

Fact Sheet for September 2006

Executive Summary

| | |
|--------------------|-------------------------|
| Fund Type | Open-End Fund |
| Domicile | Bahrain |
| Currency | US Dollar |
| Regulator | Bahrain Monetary Agency |
| Net Asset Value | Every Tuesday |
| Subscription | Every Wednesday |
| Redemption | Every Wednesday |
| Management Fee | 1.25% p.a. |
| Investment Manager | Mashreqbank psc |
| Share Registrar | Deloitte & Touche |
| Administrator | HSBC Middle East |
| Custodian | HSBC Middle East |
| Auditor | Deloitte & Touche |

Performance Summary

| | |
|----------------------------------|----------|
| NAV (October 03, 2006) | USD 9.91 |
| September 2006 | 0.37% |
| August 2006 | -0.00% |
| July 2006 | -0.16% |
| June 2006 | -0.56% |
| Since Inception (March 29, 2006) | -0.89% |

Top 3 Holdings

| Security | Maturity | % Holding |
|------------------------------|-----------|-----------|
| PCFC Sukuk | 23-Jan-08 | 20.10% |
| Tabreed | 20-Jul-11 | 19.90% |
| Pakistan International Sukuk | 27-Jan-10 | 19.39% |

Performance Summary

| | |
|-----------------------------|------------|
| YTM | 6.82% |
| 3 month USD Libor (Average) | 5.32% |
| Weighted Average Tenor | 3.61 Years |

Investment Manager & Sponsor:
Mashreqbank psc, Al Ghurair City,
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WKN: A0J3RR
ISIN: BH000A0J3RR6
BLOOMBERG CODE:MAKAINC BI

Investment Philosophy

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.

Investment Guidelines

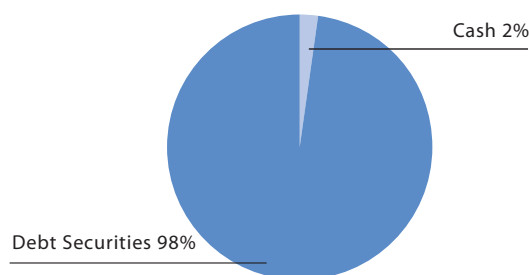
(a) Investment in a single GCC country capped at 50% (b) Investment in a single country in MENA/South Asia capped at 50% (c) Total investment in other emerging economies capped at 20% (d) Investment in instruments issued by a single issuer capped at 20% (e) Investment in sub investment grade instruments capped at 75% (f) Investment in non rated instruments capped at 25%.

Overview and Outlook

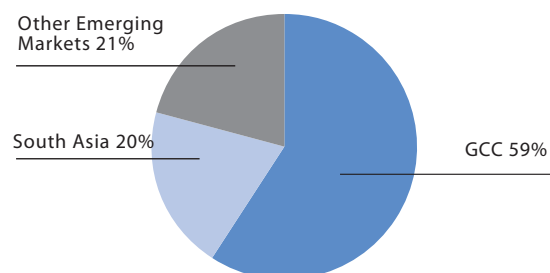
The Fund was up 37 bps in the month of September. Since inception the Fund has lost 0.89% primarily due to the accrual of fixed expenses. Performance in September was mainly driven by improvement in the price of PCFC Sukuk, which outweighed the negative impact of Fund's expenses on NAV. Fund's holdings in two other emerging market bonds, Gaja Tungga and XINAO Gas also experienced market to market gains. The Fund received subscriptions of over USD 2.7 million in August, which was invested in various debt instruments. Going forward, with growth in assets under management, we believe the income accruals will outpace the expense accruals.

Issued on October 8, 2006

Portfolio Composition



Regional Composition



Portfolio Rating Profile

