

Fact Sheet for January 2007

Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Central Bank of Bahrain
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
Listing	Bahrain Stock Exchange

Performance Summary

NAV (January 30, 2007)	USD 10.14
1 Month	0.75%
3 Months	1.73%
6 Months	2.59%
Since Inception (March 29, 2006)	1.39%

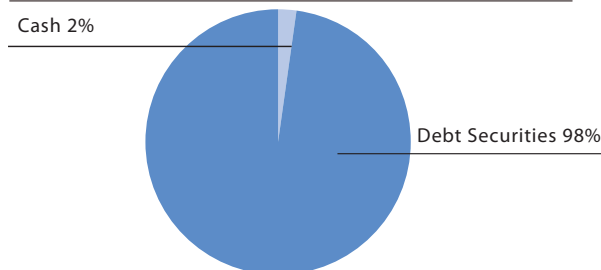
Top 3 Holdings

Security	Maturity	% Holding
Tabreed	20-Jul-11	19.64%
Kuwait Investment Projects	12-Apr-11	18.35%
United Gulf Bank	13-Oct-16	13.75%

Income Summary

YTM	6.62%
3 month USD Libor (Average)	5.36%
Modified Duration	1.24

Portfolio Composition



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WKN: A0J3RR
ISIN: BH000A0J3RR6
BLOOMBERG CODE: MAKAINC BI
ZAWYA CODE: MAKINCM.MF

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

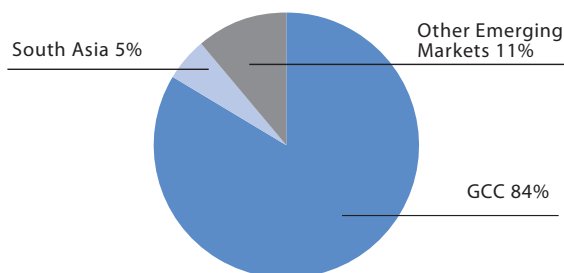
(a) Investment in a single GCC country capped at 50% (b) Investment in a single country in MENA/South Asia capped at 50% (c) Total investment in other emerging economies capped at 20% (d) Investment in instruments issued by a single issuer capped at 20% (e) Investment in sub investment grade instruments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

Overview and Outlook

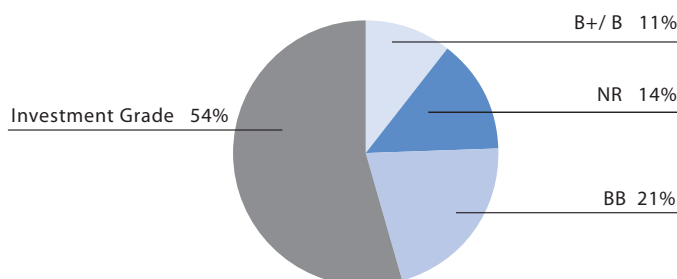
The fund was up a further 86 basis points in January, extending the run of positive returns to 5 successive months. With the markets having taken stock of the US interest rate increase in December and a stable interest rate environment expected in the short term, bond prices responded positively in January. Star performers this month include the PCFC Sukuk and our exposure to other emerging economies has also enhanced our monthly return. We expect further positive performance from the fund, especially in light of the 4th quarter US GDP figures, which suggest the US economy is still in recovery mode after the 2006 soft landing.

Issued on February 12, 2007

Regional Composition



Portfolio Rating Profile



Disclaimer: Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted.