

Mashreq Al Islami Income Fund (MAIIF)

NAV in USD as at Mar 31, 2019



B shares
17.39

DI shares
10.10

DA shares
11.61

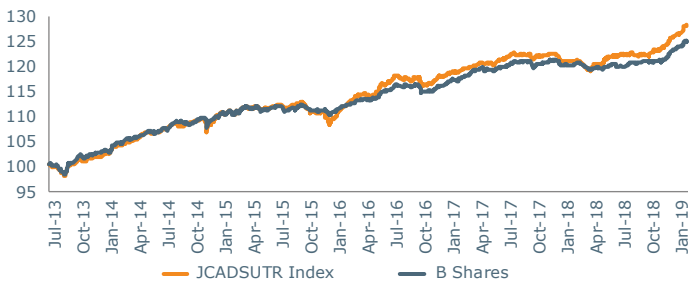
Fund Description

The investment objective of the Mashreq Al-Islami Income Fund (Sukuk Fund) is to provide Shareholders with Shariah compliant fixed returns. The Fund will only invest in Shariah compliant fixed income securities approved by the Shariah Supervisory Board. The Fund's return objective will be to achieve annual net returns above the market return as represented by a generally accepted index (e.g. JP Morgan Middle East Sukuk Index) over the life of the Fund.

Fund Manager's Commentary

The fund continued its strong start to the year by posting a positive monthly return of 1.00%, slightly lagging the benchmark figure of 1.14%. This month's positive performance was driven by long-duration sovereigns rallying following the Fed's March meeting forecast for rates to be kept on hold for the rest of the year amid lower growth and inflation. The fund's long-dated sukuk profited from this renewed dovishness, particularly the Saudi sovereign and Saudi Electric Company. Regionally the fund benefited from avoiding Oman as its sukuk struggled to participate in the rally amid Moody's downgrade of the sovereign to high yield. In contrast the off-benchmark positioning in Turkey detracted due to election uncertainty, though we expect the sukuk to stabilize going forward. Looking ahead we believe that the sukuk market should continue to benefit from the higher oil price in combination with the Fed's pivot to patience which we are managing via long duration complemented with shorter-dated higher yielding corporates.

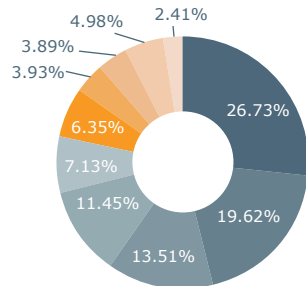
Performance Chart



*Performance has been rebased as of 21st July, 2013

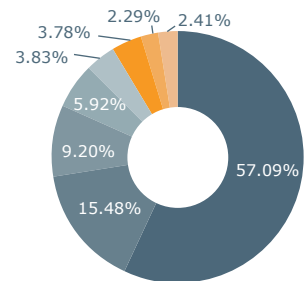
Industry Allocation

- Financial Services (26.73%)
- Sovereign (19.62%)
- Utilities (13.51%)
- Investment Companies (11.45%)
- Commercial Services (7.13%)
- Airlines (6.35%)
- Real Estate (3.93%)
- Healthcare (3.89%)
- Other (4.98%)
- Cash (2.41%)



Regional Allocation

- United Arab Emirates (57.09%)
- Saudi Arabia (15.48%)
- Bahrain (9.20%)
- Turkey (5.92%)
- Kuwait (3.83%)
- Indonesia (3.78%)
- Pakistan (2.29%)
- Cash (2.41%)



*UAE Emirates Airline financing with UK export agency guarantee

Top Holdings

DP World Crescent Ltd	7.13%
Noor Tier 1 Sukuk Ltd	6.16%
Mumtalakat Sukuk Holding	6.08%
ICD Sukuk Co Ltd	5.37%
Ahb Tier 1 Sukuk Ltd	5.30%

