Volume 5 Issue 9

Report for month ending:
Sept 26 2008

Almadar US Index Fund

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Fund Manager
Almadar Finance & Investment

Benchmarking Index
Almadar US Index

Administrator / Custodian
Gulf Clearing Company BSC

Placement Agent
Almadar Finance & Investment

Bahraini Representative
Gulf Clearing Company BSC

Lawyer
Al Mahmood & Zubi, Bahrain

Minimum Investment
US $10,000

Upfront Fees
Up to 1%

Redemption Fees
USD 150 per transaction

Management Fees
0.60% for initial USD 25 million

Redemption/Subscription
Biweekly (Tuesday)

Best Islamic Fund — 1 Year
North American Equities

Investment Objective

The Funds main object is to track the return of the Sharia Compliant Almadar US Index. The Almadar US Index is an intelligent index of diversified US equities.

To allow investors to take a Sharia compliant exposure in the US equity markets through a liquid vehicle both managed locally and under local Sharia compliance.

To offer both large and smaller investors an opportunity to invest in an investment which has an attractive historical track record.

Top 10 Sectors

Sector	%
Retail	16.256%
Oil & Gas	9.572%
Pharmaceuticals	5.172%
Misc. Manufacturing	4.562%
Healthcare-Products	4.141%
Food	3.719%
Commercial Services	3.704%
Transportation	3.102%
Software	3.071%
Chemicals	2.964%

Fund Characteristics

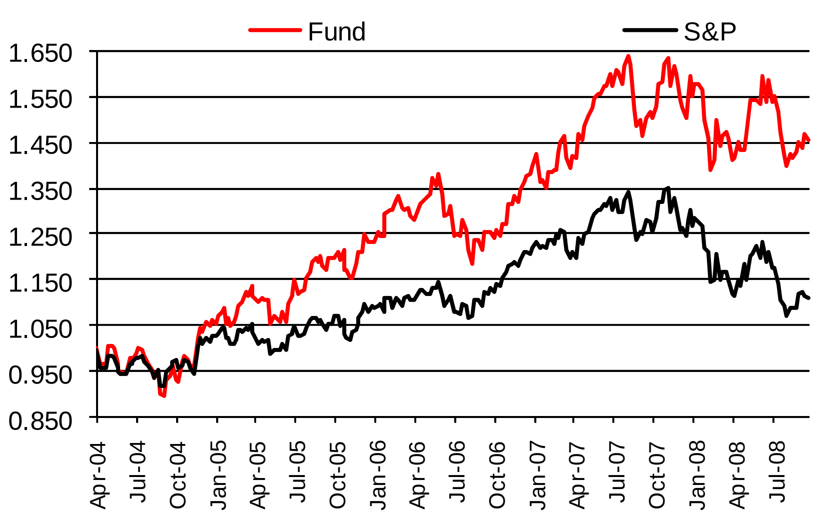
Fund Size	**$13,078,631**
NAV per share	**$1.317**
Number of Equity holdings	**250**
Fund Inception	**March '04**
Frequency of NAV	**Bi-Weekly**

Performance Summary

Since inception the Fund has returned 31.73%, while the Standard & Poor 500 Index returned 4.93%. Hence, since inception the Fund has out-performed the S&P 500 by 26.80%.

Similarly, since inception the fund has had an annualized return of 6.20% while the S&P 500 has had an annualized return of only 1.06%. Hence, the Fund has out-performed the S&P 500 by an annualized return of 5.14% net of fees.

Comparison Graph



Market Outlook

The incredible volatility in the financial markets has eclipsed virtually everything else, including the underlying economy, and the presidential race. The volatility in the financial markets, the congressional debate, and global financial instability are truly without precedent. While the financial markets have garnered considerable attention the performance of the underlying economy has taken a definitive turn for the worse. This week's major indicators included a 6.4 point plunge in the ISM manufacturing survey, a 4.0 percent drop in factory orders, and a 159,000-job drop in nonfarm employment. In addition, car sales turned in one of their weakest performances in decades and sales traffic through dealer showrooms during the last ten days of October was reported the worst since records began being kept back in 1986. Together, this data suggest the economy is already in recession.

