

## Fact Sheet for May 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 (May 29, 2007)	USD 10.20
1 Month	0.28%
3 Months	0.53%
6 Months	1.50%
Since Inception (March 29, 2006)	1.98%

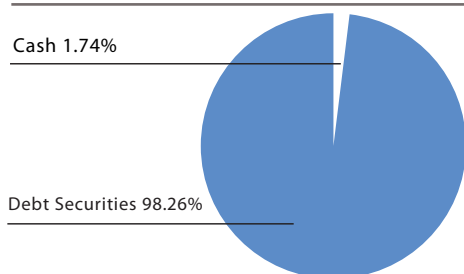
### Top 3 Holdings

Security	Maturity	% Holding
United Gulf Bank	13-Oct-16	21.78%
PCFC Development Bond	23-Jan-08	12.59%
Nakheel Development	14-Dec-09	11.26%

### Income Summary

YTM	5.23%
3 month USD Libor (Average)	5.36%
Modified Duration	0.994

### Portfolio Composition



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Investment Manager & Sponsor:  
Mashreqbank psc, Al Ghurair City,  
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Tel +9714 2078461

Registered Office:  
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Bahrain. Tel + 97317 535455  
Website www.makaseb.com

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

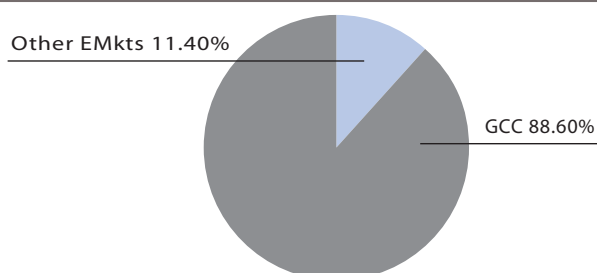
In another positive month, your fund closed up 0.28% on last month end. This month's performance can largely be attributed to three Middle Eastern securities: Ahli United Bank up 0.38%, Kuwait Projects up 0.13% and Tabreed up 0.12%. Within our set limits and in a bid to seek out value and deliver solid performance we have further diversified your fund this month to include specific and carefully selected other emerging market securities to the portfolio. From a Macro perspective the surprisingly buoyant economic data coming out of the US, and the continuing strength in equities has recently dampened Bond prices globally, and this will no doubt prove challenging. But we are still of the opinion that our approach should see us deliver positive stable returns over the next few months.

Issued on 6th June, 2007

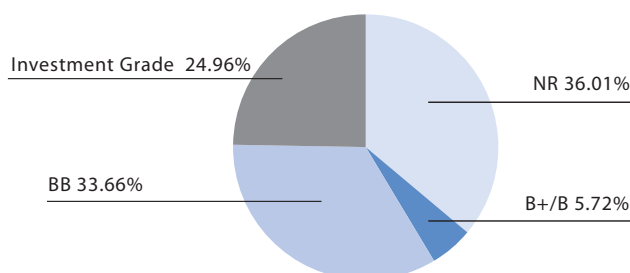
Note:

We are in the process of amending our Prospectus to exclude Non Rated Government backed Middle Eastern Securities from the Non-Rated definition.

### 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.