

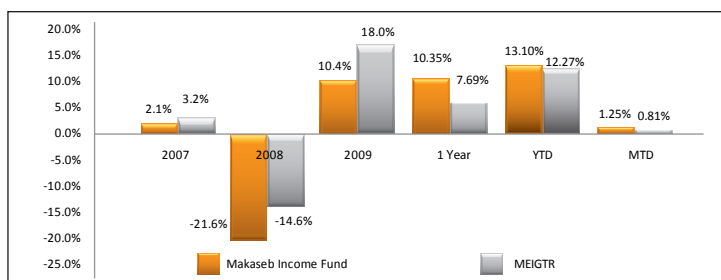
Makaseb Income Fund (MIF)

NAV as at Oct 26, 2010 : USD: 10.10

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..

Performance Chart



Fund Returns

	MTD	YTD	1 YEAR	3 YEAR	Since Inception
Makaseb Income Fund	1.3%	13.1%	10.3%	-2.59%	1.62%
MEIGTR	0.8%	12.3%	7.69%	12.3%	21.59%
	2005	2006	2007	2008	2009
Makaseb Income Fund			2.1%	-21.6%	10.4%
MEIGTR			3.2%	-14.6%	18.0%

Inception Date: November 2005

*MEIGTR Index: HSBC/ NASDAQ Dubai Middle East Investment Grade Sukuk/ Bond Index
PERFORMANCE INCLUSIVE OF DIVIDENDS

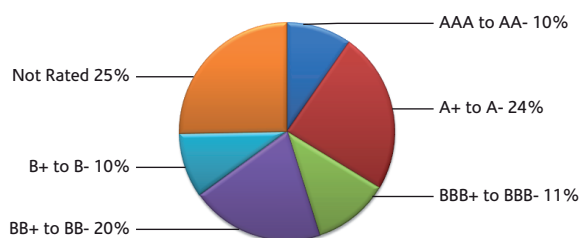
Fund Managers Commentary

The Makaseb Income Fund (MIF) was up 1.25% in September while the HSBC/Nasdaq Dubai Investment Grade benchmark index was up 0.81% over the same period.

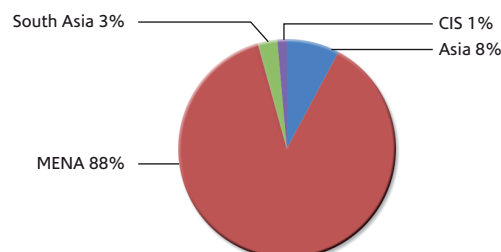
The regional market has continued to perform on the back of the expected quantitative easing by the US Federal Reserve. It is interesting to note that the HSBC/Nasdaq Dubai Investment Grade Index Average Spread has moved negligibly, declining only 1.54bps over the month. As expected, this highlights the fact that the performance is mainly on the back of declining Treasury yields.

As opposed to prior months, the fund deployed all of its cash in October and participated actively in the primary market. Along with avoiding any cash drag, performance can also be attributed to some profit taking in credits which we assessed to be rich compared to peers.

Ratings Breakdown



Regional Allocation



Top Holdings

Emaar	8.92%
State Of Qatar	8.25%
Qatar Telecom	7.93%
DP World	6.87%
SABIC	5.68%

Fund Statistics

Coupon	5.52%
BLP Rating	BBB
Maturity	7.66
Yield	6.37%
Modified Duration	5.21

Executive Summary

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

Subscription/ redemption	Weekly
Management Fee	0.75% p.a.
Auditor	Deloitte & Touche
Registrar, Administrator & Custodian	HSBC Middle East
Bloomberg Ticker	MAKAINC BI
Zawya Code	MAKINCM.MF

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