

GCC Equity Funds

Strong Results Drive Fund Performance

May 2008

April 2008 has been a rocking month for the GCC (9.2%) especially Qatar (23.4%) and Saudi Arabia (12.3%). Among our universe of 121 equity funds tracked by Markaz, the top 5 funds all belong to Qatar. This is an exceptional turnaround for a market that declined by 10% during the previous month. Confidence is returning to the market after international markets seem to settle down. Also, GCC companies have been posting strong earnings keeping the market in balance. GCC equity fund managers increased their allocation to Saudi Arabia (28%) as Saudi Arabia also recorded strong gains during the month. Overall, funds increased their exposure to the Saudi and Kuwait markets and lowered their focus on UAE and other MENA markets. During the month, fund managers marginally cut their exposure to equities as they held more cash.

Table 1: GCC Asset Management Industry – Equity funds (April 2008)

Country	Conventional Funds		Islamic Funds		Total		Share of Total	Market Cap (\$Bn)	Share of Total	AUM/M.cap
	No. of Funds	AUM (\$Bn)	No. of Funds	AUM (\$Bn)	No. of Funds	AUM (\$Bn)				
Saudi Arabia	14	3.61	17	6.06	31	9.66	44.3%	475.3	42.8%	2.0%
Kuwait	16	5.43	11	0.94	27	6.37	29.2%	209.8	18.9%	3.0%
UAE	11	1.65	3	0.09	14	1.74	8.0%	233.3	21.0%	0.7%
Qatar	6	0.12	1	0.04	7	0.16	0.7%	134.4	12.1%	0.1%
Bahrain	2	0.04	0	NA	2	0.04	0.2%	29.7	2.7%	0.1%
Oman	3	0.15	0	NA	3	0.15	0.7%	29.2	2.6%	0.5%
GCC/MENA	25	2.74	12	0.97	37	3.71	17.0%			
Total	77	13.74	44	8.10	121	21.84		1,111.7		2.0%

Source: Markaz Research

Markaz Research is available on Bloomberg

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Table 2: Top Five Asset Managers – Equity Funds (April 2008)

Manager	AUM (\$ Mn)	Manager Focus	Market Share
HSBC Saudi Arabia	3,152	Saudi Arabia	14.4%
Riyad Capital	2,470	Saudi Arabia	11.3%
Samba Financial Group	1,838	Saudi Arabia	8.4%
Kuwait Financial Centre	1,664	Kuwait	7.6%
National Investments Co.	1,361	Kuwait	6.2%

Source: Markaz Research

Table 3: Top Five Equity Funds (April 2008)

Fund Name	Geographical Focus	Fund Manager	Monthly Return	YTD	2007 Return
Al-Bait Al-Mali Shariah Compliant Fund	Qatar	Qatar National Bank	21.64%	18.05%	21.41%
Makaseb Qatar Equity Fund	Qatar	Mashreq	19.70%	22.84%	50.38%
Qatar Gate Fund (N)	Qatar	Amwal	19.65%	22.78%	36.09%
Qatar Gate Fund (Q)	Qatar	Amwal	19.34%	22.46%	38.81%
Al Watani Fund	Qatar	Qatar National Bank	19.19%	18.46%	51.72%

Source: Markaz Research

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GCC Equity Funds

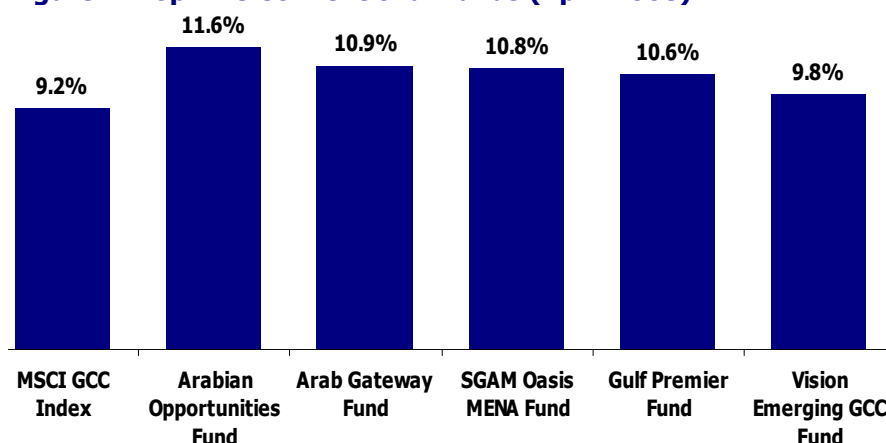
Qatar and Saudi Help Bounce Back

Key Highlights

- Markets, after declining in March, posted healthy growth in April 2008, led by strong Q1 results and sustained macro-economic performance.
- While, fund managers increased their exposure to equities by 19 basis points to 93%, the exposure to bonds decreased by 32 basis points. Free cash held by GCC Funds increased to 7% in April.
- On a weighted average basis, GCC Equity Funds mirrored the gains of the GCC markets and registered returns of 7.7% during the month.
- Managers increased their exposure to the Saudi and Kuwaiti markets by approximately 268 bps and 195 bps, respectively, whereas they decreased their exposure to the UAE market by around 182 bps.
- Among Conventional funds, Arabian Opportunities Fund (Audi Saudi Arabia) topped the charts with a gain of 11.6%.
- Among Sharia-compliant funds, Al Tawfeeq Gulf Equity Fund (Al Tawfeek Co. for Investment Funds) led the pack, registering a MoM gain of 15.0% in April.

GCC Equity funds made a strong comeback and posted good returns in April

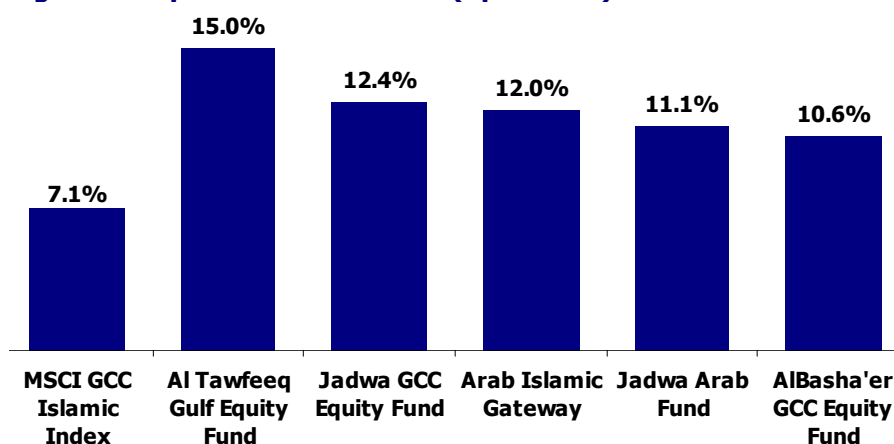
Figure 1: Top Five Conventional Funds (April 2008)



Source: Zawya & Bloomberg

Top 5 Conventional Funds outperformed the MSCI GCC index, which recorded a healthy MoM gain of 9.2%

Figure 2: Top Five Islamic Funds (April 2008)



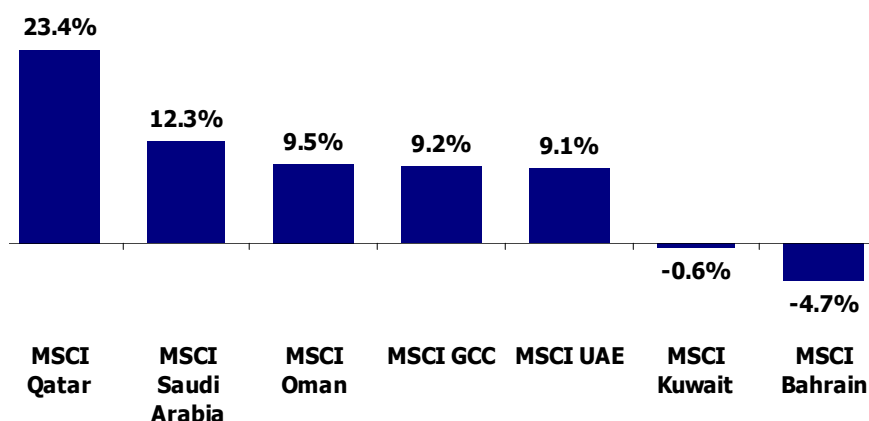
Source: Zawya & Bloomberg

MSCI Qatar was the top performer among its GCC peers, gaining 23.4% during April

Major Trends

The year 2008 has been a mixed one for GCC markets. While the markets performed poorly in January and March, they offered robust returns in February and April. GCC equity funds, in line with stock markets in the region, staged a strong comeback in April after a weak March. Gains resulted largely due to strong Q1 numbers posted by GCC companies in April. During the month, the MSCI GCC index was up 9.2% (Figure – 3), while it had lost 9.9% in March.

Figure 3: Performance of GCC MSCI Stock Indices (April 2008)

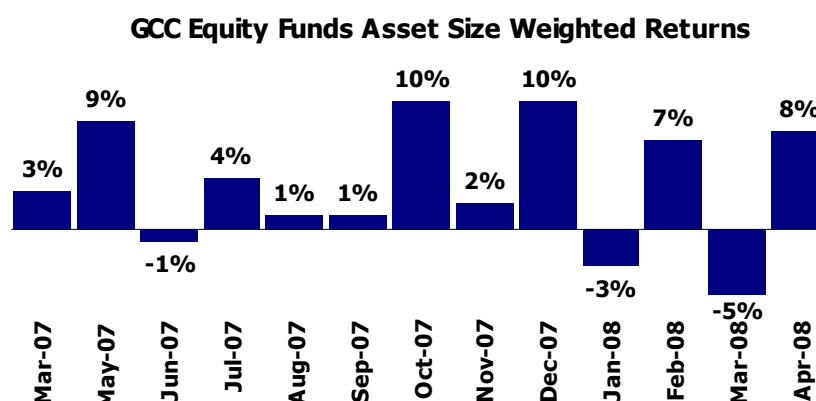


Source: Bloomberg

On an asset weighted basis, GCC Equity Funds posted a gain of 7.7% in April 2008

Among the MSCI Indices, except for Kuwait and Bahrain, all other indices recorded gains during the month. Reflecting the positive market sentiment, Qatar emerged the top performer in April, registering a MoM gain of 23.4%, as against a loss of 10.3% in March. MSCI GCC Index rose 9.2%, buoyed by Saudi Arabia, which has the highest weight in the index. MSCI Saudi Arabia registered gains of 12.3% in April, while it had suffered a loss of 11.6% in the previous month. Bahrain was placed at the bottom of the table, with the MSCI Bahrain Index losing 4.7% due to low market activity during the month. On an asset weighted average, April was the best month in 2008 for GCC equity funds (Figure - 4).

Figure 4: Performance Trend of GCC Funds



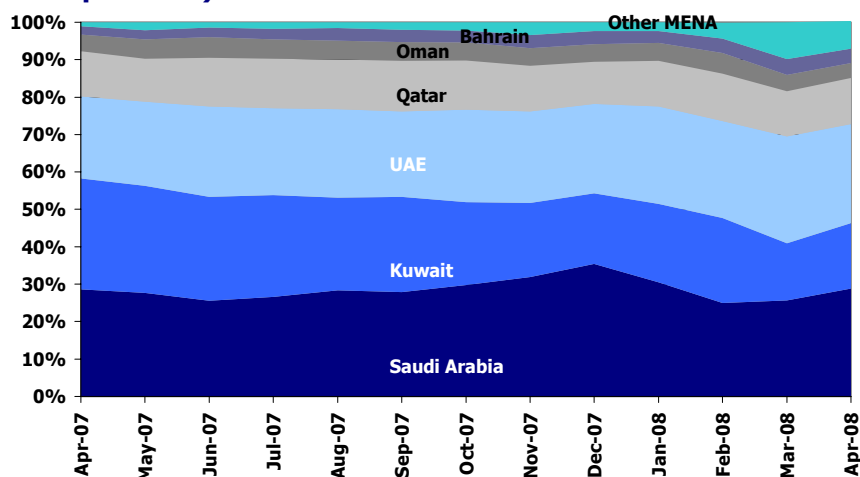
Source: Markaz Research

Although allocation to the Saudi market increased to about 28% during April 2008, it was lower than December 2007 levels (Figure - 5). Allocation to Kuwait increased from 15% in March to 17% in April. The increase in exposure to the Saudi and Kuwaiti markets was offset by decrease in allocation to the UAE and other MENA markets. While allocation to UAE

While allocation to Saudi Arabia increased to 28%, allocation to other MENA regions decreased to 8%

decreased from 29% in March to 27% in April, the exposure to other MENA markets decreased from 10% in March to 8% in April. Allocation to Bahrain and Oman remained constant at 4% during the month. Qatar's Doha stock market was the top performer in April, the exposure of GCC equity funds to this market increased to 13%.

