

Badr Al-Islami Income Fund

Fact Sheet: January 2010

Fund Description

Badr Al-Islami Income Fund is a Shariah Compliant open-ended Fund incorporated in the Dubai International Financial Centre (DIFC). The Fund's objective is to achieve average annual returns of 5-7% per annum over the life of the Fund. The Fund invests primarily in Sukuk and other fixed income Shariah compliant assets.

Executive Summary

Fund Type	Shariah Compliant Fund
Domicile	DIFC, Dubai
Currency	US Dollar
Regulator	DFSA
Net Asset Value	Weekly
Liquidity	Weekly
Management Fee	0.5% p.a.
Auditor	Deloitte & Touche
Registrar, Administrator & Custodian	Deutsche Bank
Bloomberg Ticker	BADISIN
Zawya Code	MAKBIIIF.MF

Fund Summary

NAV as at 26 th Jan.	10.58
Yield	13.72%
Average Coupon	4.33%
Portfolio Modified Duration	1.60
Average Maturity	2.41 years

Top Long Positions

Issuer
Dar Al-Arkan Real Estate
Dubai Government
Jebel Ali Free Zone

Peer Comparison

	1 Mnth * %	3 Mnth %	2009 * %	Since Incep.** %
Badr Al-Islami Income Fund	-0.02	-1.54	10.51	5.75
Algebra Capital - Sukuk Fund	0.65	-10.10	11.10	-9.73
EFH Global Sukuk Plus Fund	0.26	-1.60	7.23	5.94
Jadwa Global Sukuk Fund	0.40	-0.55	2.95	1.26
BNP Paribas Hilal Income Fund	-0.64	-5.37	6.99	5.99

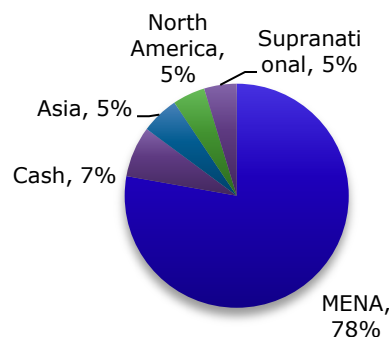
* Annualized **Respective fund's inception
Source: Bloomberg

Overview and Outlook

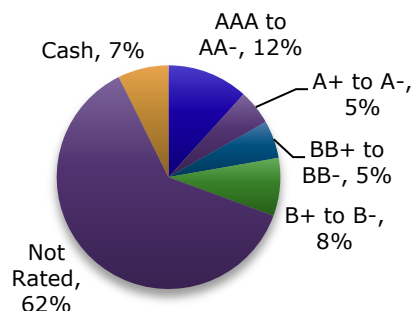
The Badr Al-Islami Income Fund was down 0.02% for the month. We have entered the new year with a cautious approach and have been careful in positioning our fund in high quality names. We have also exited names which we felt had more downside risk from the Dubai World restructuring.

Our long term strategy continues to be to seek out undervalued securities issued by companies with strong fundamentals and cash flows. We also continue to await new issues in the Islamic Debt markets.

Regional Composition



Ratings Breakdown



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