

# Makaseb Income Fund (MIF)

NAV in USD as at Jun 28, 2018



USD  
**14.22**

## 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

### Cautious Optimism

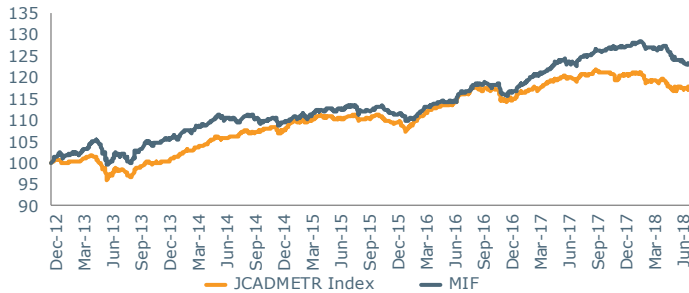
The market has been fairly lackluster with Eid, summer holidays and the World Cup upon us. News from FOMC and OPEC as well as data about US growth and inflation were among the highlights of the month.

Oil was at center stage with WTI up by more than 10% during the month of June, on the back of the OPEC+ meeting in Vienna.

Core PCE ticked up to the Fed's target of 2%, which we take as evidence that inflation is starting to trickle down into the economy. We expect it to be on an upward trajectory as the proverbial symmetry is achieved for the Fed's target range of PCE inflation.

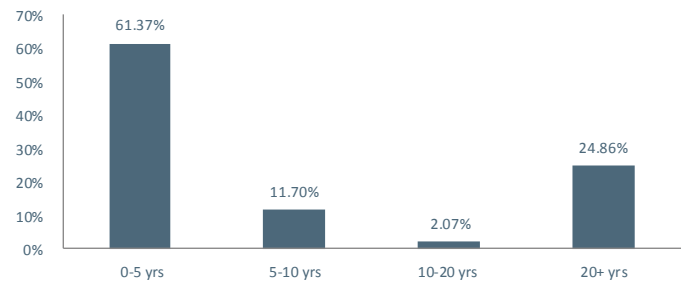
Saving the best for last, GCC countries potential EMBI inclusion, gave us a sigh of relief and gave the market an excuse to rally. Hence we move our preference toward investment grade (quasi-)sovereign regional names. This could potentially translate into \$ 45bn of passive inflows, let alone active managers. We expect this to cause a tightening in spreads and a favorable environment for GCC debt to rally. Especially that the expected weightage will triple (from 6% to 18%) if this goes through.

## Performance Chart

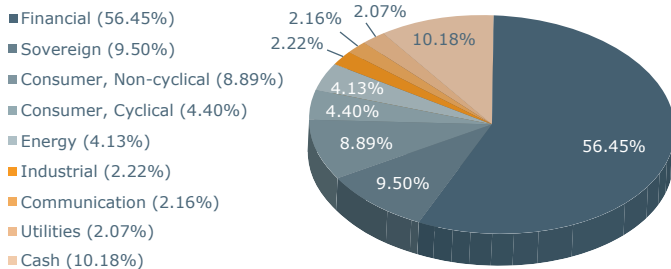


\*Performance has been rebased as of 31<sup>st</sup> December, 2012

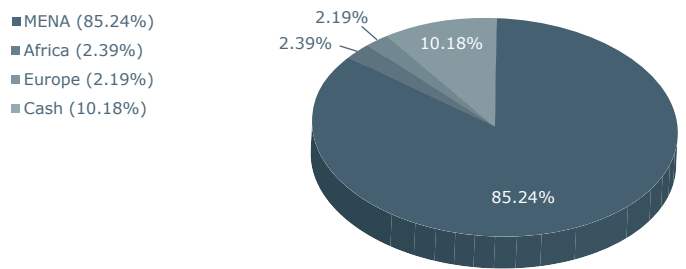
## Maturity Profile



## Industry Allocation



## Regional Allocation



## Fund Returns

	MTD	YTD	1 Year	3 Years	5 Years	SI
MIF	-0.75%	-3.63%	-0.37%	9.41%	23.09%	49.91%
Benchmark	-0.13%	-2.57%	-1.71%	6.89%	21.44%	91.30%
	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

MAF Global Securities	9.46%
KT Kira Sert Varlik	6.59%
Emirates Reit Sukuk Ltd	5.13%
BNQ Cen Tunisia Int Bond	4.98%
DP World Ltd	4.56%

## Fund Statistics

Average Coupon	5.01
Fund Rating	BB
Average Maturity	4.55
Average Yield	5.30
Modified Duration	3.13
CAGR Since Inception	3.31%
1 year Volatility	1.84%
3 years Volatility	3.83%
Sharpe Ratio - 1 year	-1.61
Sharpe Ratio - 3 years	1.78

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 31<sup>st</sup> December, 2013. On 1<sup>st</sup> 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
<b>2018</b>	0.53	-1.11	-0.11	-0.75	-1.48	-0.75							<b>-3.63</b>
<b>2017</b>	1.69	1.50	0.51	1.32	1.10	-0.55	1.18	0.51	0.34	0.81	-0.01	0.51	<b>9.27</b>
<b>2016</b>	-1.16	1.19	1.39	0.75	0.14	1.01	1.17	1.43	0.17	-0.31	-2.07	0.90	<b>4.65</b>
<b>2015</b>	0.95	0.66	-0.17	0.95	0.39	-0.20	0.74	-0.81	-0.18	0.81	-1.07	-0.17	<b>1.88</b>
<b>2014</b>	-0.03	2.05	0.73	0.32	1.73	-0.47	-0.12	0.71	-0.16	-0.87	0.92	-0.97	<b>3.86</b>
<b>2013</b>	1.82	0.27	-0.04	2.12	0.14	-4.25	1.78	-1.53	2.52	2.12	-0.18	0.80	<b>5.50</b>
<b>2012</b>	1.79	2.09	1.99	0.24	-0.99	1.84	2.95	1.15	1.43	3.11	0.56	1.74	<b>19.93</b>
<b>2011</b>	0.87	-1.38	1.49	2.78	1.06	-0.82	1.91	-0.37	-4.60	2.54	-2.91	1.04	<b>0.92</b>
<b>2010</b>	1.21	-1.04	6.12	-0.45	-3.34	2.82	2.12	3.28	1.03	1.25	-1.96	1.14	<b>12.08</b>
<b>2009</b>	-7.06	-4.28	2.64	3.45	4.54	0.77	2.96	2.13	6.24	1.95	0.01	-2.94	<b>10.38</b>
<b>2008</b>	-1.04	-0.76	-0.32	0.15	0.22	0.12	0.27	-0.52	-3.68	-6.68	-9.80	-1.45	<b>-21.59</b>
<b>2007</b>	0.86	0.05	0.03	0.21	0.28	0.38	-0.64	0.69	0.61	0.60	-0.42	0.57	<b>2.11</b>
<b>2006</b>	-	-	-	-0.44	-0.10	-0.60	-0.04	-0.08	0.19	0.75	0.75	0.11	<b>0.53</b>

### Fund Details

Fund size	USD 22.70 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		

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