

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 stellar performance during March and increased the year to date performance to 6.48%. This beats the benchmark index by more than 4%.

Global equity and credit markets have reached higher levels in this first quarter than many would have anticipated. But in general the mood remains cautious and investors reassess the situation trying to gauge what will be next.

Among the topics which are being discussed are: a possible correction after the strong run up in the first quarter, changes in asset allocation, the changed growth strategy of China (slower but more substantial growth), signs of improvements in the US but with new data still giving mixed signals, and a possible continuation of the Euro crisis due to economic weakness in countries like Portugal and Spain.

The fund continued its strategy of securing profits in positions which had a great run, re-employing the cash in promising new issues and optimizing its positions based on relative value. The cash balance is currently at 11%, the average rating stayed at BBB and average yield is 6.7%.

Fund Returns

	MTD	YTD	1 Year	3 Years	SI
MIF	2.5%	6.5%	7.2%	12.7%	6.9%
Benchmark	0.9%	2.3%	8.5%	11.4%	39.7%
	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

Dubai Holding	7.7%
Tamweel Funding Ltd	7.0%
DEWA	6.1%
DP World Sukuk Ltd	6.0%
IPIC	5.9%

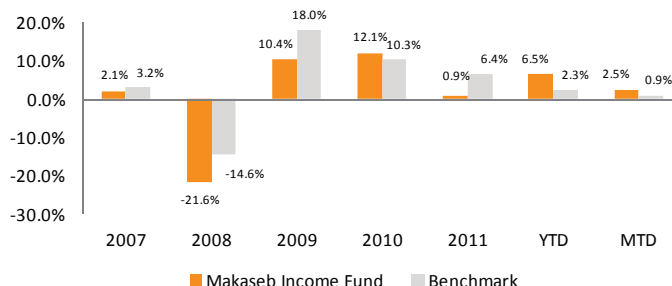
Fund Statistics

Average Coupon	5.6
Fund Rating	BBB
Average Maturity	6.0
Average Yield	6.7
Modified Duration	4.7

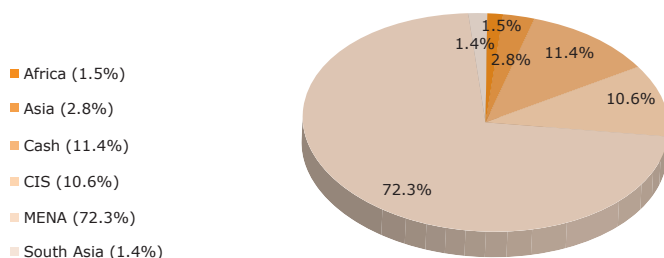
Fund Details

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	Weekly

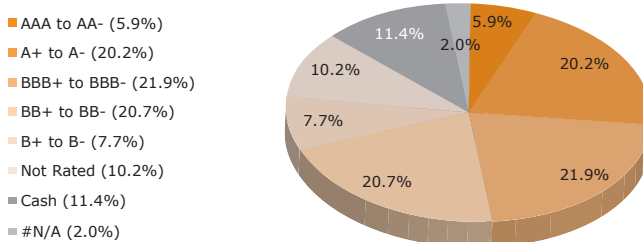
Performance (Chart)



Regional Allocation



Ratings Breakdown



Benchmark: HSBC/ NASDAQ Dubai Middle East Investment Grade Total Return Index, 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

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