

Makaseb Income Fund (MIF)

NAV in USD as at Dec 31, 2018



USD
14.24

Fund Description

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.

Fund Manager's Commentary

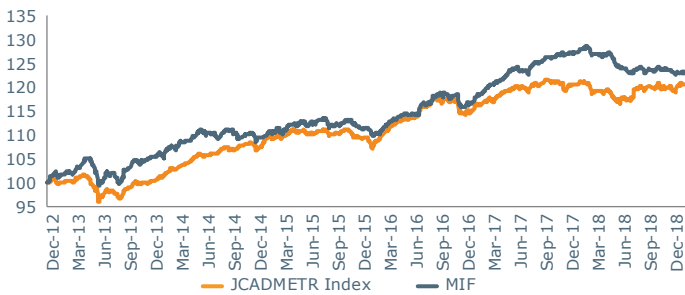
December's FOMC meeting delivered the expected 25bps rate hike. Yields were lower by c. 30bps across the curve, further reinforcing our flattening thesis. Jerome Powell walked back his rate-hike path for 2019 and moderated his tone saying that the Fed hiking will be data dependent.

OPEC+ meeting wasn't sufficient to stem concerns about China's growth or an expectation that the cartel would be able to cut production meaningfully, which caused volatility to spike in December.

Fitch downgraded Oman to BB+, which we anticipated and reduced Oman risk beforehand but it left a small window of opportunity for investors to lighten up before year-end liquidity dried up.

We expect 2019 to be challenging with the Fed continuing to normalize their balance sheet while US growth is slowing. This could lead to a weaker US dollar setting the stage for emerging markets to outperform. The JPM EMBI inclusion is supposed to take effect from January 31st, which should bode well for our markets, especially the EMBI eligible names.

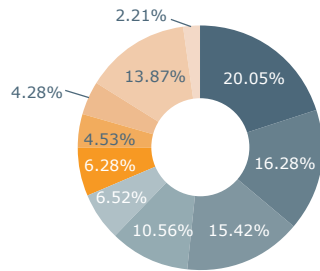
Performance Chart



*Performance has been rebased as of 31st December, 2012

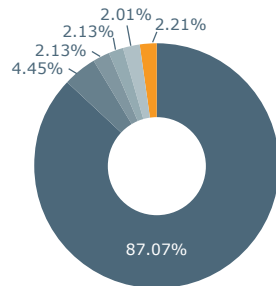
Industry Allocation

- Sovereign (20.05%)
- Real Estate (16.28%)
- Financial Services (15.42%)
- Oil & Gas (10.56%)
- Utilities (6.52%)
- Commercial Services (6.28%)
- Chemicals (4.53%)
- Telecommunications (4.28%)
- Others (13.87%)
- Cash (2.21%)



Regional Allocation

- MENA (87.07%)
- Asia (4.45%)
- Africa (2.13%)
- Europe (2.13%)
- South Asia (2.01%)
- Cash (2.21%)



Top Holdings

MAF Global Securities	9.32%
KT Kira Sert Varlik	6.62%
Kuwait Energy Plc	6.31%
DP World Ltd	6.28%
BNQ Cen Tunisia Int Bond	4.59%

Fund Returns

	MTD	YTD	1 Year	3 Years	5 Years	SI
MIF	0.33%	-3.54%	-3.54%	10.30%	16.70%	50.07%
Benchmark	0.74%	-0.22%	-0.22%	9.97%	20.07%	95.92%

	2012	2013	2014	2015	2016	2017
MIF	19.93%	5.50%	3.86%	1.88%	4.65%	9.27%
Benchmark	12.15%	0.39%	7.05%	2.00%	5.09%	4.86%

Fund Statistics

Average Coupon	5.84
Fund Rating	BB
Average Maturity	5.83
Average Yield	7.38
Modified Duration	3.84
CAGR Since Incep	3.19%
1 year Volatility	2.00%
3 years Volatility	3.69%
Sharpe Ratio - 1 year	-3.03
Sharpe Ratio - 3 years	2.11

Maturity Profile

0-5 Years	74.11%
5-10 Years	15.34%
10-20 Years	2.07%
20+ Years	8.48%

Note: 0.00% of the portfolio is hedged with US Treasury Interest Rate Futures. The fund was benchmarked against HSBC Nasdaq Dubai ME index until 31st December, 2013. On 1st January, 2014 the benchmark was changed to JP Morgan MECI Index (BB TICKER: JCADMETR). All historical benchmark performances have been replaced to that effect.
SI: Since Inception, MTD: Month to Date, YTD: Year to Date

Makaseb Income Fund (MIF)

