

Makaseb Income Fund (MIF)

NAV in USD as at Oct 28, 2020



USD
16.58

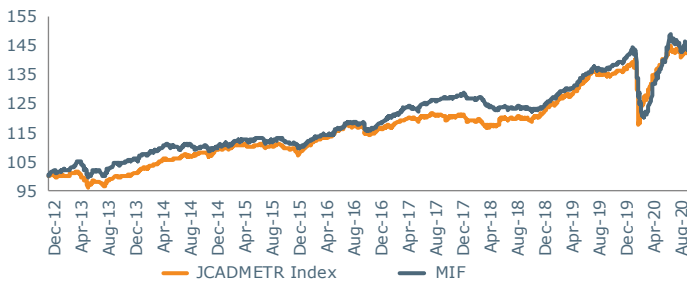
Fund Description

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 resumed its positive momentum and ended the month with a muted return of 0.11%, while the YTD performance at the end of the period was positive 2.97%. October saw a further decline in risk sentiment across financial assets from the post-covid highs of late summer as the case counts rose to new highs across US and Europe added by the uncertainty of the upcoming US Elections and the fiscal stimulus dance between both sides which remained the pervasive feature dominating headlines globally. US treasury yields rose aggressively on expectations that a Democratic sweep in the US elections could increase government spending, economic growth, and thereby increase inflation risks. 10 Year and 30 Year treasury yields witnessed their highest levels since June 2020 which led to the weak performance of our biggest detractors namely long-dated sovereign exposures of Abu Dhabi, Qatar and Saudi Arabia. Oil prices fell sharply during the month as the outlook for demand became increasingly cloudy and faced more downside risks with the rising Covid-19 infections and a fear of renewed national lockdowns. OPEC+ producers were expected to delay the tapering of the supply for the near future. GCC bonds remained vulnerable to increased risk aversion and ended the month with IG exposures delivering muted negative returns. During the month, we tactically participated in new issues by China Government, Galaxy Pipelines and Etihad Airways to take advantage of supportive technical while continuing to reduce our portfolio duration and positioning in long dated Bahrain and Mubadala Investment company. We continue to maintain our portfolio through a tilt towards long duration, Investment Grade bonds complemented by selective longer dated High Yields.

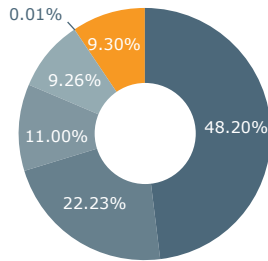
Performance Chart



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

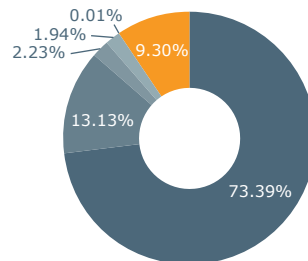
Industry Allocation

- Sovereign (48.20%)
- Oil & Gas (22.23%)
- Basic Materials (11.00%)
- Utilities (9.26%)
- Financial Services (0.01%)
- Cash (9.30%)



Regional Allocation

- MENA (73.39%)
- Asia (13.13%)
- South America (2.23%)
- Africa (1.94%)
- Europe (0.01%)
- Cash (9.30%)



Top Holdings

State Of Qatar	9.26%
Acwa Power Mgmt Invst	9.26%
Republic Of Indonesia	9.12%
Office Cherifien Des Pho	9.06%
Abu Dhabi Crude Oil	8.67%

Fund Returns

	MTD	YTD	1 Year	3 Years	5 Years	SI
MIF	0.11%	2.97%	4.37%	12.92%	26.88%	74.79%
Benchmark	0.50%	4.27%	5.34%	17.68%	28.16%	131.25%
	2014	2015	2016	2017	2018	2019
MIF	3.86%	1.88%	4.65%	9.27%	-3.54%	13.12%
Benchmark	7.05%	2.00%	5.09%	4.86%	-0.22%	13.20%

Fund Statistics

Average Coupon	4.63
Fund Rating	BBB+
Average Maturity	22.20
Average Yield	3.49
Modified Duration	12.33
CAGR Since Incep	3.85%
1 year Volatility	7.90%
3 years Volatility	8.42%
Sharpe Ratio - 1 year	0.44
Sharpe Ratio - 3 years	1.43

Maturity Profile

0-5 Years	9.31%
5-10 Years	15.21%
10-20 Years	19.99%
20+ Years	55.49%

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	5.20	0.38	-1.38	0.11	-	-	2.97
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 24.90 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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