

One Year Review and Outlook

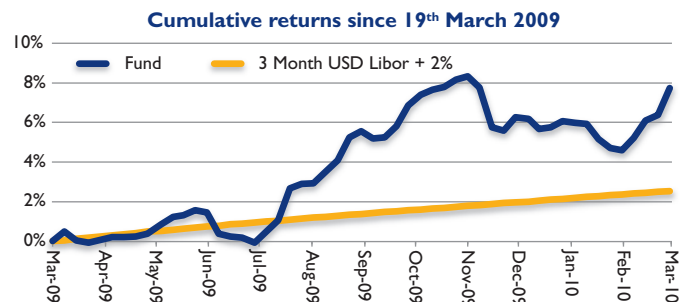
The Global Sukuk Plus Fund (“The Fund”) was launched on the 19th March 2009 and now has a 1 year track record.

This document reviews the performance, risk and return of the Fund in light of the market background and offers an assessment of its active management strategy together with an outlook for the months to come.

Performance, Risk and Return

	Fund	Benchmark	Relative
One month	3.00%	0.18%	2.82%
Three months	1.99%	0.57%	1.42%
Six months	3.82%	1.15%	2.67%
One Year (since inception)	9.21%	2.55%	6.66%

Fund performance includes dividend payouts, benchmark: 3 month USD LIBOR + 2%, weekly compounding.



	EFH Global Sukuk Plus Fund	Long US Treasury	Short US Treasury	Benchmark 3 Month USD Libor + 2%
Return	9.21%	-2.77%	1.53%	2.55%
Volatility	3.89%	7.66%	1.47%	N/A
Sharpe ratio	2.37	-0.36	1.04	N/A
Drawdown	-2.52%	-3.81%	-0.78%	N/A

Source: EFH, Bloomberg, observation period 19/03/2009 to 19/03/2010.

Return is the total return. **Volatility** is measured as annualised standard deviation of weekly returns. **Sharpe ratio** equals return over volatility. **Drawdown** is the maximum peak-to-trough fall. **US Treasuries**: Iboxx total return index (1-3Y for the short end and 7-10Y for the long end). **Benchmark**: 3 month USD Libor + 2% (weekly compounding).

The Fund returned 9.21% during the course of its first year, 6.66% over its benchmark (3 month USD Libor + 2%). In addition to out-performing its benchmark by a wide margin, the Fund has maintained a low volatility relative to the market. Measured as annualised standard deviation of weekly returns, the Fund's volatility was considerably lower than that of the long-dated US Treasuries.

The strongest positive run was posted between July 2009 and the 19th November 2009 at +9.03%, with the worst negative run taking place between the 19th November 2009 and the 10th December 2009 at -2.52%. The best weekly performance was posted on the 6th August 2009 at +1.58% and the worst, which occurred after the announcement of a possible restructuring of Dubai debt on the 25th November 2009, was recorded on the 3rd December 2009 at -1.85%. In total, there have been 36 weeks with a positive performance and 16 weeks with a negative performance. The best-performing name of the year was Dana Gas with a 29.67% ROI, and the worst performing being ADIB 2011, with a -0.04% ROI.

Active Management

The Fund is actively managed. It was seeded by Qatar Islamic Bank (“QIB”) with a \$30.4m contribution in kind composed of 4 holdings from 3 jurisdictions and 3 different sectors. Since then, the Fund's assets under management have grown to \$47.8m; the portfolio now contains 13 holdings, diversified across 9 jurisdictions and 7 sectors.

In addition to diversification of the holdings across different countries and sectors, the Fund's performance has been boosted by making active management decisions vis-à-vis specific names. For instance, acting on the Fund Manager's concerns around the company's short-term liquidity situation and following rating downgrades of the issuer, we narrowed the downside by exiting Tabreed Float 2011 on the 5th March 2010. Over the following weekend, Tabreed announced possible debt restructuring and the bid price for Tabreed Float 2011 immediately fell by 23%.

An example of active management aimed at capturing the upside was the increase in exposure to Darark 2012 over Q3 and Q4 2009. The decision was based on the Fund Manager's conclusion that the issuer's business model was sound, despite the then prevailing market concerns about the firm's ability to refinance the sukuk maturing in Q1 2010. In line with our expectations, the company managed to internally generate enough cash to pay the 2010 sukuk. Darark was subsequently the first issuer to successfully access the global sukuk market in 2010. Darark 2012 was one of the top 5 performers in the Fund's portfolio with an 11.38% ROI.

Outlook

The current weighted-average spread over swaps is 337bp. The weighted-average rating of the Fund holdings is in the single-A category. This compares to generic spreads over swaps at 90bp and 150bp for single-A and triple-B US corporate credits, respectively. Therefore, we think that there is still more room for tightening in spreads and, consequently, opportunities for investors to make substantial capital gains.

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