



ALFANAR INVESTMENT HOLDINGS N.V.

Global equity – Islamic investment guidelines, diverse global equity exposure, long only.

GENERAL INFORMATION:

Inception Date	12/31/1997
Fund Size	\$ 50 Million
Incorporation	Netherlands Antilles
Investment Mgr.	A.I.H. Investment Management Company Ltd.
Subscription	Weekly
Redemption	Weekly
Valuations	Weekly
Min. Investment	A - US\$ 50,000 B - US\$ 50,000
Addl. Investment	US\$ 1,000
Comparative Index	MSCI World (Local) (MSCIWL)
NAV Listing	International Herald Tribune

* Not available through all distributors

Current NAV	Class A	Class B
US\$	\$1,818.07	\$1,639.47

FUND IDs:

FUND CLASS	ISIN	CUSIP	BLOOMBERG
Class A (US\$)	ANN022771060	N02277106	ALFIHAI NT
Class B (US\$)	ANN022771144	N02277114	ALFIHBI NT

INVESTMENT HIGHLIGHTS

- Provides diversified exposure to the global equity markets.
- The Fund's investments comply with strict Islamic investment guidelines established by a Sharia Advisory Panel consisting of Dr. Mohammed A. Elgari and Dr. Nazih K Hammad.

MANAGER'S REVIEW

January spelled more concerns for international financial markets. During the month, recessionary fears took hold in response to perceptions of deteriorating global economic growth and depreciating credit conditions. Global equity markets experienced drawdowns in January on the heels of negative U.S. economic data, notably a weaker than expected employment report. Questions regarding the stability of corporate debt, disappointing earnings forecasts and rising commodity prices also put a strain on equities during the month. Additionally, turmoil at the French bank Société Générale shook already exacerbated European markets. Despite a U.S. government-led effort to develop a \$150 billion stimulus package, along with the Fed cutting the Fed Funds rate and fed discount rate an additional 125 basis points, little was accomplished in quelling investor concerns regarding U.S. economic growth prospects.

The USD continued to descend versus most major currencies in January, fueled by weak U.S. economic data, cuts in U.S. interest rates and heightened inflationary concerns. The USD fell sharply versus the JPY as many investors reversed carry trades. The EUR gained on the USD as U.S. interest rates lost its advantage over the European currency. The USD achieved marginal gains versus the GBP into month-end.

Understandably, the long-only Fund was hurt by the sharp market declines globally. However, the Fund remains diversified among five strategies in order to explore opportunities globally.

LARGEST 5 MANAGERS (6 Total Managers)

Dean Smith *Europe (24%)*
Employs a diversified portfolio with emphasis on European growth and value strategies.

John Calamos *Murabaha (18%)*
Seeks long-term growth with high emphasis on risk-adjusted returns and protecting capital using bonds, equities and convertibles.

Guan Mean Ng *Asia (18%)*
Uses bottom-up investment approach to Asian equities offering growth at a reasonable price or value emerging into growth.

William Stewart *US Large Cap (18%)*
Picks stocks with high returns on equity; portfolio companies are large-cap, global market leaders in non-cyclical businesses.

Sanford Colen *US Value (15%)*
Employs a bottom-up, research driven approach focusing on US equities in consumer, healthcare, technology and energy sectors.

STATISTICS

	US\$	
	AIH	MSCIWL
Return for January 2008	-8.0%	-8.4%
Annualized Return:		
Since Inception	6.1%	5.3%
10 Years	6.1%	5.0%
5 Years	11.0%	13.7%
3 Years	6.1%	9.6%
1 Year	0.7%	-5.3%
Average Monthly Return*	0.9%	1.1%
Standard Deviation*	9.2%	9.4%
Sharpe Ratio*	0.9	1.1
Beta*	0.9	1.0

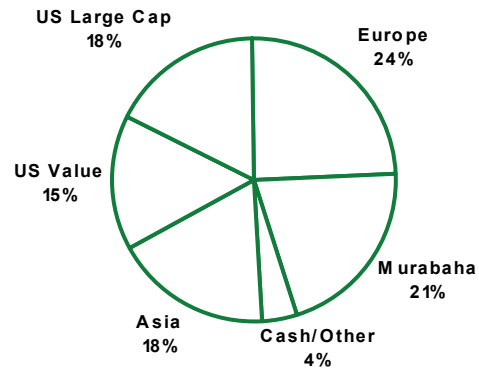
*Based on past 5 years or since inception if fund is less than 5 years old

