

# Al Basha'er GCC Equity Fund

Fact Sheet - June 2011

Monthly Return  
-2.64%

NAV: US\$ 7.14  
Fund Size: US\$ 65.20 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 (TR)

## 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

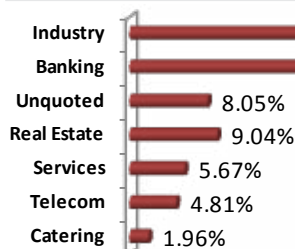
## Contacts

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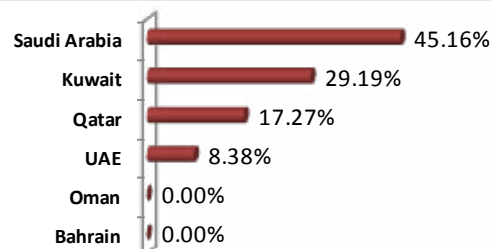
[www.al-bashaerfund.com](http://www.al-bashaerfund.com)

Returns Performance	Fund	Benchmark	Concentration	Fund	Benchmark
MTD	-2.64%	-1.69%	Total Holdings	36	143
YTD	-6.02%	-0.79%	Top 5 Holdings %	38.73%	39.81%
12 Months	6.85%	14.40%	Top 10 Holdings %	60.00%	52.70%
Three Year Annualized	-21.33%	-12.46%	Cash Holding	6.26%	-
Five Year Annualized	-4.88%	n/a			
Since Fund Inception	-28.63%	n/a			

## Sector Breakdown



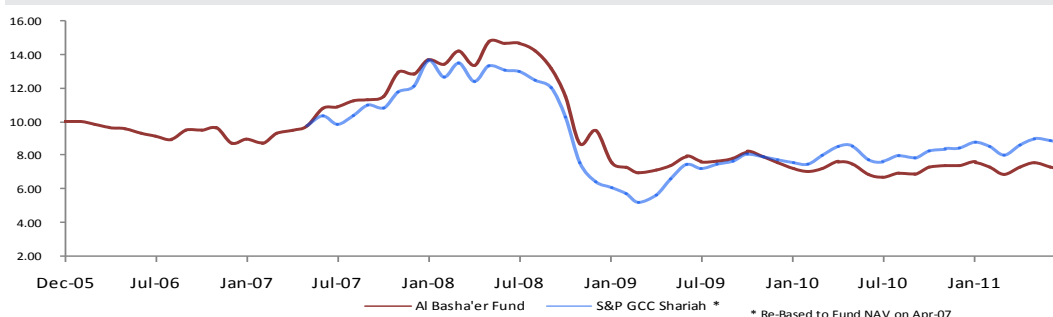
## Geographic Breakdown



Statistics	Fund	Benchmark	Top 5 Holdings (38.73% of Fund)		
	(since benchmark inception)				
Volatility (Annualised)	21.44%	26.49%	Al-Rajhi Bank	Banking	Saudi Arabia
Sharpe Ratio*	-0.019	-0.015	SABIC	Industry	Saudi Arabia
Beta		0.67	Kuwait Finance House	Banking	Kuwait
Tracking Error (Annualised)		18.00%	BHC	Unquoted	Kuwait
Information Ratio (Annualised)		-0.30	Industries Qatar	Industry	Qatar

\* Risk-Free Rate 3.58%

## NAV Performance



## Management Comments

The Fund and the benchmark had negative returns over the month of June 2011. The Fund stayed ahead of the benchmark in the Qatari and Saudi markets due to its outperforming equity picks and appropriate weightings. The sector wise decisions of the Fund benefited from positive attribution against the benchmark in the Real Estate, Energy, and Diversified Financials sector. Over the month, however the benchmark reported better performance due to its lower exposure and superior holdings in Kuwait, and higher exposure in the Omani market. Better selections in the Materials sector and lower weighting in the Telecommunications sector were the main contributors to the benchmark's returns ahead of the Fund. Management analysed the performance of the Fund for first half of 2011 and is executing its investment strategy for the Fund going forward.

## Market Summary

Al Basha'er Fund lost -2.64% in June 2011 while the S&P GCC Shariah Composite lost -1.69%. GCC markets in general had a negative performing month, except for Abu Dhabi. In the losing indices, the Dubai Financial Market fell -2.76%, Saudi Tadawul All Share index dropped -2.38%, Kuwait Weighted index lost -2.18%, Bahrain All Share index fell -2.00%, Oman MSM30 -1.52%, and Qatar DSM dropped by -0.17%. Abu Dhabi was the only positive gainer with an impressive return of +2.46% as compared to the other negative performing GCC indices. Qatar and UAE markets during the early part of the month had speculation trading from investors focusing on the MSCI's decision to include the two markets in its Emerging market index, which on the 21st was announced to be delayed till December of this year. Trading volume was lower during the month and this trend is expected to continue over the summer months and the holy month of Ramadan. Saudi markets saw only two out of its fifteen sectors perform positively, namely Cement and Retail. Kuwait markets saw a reasonable gain in its Food sector, while the only other positive performer was the Insurance sector. Abu Dhabi index saw its positive performance coming from the heavy weighted Banking & Financial Services sector.



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