

Al Basha'er GCC Equity Fund

Fact Sheet - January 2011

Monthly Return
-4.29%

NAV: US\$ 7.269
Fund Size: US\$ 67.20 mn

Fund Overview

Open-ended investment fund which seeks medium to long-term capital appreciation through investing primarily in the shares of GCC-listed Shari'ah compliant companies.

The Fund may also invest in shares of non-listed Shari'ah compliant companies up to 10% of its Net Asset Value.

Fund Managers

Kuwait Finance & Investment Company
Gulf Finance House

Tickers

Bloomberg: KFIBASH
Reuters: LP65038297

Benchmark

S&P GCC Shariah Composite

Fund Details

Sponsors: KFIC, GFH & QIB
Placement Agents: KFIC, KHCB, QIB, Gulf Bank, ADCB
Inception Price: US \$10
Inception Date: 19th December 2005
Jurisdiction: Bahrain
Currency: USD
Subscription/Redemption: Monthly
Minimum Subscription: US\$ 10,000
Subsequent Subscriptions: Multiples of US\$ 3,000
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

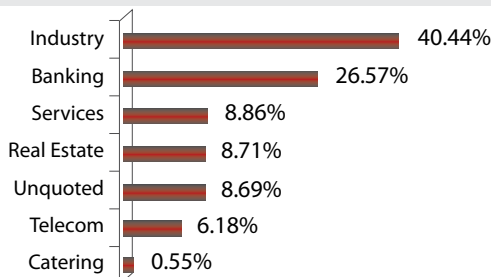
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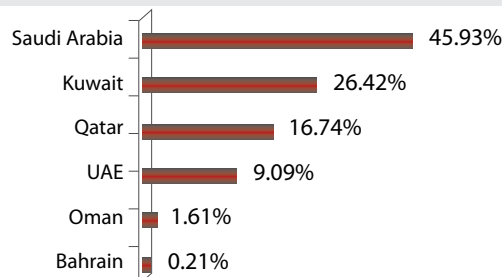
www.al-bashaerfund.com

Returns Performance	Fund	Benchmark	Concentration	Fund	Benchmark
MTD	-4.29%	-3.37%	Total Holdings	41	145
YTD	-4.29%	-3.37%	Top 5 Holdings %	38.69%	42.30%
12 Months	2.83%	13.65%	Top 10 Holdings %	58.81%	55.19%
Three Year Annualized	-18.54%	-12.47%			
Five Year Annualized	-6.23%	n/a			
Since Fund Inception	-27.31%	n/a			

Sector Breakdown

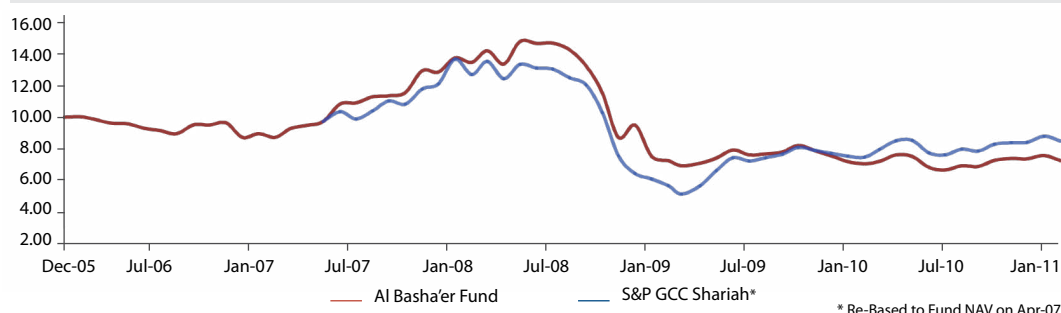


Geographic Breakdown



Statistics	Fund	Benchmark	Top 5 Holdings (38.69% of Fund)		
	(since benchmark inception)				
Volatility (Annualised)	21.95%	27.42%	Al-Rajhi Bank	Banking	Saudi Arabia
Sharpe Ratio*	-0.021	-0.019	SABIC	Industry	Saudi Arabia
Beta		0.67	Industries Qatar	Industry	Qatar
Tracking Error (Annualised)		18.96%	BHC	Unquoted	Kuwait
Information Ratio (Annualised)		-0.26	Qatar Islamic Bank	Banking	Qatar

NAV Performance



Management Comments

January was an underperforming month with the fund's petrochemical and banking holdings in Saudi losing in value due to the region's unexpected unrest. The fund maintains a positive long term outlook in these sectors and the current losses are taken as a short term effect. The team has a current focus in the Qatari market in order to explore opportunities of returns from the development and progress towards the FIFA World Cup 2022. The Kuwaiti market looks compelling with the government injecting money into the economy through large infrastructure projects. The fund is analyzing shariah-compliant listed companies in the Real Estate, Construction, and Banking sectors within the Kuwait Stock Exchange to gain from this situation.

Market Summary

Al-Basha'er Fund lost -4.29% in January 2011 while the S&P GCC Shariah index lost -3.37%. GCC markets were effected negatively from the political instability in Tunisia, and towards the end of January due the political unrest and protests taking place in Egypt. This negative sentiment was reflected in the fund's performance with its key holdings in Saudi losing in value and taking the fund from a positive performer to a negative return in the last week of January. Saudi market before the Egypt unrest was experiencing active trading and positive returns, as financial results for 2010 were being released across the Tadawul listed companies. Qatar market experienced fluctuating performance during the month, at one point reaching its highest level since October 2008. During the month, KSE Price Index lost -1.38%, Tadawul All Share lost -3.97%, Dubai Financial Markets returned -5.90%, and Abu Dhabi Exchange fell by -4.89%. The gainers for the month were the Bahrain All Share index which gained +1.16%, Qatar rose by +0.73%, and Oman's MSM30 index appreciated +1.24%.



Confidentiality

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