Figure 5: Allocation Trends by Geography – GCC Equity Funds (until April 2008)

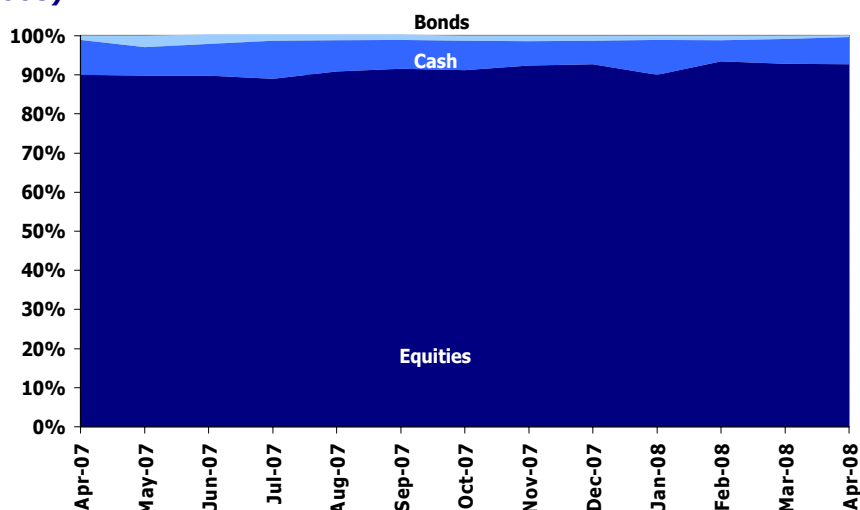


Source: Markaz Research

Managers marginally decreased their exposure to bonds; the cash held increased to 7% in April.

In April, GCC fund managers marginally decreased their exposure to bonds as they held more cash (Figure – 6). While their exposure to bonds fell by 32 basis points, allocation to equities increased by 19 basis points. Free cash held by funds increased from 6% in March to 7% in April.

Figure 6: Asset Allocation Trends – GCC Equity Funds (until April 2008)



Source: Markaz Research

Conventional GCC Funds

The top five Conventional Funds outperformed the MSCI GCC index, which posted gains of 9.2% in April. Arabian Opportunities Fund (Audi Saudi Arabia) with returns of 11.6% was the best performing fund in April (Table - 4). This outperformance is due to the Fund's significant exposure to the Saudi market, which accounts for 56% of funds invested. During April, the fund increased its allocation in Saudi Arabian Fertilizer Company and Arab National Bank, citing the strong fundamentals of these two companies. The fund currently holds 6.8% and 5.4% in Saudi Arabian Fertilizer Company and Arab National Bank, respectively. Arab Gateway fund (Shuaa Capital) registered MoM returns of 10.9% and YTD returns of 8.1% in April. The top three holdings of the fund include Arabtec Holding (7.9%), Emaar Properties (6.9%), and SABIC (6.0%). The fund increased its allocation in UAE from 32.3% in March to 38.0% in April. Oasis MENA Fund (Societe Generale Asset Management) and Gulf Premier Fund (Gulf Investment Corporation) recorded monthly gains of 10.8% and 10.6%, respectively. The top three holdings of Oasis MENA Fund (Societe Generale Asset Management) include Doha Bank (7.4%), Emaar Properties (7.1%) and Qatar Navigation (4.4%). In April, Kuwait Finance House was the top holding for the Gulf Premier Fund (Gulf Investment Corporation). The stock was up 4.9% during the month as it posted an increase of 43% in its net profit of KD73.4 Mn.

Arabian Opportunities Fund topped the charts for April, posting a MoM gain of 11.6%

Table 4: Top Five Conventional Funds (April 2008)

Apr-08				Performance (%)		
Fund Name	Fund Manager	Inception	AUM (\$ Mn)	Apr-08	YTD	2007
Arabian Opportunities Fund	Audi Saudi Arabia	Sep-07	31	11.57%	6.53%	24.77%
Arab Gateway Fund	Shuaa Capital	Dec-99	611	10.91%	8.09%	49.28%
SGAM Oasis MENA Fund	Societe Generale Asset Mgmt	Nov-07	74	10.84%	12.00%	7.26%
Gulf Premier Fund	Gulf Investment Corporation	Apr-03	211	10.61%	12.11%	43.24%
Vision Emerging GCC Fund	Vision Investment Services Co	May-05	52	9.82%	11.11%	56.49%

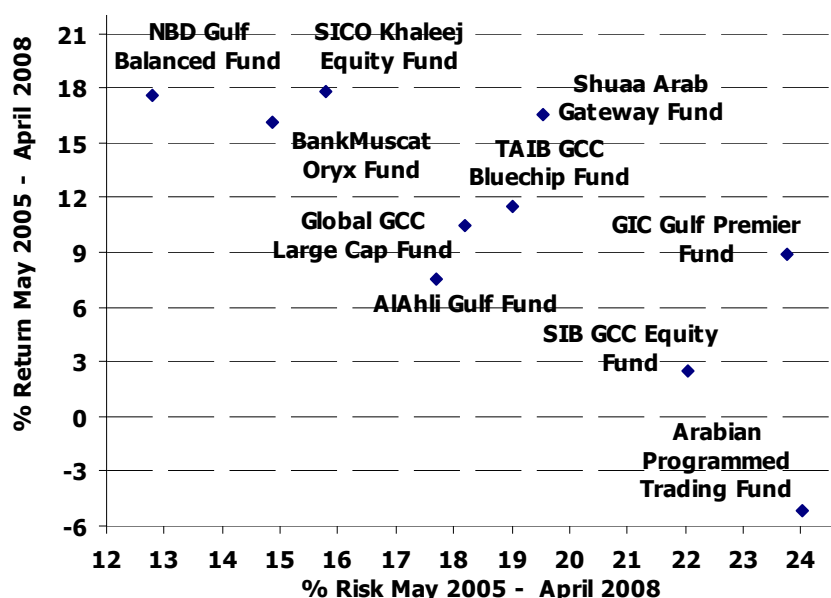
Source: Markaz Research

SICO Khaleej Equity Fund recorded highest annualized returns of 17.8% over past 3 years

Over the three-year period, SICO Khaleej Equity Fund (Securities and Investment Company) recorded highest annualized returns of 17.8% with an annualized risk of 15.8%. Gulf Balanced Fund (National Bank of Dubai) registered annualized returns of 17.6% and an annualized risk of 12.8% (Figure – 7).

Figure 7: Risk Return profile of Conventional mutual funds

Conventional Funds Performance (May 2005 - April 2008)



Source: Markaz Research

Islamic GCC Funds

Among Islamic Funds, Al-Tawfeek Gulf Equity Fund (Al Tawfeek Co. for Investment Funds) was the top performer with MTD gain of 15.0% during the month as against a loss of 7.1% in March 2008 (Table - 5). Jadwa GCC Equity Fund (Jadwa Investment) posted an MoM gain of 12.4% and a YTD loss of 1.7% in April. Arab Islamic Gateway Fund (Shuaa Capital) made a strong comeback as it recorded MoM gains of 12.0% in April compared to -6.0% in March. The fund's top three holdings are SABIC (6.9%), Tamweel Co. (6.9%), and Al Dar Properties (6.1%). The fund had maximum exposure to the UAE (35.7%) and Saudi Arabia (33.6%). Arab Islamic Gateway Fund increased its exposure to equities during the month as free cash held (as a percentage of fund size) by the fund decreased from 8.3% in March to 5.1% in April. AlBasha'er GCC Equity Fund (Kuwait Finance and Investment Co.) took fifth position with MoM gains of 10.6% and YTD gains of 7.6% in April.

Al-Tawfeek Gulf Equity Fund registered a monthly gain of 15%, the highest among Islamic GCC funds

Table 5: Top Five Sharia-compliant Funds (April 2008)

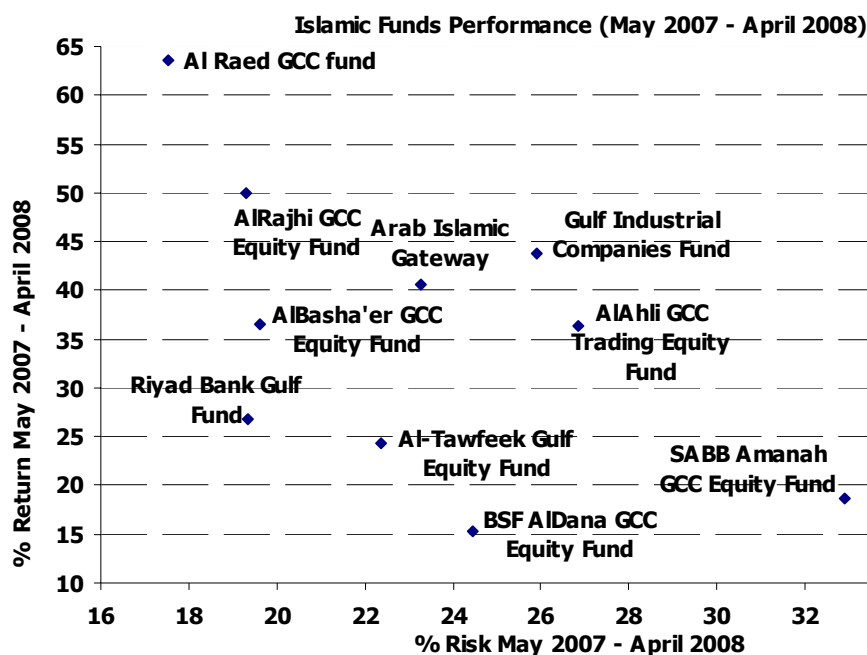
Apr-08		Performance (%)				
Fund Name	Fund Manager	Inception	AUM (\$ Mn)	Apr-08	YTD	2007
Al-Tawfeek Gulf Equity Fund	Al Tawfeek Co. for Investment Funds	Aug-05	7	14.97%	11.39%	48.41%
Jadwa GCC Equity Fund	Jadwa Investment	Jun-07	15	12.37%	-1.68%	35.90%
Arab Islamic Gateway	Shuaa Capital	Sep-06	25	11.96%	8.16%	47.65%
Jadwa Arab Fund	Jadwa Investment	Jun-07	15	11.14%	-1.37%	36.24%
AlBasha'er GCC Equity Fund	KFIC	Jan-06	219	10.64%	7.59%	53.07%

Note: Returns and Risk rounded off

Source: Markaz Research

Over the last one year, Al Raed GCC Fund (Samba Financial Group) enjoys the best risk-adjusted performance (Figure – 8).

Figure 8: Risk Return profile of Islamic mutual funds



Al Raed GCC Equity Fund topped the charts with highest annualized returns of 63.5%

Source: Markaz Research

Saudi Arabia Equity Funds

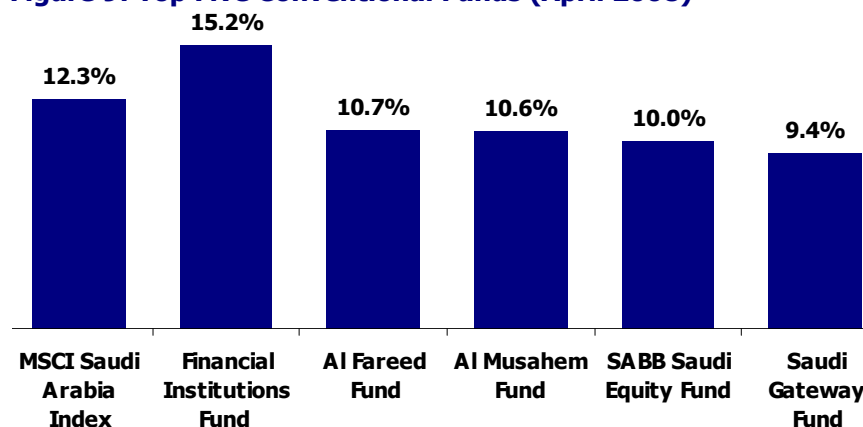
Strong Turnaround in April

Key Highlights

MSCI Saudi Index posted a gain of 12.3%, led by strong Q1 2008 results posted by Saudi Blue chips

- The Saudi stock market ended the month at 10,066. During the month, Saudi market regulator restructured the index to 15 sectors from eight sectors earlier. Furthermore, these new sectors were assigned weight in the index based on free float methodology, which is in line with global trend.
- The MSCI Saudi Index ended at 609 points in April, up 12.3% over the previous month, backed by strong Q1 2008 results posted by Saudi blue chip companies.
- Saudi funds on average gained 6.3% in April 2008, underperforming the Saudi Tadawul Index return of 11.9%.
- Saudi equity funds had 96.6% exposure to equities and cash held accounted for 3.4% of total assets.
- Financial Institutions Fund (HSBC Saudi Arabia) was the best performer among Conventional funds as it posted a gain of 15.2% for the month.
- Among Sharia-compliant funds, Jadwa Saudi Equity Fund (Jadwa Investments) registered a month-on-month (MoM) gain of 13.9% in April 2008, as against -8.6% in March.

