

NAV: 8.73

Fund Size: USD 105.10 mn

Management Comment

The November 2008 NAV of Al Basha'er was 8.73, a 8.12% fall on the previous month. This reflects continued difficult market conditions across all GCC markets.

- The Global Islamic Index was 14.66% lower during the month.
- Al Basha'er is down 36.34% year to date - outperforming the benchmark - which has lost 49.31% year to date.

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

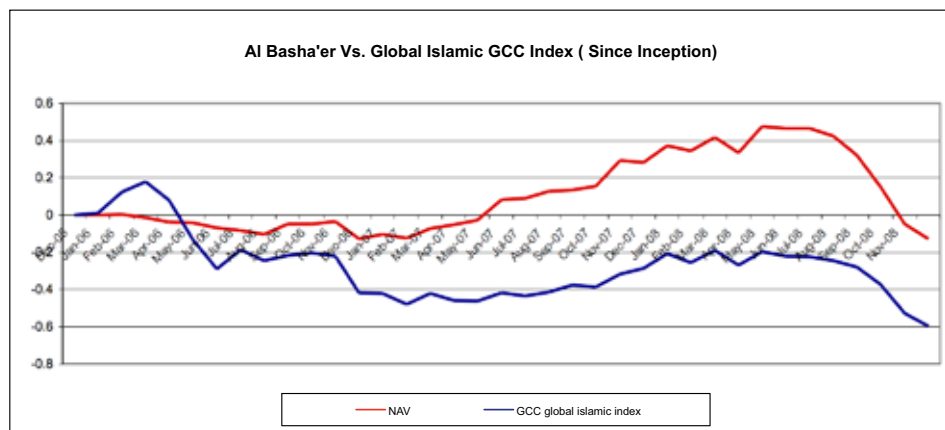
Performance as of 30/11/08

	Al Basha'er	Benchmark
1 month	-8.12%	-14.66%
year to date	-36.34%	-49.31%
Since inception	-12.71%	-59.79%

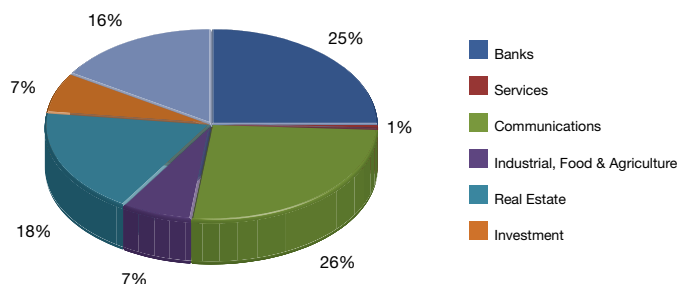
Portfolio Analysis

Avg PE	7.64
Avg Yield	3.09%
Avg Mkt Cap	\$ 10.71 BL
Average Traded Value	64.76

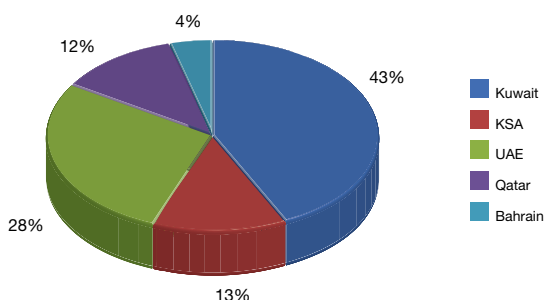
Cumulative performance



Sector Breakdown



Geographic Breakdown



Awards: Lipper Fund Awards

Al Basha'er GCC Equity Fund won the 'Lipper Fund Award' in 2006 by topping the following category: Sharia'a compliant GCC Equity Fund

Fund Managers

Kuwait Finance & Investment Co.
Gulf Finance House

Portfolio Managers

Alan Durrant
Abdulwahab Al-Marzoq

Benchmark

Global GCC Islamic Index

No. of Holdings

22

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
Etisalat	UAE	Telecom
Kuwait Finance House	Kuwait	Banking
Bayan Holding Co (IPO)	KSA	Industrial
Al-Dar Properties	UAE	Finance & Real Estate
Al- Rayan Bank	Qatar	Banking

GCC Market Review

GCC Markets continued to fall sharply as the financial crisis continued in November. All GCC indexes ended the month down; Dubai suffered the most with a fall of 33.52% followed by Abu Dhabi down 17.77% and a decline of 16.73% in the Qatar market. KSA lost 14.44%, Bahrain declined 12.63%. Kuwait and Oman the lost 9.34% and 5.28% respectively.

