

Makaseb Income Fund (MIF)

NAV in USD as at Jun 30, 2020



USD
15.91

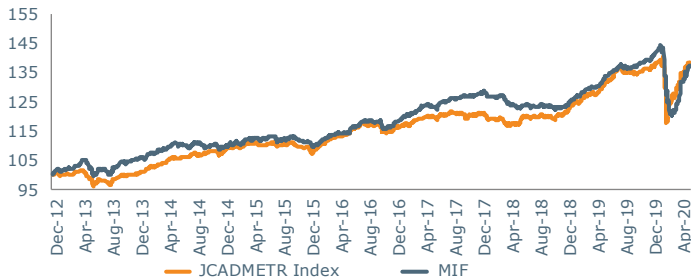
Fund Description

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 delivered a monthly return of 4.38%, while the YTD performance at the end of the period was marginally negative 1.23%. The Covid-19 outbreak remained the persistent lingering threat in the minds of investors, even as reopening optimism and potential vaccines dominated headlines during the month. Central banks globally made their stand clear that they will continue to use their full firepower to keep government and corporate borrowing costs low to support the global economy. Thus, the worst-case scenario of the Covid crisis morphing into a liquidity crunch has been avoided in the near term. Oil prices continued their upward movement due to improved demand added by anticipation of controlled supply in the near future, which led to the performance of our biggest GCC sovereign contributors ie; Kingdom of Saudi Arabia, Qatar and Bahrain. EM IG bonds remained supported by the dovish rhetoric set by DM central banks which helped our exposure in resilient credits like Acwa Power, a Saudi-based Utility provider and Mubadala Investment Company. During the month, we tactically reduced our exposure in high yield credits like Arabian Centres and Majid Al Futtam, post their strong rebound to increase our sovereign exposure in Indonesia. We continue to maintain our portfolio through long duration, investment grade bonds complemented by selective shorter-dated high yields.

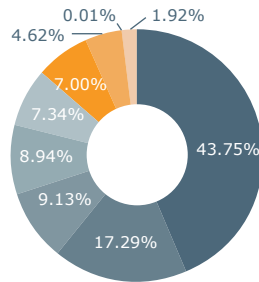
Performance Chart



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

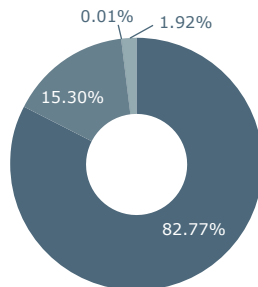
Industry Allocation

- Sovereign (43.75%)
- Oil & Gas (17.29%)
- Basic Materials (9.13%)
- Utilities (8.94%)
- Commercial Services (7.34%)
- Real Estate (7.00%)
- Investment Companies (4.62%)
- Financial Services (0.01%)
- Cash (1.92%)



Regional Allocation

- MENA (82.77%)
- Asia (15.30%)
- Europe (0.01%)
- Cash (1.92%)



Top Holdings

| | |
|--------------------------|-------|
| State Of Qatar | 9.35% |
| Office Cherifien Des Pho | 9.13% |
| Republic Of Indonesia | 9.11% |
| Acwa Power Mgmt Invst | 8.94% |
| Abu Dhabi Crude Oil | 8.91% |

Fund Returns

| | MTD | YTD | 1 Year | 3 Years | 5 Years | SI |
|-----------|-------|--------|--------|---------|---------|---------|
| MIF | 4.38% | -1.23% | 3.50% | 11.43% | 22.37% | 67.67% |
| Benchmark | 3.03% | 1.42% | 5.53% | 15.57% | 25.68% | 124.93% |

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------|-------|-------|-------|-------|-------|--------|--------|
| MIF | 5.50% | 3.86% | 1.88% | 4.65% | 9.27% | -3.54% | 13.12% |
| Benchmark | 0.39% | 7.05% | 2.00% | 5.09% | 4.86% | -0.22% | 13.20% |

Fund Statistics

| | |
|------------------------|-------|
| Average Coupon | 5.20 |
| Fund Rating | BBB+ |
| Average Maturity | 19.92 |
| Average Yield | 4.70 |
| Modified Duration | 11.90 |
| CAGR Since Incep | 3.64% |
| 1 year Volatility | 7.09% |
| 3 years Volatility | 7.61% |
| Sharpe Ratio - 1 year | 0.45 |
| Sharpe Ratio - 3 years | 1.46 |

Maturity Profile

| | |
|-------------|--------|
| 0-5 Years | 16.27% |
| 5-10 Years | 13.06% |
| 10-20 Years | 17.29% |
| 20+ Years | 53.38% |

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 |
|-------------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|
| 2020 | 1.65 | 0.49 | -12.87 | 0.27 | 6.04 | 4.38 | - | - | - | - | - | - | -1.23 |
| 2019 | 1.84 | 1.26 | 1.05 | 1.28 | 0.39 | 1.87 | 1.69 | 1.61 | -0.31 | 0.37 | 0.66 | 0.70 | 13.12 |
| 2018 | 0.53 | -1.11 | -0.11 | -0.75 | -1.48 | -0.75 | 1.00 | -0.52 | 0.54 | -0.67 | -0.57 | 0.33 | -3.54 |
| 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 23.93 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 | | |

Please visit <https://www.mashreqcapital.ae/capital/knowledge/monthly-outlook> for Mashreq Capital's Monthly Market Outlook.

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