

MAKASEB INCOME FUND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE SIX MONTHS ENDED JUNE 30, 2007

	US\$
NET ASSETS AT THE BEGINNING OF THE PERIOD	4,280,498.50
INCOME	
Interest on Investments	207,968.35
Net Realized Profit/ (Loss) on Sale of Investment	(22,930.03)
Interest on Deposits	5,543.85
Sundry Income	-
FX Gain/Loss	
Total Income	190,582.17
EXPENSES	
Advertisement Charges	-
Bank Charges	(475.00)
Performance Fee	-
Miscellaneous Expenses	(6,901.43)
Registration Fees	(5,333.33)
Custody Fees	(15,000.00)
Management Fees	(50,500.18)
Admin Fees	(12,500.00)
Transaction Charges	-
Audit Fees	(1,973.41)
Registrar Fees	(5,918.96)
Total Expenses	(98,602.31)
NET REALIZED PROFIT/(LOSS) FOR THE PERIOD	91,979.86
Change in net unrealized appreciation/(depreciation) on Investments	47,560.93
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	139,540.79
MOVEMENT OF CAPITAL	
Issue of Shares	6,806,000.00
Redemption of Shares	(2,205,028.15)
NET ASSETS AT THE END OF THE PERIOD	9,021,011.14

Prepared by HSBC Bank Middle East Limited Bahrain, Fund Administrator & Custodian.

MAKASEB INCOME FUND
STATEMENT OF NET ASSETS
AT JUNE 30, 2007

	US\$
ASSETS	
Investment in Securities at Market Value	6,282,241.80
Cash	3,721,442.55
Amounts Receivable on sale of Investments	
Amounts receivable on subscriptions	-
Interest and dividends receivable	64,196.07
Others (Unamortized Preliminary Expenses)	4,403.83
	10,072,284.25
LIABILITIES	
Amounts payable on purchase of Investments	1,000,000.00
Amount payable on redemptions	-
Bank overdraft	-
Unrealized loss on forward foreign exchange contracts	-
Management Fees Payable	31,292.19
Other fees and charges Payable	14,505.89
Other Liabilities	5,475.03
	1,051,273.11
Total Net Assets	9,021,011.14

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