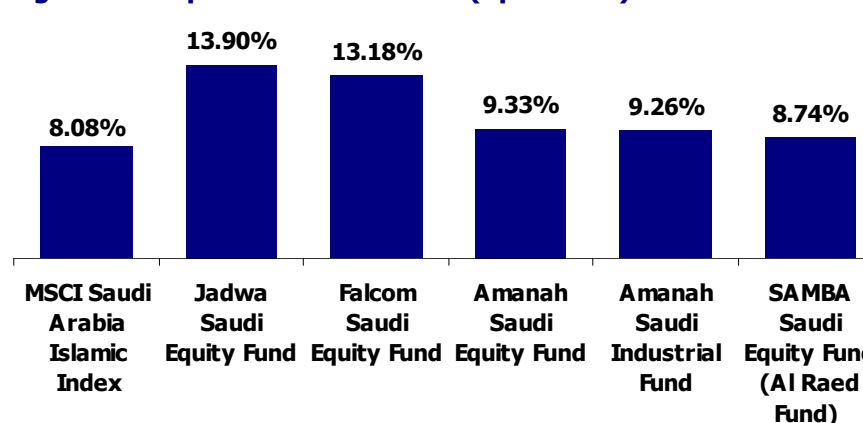
Figure 9: Top Five Conventional Funds (April 2008)



Source: Zawya, Bloomberg & MSCI

Saudi Equity Funds bounced back and posted strong gains in April

Figure 10: Top Five Islamic Funds (April 2008)



Source: Zawya, Bloomberg & MSCI

Saudi equity funds performed well in April 2008 after a weak March. The benchmark MSCI Saudi Index outperformed all the Conventional funds and

posted a gain of 12.3%. MSCI Saudi Islamic Index, the benchmark for Islamic funds reported MoM gain of 8.1%.

Table 6: Top Five Fund Managers (in terms of AUM in April 2008)

Fund Manager	AUM (\$Mn)	Fund Manager Focus	Market Share
HSBC Saudi Arabia	3,108	Saudi Arabia	32.2%
Riyad Capital	2,338	Saudi Arabia	24.5%
Samba Financial Group	1,691	Saudi Arabia	17.7%
NCB Capital	798	Saudi Arabia	8.4%
Bank Al Bilad	298	Saudi Arabia	3.1%

Source: Markaz Research

Conventional Saudi Funds

Among Conventional Funds, Financial Institutional Fund (HSBC Saudi Arabia) registered a gain of 15.2% in April and was the top performer for the month (Table – 7). The fund's top holdings are Al Rajhi Bank (31.2%), Samba Financial Group (18.9%), and Riyad Bank (11.5%). Samba Financial Group's Al Fareed Fund and Al Musahem Fund posted strong MoM returns of 10.7% and 10.6%, respectively. Saudi Equity Fund (HSBC Saudi Arabia) registered a gain of 10.0% in April. The fund's top holdings were SABIC (18.3%), Saudi Fertilizers Company (8.3%) and Saudi Cable Company (7.9%). The Saudi Gateway Fund (Shuaa Capital) posted a monthly gain of 9.4% as against a loss of 4.9% in March. The fund increased its allocation to the Materials sector from 41.5% in March to 46.4% in April. Saudi Basic Industries Co. (SABIC), Saudi Fertilizers, and Yanbu National Petrochemical Company, the top three holdings of Saudi Gateway Fund, account for 10.0%, 9.6%, and 8.2%, respectively, of its total assets. SABIC recorded a gain of 7.0% in April as its net profit for Q1 2008 grew 10% to SAR6.2 Bn. Furthermore, the free cash held by the fund increased from 0.6% in March to 0.9% in April.

Financial Institutional Fund topped the charts in April, posting a gain of 15.2%

Table 7: Top Five Conventional Funds (April 2008)

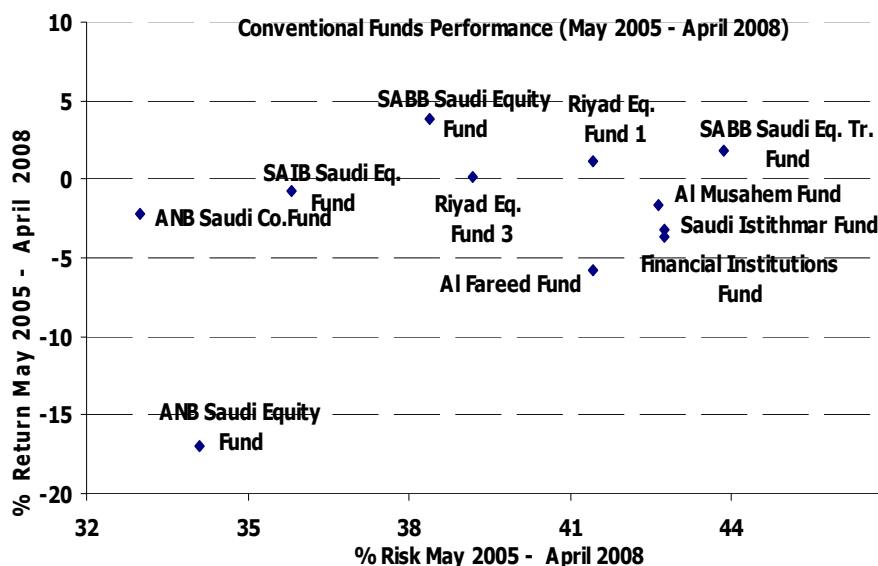
April-08				Performance (%)		
Fund Name	Fund Manager	Inception	AUM (\$ Mn)	Apr-08	YTD	2007
Financial Institutional Fund	HSBC Saudi Arabia	Aug-04	190	15.22%	-17.11%	35.91%
Al Fareed Fund	Samba Financial Group	Dec-03	52	10.66%	-4.43%	71.66%
Al Musahem Fund	Samba Financial Group	May-92	466	10.57%	-1.67%	47.92%
SABB Saudi Equity Fund	HSBC Saudi Arabia	Oct-92	616	10.03%	-1.77%	62.21%
Saudi Gateway Fund	Shuaa Capital	Jul-07	192	9.39%	-0.78%	35.76%

Source: Markaz Research

Among all Saudi Arabian Conventional funds, SABB Saudi Equity Fund (HSBC Saudi Arabia) recorded the highest annualized returns of 4.2% with a risk of 38.5% during the last three years (Figure – 11). Saudi Companies Fund (Arab National Bank) was the least risky with risk of 33.0% and an annualized loss of 2.2%.

Figure 11: Risk Return profile of Conventional mutual funds

Over the three year horizon, SABB Saudi Equity Fund registered the highest annualized returns of 4.2% with a risk of 38.5%



Source: Markaz Research

Islamic Saudi Funds

In April 2008, Jadwa Saudi Equity Fund (Jadwa Investment) was the top performer among Islamic funds as it posted a MoM gain of 13.9% (Table – 8). However, the fund posted an YTD loss of 5.0% in April due to losses of 14.2% and 8.6% in January and March, respectively. Falcom Saudi Equity Fund (Falcom Financial Services) bounced back in April with strong gains of 13.2% compared to a loss of 5.8% in March. The returns in April helped the fund to register highest YTD gains of 6.3% among its Islamic peers. Amanah Saudi Equity Fund (HSBC Saudi Arabia) registered gains of 9.33% during the month. The fund had maximum exposure to Industrial sector (59.5%) with SABIC (32.6%) as its top holding. Amanah Saudi Industrial Fund (HSBC Saudi Arabia) gained 9.26% during the month, while it had lost 6.3% in March. Good performance in April helped the fund curb its YTD loss to 1.6%. The fund has a 59.6% allocation to SABIC, which gained 7% in April on the back of strong corporate results. Saudi Equity Fund – Al Raed Fund (Samba Financial Group) ended up at the fifth position with MoM returns of 8.7%.

Table 8: Top Five Sharia-compliant Funds (April 2008)

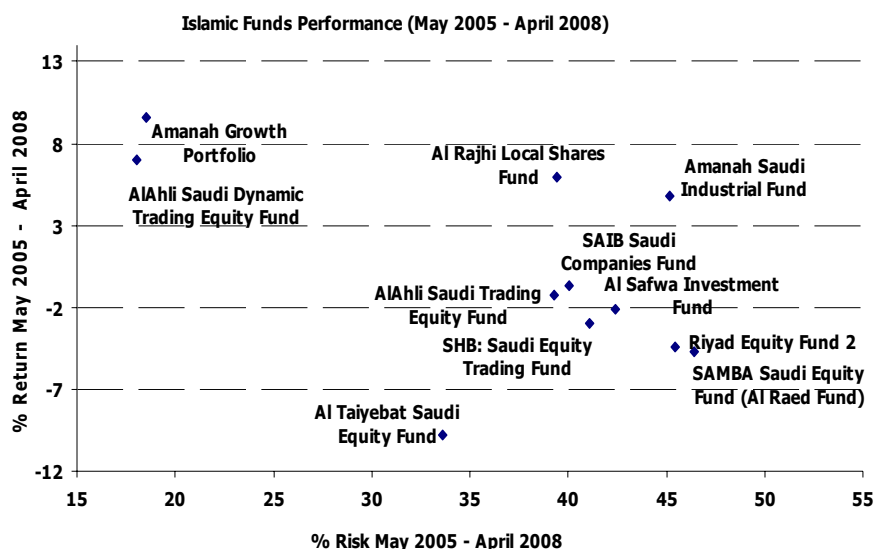
April-08				Performance (%)		
Fund Name	Fund Manager	Inception	AUM (\$ Mn)	Apr-08	YTD	2007
Jadwa Saudi Equity Fund	Jadwa Investment	Jun-07	31	13.90%	-4.98%	61.39%
Falcom Saudi Equity Fund	FALCOM Financial Services	Apr-07	82	13.18%	6.27%	40.38%
Amanah Saudi Equity Fund	HSBC Saudi Arabia	May-04	1,777	9.33%	-3.06%	51.40%
Amanah Saudi Industrial Fund	HSBC Saudi Arabia	Apr-05	218	9.26%	-0.58%	93.43%
SAMBA Saudi Equity Fund (Al Raed Fund)	Samba Financial Group	Dec-02	1,174	8.74%	-3.79%	50.59%

Source: Markaz Research

Jadwa Saudi Equity Fund was the top performer, gaining 13.9% MoM in April

Amanah Growth Portfolio Fund (HSBC Saudi Arabia) yielded the highest returns during the last three years. The fund has posted annualized returns of 9.6% with risk of 18.5% (Figure – 12). Al Ahli Saudi Dynamic Trading Equity Fund (NCB Capital) returned 7.0% and was the least risky among its peers with an annualized risk of 18.0%.

Figure 12: Risk Return profile of Islamic mutual funds

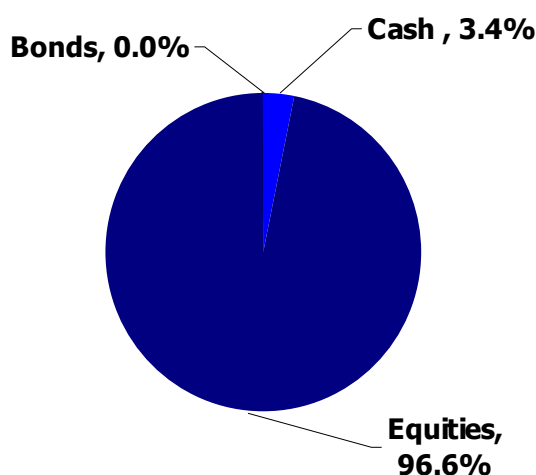


Amanah Growth Portfolio Fund yielded maximum returns of 9.6% with a risk profile of 18.5%

Source: Markaz Research

On a weighted average basis, Saudi Equity funds significantly increased their exposure to equities in April 2008. Equities accounted for 96.6% of the total assets held by Saudi funds in April compared to 89.8% in March. Cash and cash equivalents accounted for the remaining 3.4% in April compared to 10.2% in March (Figure - 13).

