

NAV: 7.42

Fund Size: USD 70.61 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 \$7.42, an increase of 1.85% compared to the previous month.
- Year to date, Al Basha'er is up 2.81% overperforming the benchmark which is up 1.85%.

Performance as of 31/10/2010

	Al Basha'er	Benchmark
1 Month	1.85%	0.42%
YTD	2.81%	1.85%
Since Inception	-25.81%	-61.52%

Portfolio Analysis

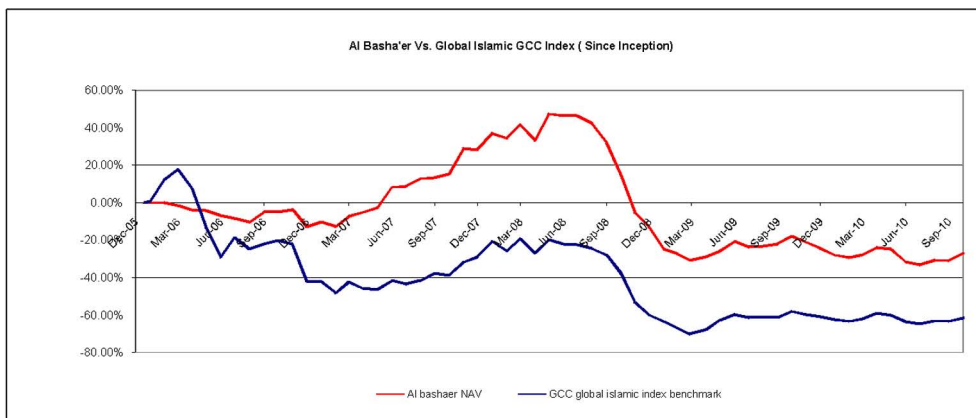
Avg PE	13.32
Avg Yield	3.00%
Avg Mkt Cap	\$15.87 BL
Avg Traded Value	\$19.49MN



Awards: Lipper Fund Awards

Al Basha'er GCC Equity Fund won the 'Lipper Fund Award' in 2006, 2008 & 2009 by topping the following category: Sharia'a compliant GCC Equity Fund

Cumulative performance



Fund Managers

Kuwait Finance & Investment Co.
Gulf Finance House

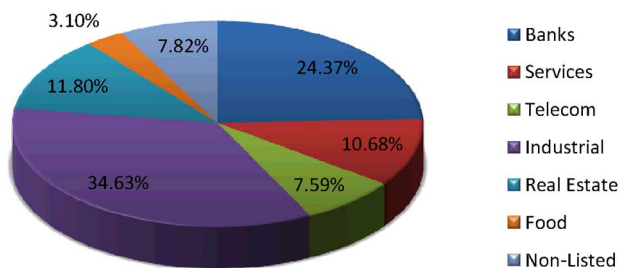
Benchmark

Global GCC Islamic Index

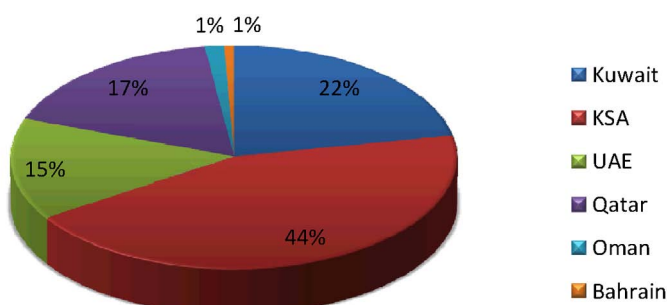
No. of Holdings

41

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
KFH	Kuwait	Banking
IQCD	Qatar	Industrial
Bayan Holding Co	Kuwait	Investment

GCC Market Review

Al Basha'er Fund gained around 1.85% on a MoM basis to reach a NAV of USD 742 following an increase of nearly all GCC market indexes in October, except KSA which fell slightly by 0.60%. UAE markets were the top gainers of this month, with Abu Dhabi increasing by 5.35% closing at 2,816.11 points and Dubai gaining 4.80% to close at 2,673.19 points.

Third quarter financial result announcements for public companies influenced the GCC markets this month. The results providing indications for investors of expected annual results, also in key news was Zain's 46% acquisition by UAE's Etisalat at the end of the month.

Kuwait

- KFH is planning to launch investment funds that will invest in the sectors of ljarah and shipping and that it will exit a real estate portfolio in Turkey by the end of this year.
- UAE's Etisalat would acquire 51% of the issued share capital of Zain with a value at about \$11.7 billion.
- Al- Rai Media Group was listed this month in the official market of the Kuwait Stock Exchange under the services sector.
- Agility said a U.S. magistrate judge at an Atlanta court has recommended dismissal of an indictment against the logistics firm's subsidiary, DGS Holdings Inc., in connection with a contract to feed U.S. troops in Iraq and Kuwait.
- Kuwait's government approved a draft decree to appoint Hamed Saleh Al Saif as director general of the Kuwait Stock Exchange.

UAE

- ADIB net profit for Q3 2010 was a record AED 314.5 million vs. AED 239.5 million in Q3 2009, an increase of 31.3%.
- Emaar third quarter net profit fell 6.6% year-on-year to reach AED 612 million.
- Arabtec Holding Egyptian unit has won a \$53 million contract to build the Hanging Gardens project.
- Aramex net profit for the third quarter reached AED 46.7 million, an increase of 12% compared to AED 41.7 million posted in the corresponding period of 2009.
- Etisalat posted a 23% drop in third quarter net profit to AED1.74 billion compared with AED2.25 billion a year ago.

KSA

- Al- Rajhi Bank posted a 8.6% slide in third-quarter net profit to SAR1.64 billion from SAR1.8 billion in the previous year.
- Saudi International Petrochemical Co third-quarter net profit rose 53.7% to SAR84.1 million.
- SABIC third-quarter net profit jumped 46% year-on-year to SAR5.33 billion.
- National Industrialization Co. third-quarter net profit jumped 57% to SAR373 million from SAR237.3 million in the year earlier.
- Etihad Etisalat Co. third quarter net profit soared 41% to SAR1.13 billion from SAR807 million in the year earlier.

Qatar

- QIB posted a 62% rise in third-quarter net profit to reach QAR305.40 mn due to higher deposits and a better return on its investments.
- Barwa has recorded net profits of QR775 million in the last nine months of 2010, a 24.6% increase over the profits of QR622 million for the same period last year.
- Industries Qatar third-quarter net profit rose 18% year-on-year to 1.42 billion Qatari riyals.
- Qatar Gas posted a 50% rise in third quarter net profit reaching QAR114.51mn comparing to the same period last 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	-0.60	3.32	15.19	2.02	345.74	706.81
Kuwait - KSE	-9.99	1.13	0.84	19.84	1.72	129.72	201.21
Abu Dhabi - AD5M	14.79	5.35	2.64	10.01	1.16	78.93	51.69
Dubai - DFM	10.22	4.80	-2.16	11.95	1.08	55.33	71.61
Qatar - DSM	1.06	1.31	12.02	11.42	2.12	115.54	374.22
Bahrain - Share Index	-19.17	1.22	0.29	11.83	1.10	21.15	0.67
Oman - MSM	17.05	1.24	2.9	11.90	1.77	19.32	13.05



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