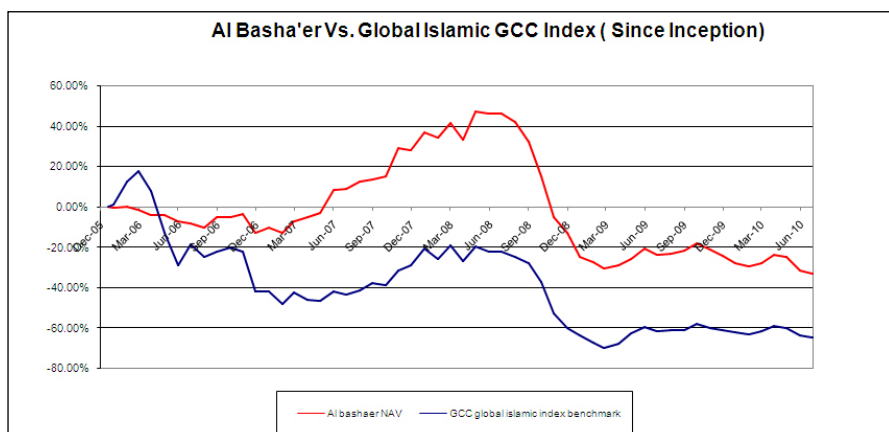
## Performance as of 31/07/2010

	Al Basha'er	Benchmark
1 Month	3.89	3.75
YTD	-3.81%	-2.35%
Since Inception	-30.59%	-63.10%

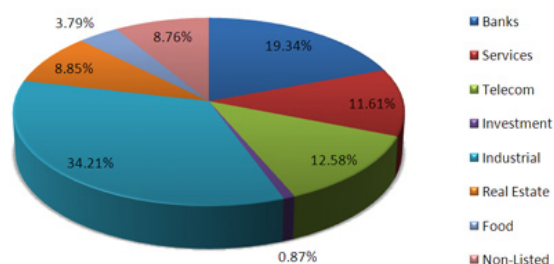
## Portfolio Analysis

Avg PE	14.07
Avg Yield	5.04%
Avg Mkt Cap	\$13.68BL
Avg Traded Value	19.66MN

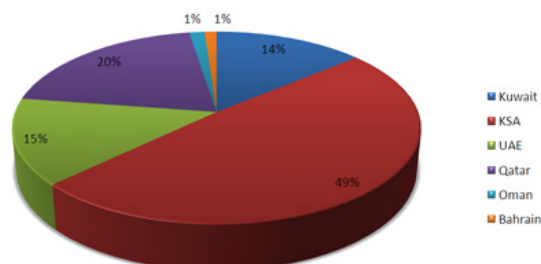
## Cumulative performance



## Sector Breakdown



## Geographic Breakdown



## Awards:

### Lipper Fund Awards

AlBashaer GCC Equity Fund won the [Lipper Fund Award] in 2006 & 2008 by topping the following category: Shariaa Compliant GCC Equity Fund

## Fund Managers:

Kuwait Finance and Investment Co  
Gulf Finance House

## Benchmark:

Global GCC Islamic Index

## No. of Holding:

36

## Portfolio's main holdings

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
Etihad Etisalat	KSA	Telecom
SABIC	KSA	Industrial
KGL	Kuwait	Services
Qatar Gas Transport	Qatar	Industrial

## GCC Market Review

Al Bashaer Fund's NAV gained around 3.89% on a MoM basis to reach USD 6.94 following the increase of all GCC Markets Indexes on July except the Bahrain Index that dropped down slightly by 0.17% at 1,393.92 points. The Omani market was at the top of the gainers list up by 3.90% to close at 6,294.55 points, Kuwait market increased by 1.71% with a YTD loss of 5.00% setting at 6,654.90 points, while the least gaining market was Abu Dhabi which achieved an appreciation of 1.26% to close at 2,545.80 points. Positive news and the financial results announcements of major companies for the first half 2010 had the biggest effects on the markets. Kuwait market was affected positively by several news which was about the government plans to backup its economy, the good financial results of the banking sector for Q2 2010 along with news about expected decline in the discount rate.

### Kuwait

- Zain donated KD 50,000 for Kuwait's Patients Helping Fund Society as a contribution towards providing medical treatment to non-Kuwaiti cancer patients.
- Agility said that the United States Attorney's Office has moved to dismiss the indictment against DGS Holdings, a unit of Agility.
- France is open to sell a stake in the French energy group Areva to investors from Kuwait, Qatar or Japan's Mitsubishi Heavy Industries.
- KIA ranked second among the strategic investors in the Agricultural Bank of China, where it increased investment from \$800 mn to \$1.95 bn.

### UAE

- ADIB posted a 56% jump in second quarter net profit to AED301.6 mn.
- Al-Dar Properties swung to a net loss in H1 2010 of AED789.5 mn compared with a net profit of AED1.14 bn a year ago.
- The UAE Telecom Regulator Authority will suspend BlackBerry services providing email, web browsing, instant messaging and social networking from October 11, 2010.
- Aramex net profit in the second quarter rose 10% to AED55 mn compared with the year earlier.
- Etisalat posted a 21% decline in second quarter net profit to AED 1.9 bn. compared with a year ago.
- Emaar second-quarter net profit was AED802 mn, compared with a loss of AED 1.29 bn posted in the same period 2009.

### KSA

- Al-Rajhi second-quarter net profit rose to SAR 1.78 bn from SAR1.77 bn a year ago.
- SIPCHEM second-quarter net profit rose 17.1% year-on-year to SAR 87.7 mn.
- SABIC H1 net profit almost tripled to SAR 5.02 bn from SAR1.81 bn a year ago.
- Etihad Etisalat net profit for the first half of the year amounted to SAR 1,615 mn as compared to SAR 1,155 mn for the same period 2009, presenting a 40% growth.

### Qatar

- QIB net profit reached QR601m a 35% drop compared to last year's net profit in the same period, and its operating income reached QR 1,143m in the first half of 2010.
- Barwa City Real Estate Company has signed a murabaha financing facility with Qatari Diar Finance to finance real estate projects in Qatar.
- Industries Qatar second-quarter net profit rose 14% compared to Q2 2009 reaching QR1.39 bn compared with QR1.22 bn in the same period a year earlier.
- Nakilat witnessed a 7% drop in second quarter net profit to QR166.7 mn down from QR179.3 mn a year earlier.

## Market Digest

Country	Percentage Change			P/E	P/B	Market Cap (USD billion)	Average Daily Traded Value (USD mn)
	2009 (%)	Current Month (%)	YTD (%)				
KSE - Tadawul	28.04	3.12	2.18	15.02	2.00	330.42	687.21
Kuwait - KSE	-9.99	1.71	-5.00	14.41	1.43	111.77	123.93
Abu Dhabi - ADSEM	14.79	1.26	-7.21	9.37	1.04	74.42	20.77
Dubai - DFM	10.22	3.46	-16.14	9.35	0.94	51.05	30.11
Qatar - DSM	1.06	1.88	1.01	10.60	2.05	104.34	184.56
Bahrain - Share Index	-19.17	-0.17	-4.41	10.80	1.02	20.26	0.46
Oman - MSM	17.05	3.90	-1.17	11.12	1.73	17.37	9.58



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