Figure 13: Asset Allocation Trends – Saudi Equity Funds (April 2008)



Source: Markaz Research

Kuwait Equity Funds

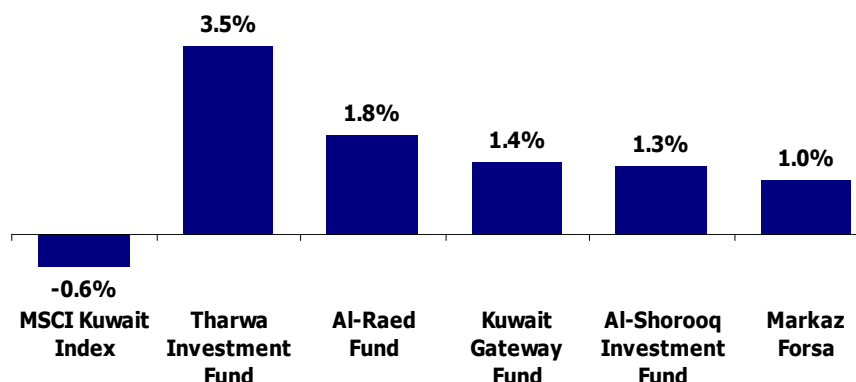
Political unrest restricted market

Key Highlights

In April, though MSCI Kuwait Index lost 0.6% as few funds registered positive returns

- The Kuwaiti parliamentary elections (held in May 2008) due to unexpected resignation of the ruling government continued to dampen the investor's sentiments and restricted the market growth in April. The Kuwaiti index ended the month with a moderate gain of 2.8%.
- MSCI Kuwait Index lost 0.6% in April; few Kuwait-focused funds outperformed the index and yielded positive returns. Markets were volatile mainly due to the trickle down effect of changes in the banking regulations made in March. Net profits of a few heavyweight companies, such as Mobile Telecommunications (Zain), failed to meet investor expectations, dragging the Index down.
- On weighted average, funds lost 0.3% in April 2008, but outperformed the MSCI Kuwait Index.
- Tharwa Investment Fund (Tharwa Investment Company) topped the Conventional funds' performance list with a MoM gain of 3.5%.
- In April 2008, Al Safwa Fund (National Investments Company) was the best performing Sharia fund with a gain of 2.6%. The fund outperformed the benchmark MSCI Kuwait Islamic Index, which declined 1.0%.

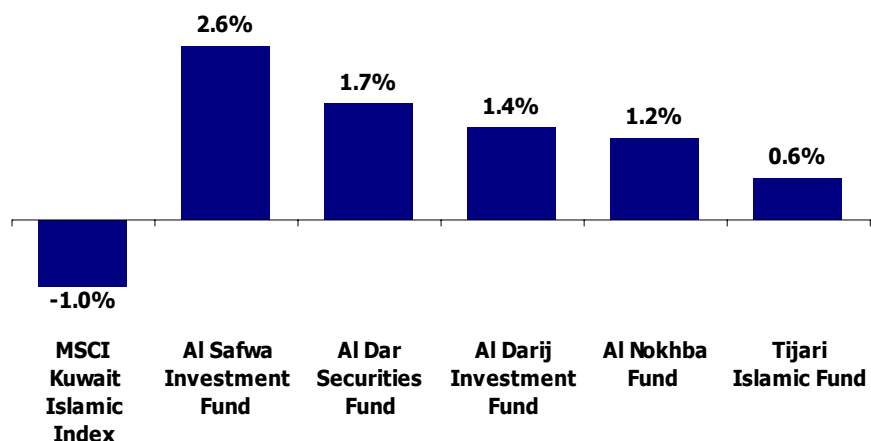
Figure 14: Top Five Conventional Funds (April 2008)



Source: Zawya, Bloomberg & MSCI

In April 2008, top Five Conventional and Sharia Funds outperformed their respective benchmark indices.

Figure 15: Top Five Islamic Funds (April 2008)



Source: Zawya, Bloomberg & MSCI

During the month, volatility in the market affected Kuwait's Sharia and Conventional funds. Only few funds reported gains due to corporate results which were flat or below expectations.

Table 9: Top Five Fund Managers (in terms of AUM in April 2008)

Fund Manager	AUM (\$ Mn)	Fund Manager Focus	Market Share
Kuwait Financial Centre	1,617	Kuwait	25.4%
National Investments Company	1,361	Kuwait	21.4%
Kuwait Investment Company	906	Kuwait	14.2%
Commercial Bank of Kuwait	443	Kuwait	7.0%
Burgan Bank	400	Kuwait	6.3%

Source: Markaz Research

Conventional Kuwait Funds

Among the top five Conventional funds, Tharwa Investment Fund (Tharwa Investment Company) was the best performer with month-on-month returns of 3.5% followed by Al-Raed Fund (Kuwait Investment Company) with 1.8% (Table - 10). In terms of YTD, Tharwa Investment Fund with returns of 13.7% overtook last month's YTD topper Burgan Equity Fund (Burgan Bank). The fund had invested 38.0% of its assets under management in the Industrial sector followed by Banking and Services at 29.0% and 22.0%, respectively. The Industrial sector returned the highest returns for the month (13.7%), whereas Banking and Services returned -0.7% and -0.4%, respectively. The Industrial sector benefited from the strong performance of Mena Holding Group whose stock price surged 196.0% for the month. Cash exposure was limited to 4.0%. Kuwait Gateway Fund (Shuaa Capital) had top holdings in National Bank of Kuwait (12.0%), Kuwait Projects Company (10.0%) and Kuwait Finance House (9.8%). Kuwait Finance House's net profit surged almost 43.0% due to which the stock price rose 4.9% in April. Kuwait Gateway Fund's major investments are in the Banking and Finance sector (37.7%). Markaz Forsa's top holdings include Kuwait Finance House, Mobile Telecommunications Company (ZAIN), and National Bank of Kuwait. Cash exposure is limited to 6.0%. Allocation to the Banking and Services sectors stood at 26.0% and 21.0%, respectively.

Tharwa Investment Fund posted 3.5% returns, the best among conventional funds

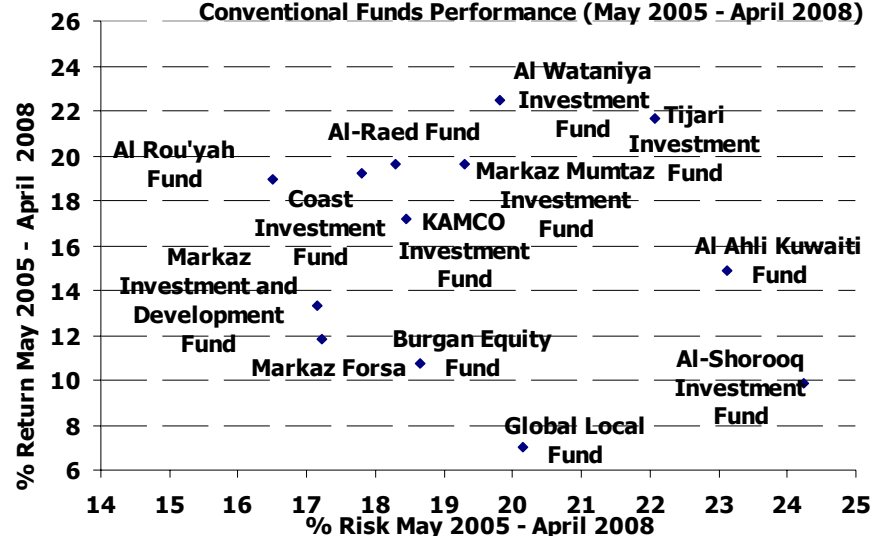
Table 10: Top Five Conventional Funds (April 2008)

Apr-08				Performance (%)		
Fund Name	Fund Manager	Inception	AUM (\$ Mn)	Apr-08	YTD	2007
Tharwa Investment Fund	Tharwa Investment Company	May-07	53	3.46%	13.66%	7.62%
Al-Raed Fund	Kuwait Investment Company	Oct-01	906	1.81%	8.18%	21.42%
Kuwait Gateway Fund	Shuaa Capital	Nov-05	35	1.35%	12.20%	40.27%
Al-Shorooq Investment Fund	Gulfinvest International	Jul-01	225	1.25%	-9.64%	18.83%
Markaz Forsa	Kuwait Financial Centre	Jun-04	346	1.00%	7.09%	20.37%

Source: Markaz Research

On a three-year annualized horizon, Al Wataniya Investment Fund (National Investments Company) outperformed other conventional equity funds. The fund yielded maximum annualized returns of 22.5% with risk of 19.8% during the same period (Figure - 16).

Figure 16: Risk Return profile of Conventional mutual funds
Conventional Funds Performance (May 2005 - April 2008)



Source: Markaz Research

Islamic Kuwait Funds

In April 2008, Al Safwa Investment Fund (National Investment Company) posted positive returns, outperforming the benchmark MSCI Kuwait Islamic Index. The fund reported a monthly gain of 2.6%, and registered YTD returns of 14.6%. The fund had full exposure to equity. Top holdings include Kuwait Finance House, First Investment Company, and Ektitab Holding Company. The fund has not provided holdings by percentage in the fact sheet. Al Dar Securities Fund (Al Dar Asset Management) was second with a gain of 1.7% followed by Al Darij Investment Fund (National Investment Company) with a gain of 1.4% (Table - 11). The top holdings for Darij Investment Fund include First Investment Company, National Industries Company, and Boubyan Petrochemicals Company. The percentage holding of the funds is not provided in the fact sheet. The fund also had full exposure to equity. Al Nokhba Fund (Al Dar Asset Management) stood fourth with returns of 1.2%. Cash exposure of the fund is 11.0%. Tijari Islamic Fund (Commercial Bank of Kuwait) came fifth with returns of 0.6%. Cash exposure was 4.3%. Tijari Islamic Fund's exposure to the Banking sector is 27.5% and to Investments sector is 20.6%. The unavailability of the fund's top holdings in the fact sheet restricted further analysis.

Al Safwa Investment Fund posted MoM returns of 2.6% and YTD returns of 14.6% in April 2008

Table 11: Top Five Sharia compliant Funds (April 2008)

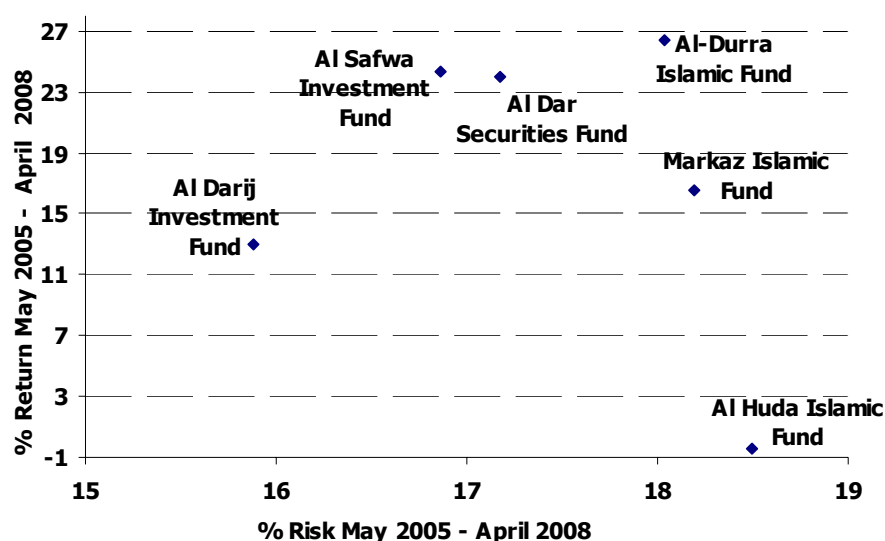
Apr-08				Performance (%)		
Fund Name	Fund Manager	Inception	AUM (\$ Mn)	Apr-08	YTD	2007
Al Safwa Investment Fund	National Investments Company	May-02	218	2.62%	14.64%	26.45%
Al Dar Securities Fund	Al Dar Asset Management	Oct-04	101	1.74%	16.66%	19.84%
Al Darij Investment Fund	National Investments Company	Jun-03	205	1.37%	7.25%	27.68%
Al Nokhba Fund	Al Dar Asset Management	Oct-07	37	1.24%	6.35%	1.61%
Tijari Islamic Fund	Commercial Bank of Kuwait	Jul-06	39	0.64%	12.02%	26.23%

Source: Markaz Research

Over the last three years, Al-Durra Islamic Fund (Global Investment House) registered maximum annualized returns of 26.4% with an annualized risk of 18.0% (Figure - 17) while Al Darij Investment Fund had an annualized risk of 15.9% and annualized return of 13.0%

Figure 17: Risk Return profile of Islamic mutual funds

Islamic Funds Performance (May 2005 - April 2008)

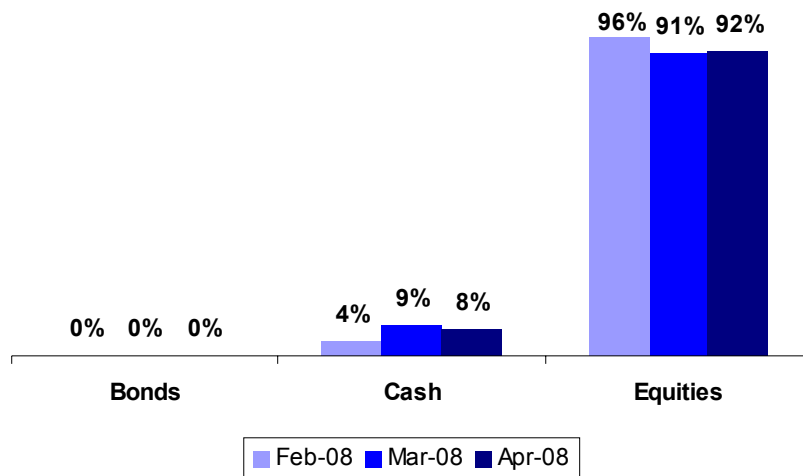


Source: Markaz Research

Fund exposure to equities increased from 91% in March to 92% in April

Funds increased their exposure to equities in April 2008. The exposure to equities was 92% as compared to 91% in March (Figure - 18). As such, funds (on a weighted-average basis) held less cash in April 2008, relative to the previous month.