On the 16th of November, investors obtained a court order which stopped the Kuwait Stock Exchange from trading for the first time.

Kuwait

- ZAIN raised its stake in ZAIN Iraq from 32% to 62% paying \$34.5m.
- Kuwait's Noor Financial Investment Co. is in talks to acquire a telecommunications company in Yemen, the company also reported that it has \$200m liquidity in deposits in local and Gulf banks while its debts total 175 million Kuwaiti dinars.
- Kuwait Finance House's Saudi unit received a license from the Saudi market regulator to provide brokerage services in the kingdom
- Kuwait's Hits Telecom Holding Co. has acquired 30% of China's Sinotel for \$60m with the option to raise this stake to 55% in three years.
- Kuwait's central bank governor said the guarantee of bank deposits will continue until global markets stabilize.
- The three Kuwaiti firms Global Investment House, Investment Dar and A'ayan are in talks with Commercial Bank of Kuwait to benefit from the financing and debt management program that helps local investment companies.
- Kuwait's Gulf Bank is determined to sue Pearl of Kuwait Real Estate Co after the \$540m losses suffered due to trading in derivatives. As a result one international financial institution, and another from GCC plan to bid for major stakes in the bank.
- Kuwait's Gulf Bank revealed its KD375m loss on derivatives deals and to double its capital to raise an amount equal to the losses, the BOD resignation will be effective after the capital increase is completed

UAE

- Dubai Banking Group delayed taking a 32% stake in Shuaa Capital through a convertible bond and is thinking about "all available options" after the company's shares fall.
- Abu Dhabi's Sorouh Real Estate decided to cut foreign ownership in the company from 20% to 15% of outstanding shares to protect the interest of its long term investors, both local and foreign.
- The Central Bank of UAE has set up a new taskforce known as the Financial Stability Unit to help the country's financial industry through the global economic downturn.
- The UAE Government has injected AED 25bn into the banking system since the global financial crisis started.
- The United Arab Emirates stock market regulator has decided to delay margin trading to next year due to technical issues

KSA

- Etihad Etisalat finalized the acquisition of a 96%-stake in Zajil International Telecom Network Co. for SAR80m.
- Saudi Arabia's National Industrialization Co. and U.K.-based International Power have signed an agreement to set up a new company with a capital of \$266.9m.

Qatar

- Qtel's board recommended paying 100% of the share par value in cash dividends for 2008.
- Qatar's Al Khaliji Commercial Bank reported that it paid \$250m for the acquisition of the entire share capital of BLC Bank, France.
- Qatari Diar wants to buy Christian Candy's CPC Group's equity stake in the Chelsea Barracks Project Blue, London's most expensive development, also Qatari Diar Real Estate Company and the Cypriot government signed a (MOU) to conduct feasibility studies and land valuation for a new project in Nicosia, Cyprus.
- The government of Qatar has ordered Qatar Navigation Co. and Qatar Shipping Co. to merge to inspire growth in investment and increase overall profitability for benefit of the national economy.

Market Digest

Country	Percentage Change			P/E	P/B	Market Cap (USD billion)	Average Daily Traded Value (USD mn)
	2007 (%)	Current Month (%)	YTD (%)				
KSA - Tadawul	40.87	-14.44	-57.60	8.82	1.58	241.56	1,559.64
Kuwait - KSE	29.75	-9.34	-30.22	8.64	1.48	129.28	342.37
Abu Dhabi - ADMS	51.74	-17.77	-39.49	7.02	1.37	70.12	78.08
Dubai - DFM	43.72	-33.52	-66.88	5.45	1.02	43.34	141.56
Qatar - DSM	34.31	-16.73	-37.92	8.4	1.68	66.74	147.80
Bahrain - Share Index	24.25	-12.63	-29.45	8.21	1.34	22.07	0.85
Oman - MSM	61.88	-22.14	-31.27	8.5	1.79	17.30	23.50



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