

# Makaseb Income Fund (MIF)

NAV in USD as at Jul 31, 2018



USD  
**14.37**

## 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

### United we stand, divided we fall

The market has been busy with several key Central Bank meetings taking place; BOJ, US Fed, ECB and BOE to mention a few that took place this month. We've also seen Trump threaten to pull out of NATO, Saudi oil shipments came under fire in Bab El-Mandab, Bahrain downgrade, KSA spat with Canada, Moody's upgrading DP World and the Q2 KSA budget was released with most figures surprising on the upside given the higher average oil price for the year.

Fresh sanctions have been levied by the US on Russia and Turkey which has dented risk appetite in the market.

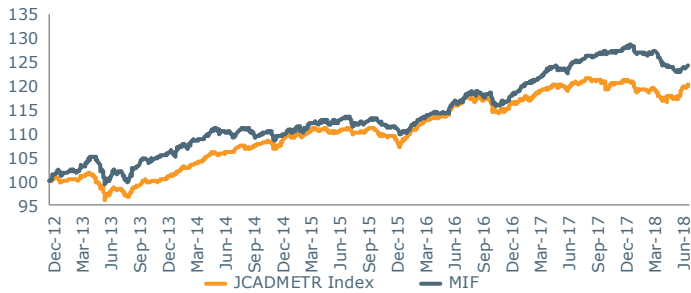
We are starting to see inflation trickle into the economy which should put upward pressure on rates in the medium term, coupled with further borrowing requirement by the US Treasury.

We expect higher volatility in the Emerging Market (EM) space and lowered risk appetite with the macro and geopolitical challenges that we have seen. We still think that regional investment grade names should tighten in spread basis and outperform other EM countries.

Jackson Hole meeting will take place on August 24-25 and the Fed's September meeting is expected to usher in another rate hike.

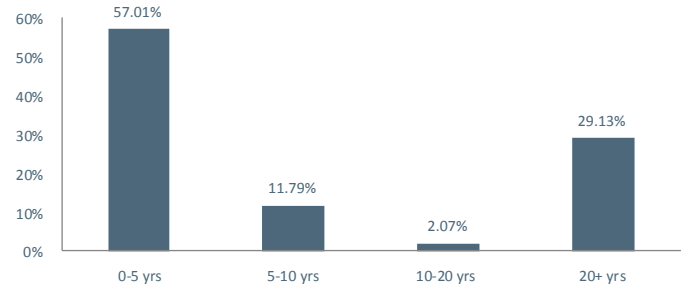
Expectation is that mid-September will guide issuers to the market, if market conditions are favorable.

## Performance Chart

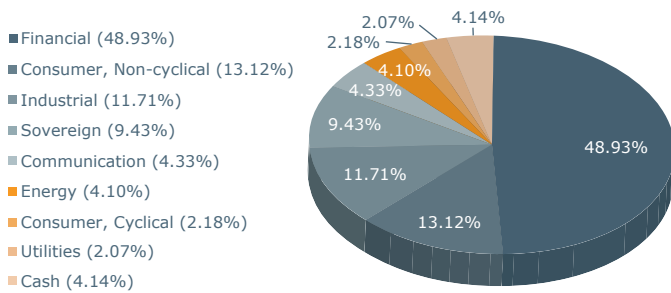


\*Performance has been rebased as of 31<sup>st</sup> December, 2012

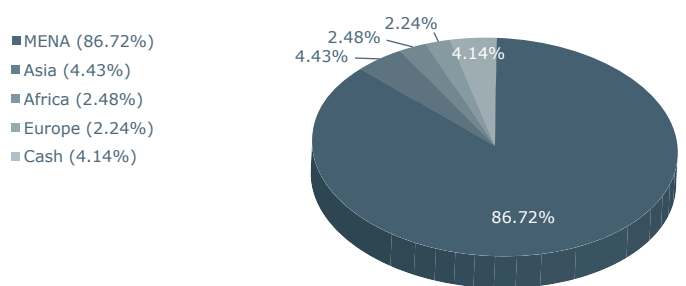
## Maturity Profile



## Industry Allocation



## Regional Allocation



## Fund Returns

	MTD	YTD	1 Year	3 Years	5 Years	SI
MIF	1.00%	-2.67%	-0.55%	9.70%	22.14%	51.41%
Benchmark	2.09%	-0.54%	-0.35%	8.26%	22.44%	95.29%
	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	9.34%
KT Kira Sert Varlik	6.51%
BNQ Cen Tunisia Int Bond	5.16%
Emirates Reit Sukuk Ltd	5.08%
DP World Ltd	4.44%

## Fund Statistics

Average Coupon	5.36
Fund Rating	BB
Average Maturity	5.85
Average Yield	5.56
Modified Duration	3.98
CAGR Since Inception	3.37%
1 year Volatility	1.74%
3 years Volatility	3.76%
Sharpe Ratio - 1 year	-1.91
Sharpe Ratio - 3 years	1.84

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 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>2018</b>	0.53	-1.11	-0.11	-0.75	-1.48	-0.75	1.00						<b>-2.67</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 22.93 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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