

## Fact Sheet for June 2006

### Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
Net Asset Value	Weekly
Subscription	Weekly
Redemption	Weekly
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 (June 28, 2006)	USD 9.89
June 2006	-0.56%
May 2006	-0.26%
April 2006	-0.44%
Since Inception (March 29, 2006)	-1.10%

### Top 3 Holdings

Security	Maturity	% Holding
Bank of Bahrain & Kuwait	17-Mar-11	20.10%
PCFC Sukuk	23-Jan-08	19.95%
Kuwait Projects Company FRN	12-Apr-11	19.36%

### Performance Summary

YTM	6.38%
3 month USD Libor (Average)	5.21%
Weighted Average Tenor	3.27 Years

Investment Manager & Sponsor:  
Mashreqbank psc, Al Ghurair City,  
3rd Floor, P.O. Box 1250, Dubai, U.A.E.  
Tel +9714 2078461

Registered Office:  
14th Floor, City Gardens, P.O. Box 140, Manama,  
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Website www.makaseb.com

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

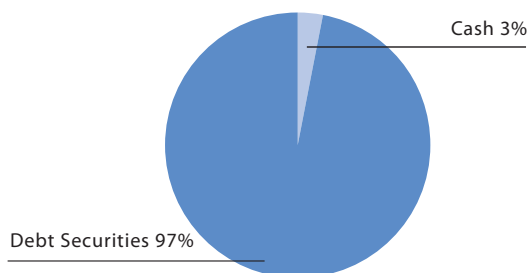
(a) Investment in a single GCC country capped at 50% (b) Investment in a single country in MENA/South Asia capped at 50% (c) Total investment in other emerging economies capped at 20% (d) Investment in instruments issued by a single issuer capped at 20% (e) Investment in sub investment grade instruments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

### Overview and Outlook

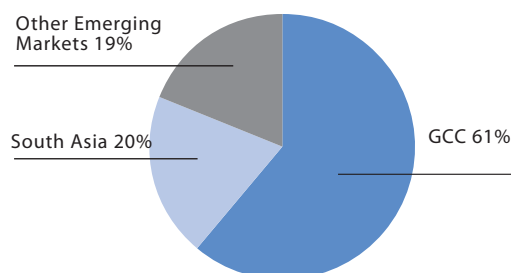
The Fund's return was negative 0.56% in the third month after its launch. Spreads in the GCC and other emerging markets widened in June. Since inception the Fund has lost 1.10%, with 0.64% being attributable to spread widening and bid-offer margin in the prices of securities. The remaining erosion is due to the accrual of fixed expenses. Going forward, with growth in assets under management, we believe the income accruals will outpace the expense accruals.

Issued on July 6, 2006

### Portfolio Composition



### Regional Composition



### Portfolio Rating Profile

