

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

Mashreq Al Islami Income Fund was down -1.16% for the month of September 2011 and is up 6.18% YTD

The Mashreq Al-Islami Income Fund fell -1.16% during the past month, due to widespread instability in MENA region on the back of rising concerns about possible contagion to core Europe, weaker growth and fiscal problems in Europe and the U.S. In spite of this decline the fund is still up 6.18% year to date.

From a macro view point the MENA region still has a solid investment case and represents exceptional value. Demand for Sukuk papers still remains intact and remains relatively insensitive to other volatile markets. Sukuk markets have outperformed Middle East and Emerging Markets over the last month due to healthy demand for Sukuk papers and no new issuances for past few months.

As stated above, our long term view remains unchanged as we continue to believe in the overall regions fundamentals and growth prospects.

The fund ended September with an average rating of BBB- and yield of 7.3%.

Fund Returns

	MTD	YTD	1 year	S.I.
MAIIF	-1.2%	6.2%	7.4%	21.7%
			2009	2010
MAIIF			10.5%*	9.3%

Top Holdings

Emaar Sukuk Ltd	15.5%
Fgb Sukuk Compamy Ltd	13.9%
Tamweel Funding Ltd	12.8%
Dubai Sukuk Centre	8.9%
Adib Sukuk Co Ltd	8.0%

Fund Statistics

Average Coupon	4.6
Fund Rating	BBB-
Average Maturity	3.3
Average Yield	7.3
Modified Duration	2.7

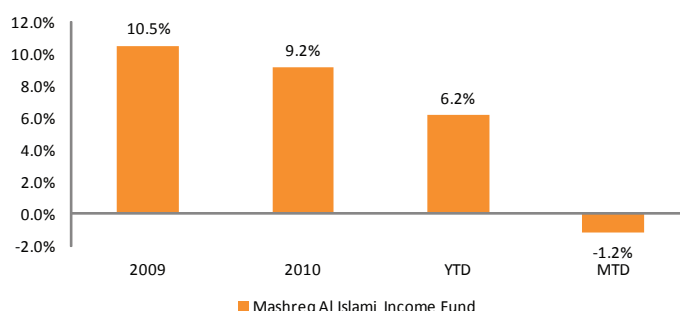
Fund Details

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

*annualised

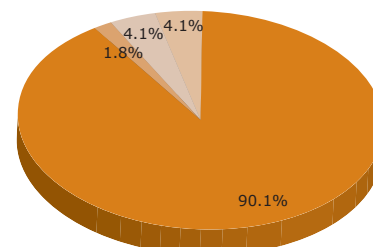
SI: Since Inception, MTD: Month to Date, YTD: Year to Date

Performance (Chart)



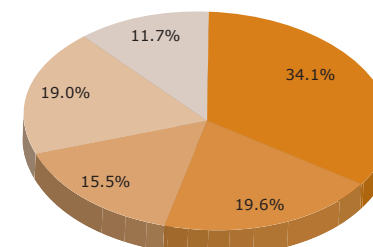
Regional Allocation

- United Arab Emirates (90.1%)
- Saudi Arabia (1.8%)
- Qatar (4.1%)
- Malaysia (4.1%)
- Cash (0.0%)



Ratings Breakdown

- A+ to A- (34.1%)
- B+ to B- (19.6%)
- BB+ to BB- (15.5%)
- BBB+ to BBB- (19.0%)
- Cash (0.0%)
- Not Rated (11.7%)



Management Fee	0.5% p.a.
Investment Manager	Mashreq Capital (DIFC) Limited
Auditor	Deloitte & Touche
Registrar, Administrator & Custodian	Deutsche Bank
Bloomberg Ticker	BADISIN
Zawya Code	MAKBIIF.MF

Contact Us: Tel: +9714 207 8811, Email: assetmanagement@mashreqbank.com, Web: www.mashreqassetmanagement.com

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