

# Makaseb Income Fund (MIF)

NAV in USD as at Dec 31, 2019



USD  
**16.11**

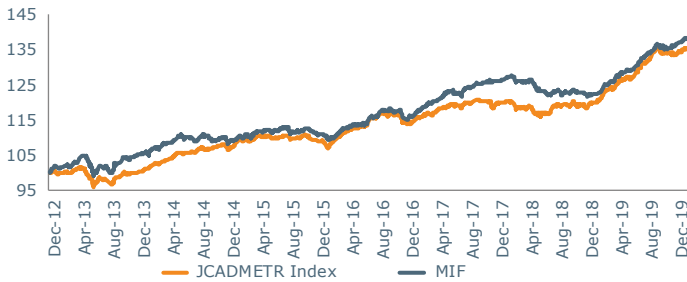
## Fund Description

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

The fund continued its positive momentum and ended the month with a gain of 0.70%, while ending the year 2019 with a performance of 13.12%. President Trump announced last month that he would formally sign the phase-one trade deal with Chinese officials in January 2020 effectively providing clarity on the most important overhang driving market sentiments during the year 2019. Treasuries sold off during the month with major sovereign bond yields edging higher amid improving economic data and reducing geopolitical concerns in the developed markets. After the strong GCC credit rally last year, driven by a combination of index inclusion and a hunt for yield in Investment Grade paper, the spread cushion entering into 2020 seems low. Our tactical exposure to High Yield names like Tecpet, an Oil and Gas company and Kernel Holdings, an agri-business based in Ukraine contributed to the performance significantly, supported by the risk-on mode observed across asset classes. We continue to maintain our portfolio through long duration, Investment Grade bonds complemented by selective shorter-dated High Yield.

## Performance Chart



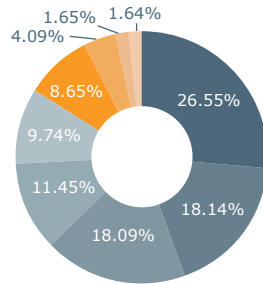
\*Performance has been rebased as of 31<sup>st</sup> December, 2012

## Fund Returns

	MTD	YTD	1 Year	3 Years	5 Years	SI
MIF	0.70%	13.12%	13.12%	19.23%	27.11%	69.76%
Benchmark	0.86%	13.20%	13.20%	18.45%	26.96%	121.78%
	2013	2014	2015	2016	2017	2018
MIF	5.50%	3.86%	1.88%	4.65%	9.27%	-3.54%
Benchmark	0.39%	7.05%	2.00%	5.09%	4.86%	-0.22%

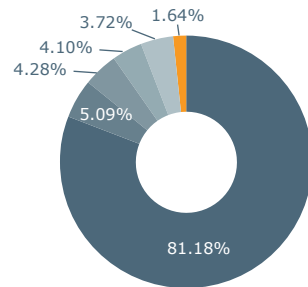
## Industry Allocation

- Sovereign (26.55%)
- Real Estate (18.14%)
- Financial Services (18.09%)
- Commercial Services (11.45%)
- Oil & Gas (9.74%)
- Utilities (8.65%)
- Agriculture (4.09%)
- Insurance (1.65%)
- Cash (1.64%)



## Regional Allocation

- MENA (81.18%)
- Asia (5.09%)
- South America (4.28%)
- Europe (4.10%)
- South Asia (3.72%)
- Cash (1.64%)



## Top Holdings

MAF GLOBAL SECURITIES	9.37%
ARAB REPUBLIC OF EGYPT	8.85%
SAUDI INTERNATIONAL BOND	8.71%
ACWA POWER MGMT INVST	8.65%
DP WORLD PLC	6.36%

## Fund Statistics

Average Coupon	5.65
Fund Rating	BBB-
Average Maturity	11.52
Average Yield	5.35
Modified Duration	7.01
CAGR Since Incep	3.86%
1 year Volatility	2.06%
3 years Volatility	3.45%
Sharpe Ratio - 1 year	5.55
Sharpe Ratio - 3 years	5.08

## Maturity Profile

0-5 Years	45.45%
5-10 Years	19.45%
10-20 Years	8.65%
20+ Years	26.45%

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 MSCI 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>2019</b>	1.84	1.26	1.05	1.28	0.39	1.87	1.69	1.61	-0.31	0.37	0.66	0.70	<b>13.12</b>
<b>2018</b>	0.53	-1.11	-0.11	-0.75	-1.48	-0.75	1.00	-0.52	0.54	-0.67	-0.57	0.33	<b>-3.54</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 24.54 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:** MarketingTeam@mashreq.com

**Web:** www.mashreqcapital.ae

**Disclaimer:** This document has been prepared based on the sources believed to be reliable solely for information purposes by Mashreq Capital (DIFC) Limited ("MC") in its capacity as the Fund Manager of the Fund. MC is incorporated in the Dubai International Financial Center ("DIFC") and regulated by the Dubai Financial Services Authority ("DFSA"). This document does not constitute investment advice, solicitation, any offer or personal recommendation by 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 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 does not take account of any individual investor's objectives, financial situation or needs or the suitability of investments against your individual needs and risk tolerance. 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.

Prospective investors in the Fund must obtain and carefully read the Fund's most recent Prospectus as well as seek separate independent financial advice and prior to making an investment in the Fund to assess the suitability, lawfulness and risks involved. Prospective investors should be aware that investment in the Fund carries a significant degree of risk. The value of the investment and the income from it can fall as well as rise as the Fund are subject to investment risks, including the possible loss of the principal amount invested.

This information is not for distribution to general public and is intended for recipients only and may not be published, circulated or distributed in whole or part to any other person without the written consent of MC. Where this information is related to a Fund licensed to be marketed, it is directed to persons authorized to invest in the Fund and residing in jurisdictions where the Fund / investment product is authorized for distribution or where no such authorization is required.

MC is an independent registered investment adviser and investment manager.

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