

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

MIF was down 0.07% for the month of June 2011 and up 4.07% YTD

The MENA benchmark index, HSBC/Nasdaq Dubai Investment Grade, was up 0.10% for the month and up 4.06% YTD.

During the month of June Global sentiment took a turn for the worse on the back of a combination of increased uncertainty with regards to Greece and peripheral Europe as well as weakness in US economic data. But regional spreads continue to hold on to the gains of the year so far and have outperformed the rest of the Global HY space.

We have lightened up on some names in the regional and will increase our cash holdings in the short term based on the view that these headwinds of slower US growth and problems facing European Sovereigns and Banks have not been resolved and there could be further widening in spreads and therefore better entry levels in the coming months.

The fund ended June with 6.13% in cash, an average rating of BB, and yield of 11.16%.

Fund Returns

	MTD	YTD	1 Year	3 Years	SI
MIF	-0.1%	4.1%	10.9%	0.9%	3.5%
Benchmark	0.1%	4.1%	8.6%	4.7%	33.6%
		2007	2008	2009	2010
MIF		2.1%	-21.6%	10.4%	12.1%
Benchmark		3.2%	-14.6%	18.0%	10.3%

Top Holdings

Dubai Holding Comm Op	18.4%
Atlantic Finance Ltd	6.6%
Gtb Finance Bv	6.1%
Qtel International Fin	5.8%
Kingdom Of Morocco	5.8%

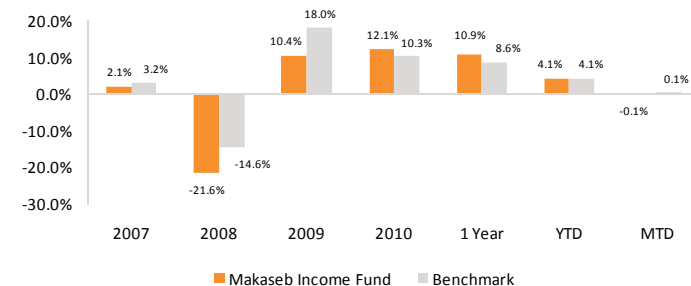
Fund Statistics

Coupon	5.8
Fund Rating	BB
Maturity	6.3
Yield	11.2
Modified Duration	4.5

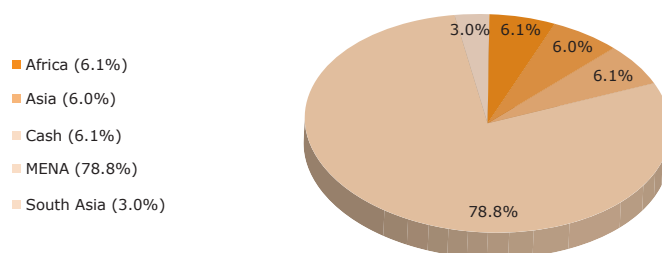
Fund Details

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

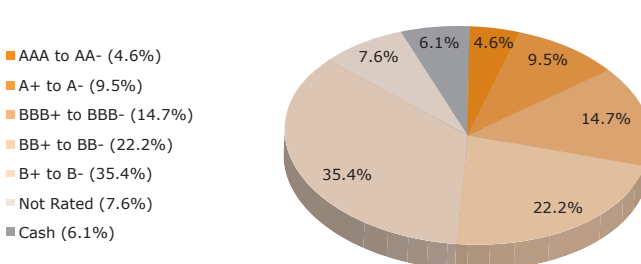
Performance (Chart)



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

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