The passage of the financial rescue package will not immediately reverse the troubles we are currently seeing in the economy, but they will prevent them from becoming even worse. In addition to the credit problems which are severely affecting motor vehicle sales and making it more difficult for dealers to finance their inventory, we are beginning to see serious cracks in other areas. The Los Angeles Times reported this morning that the State of California may need to seek financing from the federal government and several other states and municipalities are running into funding problems. Interest rates on variable rate municipal debt have skyrocketed and new bond deals for many states have been shelved.

Many businesses are also experiencing financing difficulties. Even some of the healthiest firms in the country have had trouble raising money in the commercial paper market. Conditions began to improve marginally after the Senate overwhelmingly passed the rescue package. House passing finally occurred today. With a bill in hand, we expect credit conditions to improve in coming weeks.

Improvement in the credit markets is necessary in order for the economy to recover but we expect the economy to endure at least three quarters of declining real GDP, despite passage of the rescue package. September's employment numbers are emblematic of the challenges currently facing the economy. Nonfarm employment declined by 159,000 and the unemployment rate remained unchanged at 6.1 percent. Job losses were broad based during September, with large declines in construction, manufacturing and retailing. Auto dealers and department stores were two notable weak spots.

Retailing and hospitality are two areas vulnerable to credit crunch. Many stores are likely to have difficulty securing credit to stock up for the holiday season, which accounts for the bulk of their profits. If they do not have the goods to sell, they do not make any profits and many will likely shut their doors early next year. Restaurant chains are also vulnerable, with a number of franchisees reportedly having trouble attracting financing.

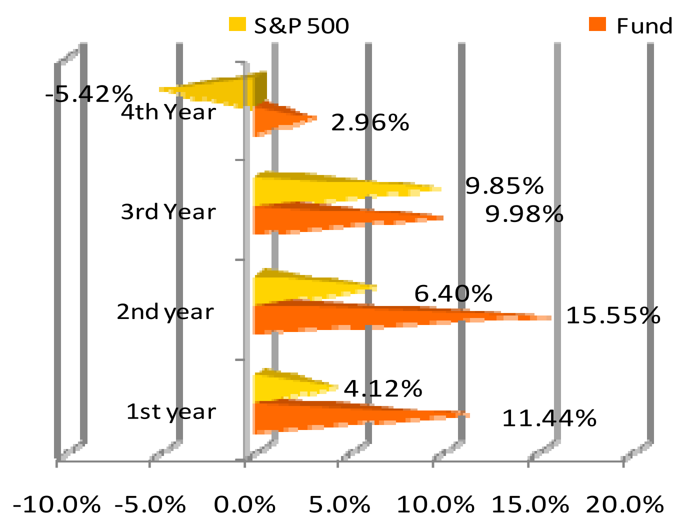
Commentary from Wachovia Securities

Return Comparison

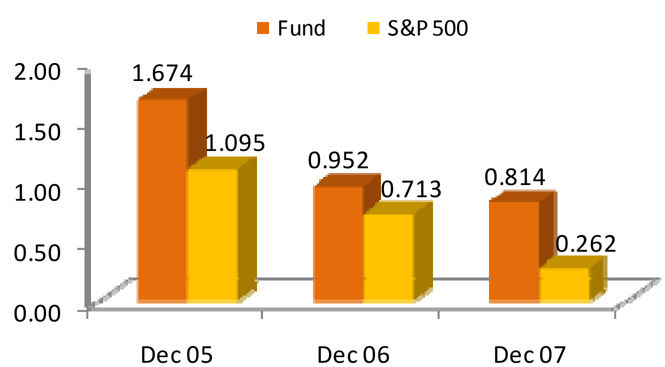
Returns	Fund*	Benchmark	S&P 500
30 Days	-9.32%	-13.50%	-9.08%
90 Days	-10.38%	-11.34%	-7.54%
YTD	-15.66%	-18.50%	-20.57%
12 Month	-16.67%	-20.07%	-24.61%
24 Month	3.83%	1.42%	-12.69%

*** Number of days may vary since NAV is calculated biweekly**

Fund Performance



Sharpe Ratio



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