

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

MIF started the first month of the year with a 1.86% gain

2012 started tremendously. Whereas 2011 ended up very slow with people trying to anticipate what 2012 will bring, all those concerns seem to be off the table for the time being and investors are willing to increase the risk in their portfolios again.

Economic data from the US has been stronger than anticipated, in Europe there is relative progress on the Greek debt crisis and the risk of a hard landing scenario in China has moved more towards a soft landing scenario. Ongoing monetary stimulus provides extra liquidity and guidance from the US Fed is that monetary conditions will remain loose for the years ahead.

Global credit markets including the MENA region profited from this "risk-on" environment: many successful bond issues in the first month of the year already came to the market from companies taking advantage of more easily available money.

The fund took profit on some positions and switched positions using relative value opportunities. The cash balance is currently at 12% and will be employed according to further developments of the market conditions. The average rating currently is BBB- and average yield 7.75%.

Fund Returns

	MTD	YTD	1 Year	3 Years	SI
MIF	1.9%	1.9%	1.7%	8.1%	2.7%
Benchmark	-0.1%	-0.1%	4.8%	11.7%	27.7%
	2007	2008	2009	2010	2011
MIF	2.1%	-21.6%	10.4%	12.1%	0.9%
Benchmark	3.2%	-14.6%	18.0%	10.3%	6.4%

Top Holdings

Tamweel Funding Ltd	11.7%
Eib Sukuk Ltd	9.0%
Dubai Holding Comm Op	7.3%
Cbq Finance Ltd	7.0%
Dubai Dof Sukuk Ltd	6.2%

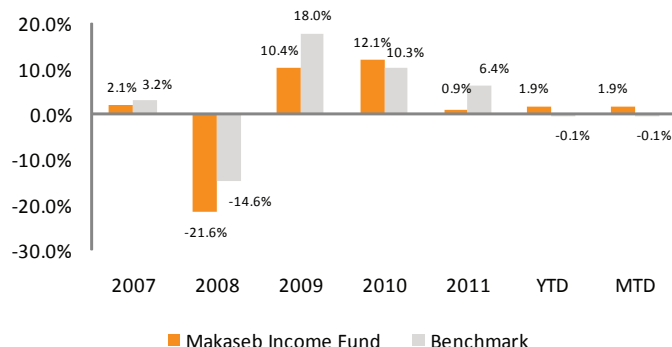
Fund Statistics

Average Coupon	6.0
Fund Rating	BBB-
Average Maturity	4.7
Average Yield	7.7
Modified Duration	3.8

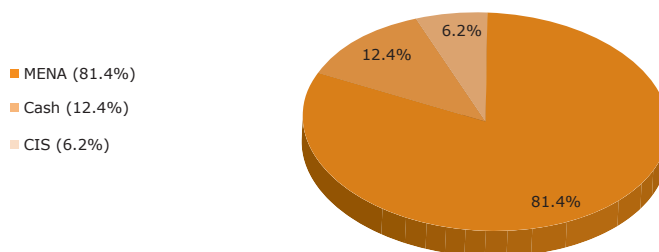
Fund Details

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	Weekly

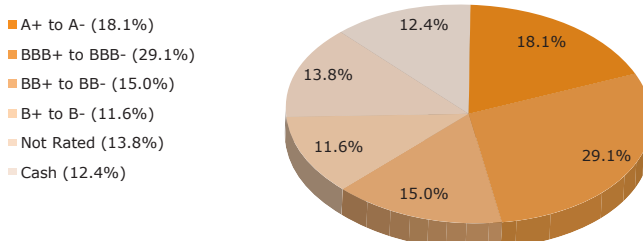
Performance (Chart)



Regional Allocation



Ratings Breakdown



Subscription/ redemption	Weekly
Management Fee	0.75% p.a.
Auditor	Deloitte & Touche
Registrar	Key Point
Administrator & Custodian	HSBC
Bloomberg Ticker	MAKAINC BI
Zawya Code	MAKINCM.MF

Benchmark: HSBC/ NASDAQ Dubai Middle East Investment Grade Total Return Index, SI: Since Inception, MTD: Month to Date, YTD: Year to Date

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