

## Makaseb Income Fund (MIF)

### Fund Description

Makaseb Income Fund (MIF) primarily seeks to provide current income along with the stability of capital. Fund's secondary objective is to seek income growth over the long term. The Fund aims to achieve its investment objective by investing in a diversified portfolio of fixed and floating rate investments originating from countries in the GCC, MENA, South Asia and other emerging economies.

### Fund Managers Commentary

The Makaseb Income Fund was up 1.49% while the HSBC/Nasdaq Dubai Investment Grade benchmark index was up 1.55% over the same period.

While February was all about a sell off induced by the geopolitical crisis in the Middle East and North Africa, March saw a strong rally in regional credit market. As we predicted, the market soon began to differentiate between individual credits with regards to the instability. In particular the Dubai Inc complex has done extremely well as people acknowledged the stability of UAE.

The Makaseb Income Fund continues to focus on UAE and Qatar credits as we believe the sell-off in the market provides opportunities to invest.

### Fund Returns

	MTD	YTD	1 Year	3 Years	SI
MIF	1.5%	1.0%	8.2%	0.4%	0.5%
Benchmark	1.6%	0.5%	6.7%	3.7%	20.1%
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	
MIF	2.1%	-21.6%	10.4%	12.1%	
Benchmark	3.2%	-14.6%	18.0%	10.3%	

### Top Holdings

Dubai Holding Comm Op	15.8%
Kingdom Of Morocco	12.0%
Emaar Sukuk Ltd	9.4%
Mbps Finance Co	7.8%
Dubai Govt Int'L Bonds	6.2%

### Fund Statistics

Coupon	5.6
Fund Rating	BB
Maturity	5.2
Yield	8.1
Modified Duration	2.5

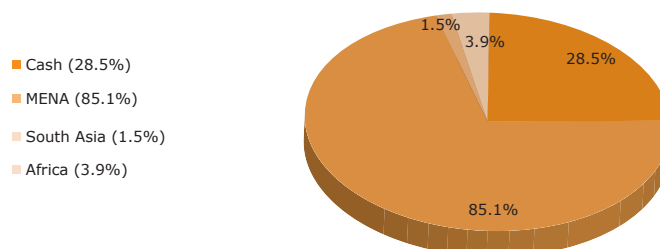
### Fund Details

Fund Type	Open Ended
Domicile	Bahrain
Currency	USD
Regulator	Central Bank of Bahrain
Investment Manager	Mashreq Capital
Net Asset Value	Weekly

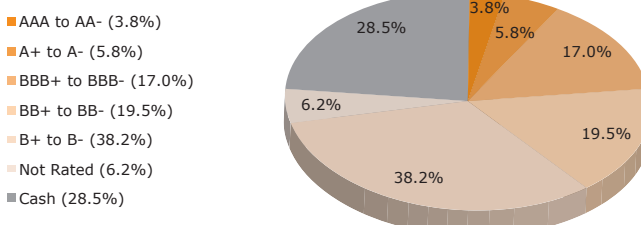
### Performance (Chart)



### Regional Allocation



### Ratings Breakdown



Benchmark: HSBC/ NASDAQ Dubai Middle East Investment Grade Sukuk/ Bond Index (MEIGTR), SI: Since Inception, MTD: Month to Date, YTD: Year to Date

**Contact Us: Tel: +9714 207 8811, Email: assetmanagement@mashreqbank.com, Web: www.mashreqassetmanagement.com**

**Disclaimer:** This note has been prepared solely for information purposes. It does not constitute an investment advice, solicitation, offer or personal recommendation by Mashreq Asset Management or any of its related parties to buy or sell any securities, product, service or investment or to engage in or refrain from engaging in any transaction, particularly, in any jurisdiction where such an offer or solicitation would be illegal. Certain assumptions may have been made in the analysis that resulted in any information and results/returns detailed therein. No representation is made that any returns/results indicated would be achieved or that all assumptions in achieving these returns/results have been considered. Past performance is not necessarily indicative of future results. Mashreq Asset Management does not warrant the accuracy of the information provided herein and views expressed in this note reflect personal views of the analyst(s) which does not take account of individual clients' objectives, financial situations or needs. Investors are required to undertake their own assessment and seek appropriate financial, legal, tax and regulatory advice to determine whether this investment is appropriate for them in light of their experience, objectives, financial resources and other relevant circumstances. Mashreq Asset Management, nor any of its related parties accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this memorandum and/or further communication in relation thereto. Mashreq Asset Management does not accept any obligation to correct or update the information or opinions in it; however, opinions expressed are subject to change without notice. This note is disseminated primarily electronically, and, in some cases, in printed form. The above terms are indicative and do not constitute solicitation or an offer to sell to the public. This document is not intended to identify, represent or notify the conclusive terms and conditions of any transaction, other material considerations and any possible risks, direct or indirect, that would be involved in undertaking such a transaction.