Figure 18: Asset Allocation Trends – Kuwait Equity Funds (April 2008)



Source: Markaz Research

Qatar Equity Funds

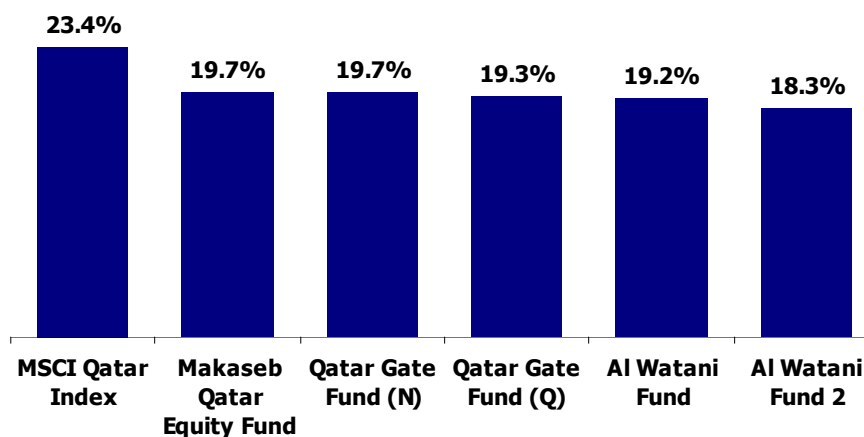
April - strongest month in 2008

Key Highlights

The Qatar market was the best performer in April, led by the Industrial and Banking sectors

- The Qatari market outperformed other GCC markets in April 2008.
- The MSCI Qatar Index and MSCI Qatar Islamic Index gained 23.4% and 31.0%, respectively, in April 2008, backed by strong performances by heavyweights, such as Industries Qatar (37.6%) and Qatar Islamic Bank (29.0%), reflecting positive earnings growth.
- To capitalize on the stock market momentum, fund managers increased their exposure to equities during the month.
- In Conventional funds, Makaseb Qatar Equity Fund topped the charts, returning 19.7% in April 2008.
- Al-Beit Al-Mali Sharia Compliant Fund, the only Qatari Sharia-compliant fund, posted a gain of 21.6% during the month.

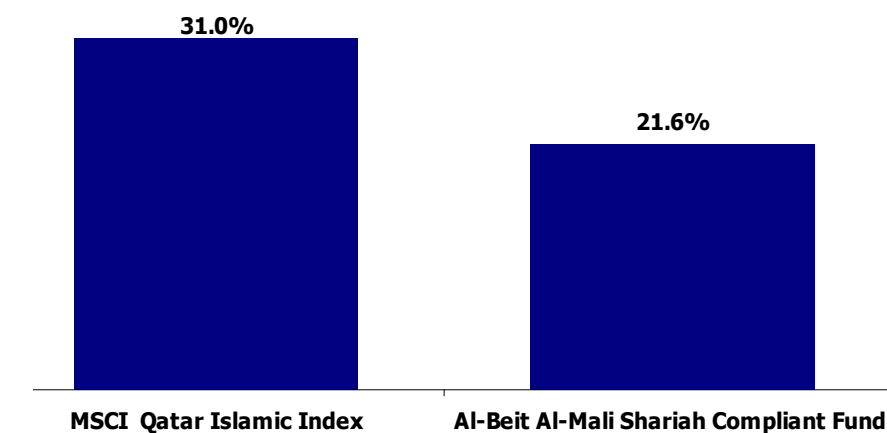
Figure 19: Top Five Conventional Funds (April 2008)



Source: Zawya, Bloomberg & MSCI

MSCI Qatar Index, with MoM gains of 23.4% in April, was the best performing MSCI index in the GCC region

Figure 20: Islamic Fund (April 2008)



Source: Zawya, Bloomberg & MSCI

As Qatar was the best GCC performing market it had a positive effect on all funds in the country, resulting in both Sharia-compliant and Conventional funds posting gains in April 2008.

Conventional Qatar Funds

Among Conventional Funds, Makaseb Qatar Equity Fund (Mashreq Bank) was the best performer in April 2008, recording 19.7% MoM and 22.9% YTD returns (Table - 12). The top holdings for the funds are Industries Qatar (41.4%), Commercial Bank of Qatar (14.7%), and Qatar National Bank (11.7%). The Fund topped the returns chart largely due to the 37% spike in Industries Qatar stock price, propelled by the 115% growth in the company's Q1 2008 net profit. Qatar Gate Fund (N) (Amwal) came second with returns of 19.65% MoM and 22.78% YTD. The fund had preferred equity (99.7%) exposure over cash. Top holdings are comprised of Commercial Bank of Qatar (17.8%), Qatar National Bank (16.8%), and Industries Qatar (15.0%). Commercial Bank's net income surged 64%, which led to the stock rising 10.8% in April. Qatar Gateway Fund (Q) (Amwal) came third with 19.34% returns. Al Watani Fund (Qatar National Bank) and Al Watani Fund 2 (Qatar National Bank) stood fourth and fifth with returns of 19.19% and 18.34%, respectively. The funds gained mainly due to exposure to equity (99% and 100% respectively) than cash. The fact sheet did not disclose data on top holdings of the funds.

Makaseb Qatar Equity Fund topped the charts in April 2008, with a gain of 19.70%

Table 12: Top Five Conventional Funds (April 2008)

Apr-08				Performance (%)		
Fund Name	Fund Manager	Inception	AUM (\$ Mn)	Apr-08	YTD	2007
Makaseb Qatar Equity Fund	Mashreq	May-05	47	19.70%	22.35%	50.45%
Qatar Gate Fund (N)	Amwal	Sep-05	NA	19.65%	22.78%	36.09%
Qatar Gate Fund (Q)	Amwal	Sep-05	NA	19.34%	22.47%	38.81%
Al Watani Fund	Qatar Nat. Bank	Oct-05	39	19.19%	18.46%	51.72%
Al Watani Fund 2	Qatar Nat. Bank	Oct-05	39	18.34%	13.70%	32.51%

Source: Markaz Research

Islamic Qatar Funds

Al-Beit Al-Mali Sharia Compliant Fund (Qatar National Bank), the only Sharia-compliant fund in Qatar, reported a gain of 21.6% in April 2008 (Table - 13). The YTD returns of the fund stand at 18.1%, lower than April returns due to negative returns of 10.7% in March. However, the overall performance of the fund cannot be analyzed as the fact sheet is unavailable.

Al-Beit Al-Mali Sharia Compliant Fund reported a MoM gain of 21.6% and YTD gain of 18.05% in April

Table 13: Sharia-compliant Fund (April 2008)

Apr-08				Performance (%)		
Fund Name	Fund Manager	Inception	AUM (\$ Mn)	Apr-08	YTD	2007
Al-Beit Al-Mali Shariah Compliant Fund	Qatar National Bank	Sep-06	38	21.64%	18.05%	21.41%

Source: Markaz Research

UAE Equity Funds

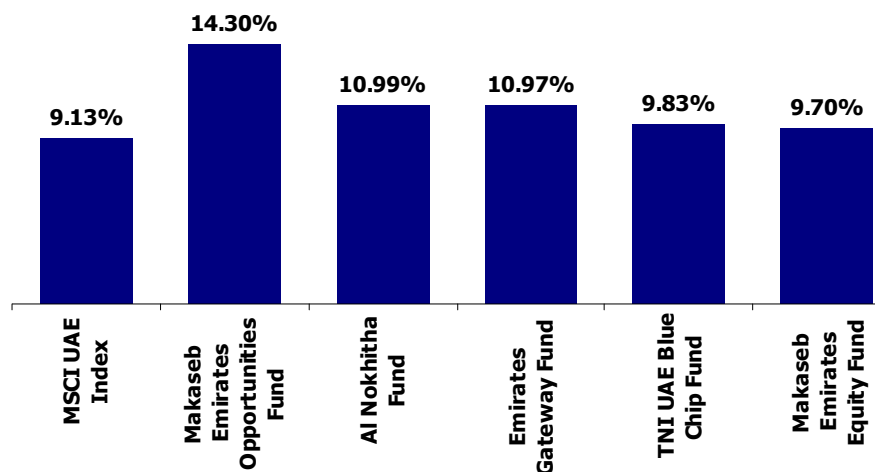
Markets help funds to post gains in April

Key Highlights

Fund managers retained their focus on equity holdings

- Fund managers in UAE had a great month in that the top 5 funds managed to outperform the benchmark index
- Fund managers increased their exposure to equities rather than being conservative and sitting on cash.
- Among Conventional funds, Makaseb Emirates Opportunities Fund (Mashreq Bank) topped the list, gaining 14.3% in April.
- The Sharia-compliant Dubai Growth Fund (3i Capital Group) reported returns of 6.9% in April 2008—the highest among Sharia funds.

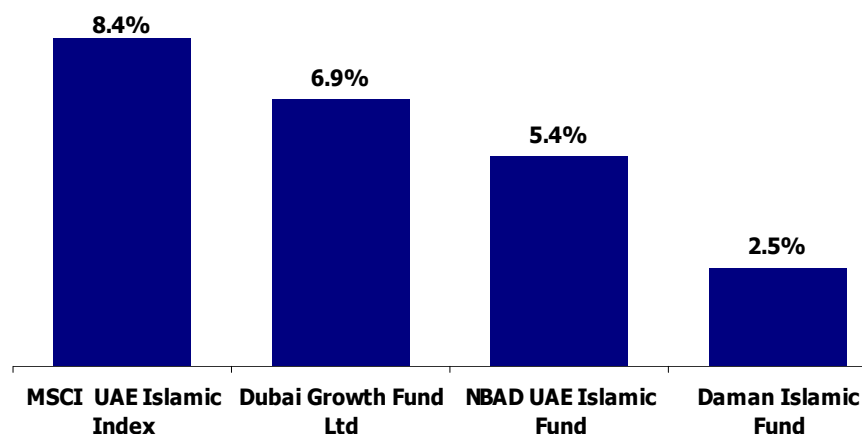
Figure 21: Top Five Conventional Funds (April 2008)



Source: Zawya, Bloomberg & MSCI

Dubai Growth Fund posted return of 6.9%, the highest among Islamic funds

Figure 22: Islamic Funds (April 2008)



Source: Zawya, Bloomberg & MSCI

MSCI UAE and MSCI UAE Islamic Indices gained 9.1% and 8.4%, respectively, during the month

The good performance was reflected in the positive returns posted by all conventional and Sharia funds in April. Both MSCI UAE and MSCI UAE Islamic Indices gained 9.1% and 8.4%, respectively, during the month, buoyed by upbeat performances by blue chip and banking companies.

Table 14: Top Five Fund Managers (in terms of AUM in April 2008)

Fund Manager	AUM (\$ Mn)	Fund Manager Focus	Market Share
National Bank of Abu Dhabi	1,183	UAE	67.9%
Abu Dhabi Commercial Bank	296	UAE	17.0%
Shuaa Capital	104	UAE	6.0%
Al Mal Capital	67	UAE	3.9%
The National Investors	53	UAE	3.0%

Source: Markaz Research

Conventional UAE Funds

Among Conventional funds, Makaseb Emirates Opportunities Fund (Mashreq Bank) was the best performing fund for the month (Table - 15). After declining 8.4% in March, the fund returned 14.3% in April. The top holdings for the fund are Arabtec Holding (23.3%), Aldar Properties (21.4%), and Emirates Telecommunications (20.1%). The price of Arabtec appreciated 29.2% to AED15.5 due to good corporate results. Al Nokhitha Fund (Abu Dhabi Commercial Bank), which gained 10.99% MoM, was the second best performer. The fund's fact sheet attributed the strong performance to stock picks in the energy sector, namely Aabar Petroleum, which outperformed the sector average. Emirates Gateway Fund (Shuaa Capital) stood third with monthly returns of 10.97%. The top holdings for the fund are Arabtec Holding (10.9%), Emirates Telecommunications (10.9%), and Aldar Properties (10.7%). TNI UAE Blue Chip Fund (The National Investor) occupied fourth position, by registering monthly returns of 9.8% and YTD returns of 6.6%. Makaseb Emirates Equity Fund was fifth with a gain of 9.7%. Top holdings include Emaar Properties (20.9%) and Emirates Telecommunications (20.5%). The fund gained as the stock price of Emirates Telecommunications appreciated by 10.0% due to 15.5% growth in net profit.

