

NAV: 7.62

Fund Size: USD 73.79 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 7.62, an increase of 5.47% compared to the previous month.
- Year to date, Al Basha'er is up 0.5.65%, underperforming the benchmark which is up 8.58%.

Performance as of 31/03/2010

	Al Basha'er	Benchmark
1 Month	5.47%	7.33%
YTD	5.65%	8.58%
Since Inception	-23.76%	-58.97%

Portfolio Analysis

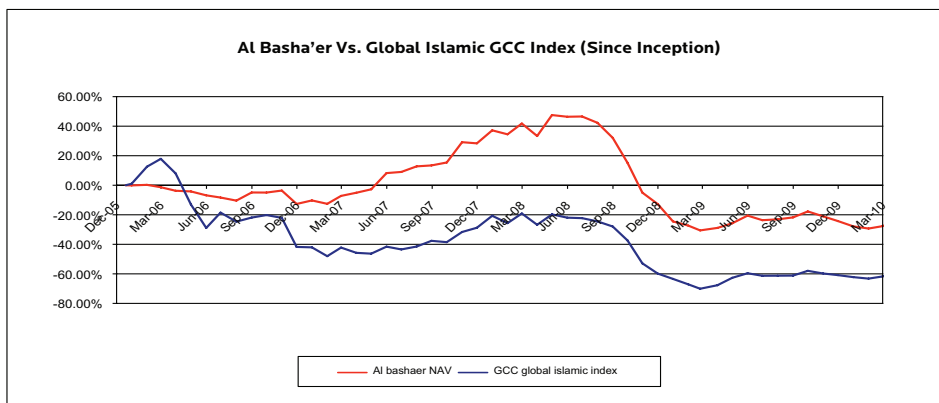
Avg PE	12.67
Avg Yield	3.31%
Avg Mkt Cap	\$ 15.60 BL
Avg Traded Value	28.48MN



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

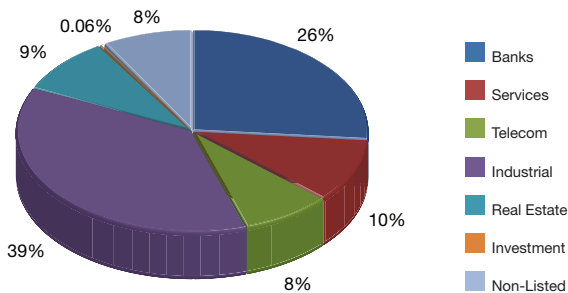
Benchmark

Global GCC Islamic Index

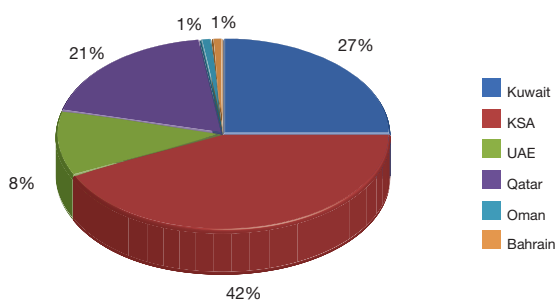
No. of Holdings

42

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
KFH	Kuwait	Banking
QIB	Qatar	Banking

GCC Market Review

Al Bashaer Fund's NAV gained around 5.47% on a MoM basis to reach USD 7.62, affected by the performance of GCC markets where all gulf markets closed in green due to some major positive news.

The Dubai Financial market was at the top of the list in March where it closed at the level of 1,843.47 points, having a monthly gain of 15.73%, influenced by the positive announcement of a restructuring plan and debt rescheduling of Dubai World.

Doha market was up by 8.58% after Dubai; to close at 7,462.49 points, followed by Abu Dhabi market with an increase of 7.58%, KSA increased around 5.65% and Kuwait Market gained 2.10% influenced by the positive news about Zain offer to sell its African assets in the amount of \$10.70 bn to Baharti Airtel as the company signed the deal in the end March. Bahrain Market recorded 1.91% profits leaving Muscat with the lowest increase by 0.12% for the month of March.

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

- Kuwait Finance House Group Met PM and DPM of Malaysia to Discuss Boosting of Investments in Malaysia and Developments in Medini Iskandar.
- Zain announced the signing of definitive agreements for the sale of 100% of Zain Africa, its African business excluding its operations in Morocco and Sudan to Bharti Airtel Limited for an Enterprise Value of US\$10.7 bn.
- National Industries Group Holding Co. full-year loss narrowed to KD23.2 mn in 2009 from nearly KD282 mn a year earlier.
- A number of Kuwaiti banks have decided to launch legal proceedings against the two troubled Saudi business groups Saad and Algosaihi groups for debt estimated at around \$1.5 bn.

UAE

- ADIB will provide AED300 mn Islamic finance facility to Al Dhafra Cooperative Society to fund working capital and capital expenditures.
- Aldar Properties sold some infrastructure and property assets at its flagship Yas Marina development to the Abu Dhabi government for \$2.49 bn, but didn't make a profit from the sale.
- Etisalat, one of the key shareholder in Saudi's, Etihad Etisalat, is to up its 27% stake in the Saudi operator by snapping up outstanding shares on the market.
- The Dubai Government committed itself to injecting \$9.5 bn into conglomerate Dubai World to help pay off \$14.2 bn worth of debt to creditor banks.

KSA

- SABIC allowed its steel distributors to import, sell and market steel produced by other companies.
- Saudi Telecom became Bahrain's third mobile operator with the launch of a new company called «Viva Bahrain».
- Saudi Cable Co. secured an \$22.7 mn order to supply high voltage cables to an eastern European country.
- Dar Al Arkan Real Estate Dev. Had successfully redeemed its initial sukuk that was issued in March 2007 worth \$600 mn.

Qatar

- QIB signed a Memorandum of Understanding with Woori Investment & Securities Inc (Woori) of South Korea to boost cooperation between the two parties and explore the financial and investment opportunities available in the South Korean.
- QIB and the French insurance giant BPCE have signed a Memorandum of Understanding setting up the framework for Islamic finance.
- Nakilat-Damen Shipyards had signed a memorandum of understanding to supply 19 vessels to Qatar Petroleum Co.
- Qatar Industries reported net profits of QR4.9bn in 2009 down 33% from the previous year.

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	5.65	10.59	18.66	2.19	358.17	816.25
Kuwait - KSE	-9.99	2.10	7.54	15.31	1.50	120.28	267.77
Abu Dhabi - ADSEM	14.79	7.58	6.01	10.87	1.21	83.48	52.76
Dubai - DFM	10.22	15.73	2.21	11.19	0.92	57.47	181.90
Qatar - DSM	1.06	8.58	7.23	11.83	2.15	110.58	505.89
Bahrain - Share Index	-19.17	1.91	6.10	12.48	1.22	22.16	2.74
Oman - MSM	17.05	0.12	5.16	12.02	1.80	18.19	12.80



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