

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 continued its strong performance throughout February

After a very promising start in January MIF was able to perform even better in February adding 2.5% to its gains and YTD having a performance of 4.41% now. This beats the benchmark index by almost 3%.

Economic data from the US continued to be stronger than anticipated, in Europe major steps in solving the Greek debt crisis have been implemented and the question in China has now moved more towards how much it decides to grow.

Global equity and credit markets profited from an attitude towards risky assets bolstered by continuous flows into funds. New bond issues tend to be heavily oversubscribed.

The fund took profit on positions with healthy gains and continued to reinvest the proceeds. The cash balance is currently at 12%, the average rating improved slightly to BBB and average yield is 7%.

Fund Returns

	MTD	YTD	1 Year	3 Years	SI
MIF	2.5%	4.4%	5.9%	13.5%	4.8%
Benchmark	1.1%	1.5%	9.1%	12.7%	28.8%
	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

Tamweel Funding Ltd	11.4%
Eib Sukuk Ltd	8.8%
Dubai Holding Comm Op	7.2%
Cbq Finance Ltd	6.7%
Dubai Dof Sukuk Ltd	6.1%

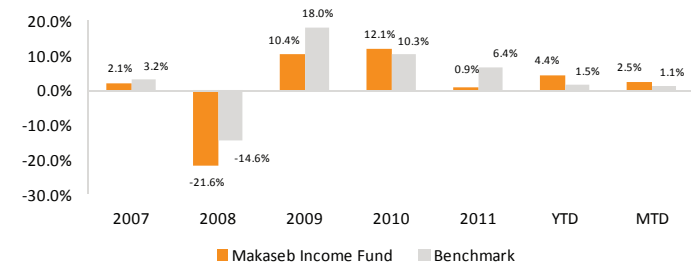
Fund Statistics

Average Coupon	6.0
Fund Rating	BBB
Average Maturity	5.1
Average Yield	7.0
Modified Duration	4.1

Fund Details

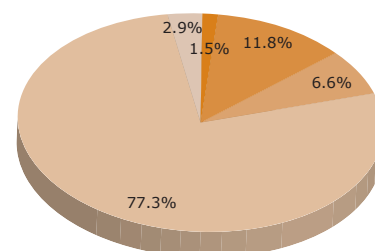
Fund Type	Open Ended
Domicile	Bahrain
Inception Date	Mar 29, 2006
Currency	USD
Regulator	Central Bank of Bahrain
Investment Manager	Mashreq Capital
Net Asset Value	Weekly

Performance (Chart)



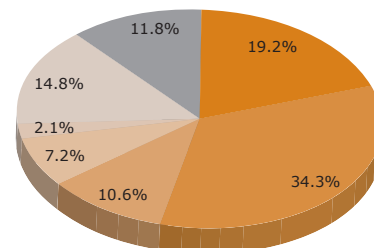
Regional Allocation

- Africa (1.5%)
- Cash (11.8%)
- CIS (6.6%)
- MENA (77.3%)
- South Asia (2.9%)



Ratings Breakdown

- A+ to A- (19.2%)
- BBB+ to BBB- (34.3%)
- BB+ to BB- (10.6%)
- B+ to B- (7.2%)
- C (2.1%)
- Not Rated (14.8%)
- Cash (11.8%)



Subscription/ redemption	Weekly
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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