Makaseb Emirates Opportunities Fund was the best performer, returning 14.3%

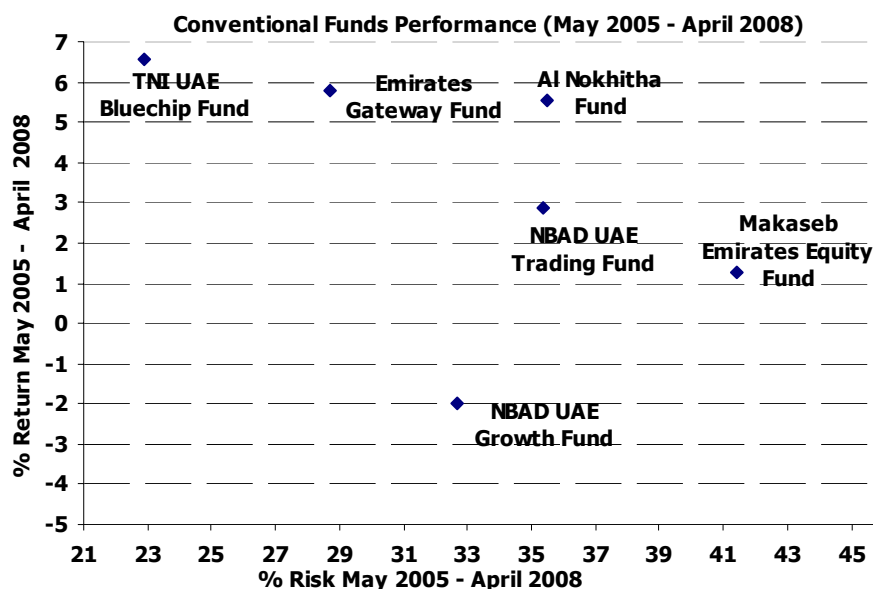
Table 15: Top Five Conventional Funds (April 2008)

Apr-08				Performance (%)		
Fund Name	Fund Manager	Inception	AUM (\$ Mn)	Apr-08	YTD	2007
Makaseb Emirates Opportunities Fund	Mashreq Bank	May-05	9	14.30%	10.63%	57.15%
Al Nokhitha Fund	Abu Dhabi Commercial Bank	Mar-05	296	10.99%	-0.13%	57.90%
Emirates Gateway Fund	Shuaa Capital	Mar-02	104	10.97%	4.02%	54.14%
TNI UAE Blue Chip Fund	The National Investors	Apr-05	48	9.83%	6.47%	54.85%
Makaseb Emirates Equity Fund	Mashreq Bank	Feb-05	31	9.70%	-0.29%	52.19%

Source: Markaz Research

TNI UAE Blue Chip Fund (The National Investor) topped the chart with maximum three-year annualized returns of 6.6% with the lowest risk of 22.9% (Figure - 23).

Figure 23: Risk Return profile of Conventional mutual funds



TNI UAE Bluechip Fund led with annualized returns of 6.6% over the last 3 years

Source: Markaz Research

Islamic UAE Funds

Dubai Growth Fund posted a positive MoM return of 6.9% and YTD return of 8.9% in April

Dubai Growth Fund (3i Capital Group) posted returns of 6.9% in April. The fund returned 8.9% YTD (Table - 16). The fund fact sheet is unavailable for a more detailed analysis. NBAD UAE Islamic Fund (National Bank of Abu Dhabi) returned 5.4% MoM after posting a loss of 6.8% in March. The fund reported -1.7% YTD returns in April due to losses of 5.1% in January and 6.8% in March. The fund managed to stem the decline mainly due to its large exposure to heavyweight stocks, such as Etisalat (37.4%) and Emaar Properties (16.0%), which gained 10% and 5%, respectively, in April 2008. Daman Islamic Fund (Daman Investments) reported a MoM gain of 2.5% in April. However, negative returns of 4.8% in March and 2.2% in January restricted the fund's YTD returns to -1.3% in April. The fund was unable to capitalize on the boom due to higher exposure to cash (48%). However, its top holdings, Etisalat (16.7%) and Emaar Properties (10.0%), helped the fund gain 2.5%.

Table 16: Sharia compliant Funds (April 2008)

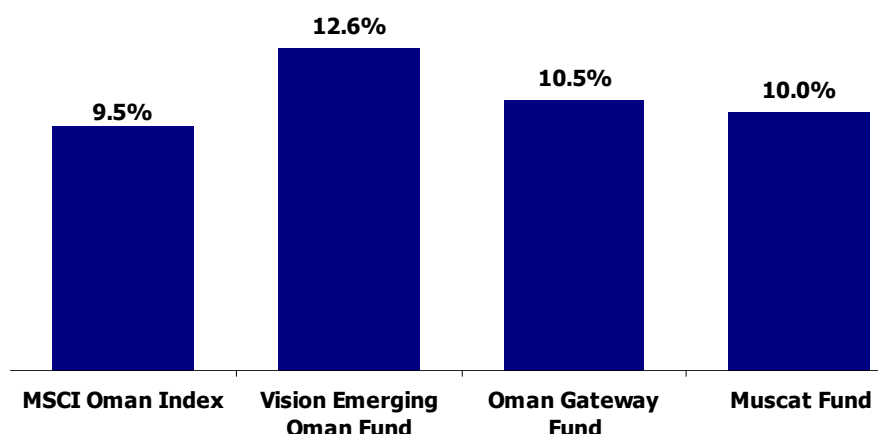
Apr-08				Performance (%)		
Fund Name	Fund Manager	Inception	AUM (\$ Mn)	Apr-08	YTD	2007
Dubai Growth Fund Ltd	3i Capital Group	Mar-07	NA	6.88%	8.92%	5.00%
NBAD UAE Islamic Fund	National Bank of Abu Dhabi	Jan-05	92	5.40%	-1.77%	40.43%
Daman Islamic Fund	Daman Investments	May-07	NA	2.50%	-1.38%	14.33%

Source: Markaz Research

Oman Equity Funds

Funds back on growth trajectory

Figure 24: Oman Equity Funds (April 2008)



Source: Zawya, Bloomberg & MSCI

All three Omani funds (Conventional) outperformed the MSCI Oman Index in April 2008.

Vision Emerging Oman Fund (Vision Investment Services Company) was the best performer—both monthly and YTD. The fund reported returns of 12.6% during April 2008; YTD returns stood at 28.8%. Oman Gateway Fund (Shuaa Capital) took second position with monthly returns of 10.5%. Muscat Fund (BankMuscat) followed with 10.0% (Table - 17). The top holdings for the Oman Gateway Fund are Bank Muscat (17.1%), Oman Telecommunications (13.0%), and Oman Cable Industries (12.8%). The 17.5% appreciation in Oman Cable Industries' stock price to RO4 in April helped Oman Gateway Fund to generate returns of 10.5%. Muscat Fund reported 10.0% returns mainly due to allocations in the banking and industrial sectors of 40% and 20%, respectively. The Industrial sector reported returns of 19.1%, while the banking sector posted a gain of 9.6% during the month. Muscat Fund's major holdings include Bank Muscat (15.8%), Oman Telecommunications (14.6%), and National Bank of Oman (11.4%). Major holdings in the banking sector helped Muscat Fund to record returns of 10.0%.

Vision Emerging Oman Fund was the best performer, logging returns of 12.6% in April 2008

Table 17: Omani Conventional Funds (April 2008)

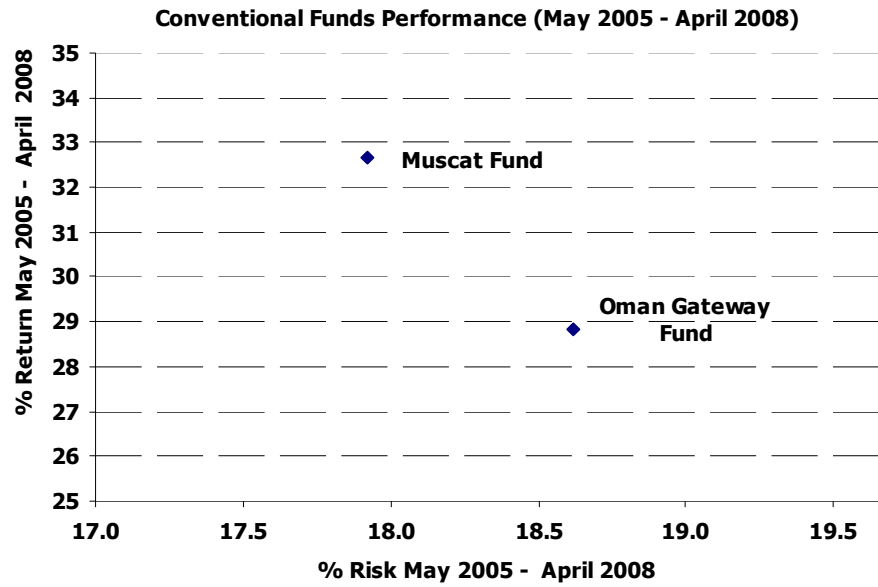
Fund Name	Fund Manager	Inception	AUM (\$ Mn)	Performance (%)		
				Apr-08	YTD	2007
Vision Emerging Oman Fund	Vision Investment Services Co.	Aug-07	49	12.55%	28.77%	32.27%
Oman Gateway Fund	Shuaa Capital	Jul-04	47	10.52%	26.96%	51.77%
Muscat Fund	BankMuscat	Dec-95	50	10.00%	26.40%	64.43%

Source: Markaz Research

Muscat Fund generated a three-year annualized return of 32.7% with a corresponding risk of 17.9%

Over a three-year horizon, Muscat Fund (BankMuscat) had annualized returns of 32.7% with an annualized risk of 17.9%. Oman Gateway Fund (Shuaa Capital) returned 28.8% with a risk of 18.6% (Figure - 25).

Figure 25: Risk Return profile of Omani Mutual Funds

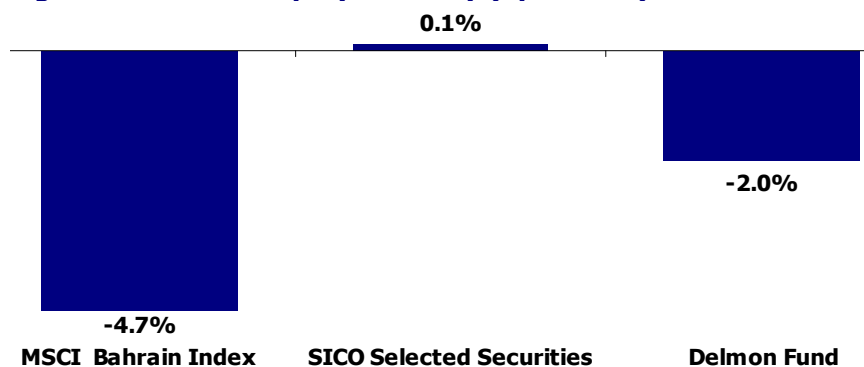


Source: Markaz Research

Bahrain Equity Funds

Weak markets hurt returns

Figure 26: Bahrain Equity Funds by (April 2008)



Source: Zawya, Bloomberg & MSCI

The MSCI Bahrain Index lost 4.7% in April; the index had gained 0.7% in March.

SICO Selected Securities posted positive returns of 0.1% in April

SICO Selected Securities (SICO) outperformed the MSCI Bahrain Index by returning 0.1% in April 2008, while YTD returns stood at 7.3% (Table - 18). The fund had lost 4.0% in March. The fund's YTD returns were propped by higher gains in February (9.9%). The top holdings for SICO are Ahli United Bank (14.3%), Gulf Finance House (12.2%), and Batelco (10.0%). The stock price of Gulf Finance House gained 12% MoM to BD 4.1 in April, thereby helping SICO to outperform the MSCI Bahrain Index. On the other hand, Delmon Fund (Global Investment House) lost 2.0% during April 2008; the fund had posted a gain of 0.5% in March. In spite of the poor showing in April, Delmon Fund's YTD returns stood at 6.3% owing to the funds strong performance in the first two months of 2008. The top holdings for Delmon Fund are Global Investment House, Bahrain Telecommunications, and Ahli United Bank.