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018	0.53	-1.11	-0.11	-0.75	-1.48	-0.75	1.00	-0.52	0.54	-0.67	-0.57	0.33	-3.54
2017	1.69	1.50	0.51	1.32	1.10	-0.55	1.18	0.51	0.34	0.81	-0.01	0.51	9.27
2016	-1.16	1.19	1.39	0.75	0.14	1.01	1.17	1.43	0.17	-0.31	-2.07	0.90	4.65
2015	0.95	0.66	-0.17	0.95	0.39	-0.20	0.74	-0.81	-0.18	0.81	-1.07	-0.17	1.88
2014	-0.03	2.05	0.73	0.32	1.73	-0.47	-0.12	0.71	-0.16	-0.87	0.92	-0.97	3.86
2013	1.82	0.27	-0.04	2.12	0.14	-4.25	1.78	-1.53	2.52	2.12	-0.18	0.80	5.50
2012	1.79	2.09	1.99	0.24	-0.99	1.84	2.95	1.15	1.43	3.11	0.56	1.74	19.93
2011	0.87	-1.38	1.49	2.78	1.06	-0.82	1.91	-0.37	-4.60	2.54	-2.91	1.04	0.92
2010	1.21	-1.04	6.12	-0.45	-3.34	2.82	2.12	3.28	1.03	1.25	-1.96	1.14	12.08
2009	-7.06	-4.28	2.64	3.45	4.54	0.77	2.96	2.13	6.24	1.95	0.01	-2.94	10.38
2008	-1.04	-0.76	-0.32	0.15	0.22	0.12	0.27	-0.52	-3.68	-6.68	-9.80	-1.45	-21.59
2007	0.86	0.05	0.03	0.21	0.28	0.38	-0.64	0.69	0.61	0.60	-0.42	0.57	2.11
2006	-	-	-	-0.44	-0.10	-0.60	-0.04	-0.08	0.19	0.75	0.75	0.11	0.53

Fund Details

Fund size	USD 22.58 million	Bloomberg Ticker	MAKAINC BI
Fund Type	Open Ended	Zawya Code	MAKINCM.MF
Inception Date	March 29, 2006	Lipper ID	65038282
Domicile	Bahrain	Minimum Subscription	USD 10,000 and in multiples of USD 1,000 thereafter
Currency	USD	Subscription Fee	Up to 2%
Benchmark	JP Morgan MECI Index	Performance Fee	Nil
Fund Manager	Mashreq Capital (DIFC) Limited	Management Fee	75 bps
Administrator & Transfer Agent	Karvy Computershare W.L.L	Redemption Fee	3% within first 3 months; 2% within 3-6 months; 1% within 6-12 months
Custodian	Citibank N.A., Bahrain	Settlement for Subscriptions	2 Business Days prior to Dealing Day
Auditor	Deloitte & Touche, Bahrain	Settlement for Redemption	5 Business Days after the Dealing Day
Valuation Day	Each Business Day	Notice Periods	2 Business Days each for Subscriptions and Redemptions
Dealing Day (Subscription/Redemption)	Each Business Day		
ISIN	BH000A0J3RR6		

Contact Us: Tel: +971 4 424 4618, **Email:** assetmanagement@mashreq.com, **Web:** www.mashreqcapital.ae

Disclaimer: This document has been prepared solely for information purposes. It does not constitute investment advice, solicitation, any offer or personal recommendation by Mashreq Capital (DIFC) Limited ("MC") or any related MC entity (which includes for the purpose of this disclaimer, any employee, director, officer or representative of any MC entity), to buy or sell any security, product, service or investment, or to engage in or refrain from engaging in any transaction, including any jurisdiction where such any such investment advice, solicitation, offer and/or personal recommendation would be contrary to any law or regulation in that jurisdiction. Certain assumptions may have been made in the analysis that resulted in any information, projection, results and/or returns detailed in this document. No warranty or representation is made that any returns/results indicated would be achieved or that all assumptions in achieving these returns/results have been considered. Past performance is not necessarily indicative of future results. Neither MC nor any related entity warrants or represents the accuracy of the information provided herein and any view expressed in this note reflects the personal view of the analyst(s) and which does not take account of any individual client's objectives, financial situation or needs. Investors are required to undertake their own assessment and seek appropriate financial, legal, tax and regulatory advice to determine whether any investment is appropriate for them in light of their experience, objectives, financial resources and other relevant circumstances. Neither MC nor any related entity accepts any liability whatsoever for any direct, indirect, consequential or any other category of loss arising from any use of this document and/or further communication in relation thereto. Neither MC nor any related entity has any obligation to correct or update the information or opinions in this document and any opinion expressed is subject to change without notice. This document is disseminated primarily electronically, and, in some cases, in printed form.

Any terms in this document are indicative and do not constitute solicitation or an offer to sell to the public, whether on any particular terms or at all. This document is not intended to identify, represent or notify any conclusive terms and conditions of any transaction, or other material considerations or any possible risk, direct or indirect, that would or may be involved in undertaking any such transaction.

MC is an independent registered investment adviser and investment manager. MC claims compliance with the Global Investment Performance Standards (GIPS®). For more information about the GIPS standards, please visit www.gipsstandards.org

To obtain a compliant presentation and/or list of the composite descriptions, please email: assetmanagement@mashreq.com

Mashreq Capital (DIFC) Ltd is regulated by the DFSA

Office address: Mashreq Capital (DIFC) Ltd, Al Fattan Currency House, Tower 2, Floor 28, Office 2803, Dubai International Financial Centre (DIFC) Dubai, UAE