

Makaseb Income Fund (MIF)

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 Managers Commentary

Makaseb Income Fund is up 2.12% for the month of April and up 4.21% YTD 2013

The Fund is up 4.21% handily outperforming its benchmark HSBC/NASDAQ Dubai Middle East index which is up 1.14% YTD.

April has been a strong month for regional credit, as the returns was driven by a rebound in risk appetite, following Bank of Japan's announcement of increasing monetary easing and falling USD interest rates.

On the Rates front, the Longer end of the US treasury curve (rate risk) widening expectations have been pushed out further for now, with the Bank of Japan and the US Fed both continue their QE actions. Rates will eventually start to rise and this will have some impact on prices, especially the 10yr and longer maturity buckets.

Our strategy to remain invested in the higher yielding Dubai and GCC names in order to clip coupon in this liquidity fueled environment of range bound prices has paid dividends. We continue to monitor interest rate risk and regional/global political tensions as the main risks that could adversely impact the fund.

The fund ended the month with a cash balance of 0.2%, average rating of BB+ and an average yield of 4.3%.

Fund Returns

	MTD	YTD	1 Year	3 Years	SI	
MIF	2.1%	4.2%	17.1%	34.0%	27.0%	
Benchmark	1.4%	1.1%	9.8%	26.6%	44.0%	
	2007	2008	2009	2010	2011	2012
MIF	2.1%	-21.6%	10.4%	12.1%	0.9%	19.9%
Benchmark	3.2%	-14.6%	18.0%	10.3%	6.4%	12.0%

Top Holdings

Emaar Sukuk Ltd	10.2%
Investcorp Sa	6.9%
Dubai Holding Comm Op	6.8%
Indosat Palapa Co Bv	6.4%
Mashreqbank PSC	5.2%

Fund Statistics

Average Coupon	6.0
Fund Rating	BB+
Average Maturity	10.9
Average Yield	4.3
Modified Duration	3.5
CAGR Since Incep	3.4
Ann. Volatility - Since Incep	6.0
1 year volatility	3.7
3 year volatility	8.8
Sharpe Ratio - 1 year	4.5
Sharpe Ratio - 3 year	3.8

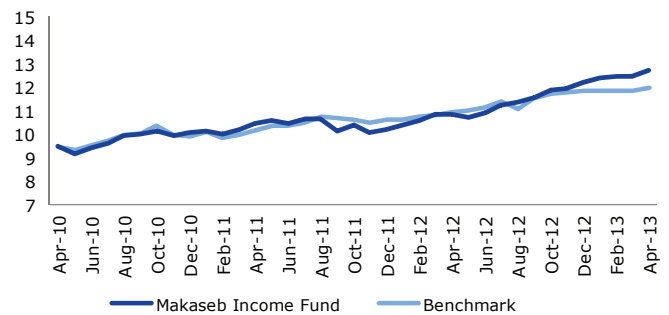
Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2013	1.82	0.27	-0.04	2.12	-	-	-	-	-	-	-	-	4.21
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	19.36
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	1.35
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	12.52
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	10.02
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	3.26
2006	-	-	-	-0.44	-0.10	-0.60	-0.04	-0.08	0.19	0.75	0.75	0.11	0.53

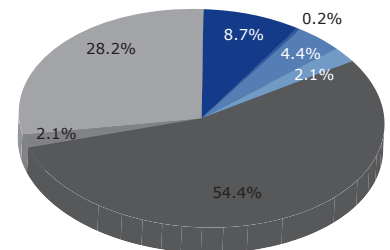
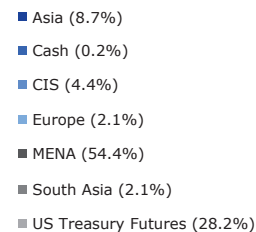
Fund Details

Fund Size	USD 35.31 million
Fund Type	Open Ended
Domicile	Bahrain
Inception Date	Mar 29, 2006
Currency	USD
Regulator	Central Bank of Bahrain
Investment Manager	Mashreq Capital
Net Asset Value	Each business day

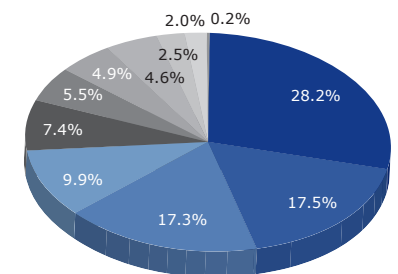
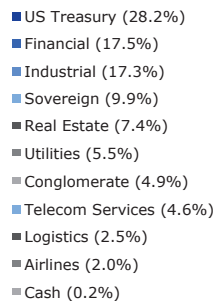
Performance (Chart)



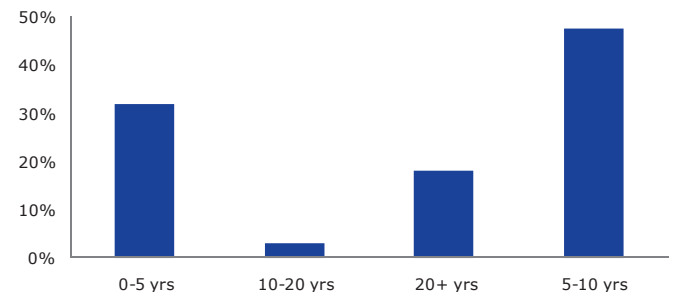
Regional Allocation



Industry Allocation



Maturity Profile



Makaseb Income Fund (MIF)

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