

# Makaseb Income Fund (MIF)

NAV in USD as at Sep 30, 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.

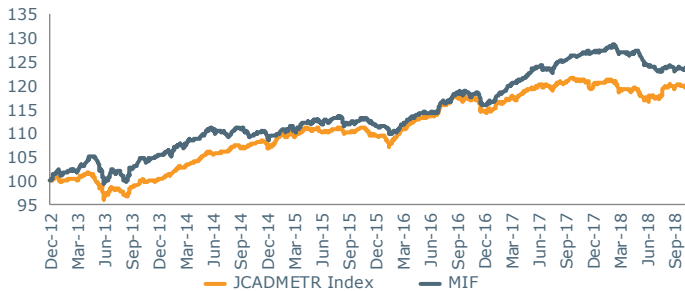
## Fund Manager's Commentary

### GCC's Bond Index inclusion is a game changer

US data during September continued to be supportive of a growing economy, which resulted in the FOMC inevitably raising rates on the 26th. Regionally, the biggest development was JP Morgan's official announcement to include 5 GCC countries (KSA, UAE, Kuwait, Bahrain and Qatar) into the EMBI starting from January 31st 2019. We were and remain long as our credit picks are paying off. New issues took center stage with ADIB (AT1), ALAHKW (AT1), ALDAR, ALHILA, DPW (triple tranche), KSA, NBO, ALKHAL and SECO (dual tranche). We also witnessed positive credit news on Kuwait Energy in relation to its potential acquisition by United Energy Group, and Topaz Marine on its IPO.

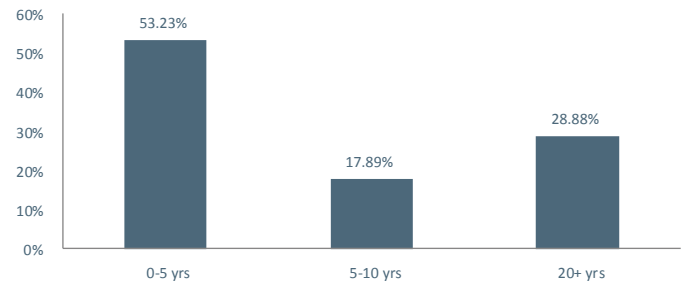
Looking forward, US labor market and inflation data in October is expected to provide support for the Fed to hike rates which leads us to believe that we will see another rate hike in the December meeting. Regionally, we expect a few more new issues before the year-end window closes. Needless to say that the EMBI inclusion is an exciting milestone for regional credits and we see a favorable path from now until the full inclusion within 9 months (staggered inclusion), where we see spread compression more than compensating for UST yield increase due to the Fed hiking rates.

## Performance Chart

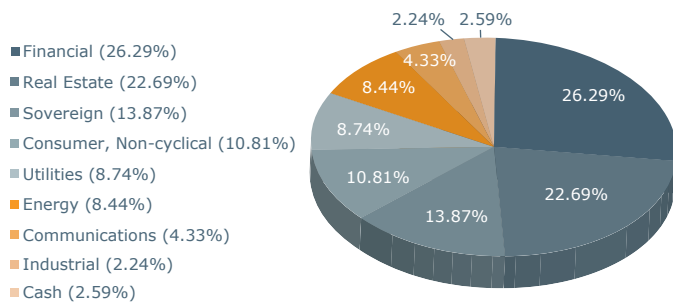


\*Performance has been rebased as of 31<sup>st</sup> December, 2012

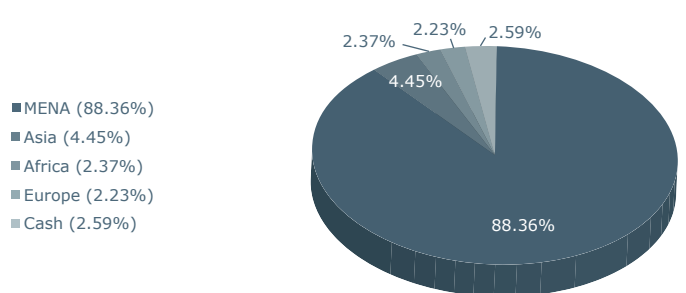
## Maturity Profile



## Industry Allocation



## Regional Allocation



## Fund Returns

	MTD	YTD	1 Year	3 Years	5 Years	SI
MIF	0.54%	-2.65%	-1.37%	10.82%	21.01%	51.44%
Benchmark	0.66%	0.10%	-0.13%	9.72%	22.38%	96.55%
	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	9.27%
KT Kira Sert Varlik	6.47%
DP World Ltd	6.43%
Kuwait Energy Plc	6.30%
Emirates Reit Sukuk Ltd	5.09%

## Fund Statistics

Average Coupon	5.69
Fund Rating	BB
Average Maturity	6.33
Average Yield	5.98
Modified Duration	4.23
CAGR Since Inception	3.32%
1 year Volatility	1.85%
3 years Volatility	3.66%
Sharpe Ratio - 1 year	-2.30
Sharpe Ratio - 3 years	2.17

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 MEI 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	-0.52	0.54				<b>-2.65</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 22.90 million
Fund Type	Open Ended
Inception Date	March 29, 2006
Domicile	Bahrain
Currency	USD
Benchmark	JP Morgan MECI Index
Fund Manager	Mashreq Capital (DIFC) Limited
Administrator & Transfer Agent	Karvy Computershare W.L.L
Custodian	Citibank N.A., Bahrain
Auditor	Deloitte & Touche, Bahrain
Valuation Day	Each Business Day
Dealing Day (Subscription/Redemption)	Each Business Day
ISIN	BH000A0J3RR6

Bloomberg Ticker	MAKAINC BI
Zawya Code	MAKINCM.MF
Lipper ID	65038282
Minimum Subscription	USD 10,000 and in multiples of USD 1,000 thereafter
Subscription Fee	Up to 2%
Performance Fee	Nil
Management Fee	75 bps
Redemption Fee	3% within first 3 months; 2% within 3-6 months; 1% within 6-12 months
Settlement for Subscriptions	2 Business Days prior to Dealing Day
Settlement for Redemption	5 Business Days after the Dealing Day
Notice Periods	2 Business Days each for Subscriptions and Redemptions

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