

Makaseb Income Fund (MIF)

NAV in USD as at Feb 28, 2018



USD
14.67

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.

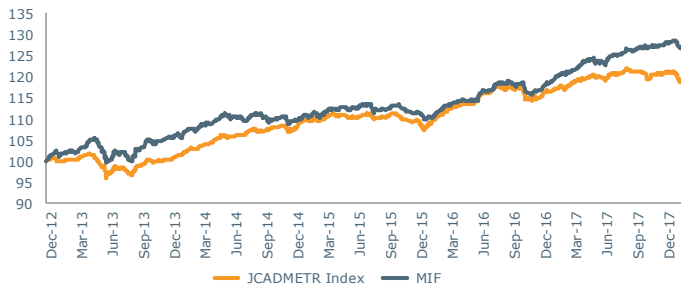
Fund Manager's Commentary

Steady despite volatility

The fund outperformed the index by 0.21% but was still lower by 1.11% absolute. The US treasury curve has been steepened month on month. Data out of the US was mixed at best but most figures came in line with expectation. Russia was upgraded to BBB- and Bahrain was downgraded to BB-. Jerome Powell's comments were interpreted as though a fourth rate hike is now on the table resulting in a higher end of year target for the US treasury 10 years by some international banks. We think that with economic indicators and figures in line with expectation, this is an argument for the existing forecasts to stand barring any major surprises.

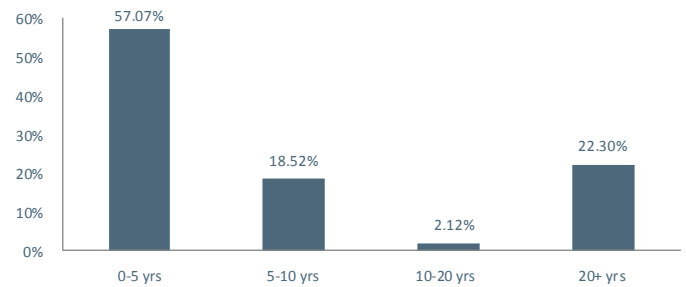
We expect the curve to remain relatively flat with volatility in rates. The market seems to be lacking direction with global uncertainty further exacerbated by Trump's potential tariffs. We favor short duration high yield names with tactical long duration positions. The fund's Bloomberg Composite rating was BB, average yield was 5.36% and modified duration was 3.82 years with an average effective maturity of 4.91 years.

Performance Chart

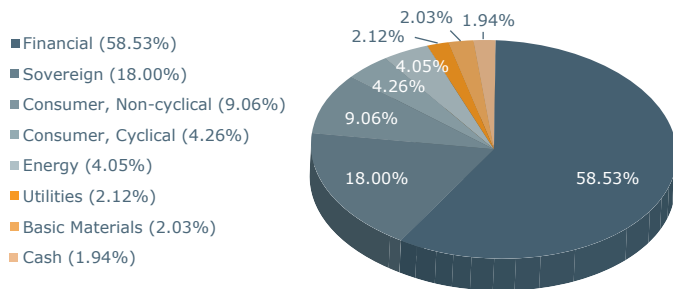


*Performance has been rebased as of 31st December, 2012

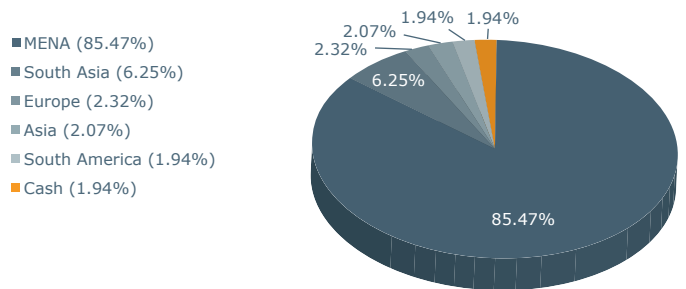
Maturity Profile



Industry Allocation



Regional Allocation



Fund Returns

	MTD	YTD	1 Year	3 Years	5 Years	SI
MIF	-1.11%	-0.59%	5.25%	13.97%	24.28%	54.65%
Benchmark	-1.32%	-1.35%	1.16%	8.37%	18.79%	93.70%
	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%

Top Holdings

Arab Republic Of Egypt	8.99%
Maf Global Securities	7.44%
Kt Kira Sert Varlik	6.48%
Emirates Reit Sukuk Ltd	5.28%
Bnq Cen Tunisia Int Bond	5.28%

Fund Statistics

Average Coupon	5.25
Fund Rating	BB
Average Maturity	4.91
Average Yield	5.36
Modified Duration	3.82
CAGR Since Incep	3.67%
1 year Volatility	1.80%
3 years Volatility	3.87%
Sharpe Ratio - 1 year	1.58
Sharpe Ratio - 3 years	2.98

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

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Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018	0.53	-1.11											-0.59
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 23.55 million
Fund Type	Open Ended
Inception Date	March 29, 2006
Domicile	Bahrain
Currency	USD
Benchmark	JP Morgan MECI Index
Fund Manager	Mashreq Capital (DIFC) Limited
Valuation Day	Each Business Day
Dealing Day (Subscription/Redemption)	Each Business Day
ISIN	BH000A0J3RR6
Bloomberg Ticker	MAKAINC BI

Zawya Code	MAKINCM.MF
Lipper ID	65038282
Minimum Subscription	USD 10,000 and in multiples of USD 1,000 thereafter
Subscription Fee	Up to 2%
Performance Fee	Nil
Management Fee	75 bps
Redemption Fee	3% within first 3 months; 2% within 3-6 months; 1% within 6-12 months
Settlement for Subscriptions	2 Business Days prior to Dealing Day
Settlement for Redemption	5 Business Days after the Dealing Day
Notice Periods	2 Business Days each for Subscriptions and Redemptions

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

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