

Fact Sheet for August 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 (August 29, 2006)	USD 9.87
August 2006	-0.00%
July 2006	-0.16%
June 2006	-0.56%
May 2006	-0.26%
Since Inception (March 29, 2006)	-1.26%

Top 3 Holdings

Security	Maturity	% Holding
PCFC Sukuk	23-Jan-08	20.32%
Bank of Bahrain & Kuwait	17-Mar-11	20.11%
Kuwait Projects Company FRN 12-Apr-11		19.39%

Performance Summary

YTM	6.45%
3 month USD Libor (Average)	5.31%
Weighted Average Tenor	2.98 Years

Investment Manager & Sponsor:
Mashreqbank psc, Al Ghurair City,
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Tel +9714 2078461

Registered Office:
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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

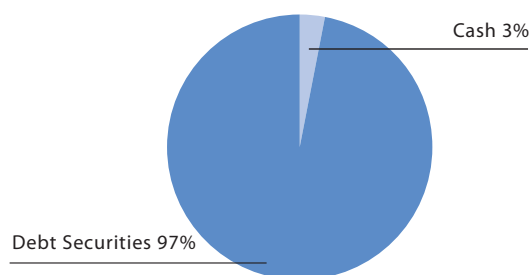
(a) Investment in a single GCC country capped at 50% (b) Investment in a single country in MENA/South Asia capped at 50% (c) Total investment in other emerging economies capped at 20% (d) Investment in instruments issued by a single issuer capped at 20% (e) Investment in sub investment grade instruments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

Overview and Outlook

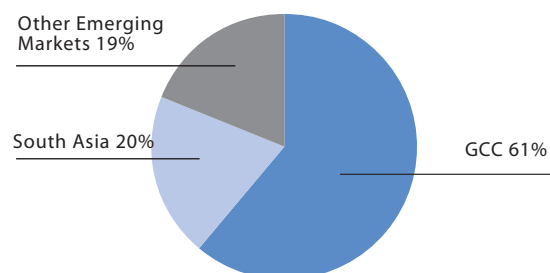
The Fund's return was flat for the month of August. Since inception the Fund has lost 1.26%, with 0.21% being attributable to spread widening and bid-offer margin in the prices of securities. The remaining erosion is due to the accrual of fixed expenses. Performance in August was mainly driven by improvement in the price of PCFC Sukuk, which outweighed the negative impact of Fund's expenses on NAV. The Fund also received fresh subscriptions of over USD 2.7 million in August, which has already been invested in various debt instruments. The impact of new investments will be reflected in the NAV from September. Going forward, with growth in assets under management, we believe the income accruals will outpace the expense accruals

Issued on September 6, 2006

Portfolio Composition



Regional Composition



Portfolio Rating Profile