ANNUAL PERFORMANCE

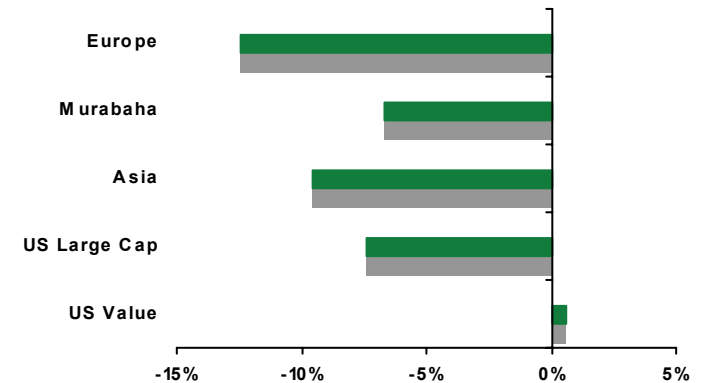
	2008 YTD	2007	2006	2005	2004
AIH (US\$)	-8.0%	10.4%	9.6%	5.0%	10.6%
MSCIWL	-8.4%	5.2%	16.1%	16.3%	11.8%
DJIM	-8.3%	16.4%	14.5%	8.6%	8.9%

The Fund commenced trading 12/31/1997. The index is the MSCI World (Local). The second index is the Dow Jones Islamic Index.

ASSET ALLOCATION BY STRATEGY

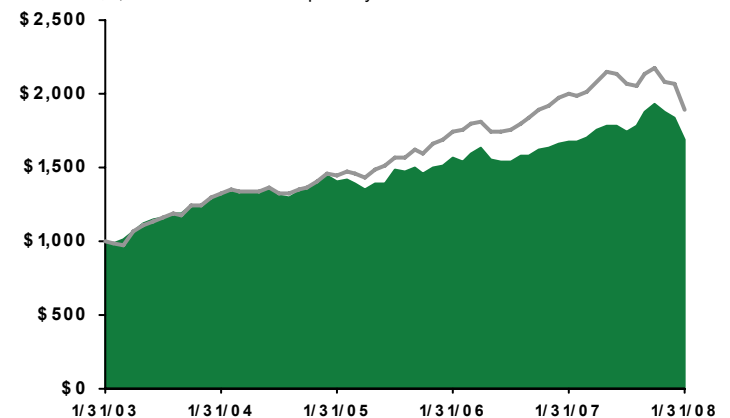


PERFORMANCE BY STRATEGY MTD YTD



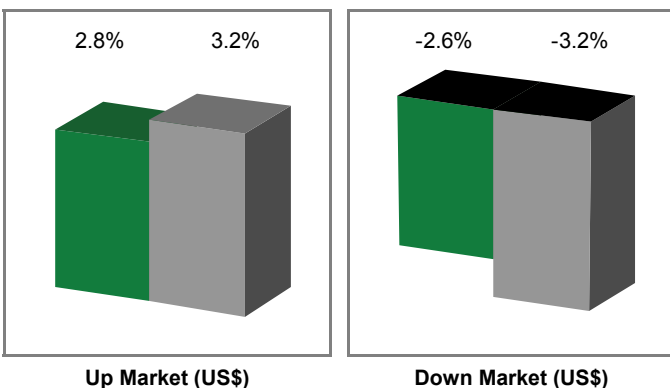
INVESTMENT PERFORMANCE AIH MSCIWL

Growth of \$1,000 invested over the past 5 years



UP AND DOWN MARKETS AIH MSCIWL

Average monthly performance from inception through 1/31/2008



The indexes listed have not been selected to represent benchmarks for the Funds, but rather allow for comparison of a Fund's performance to that of a widely recognized index. An investor cannot invest directly in an index. Index performance does not reflect fees and expenses of investing. Past performance is not a guide to future performance. Performance figures are for Class A shares, reflect the reinvestment of dividends, distributions and other earnings and are net of Fund level expenses but not sales charges which may be up to 5.5% or taxes which would reduce the return. Fees and expenses are payable at the Fund level in addition to those of third party portfolio managers or their funds. The Fund may have high fees and expenses that would reduce gross returns. Performance may be volatile and the Fund's NAV will fluctuate. Funds in existence for less than 1 year may have additional risks such as those related to the timing of initial investment and the level of asset diversification. Hedge Funds are speculative and involve a number of risks including those associated with the use of leverage, options, derivative instruments, distressed securities, futures, illiquid investments and short sales. In addition, alternative investment funds with an emphasis on specific industry sector and/or public and private companies present certain risks that may not exist in a more diversified portfolio. Multi-manager funds are dependent not only on the investment performance of individual managers but also on the ability of the investment manager to effectively allocate the fund's assets. Investors may not receive the full amount invested upon redemption or withdrawal. Exchange rate fluctuations may affect Fund returns. Fund allocations and holdings are subject to change. There is no assurance that the Fund's objective will be attained. This material is not an offer or solicitation to subscribe for shares in any Fund, does not constitute investment advice, and is provided by way of information only. Sales of shares are made on the basis of the offering circular only and cannot be offered in any jurisdiction in which such offer is not authorized. The Fund is not for public sale in the US or to US persons, including US citizens and residents, and its sale is restricted in certain other jurisdictions. There are restrictions on transferring Fund shares. Investment in the Fund may not be suitable for all investors and prospective investors should consult their professional advisers as to suitability, legal, tax and economic consequences of an investment in the Fund. Permal believes that the information contained herein is accurate as of the date of the materials. No entity of the Permal Group makes any warranties of accuracy of the information and they shall not be liable for any losses or damages relating to it. See complete statement on last page.