

## 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

#### Solid towards the end of the year

November was another month of positive returns raising the YTD performance to 17.9%, up 56 basis points since last month and beating the benchmark by 6.7% YTD.

The US elections have passed relatively calm and as expected. Now the focus in the market has shifted towards the so-called fiscal cliff as well as expected economic conditions and market dynamics that 2013 will likely bring along.

Any noise coming from the fiscal cliff has been disregarded so far and the market was generally supported by two sides: risk-on mode and stable treasuries.

The fund maintained its strategy and the focus was on investments regionally like the great performing ADIB perpetual bond, but also on seizing more opportunities outside the region in Emerging Markets. The cash balance was still relatively high at the end of the month to be able to take advantage of upcoming opportunities. Generally the fund will be more cautious now with duration and will track US treasuries closely to protect against adverse movements.

The fund ended the month with a cash balance of 6.4%, average rating was raised one notch to BBB- and the average yield increased to 6.5% on the back of longer duration.

### Fund Returns

	MTD	YTD	1 Year	3 Years	SI
MIF	0.6%	17.9%	18.5%	9.0%	2.7%
Benchmark	0.3%	11.2%	12.3%	9.5%	5.3%
	2007	2008	2009	2010	2011
MIF	2.1%	-21.6%	10.4%	12.1%	0.9%
Benchmark	3.2%	-14.6%	18.0%	10.3%	6.4%

### Top Holdings

Investcorp SA	7.7%
Pyrus Ltd.	5.8%
Qtel International Fin	5.8%
Adib Capital Invest 1 Lt	5.5%
BBK	5.3%

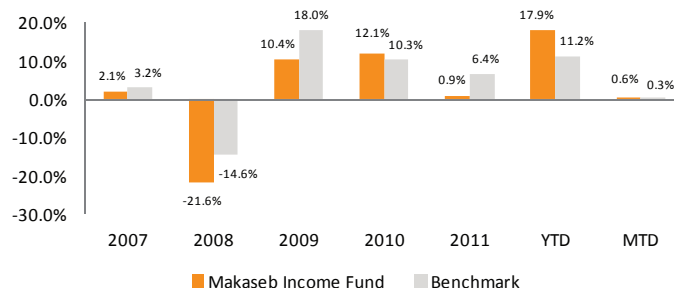
### Fund Statistics

Average Coupon	7.1
Fund Rating	BBB-
Average Maturity	9.5
Average Yield	6.5
Modified Duration	6.7

### Fund Details

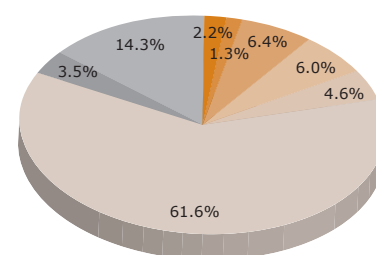
Fund Type	Open Ended
Domicile	Bahrain
Inception Date	Mar 29, 2006
Currency	USD
Regulator	Central Bank of Bahrain
Investment Manager	Mashreq Capital
Net Asset Value	Each business day

### Performance (Chart)



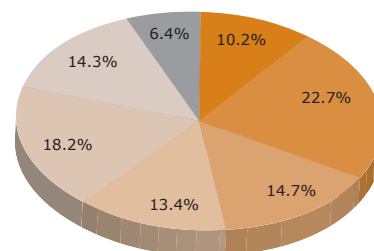
### Regional Allocation

- Africa (2.2%)
- Asia (1.3%)
- Cash (6.4%)
- CIS (6.0%)
- Europe (4.6%)
- MENA (61.6%)
- South Asia (3.5%)
- US Treasury Futures (14.3%)



### Ratings Breakdown

- A+ to A- (10.2%)
- BBB+ to BBB- (22.7%)
- BB+ to BB- (14.7%)
- B+ to B- (13.4%)
- Not Rated (18.2%)
- US Treasury Futures (14.3%)
- Cash (6.4%)



Subscription/ redemption	Each business day
Management Fee	0.75% p.a.
Auditor	Deloitte & Touche
Registrar	Key Point
Administrator & Custodian	HSBC
Bloomberg Ticker	MAKAINC BI
Zawya Code	MAKINCM.MF

Benchmark: HSBC/ NASDAQ Dubai Middle East Investment Grade Total Return Index, SI: Since Inception, MTD: Month to Date, YTD: Year to Date

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