Table 18: Bahrain equity Funds (April 2008)

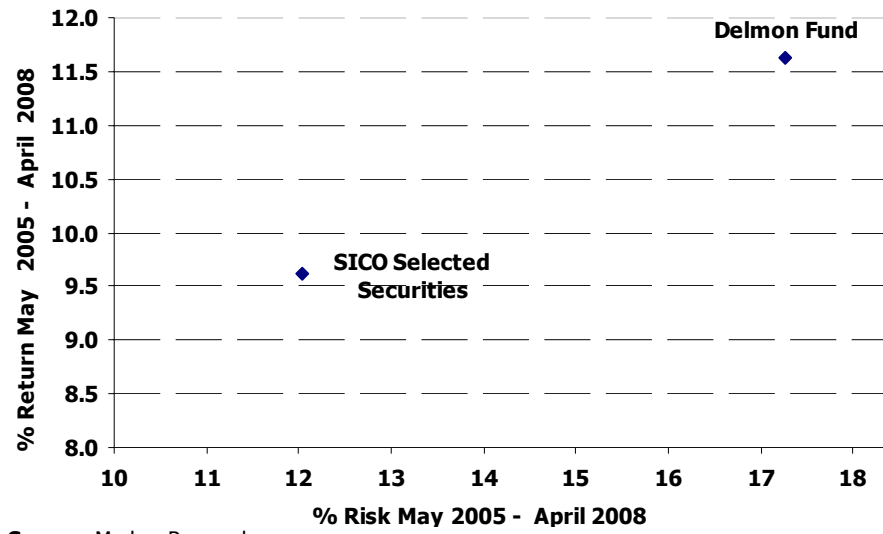
Apr-08				Performance (%)		
Fund Name	Fund Manager	Inception	AUM (\$ Mn)	Apr-08	YTD	2007
SICO Selected Securities	Securities & Investment Company	May-98	36	0.10%	7.30%	29.27%
Delmon Fund	Global Investment House	Oct-04	6	-2.01%	6.34%	23.00%

Source: Markaz Research

Delmon Fund yielded highest returns over a three-year period

Of the two Conventional funds, though Delmon Fund (Global Investment House) had higher returns over an annualized three-year horizon (Figure - 27). Delmon Fund registered three-year annualized returns of 11.6% with risk of 17.3% as against SICO Selected Securities Fund's (SICO) returns of 9.6% with risk of 12.0%.

Figure 27: Risk Return profile of Bahrain Equity Funds.
Conventional Funds Performance (May 2005 - April 2008)



Source: Markaz Research

Appendix 2: Saudi Equity Funds Statistics

Sharia compliant Funds

Fund Name	Fund Manager	Inception	Fund Size (USD Mn)	Asset Allocation				Performance (%)				
				Cash	Equities	Bonds	Total	Apr-08	YTD ¹	2007	CAGR (%) ²	LTM Risk ³
1 Amanah Saudi Equity Fund	HSBC Saudi Arabia	May-04	1,777	1%	99%	0%	100%	9.33%	-3.06%	51.40%	18.43%	30.10%
2 SAMBA Saudi Equity Fund (Al Raed Fund)	Samba Financial Group	Dec-02	1,174	NA	NA	NA	NA	8.74%	-3.79%	50.59%	28.28%	31.30%
3 Riyadh Equity Fund 2	Riyad Capital	Nov-96	977	NA	NA	NA	NA	-0.50%	-8.09%	57.46%	19.68%	32.01%
4 AlAhli Saudi Trading Equity Fund	NCB Capital	Jun-98	760	0%	100%	0%	100%	6.97%	-6.10%	43.69%	22.34%	30.24%
5 Asayel Fund	Bank Al Bilad	Jan-06	298	10%	90%	0%	100%	2.66%	-17.33%	34.15%	-32.60%	31.11%
6 Al Rajhi Local Shares Fund	Al Rajhi Bank	Jul-92	236	NA	NA	NA	NA	7.43%	-3.59%	69.40%	-15.70%	31.30%
7 Amanah Saudi Industrial Fund	HSBC Saudi Arabia	Apr-05	218	0%	100%	0%	100%	9.26%	-0.58%	93.43%	0.97%	33.60%
8 Al-Saffa Saudi Equity Trading	Banque Saudi Fransi	Jul-05	160	NA	NA	NA	NA	7.60%	-3.67%	57.89%	-9.32%	31.91%
9 SHB: Saudi Equity Trading Fund	Saudi Holandi Capital Company	Jul-95	122	NA	NA	NA	NA	7.92%	3.01%	50.24%	-2.54%	26.66%
10 Al Mubarak Pure Saudi Equity Fund	Arab National Bank	Nov-05	97	NA	NA	NA	NA	5.64%	-15.60%	23.56%	-23.81%	31.48%
11 Falcom Saudi Equity Fund	FALCOM Financial Services	Apr-07	82	NA	NA	NA	NA	13.18%	6.27%	40.38%	29.08%	25.80%
12 AlAhli Saudi Dynamic Trading Equity Fund	NCB Capital	Apr-05	38	89%	11%	0%	100%	0.69%	-7.69%	11.33%	6.00%	10.45%
13 Al Taiyebat Saudi Equity Fund	Bank Al Jazira	Dec-99	37	NA	NA	NA	NA	7.46%	-4.88%	22.80%	12.28%	25.37%
14 Jadwa Saudi Equity Fund	Jadwa Investment	Jun-07	31	6%	94%	0%	100%	13.90%	-4.98%	61.39%	N/M	36.65%
15 SAIB Saudi Companies Fund	SAIB Asset Management Company	Apr-05	23	24%	76%	0%	100%	6.47%	-5.11%	50.72%	0.10%	31.55%
16 Amanah Growth Portfolio	HSBC Saudi Arabia	Jan-05	23	NA	NA	NA	NA	6.71%	-0.24%	33.76%	13.55%	18.76%
17 Bakheet Saudi Trading Equity Fund	Bakheet Investment Group	May-07	6	NA	NA	NA	NA	8.34%	-2.93%	71.06%	N/M	33.57%
Total			6,059	19%	81%	0%	100%					

1 YTD - Year to Date, 2 - CAGR: Compounded Annual Growth Rate, 3 - LTM Risk: Standard Deviation of returns for the last 12 Months

* Fund size is not available

Conventional Funds

Fund Name	Fund Manager	Inception	Fund Size (USD Mn)	Asset Allocation				Performance (%)				
				Cash	Equities	Bonds	Total	Apr-08	YTD ¹	2007	CAGR (%) ²	LTM Risk ³
1 Riyadh Equity Fund 3	Riyad Capital	Dec-00	1,177	NA	NA	NA	NA	1.60%	-8.48%	53.44%	29.45%	31.26%
2 SABB Saudi Equity Fund	HSBC Saudi Arabia	Oct-92	616	1%	99%	0%	100%	10.03%	-1.77%	62.21%	10.50%	28.63%
3 Al Musahem Fund	Samba Financial Group	May-92	466	NA	NA	NA	NA	10.57%	-1.67%	47.92%	15.87%	34.78%
4 SABB Saudi Equity Trading Fund	HSBC Saudi Arabia	Nov-97	284	NA	NA	NA	NA	9.28%	0.86%	66.48%	16.38%	29.26%
5 Saudi Gateway Fund	Shuaa Capital	Jul-07	192	1%	99%	0%	100%	9.39%	-0.78%	35.76%	N/M	28.98%
6 Financial Institutions Fund	HSBC Saudi Arabia	Aug-04	190	4%	96%	0%	100%	15.22%	-17.11%	35.91%	15.64%	44.35%
7 Riyadh Equity Fund 1	Riyad Capital	Dec-92	184	NA	NA	NA	NA	2.90%	-7.67%	58.56%	21.91%	30.86%
8 Saudi Istithmar Fund	Banque Saudi Fransi	Apr-93	102	NA	NA	NA	NA	8.62%	-5.76%	56.65%	8.08%	34.01%
9 ANB Saudi Companies Fund	Arab National Bank	May-93	88	38%	62%	0%	100%	5.93%	-3.53%	30.32%	13.50%	24.35%
10 ANB Saudi Equity Fund	Arab National Bank	Apr-92	81	6%	94%	0%	100%	7.48%	-4.25%	-6.17%	10.87%	28.01%
11 SAIB Saudi Equity Fund	SAIB Asset Management Company	Jul-04	72	NA	NA	NA	NA	7.16%	-2.78%	46.54%	17.81%	29.77%
12 Bakheet IPO Fund	Bakheet Investment Group	Mar-08	63	NA	NA	NA	NA	0.46%	0.46%	NA	N/M	NA
13 Al Fareed Fund	Samba Financial Group	Dec-03	52	NA	NA	NA	NA	10.66%	-4.43%	71.66%	17.89%	32.16%
14 SHB Saudi Companies Equity Fund	Saudi Holandi Capital Company	Nov-05	39	NA	NA	NA	NA	8.72%	-0.05%	55.64%	-14.37%	28.70%
Total			3,606	10%	90%	0%	100%					

1 YTD - Year to Date, 2 - CAGR: Compounded Annual Growth Rate, 3 - LTM Risk: Standard Deviation of returns for the last 12 Months

* Fund size is not available

Source: Markaz Analysis, Zawya, Lipperweb, Stock exchange website

Appendix 3: Kuwait Equity Funds Statistics Sharia compliant Funds

Fund Name	Fund Manager	Inception	Fund Size (USD Mn)	Asset Allocation				Performance (%)				
				Cash	Equities	Bonds	Total	Apr-08	YTD ¹	2007	CAGR (%) ²	LTM Risk ³
1 Al Safwa Investment Fund	National Investments Company	May-02	218	0%	100%	0%	100%	2.62%	14.64%	26.45%	25.88%	17.08%
2 Markaz Islamic Fund	Kuwait Financial Centre	Oct-03	213	7%	93%	0%	100%	-0.70%	7.70%	34.93%	29.76%	19.27%
3 Al Darij Investment Fund	National Investments Company	Jun-03	205	0%	100%	0%	100%	1.37%	7.25%	27.68%	30.40%	15.68%
4 Al Dar Securities Fund	Al Dar Asset Management	Oct-04	101	9%	91%	0%	100%	1.74%	16.66%	19.84%	28.48%	15.59%
5 Al Seef Fund	Bank Al Bilad	Jan-06	43	NA	NA	NA	0%	-1.06%	16.36%	32.26%	14.23%	21.16%
6 Tijari Islamic Fund	Commercial Bank of Kuwait	Jul-06	39	4%	96%	0%	100%	0.64%	12.02%	26.23%	23.42%	20.47%
7 Al Nokhba Fund	Al Dar Asset Management	Oct-07	37	11%	89%	0%	100%	1.24%	6.36%	1.61%	N/M	13.56%
8 Al Wasm Fund	Kuwait Finance and Investment Company	Jun-05	32	NA	NA	NA	0%	NA	17.63%	1.94%	8.64%	26.67%
9 Tharwa Islamic Fund	Tharwa Investment Company	Jun-07	32	15%	85%	0%	100%	-0.76%	8.62%	0.47%	N/M	14.51%
10 Al Huda Islamic Fund	Gulfinvest International	Jun-02	24	NA	NA	NA	0%	-2.82%	-1.46%	9.62%	17.83%	21.28%
11 Al-Durra Islamic Fund *	Global Investment House	May-04	NA	1%	99%	0%	100%	-1.00%	16.54%	32.75%	32.33%	19.39%
Total			944	6%	94%	0%	100%					

1 YTD - Year to Date, 2 - CAGR: Compounded Annual Growth Rate, 3 - LTM Risk: Standard Deviation of returns for the last 12 Months

