

Mashreq Al Islami Income Fund (MAIIF)

Fund Description

The Fund's seeks to achieve average annual returns of 5-7% per annum over the life of the Fund. The Fund invests primarily in Sukuk and other fixed income Shariah compliant assets.

Fund Managers Commentary

In the month of December your fund was up 1.08% and returned 9.28% for the year.

The fund has shown strong performance since its inception in June 2009, returning 15.59% in just 18 months. The Sukuk market has generally performed as expected in 2010, short of the macro-shock it felt in both May and November due to the sovereign debt crisis in Europe.

We expect a healthy pipeline of Sukuk issuance in 2011 which will continue to help increase our investable universe. We are comfortable with our current portfolio positioning and have ended the year with 11% cash.

Fund Returns

	MTD	2010	1 year	S.I.
MAIIF	1.1%	9.3%	9.3%	15.6%
2009				
MAIIF				10.5%*

Top Holdings

Dubai Government	14.8%
Aldar	10.5%
Jafza	10.1%
Abu Dhabi Islamic Bank	8.3%
Dana Gas	8.0%

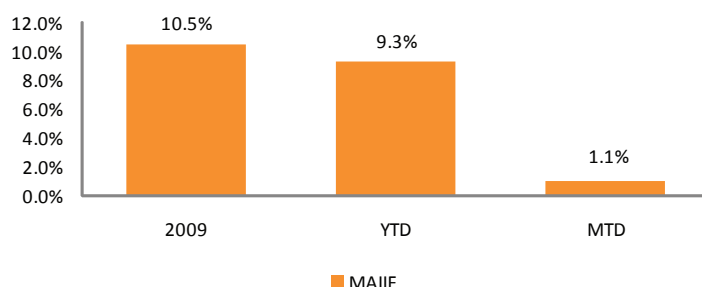
Fund Statistics

Coupon	5.1
BLP Rating	BB+
Maturity	2.8
Yield	10.3
Modified Duration	2.2

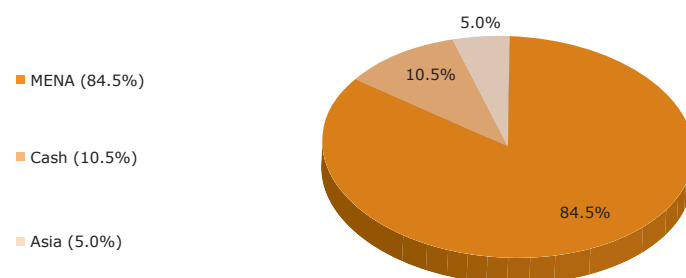
Fund Details

Fund Type	Shariah Compliant Fund
Domicile	DIFC, Dubai
Currency	USD
Regulator	DFSA
Net Asset Value	Weekly
Liquidity	Weekly

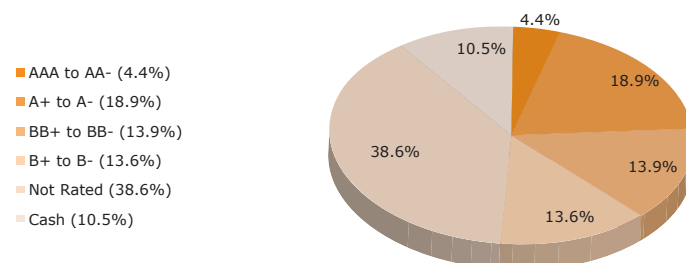
Performance (Chart)



Regional Allocation



Ratings Breakdown



Management Fee	0.5% p.a.
Auditor	Deloitte & Touche
Registrar, Administrator & Custodian	Deutsche Bank
Bloomberg Ticker	BADISIN
Zawya Code	MAKBIF.MF

*annualised

SI: Since Inception, MTD: Month to Date, YTD: Year to Date

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