

Makaseb Income Fund (MIF)

NAV in USD as at Jan 31, 2018



USD
14.84

Fund Description

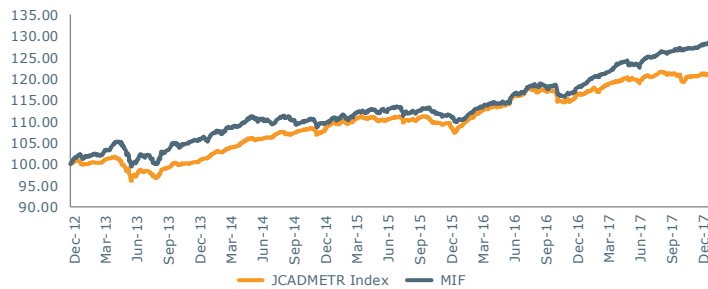
Makaseb Income Fund (MIF) primarily seeks to provide current income along with the stability of capital. Fund's secondary objective is to seek income growth over the long term. The Fund aims to achieve its investment objective by investing in a diversified portfolio of fixed and floating rate investments originating from countries in the GCC, MENA, South Asia and other emerging economies.

Fund Manager's Commentary

Missing the Irrational Exuberance

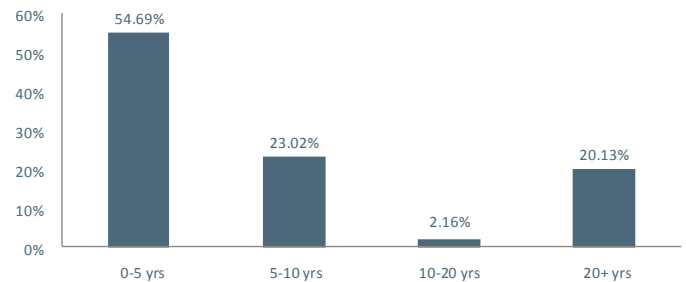
The Makaseb Income fund's value increased by 53 basis point in January. The fund has outperformed the index by 57 basis points, considering that the index's return was -4 basis points. Strong data out of the US fueled speculation that inflation may surprise on the upside which is reflected in the curve shift and in the equities sell off. The US government shutdown took place on January 19th weekend and the government was reopened on January 22nd with the markets shrugging it off. We've seen a sell-off at the end of January/beginning of February which was probably the most predicted sell-off of all times. We expect a similar pattern of bear flattening going forward: a) Fed continues on their rate hike path and b) low inflation which keeps term premium low. The VIX Index jumped by as much as 238% at the beginning of February, albeit from a historically low base. We continue to favor short duration high yield names given how flat the curve currently is but look out for good entry levels for tactical longer duration positions. The fund's Bloomberg Composite rating was BB+, average yield was 5.03% and modified duration is 3.83 years with the average effective maturity being 4.83 years.

Performance Chart

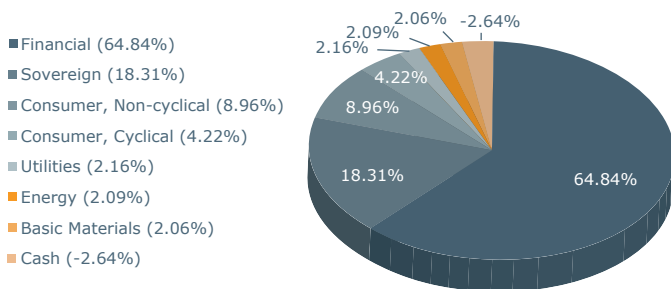


*Performance rebased date is 31 December, 2012

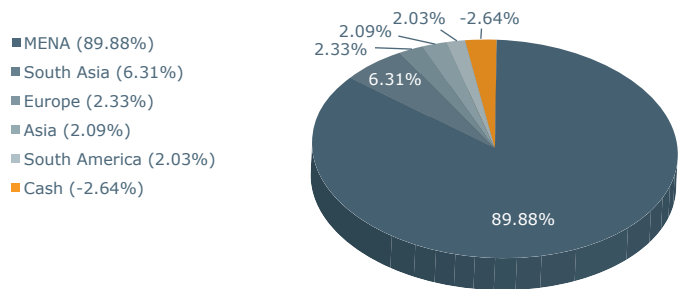
Maturity Profile



Industry Allocation



Regional Allocation



Fund Returns

	MTD	YTD	1 Year	3 Years	5 Years	SI
MIF	0.53%	0.53%	8.02%	16.00%	26.01%	56.39%
Benchmark	-0.04%	-0.04%	3.75%	10.23%	20.81%	96.28%
	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	9.13%
Maf Global Securities	7.48%
Dp World Ltd	6.64%
Kt Kira Sert Varlik	6.43%
Bnq Cen Tunisia Int Bond	5.48%

Fund Statistics

Average Coupon	5.01
Fund Rating	BB+
Average Maturity	4.83
Average Yield	5.03
Modified Duration	3.83
CAGR Since Incep	3.79%
1 year Volatility	1.73%
3 years Volatility	3.89%
Sharpe Ratio - 1 year	3.32
Sharpe Ratio - 3 years	3.53

Note: 0.00% of the portfolio is hedge with US Treasury Interest Rate Futures Fund's benchmark until Dec 31, 2013 was HSBC Nasdaq Dubai ME index. However w.e.f 1st January 2014, the fund has changed its benchmark 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												0.53
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 23.82 million	Zawya Code	MAKINCM.MF
Fund Type	Open Ended	Lipper ID	65038282
Inception Date	March 29, 2006	Minimum Subscription	USD 10,000 and in multiples of USD 1,000 thereafter
Domicile	Bahrain	Subscription Fee	Up to 2%
Currency	USD	Performance Fee	Nil
Benchmark	JP Morgan MECI Index	Management Fee	75 bps
Fund Manager	Mashreq Capital (DIFC) Limited	Redemption Fee	3% within first 3 months; 2% within 3-6 months; 1% within 6-12 months
Valuation Day	Each Business Day	Settlement for Subscriptions	2 Business Days prior to Dealing Day
Dealing Day (Subscription/Redemption)	Each Business Day	Settlement for Redemption	5 Business Days after the Dealing Day
ISIN	BH000A0J3RR6	Notice Periods	2 Business Days each for Subscriptions and Redemptions
Bloomberg Ticker	MAKAINC BI		

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