* Fund size is not available

Conventional Funds

Fund Name	Fund Manager	Inception	Fund Size (USD Mn)	Asset Allocation				Performance (%)				
				Cash	Equities	Bonds	Total	Apr-08	YTD ¹	2007	CAGR (%) ²	LTM Risk ³
1 Al Wataniya Investment Fund	National Investments Company	Jul-01	939	0%	100%	0%	100%	0.01%	3.96%	43.37%	30.75%	19.64%
2 Al-Raed Fund	Kuwait Investment Company	Oct-01	906	NA	NA	NA	NA	1.81%	8.18%	21.42%	30.12%	15.39%
3 Markaz Investment and Development	Kuwait Financial Centre	Jul-01	801	10%	90%	0%	100%	-1.60%	5.21%	25.60%	29.08%	19.05%
4 Tijari Investment Fund	Commercial Bank of Kuwait	May-02	404	7%	93%	0%	100%	-0.09%	4.32%	37.96%	20.82%	21.17%
5 Burgan Equity Fund	Burgan Bank	Dec-01	400	22%	77%	0%	100%	NA	11.35%	27.27%	17.95%	15.88%
6 Coast Investment Fund	Coast Investment and Development Comp	Mar-02	391	14%	86%	0%	100%	-1.94%	2.55%	37.32%	10.02%	18.36%
7 Markaz Forsa	Kuwait Financial Centre	Jun-04	346	6%	94%	0%	100%	1.00%	7.09%	20.30%	20.70%	15.49%
8 KAMCO Investment Fund	Kipco Asset Management Company	Apr-04	302	7%	91%	1%	100%	-0.62%	8.60%	44.23%	19.79%	16.09%
9 Al Ahli Kuwaiti Fund	Al Ahli Bank of Kuwait	Feb-03	278	9%	91%	0%	100%	-1.19%	8.46%	38.73%	28.83%	18.96%
10 Markaz Mumtaz Investment Fund	Kuwait Financial Centre	Dec-99	258	13%	87%	0%	100%	-0.30%	10.62%	44.46%	35.72%	21.50%
11 Al-Shorooq Investment Fund	Gulfinvest International	Jul-01	225	NA	NA	NA	NA	1.25%	-9.64%	18.83%	19.95%	29.07%
12 Global Local Fund	Global Investment House	Jan-03	75	3%	97%	0%	100%	-1.19%	7.08%	12.65%	26.43%	16.57%
13 Tharwa Investment Fund	Tharwa Investment Company	May-07	53	4%	NA	0%	100%	3.46%	13.66%	7.62%	N/M	19.12%
14 Kuwait Gateway Fund	Shuaa Capital	Nov-05	35	11%	89%	0%	100%	1.35%	12.20%	40.27%	17.43%	17.49%
15 Al Rou'yah Fund	Kuwait and Middle East Financial Investme	Jun-02	14	0%	100%	0%	100%	-1.21%	7.90%	33.11%	26.83%	19.12%
16 NBK Kuwait Equity Fund	National Bank of Kuwait	Jun-07	4	1%	99%	0%	100%	-3.10%	2.35%	-3.00%	N/M	16.82%
Total			5,430	8%	91%	0%	100%					

1 YTD - Year to Date, 2 - CAGR: Compounded Annual Growth Rate, 3 - LTM Risk: Standard Deviation of returns for the last 12 Months

* Fund size is not available

Source: Markaz Analysis, Zawya, Lipperweb

Appendix 4: Qatar Equity Funds Statistics

Sharia compliant Funds

Fund Name	Fund Manager	Inception	Fund Size (USD Mn)	Asset Allocation				Performance (%)				
				Cash	Equities	Bonds	Total	Apr-08	YTD ¹	2007	CAGR (%) ²	LTM Risk ³
1 Al-Beit Al-Mali Shariah Compliant Fund	Qatar National Bank	Sep-06	38	5%	95%	0%	100%	21.64%	18.05%	21.41%	24.46%	27.79%
Total			38	5%	95%	0%	100%					

¹ YTD - Year to Date, ² - CAGR: Compounded Annual Growth Rate, ³ - LTM Risk: Standard Deviation of returns for the last 12 Months

* Fund size is not available

Conventional Funds

Fund Name	Fund Manager	Inception	Fund Size (USD Mn)	Asset Allocation				Performance (%)				
				Cash	Equities	Bonds	Total	Apr-08	YTD ¹	2007	CAGR (%) ²	LTM Risk ³
1 Makaseb Qatar Equity Fund	Mashreq	May-05	47	0%	100%	0%	100%	19.70%	22.84%	50.38%	2.20%	29.28%
2 Al Watani Fund	Qatar National Bank	Oct-05	39	1%	99%	0%	100%	19.19%	18.46%	51.72%	26.32%	30.83%
3 Al Watani Fund 2	Qatar National Bank	Oct-05	39	0%	100%	0%	100%	18.34%	13.70%	32.51%	9.85%	25.14%
4 NBK Qatar Equity Fund*	National Bank of Kuwait	May-06	NA	4%	96%	0%	100%	18.07%	18.46%	51.72%	26.32%	30.83%
5 Qatar Gate Fund (N)*	Amwal	Sep-05	NA	0%	100%	0%	100%	19.65%	22.78%	36.09%	-1.74%	26.05%
6 Qatar Gate Fund (Q)*	Amwal	Sep-05	NA	1%	99%	0%	100%	19.34%	22.46%	38.81%	-0.43%	26.73%
Total			125	1%	99%	0%	100%					

¹ YTD - Year to Date, ² - CAGR: Compounded Annual Growth Rate, ³ - LTM Risk: Standard Deviation of returns for the last 12 Months

* Fund size is not available

Source: Markaz Analysis, Zawya, Lipperweb

Appendix 5: UAE Equity Funds Statistics

Sharia compliant Funds

Fund Name	Fund Manager	Inception	Fund Size (USD Mn)	Asset Allocation				Performance (%)				
				Cash	Equities	Bonds	Total	Apr-08	YTD ¹	2007	CAGR (%) ²	LTM Risk ³
1 NBAD UAE Islamic Fund	National Bank of Abu Dhabi	Jan-05	92	0%	100%	0%	100%	5.40%	-1.77%	40.43%	14.75%	28.99%
2 Daman Islamic Fund*	Daman Investments	May-07	NA	48%	52%	0%	100%	2.50%	-1.38%	14.33%	N/M	11.66%
3 Dubai Growth Fund Ltd*	3i Capital Group	Mar-07	NA	NA	NA	NA	0%	6.88%	8.92%	5.00%	12.19%	6.82%
Total			92	24%	76%	0%	100%					

1 YTD - Year to Date, 2 - CAGR: Compounded Annual Growth Rate, 3 - LTM Risk: Standard Deviation of returns for the last 12 Months

* Fund size is not available

Conventional Funds

Fund Name	Fund Manager	Inception	Fund Size (USD Mn)	Asset Allocation				Performance (%)				
				Cash	Equities	Bonds	Total	Apr-08	YTD ¹	2007	CAGR (%) ²	LTM Risk ³
1 NBAD UAE Trading Fund	National Bank of Abu Dhabi	Jan-04	501	0%	100%	0%	100%	8.00%	-2.07%	60.31%	31.05%	37.96%
2 NBAD UAE Distribution Fund	National Bank of Abu Dhabi	Feb-06	351	0%	100%	0%	100%	6.10%	-3.48%	59.13%	11.35%	28.83%
3 Al Nokhitha Fund	Abu Dhabi Commercial Bank	Mar-05	296	0%	100%	0%	100%	10.99%	-0.13%	57.90%	11.14%	37.39%
4 NBAD UAE Growth Fund	National Bank of Abu Dhabi	Oct-00	238	0%	100%	0%	100%	6.40%	-5.49%	62.97%	24.61%	39.49%
5 Emirates Gateway Fund	SHUAA Capital	Mar-02	104	1%	99%	0%	100%	10.97%	4.02%	54.14%	31.71%	31.02%
6 Al Mal UAE Equity Fund	Al Mal Capital	Mar-06	67	12%	88%	0%	100%	8.10%	-5.93%	50.58%	6.43%	26.36%
7 TNI UAE Blue Chip Fund	The National Investors	Apr-05	48	1%	99%	0%	100%	9.83%	6.55%	54.85%	7.30%	25.95%
8 Makaseb Emirates Equity Fund	Mashreq Bank	Feb-05	31	1%	99%	0%	100%	9.70%	-0.29%	52.19%	15.88%	39.53%
9 Makaseb Emirates Opportunities Fund	Mashreq Bank	May-05	9	6%	94%	0%	100%	14.30%	10.63%	57.15%	-4.28%	42.07%
10 TNI Dana Women Fund	The National Investors	Jul-05	5	NA	NA	NA	NA	5.79%	0.86%	21.23%	1.29%	15.51%
11 Daman Second Emirates Fund*	Daman Investments	Feb-07	NA	15%	85%	0%	100%	7.32%	2.63%	24.24%	21.58%	18.70%
Total			1,650	4%	96%	0%	100%					

1 YTD - Year to Date, 2 - CAGR: Compounded Annual Growth Rate, 3 - LTM Risk: Standard Deviation of returns for the last 12 Months

* Fund size is not available

Source: Markaz Analysis, Zawya, Lipperweb

Appendix 6: Oman Equity Funds Statistics

Conventional Funds

Conventional Funds		Fund Size		Asset Allocation				Performance (%)				
Fund Name	Fund Manager	Inception	(USD Mn)	Cash	Equities	Bonds	Total	Apr-08	YTD ¹	2007	CAGR (%) ²	LTM Risk ³
1 Muscat Fund	BankMuscat	Dec-95	50	0%	100%	0%	100%	10.00%	26.40%	64.43%	16.2%	15.97%
2 Vision Emerging Oman Fund	Vision Investment Services Company	Aug-07	49	NA	NA	0%	0%	12.55%	28.77%	32.27%	N/M	19.24%
3 Oman Gateway Fund	SHUAA Capital	Jul-04	47	6%	94%	0%	100%	10.52%	26.96%	51.77%	32.5%	14.10%
		Total	146	3%	97%	0%	100%					

1 YTD - Year to Date, 2 - CAGR: Compounded Annual Growth Rate, 3 - LTM Risk: Standard Deviation of returns for the last 12 Months

* Fund size is not available

Source: Markaz Analysis, Zawya, Lipperweb

Appendix 7: Bahrain Equity Funds Statistics

Conventional Funds

Conventional Funds		Fund Size		Asset Allocation				Performance (%)				
Fund Name	Fund Manager	Inception	(USD Mn)	Cash	Equities	Bonds	Total	Apr-08	YTD ¹	2007	CAGR (%) ²	LTM Risk ³
1 SICO Selected Securities	Securities & Investment Company	May-98	36	2%	98%	0%	100%	0.10%	7.30%	29.27%	9.54%	15.00%
2 Delmon Fund	Global Investment House	Oct-04	6	NA	NA	NA	0%	-2.01%	6.34%	23.00%	21.59%	14.38%
		Total	42	2%	98%	0%	100%					

1 YTD - Year to Date, 2 - CAGR: Compounded Annual Growth Rate, 3 - LTM Risk: Standard Deviation of returns for the last 12 Months

* Fund size is not available

Source: Markaz Analysis, Zawya, Lipperweb

Appendix 8: GCC Asset Managers – Consolidated

Sr. No.	Fund Manager	Asset Under Management (\$ Mn)*	Market Share (%)	Sr. No.	Fund Manager	Asset Under Management (\$ Mn)*	Market Share (%)
1	HSBC Saudi Arabia	3,152	14.4%	37	Bakheet Investment Group	69	0.3%
2	Riyad Capital	2,470	11.3%	38	Al Mal Capital	67	0.3%
3	Samba Financial Group	1,838	8.4%	39	Jadwa Investment	61	0.3%
4	Kuwait Financial Centre	1,664	7.6%	40	The National Investors	53	0.2%
5	National Investments Company	1,361	6.2%	41	Al Arabi Investment Group	48	0.2%
6	National Bank of Abu Dhabi	1,272	5.8%	42	Bank Al Jazira	37	0.2%
7	NCB Capital	1,071	4.9%	43	Meridio AG	36	0.2%
8	Shuaa Capital	1,015	4.6%	44	Audi Saudi Arabia	31	0.1%
9	Kuwait Investment Company	906	4.1%	45	Makaseb	20	0.1%
10	Algebra Capital	632	2.9%	46	Kuwait and Middle East Financial Investment Company	14	0.1%
11	Commercial Bank of Kuwait	478	2.2%	47	Al Tawfeek Company for Investment Funds	7	0.0%
12	Al Rajhi Bank	428	2.0%	48	TAIB Securities	7	0.0%
13	Al Ahli Bank of Kuwait	405	1.9%	49	National Bank of Kuwait	4	0.0%
14	Burgan Bank	400	1.8%	50	3i Capital Group	NA	NA
15	Coast Investment and Development Company	391	1.8%	51	Amwal	NA	NA
16	Bank Al Bilad	342	1.6%	52	Daman Investments	NA	NA
17	Kipco Asset Management Company	302	1.4%		TOTAL	21,839	100.0%
18	Abu Dhabi Commercial Bank	296	1.4%		Note*: AUM Figures are restricted to Equity Funds only.		
19	Banque Saudi Fransi	277	1.3%		Source: Markaz Analysis, Zawya, Lipperweb		
20	Arab National Bank	266	1.2%				
21	Kuwait Finance and Investment Company	252	1.2%				
22	Gulfinvest International	249	1.1%				
23	Securities & Investment Company	218	1.0%				
24	SAIB Asset Management Company	206	0.9%				
25	Gulf Investment Corporation	196	0.9%				
26	Global Investment House	180	0.8%				
27	National Bank of Dubai	177	0.8%				
28	Saudi Holandi Capital Company	161	0.7%				
29	Al Dar Asset Management	138	0.6%				
30	Qatar National Bank	116	0.5%				
31	Vision Investment Services Company	101	0.5%				
32	BankMuscat	100	0.5%				
33	Mashreq Bank	87	0.4%				
34	Tharwa Investment Company	85	0.4%				
35	FALCOM Financial Services	82	0.4%				
36	Societe Generale Asset Management	74	0.3%				

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