

NAV: 7.94

Fund Size: USD 82.67 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 was 7.94 in May 2009, an increase of 7% on the previous month.
- Al Basha'er is up 5.22% year to date - underperforming the benchmark - which has gained 10.47% year to date.

## Performance as of 31/05/09

	Al Basha'er	Benchmark
1 Month	7.00%	8.26%
YTD	5.22%	10.47%
Since Inception	-20.55%	-59.60%

## Portfolio Analysis

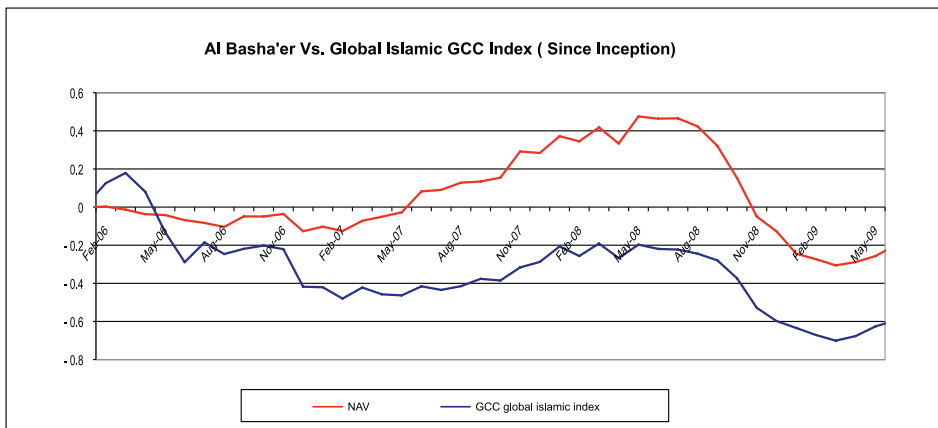
Avg PE	24.47
Avg Yield	2.59%
Avg Mkt Cap	\$ 9.35 BL
Avg Traded Value	23.26



### 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

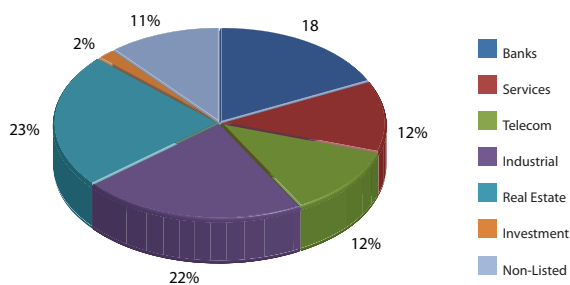
### Benchmark

Global GCC Islamic Index

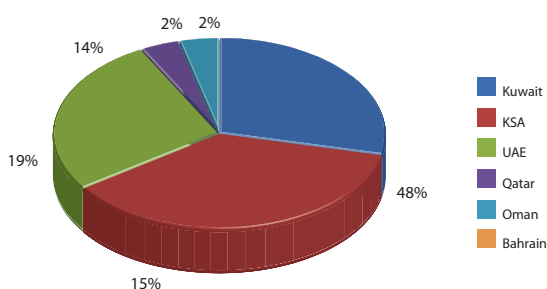
### No. of Holdings

32

## Sector Breakdown



## Geographic Breakdown



## Fund Details

Fund Sponsors:	KFIC, GFH & QIB
Placement Agents:	KFIC, GFH, QIB, Gulf Bank
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
Mabaneer	Kuwait	Real Estate
Etisalat	UAE	Communication
Bayan Holding Co.	Kuwait	Real Estate
Kuwait Finance House	Kuwait	Banking
Sabic	KSA	Industrial

## GCC Market Review

Equity markets in the Gulf region maintained continued their positive performance this month. The top two gainers were Doha market that went up by 24.58% followed by Dubai stock market rising 16.98%. Kuwait was mainly driven by the outcome of the election in the second half of May and led to the market to increase 7.85%. Muscat and Abu Dhabi markets rose 7.24% and 6.05% respectively while KSA and Bahrain markets were the least to increase gaining around 5.01% and 1.64%.

### Kuwait

- Kuwait's Mazaya Holding Company may issue bonds to raise funds and is in the final stages of buying Global Investment House's 15% stake in First Dubai Real Estate Development Company.
- Kuwait Gulf Insurance Co. had acquired 36% of Jordan's Arab Orient Insurance Co. for \$19.56 mn.
- Jazeera Airways plans to sell a chunk of its 90%-owned Sahaab Leasing unit in an initial public offering and that it expects to list it on the KSE in 2010.
- Kuwait's A'ayan Leasing and Investment Co. said it has completed all procedures to reschedule its debts totaling KD150 mn.
- Efforts to sell the nearly 40% stake of Kuwait's Investment Dar Co. in Bahrain Islamic Bank are still going on and the most likely buyer is Kuwait Finance House Bahrain

### UAE

- The Abu Dhabi Water and Electricity Authority agreed to sell a 54% in Fujairah's biggest power and water development to its Abu Dhabi National Energy Company (Taqa), for AED1.11 bn.
- Emaar Properties will hire 1,000 new staff this year as it opens two new hotels in Dubai and operates its first property in Europe.
- The UAE government is considering a restructuring plan for troubled mortgage lenders Tamweel and Amlak and a decision on whether to merge the companies will follow.

### KSA

- Saudi Electricity Co. will establish a subsidiary with capital of SR1 mn to operate and lease a fiber-optics network.
- Saudi Arabia's Jenan Real Estate Co. plans a one billion Saudi riyals real estate project in Khobar city in the kingdom's Eastern Province.

### Qatar

- The First Qatar Real Estate Development Co. is seeking to list its shares on the Kuwaiti Market and meets all listing requirements.
- Barwa Real Estate Company said it is looking at the acquisition of at least three investments and financial services companies in Qatar.
- Qatar Telecom has hired Barclays PLC, BNP Paribas SA, DBS Group, JP Morgan Chase & Co. and Royal Bank of Scotland Group PLC for a planned euro-denominated bond.

## 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	-57.02	5.01	22.70	13.47	2.05	305.84	2,355.86
Kuwait - KSE	-38.03	7.85	4.72	13.40	1.67	112.33	545.93
Abu Dhabi - ADASM	-47.83	6.05	12.11	8.00	1.31	73.55	98.28
Dubai - DFM	-72.42	16.98	14.78	9.34	1.10	42.83	192.89
Qatar - DSM	-28.12	24.58	1.37	10.87	2.30	82.11	1,131.56
Bahrain - Share Index	-34.52	1.64	-10.08	8.06	1.22	17.89	0.34
Oman - MSM	-39.78	7.24	1.09	9.69	1.76	15.81	31.40



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