Fund Returns

	MTD	YTD	1 Year	3 Years	5 Years	SI
MAIIF B Shares	1.00%	3.27%	3.89%	10.90%	18.20%	75.31%
MAIIF DI Shares	0.93%	3.04%	2.84%	7.60%	12.35%	17.24%
MAIIF DA Shares	0.93%	3.04%	2.84%	7.61%	12.42%	17.14%
Benchmark B Shares	1.14%	3.91%	5.64%	12.79%	21.51%	84.82%
	2013	2014	2015	2016	2017	2018
MAIIF B Shares	2.07%	6.17%	1.94%	3.72%	4.56%	0.23%
MAIIF DI Shares	1.05%	5.06%	0.93%	2.68%	3.51%	-0.81%
MAIIF DA Shares	1.63%	5.12%	0.93%	2.68%	3.52%	-0.81%

Fund Statistics

Average Coupon	5.22		
Fund Rating	BBB		
Average Maturity	6.23		
Average Yield	5.12		
Modified Duration	4.65		
	B Shares	DI Shares	DA Shares
CAGR Since Incep	5.80%	2.51%	2.77%
Volatility 1 year	1.26%	1.25%	1.25%
Volatility 3 years	2.35%	2.69%	2.34%
Sharpe Ratio - 1 year	1.31	0.48	0.48
Sharpe Ratio - 3 years	3.69	2.00	2.29

Maturity Profile

0-5 Years	62.76%
5-10 Years	28.61%
10-20 Years	1.61%
20+ Years	7.02%

Income Distribution - DI share class

Year	Quarter	Target Payout
2018	Q4	1% ^(A)
	Q1	1.25% ^(T)
2019	Q2	1.25% ^(T)
	Q3	1.25% ^(T)
	Q4	1.25% ^(T)

(A): Actual, (T): Target

Mashreq Al Islami Income Fund (MAIIF)

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
B Shares													
2019	1.20	1.04	1.00										3.27
2018	0.12	-0.48	-0.01	-0.29	-0.31	-0.25	0.93	-0.48	0.77	0.03	0.11	0.11	0.23
2017	0.77	0.79	0.46	0.97	0.53	-0.30	0.34	0.56	0.31	0.17	-0.54	0.41	4.56
2016	-0.35	0.96	0.60	0.60	0.03	0.82	0.87	0.65	-0.01	0.16	-1.16	0.51	3.72
2015	1.22	0.59	-0.32	0.85	0.21	-0.60	0.55	-0.54	0.09	0.51	-0.74	0.11	1.94
2014	0.12	1.89	0.75	0.21	0.67	0.10	1.00	0.89	0.02	-0.10	1.05	-0.57	6.17
2013	0.17	0.48	-0.07	1.65	-0.46	-4.48	2.35	-1.02	1.72	1.64	-0.04	0.29	2.07
2012	0.82	1.10	1.13	0.51	1.09	1.55	1.76	0.81	0.43	1.57	0.90	0.93	13.87
2011	1.82	-0.69	2.25	1.69	2.07	-0.07	0.75	-0.56	-1.16	1.49	-1.46	1.72	7.51
2010	-0.02	-0.87	4.15	0.69	-1.94	0.94	1.93	1.47	1.89	0.67	-0.95	0.98	9.17
2009	-	-	-	-	-	-	-1.52	2.12	3.30	3.40	0.96	-2.46	10.51
DI Shares													
2019	1.11	0.98	0.93										3.04
2018	0.03	-0.56	-0.10	-0.38	-0.40	-0.33	0.83	-0.57	0.68	-0.06	0.02	0.02	-0.81
2017	0.69	0.72	0.38	0.88	0.45	-0.38	0.25	0.48	0.23	0.08	-0.62	0.32	3.51
2016	-0.44	0.88	0.52	0.52	-0.06	0.74	0.78	0.56	-0.09	0.07	-1.24	0.42	2.68
2015	1.14	0.51	-0.41	0.77	0.12	-0.68	0.47	-0.63	0.00	0.43	-0.83	0.03	0.93
2014	0.04	1.82	0.66	0.13	0.59	0.01	0.90	0.80	-0.06	-1.85	2.67	-0.65	5.06
2013	0.08	0.40	-0.14	1.55	-0.54	-4.56	2.27	-1.10	1.63	1.55	-0.12	0.20	1.05
2012	-	-	-	-	-	-	-	-	-	-	-	0.72	0.72
DA Shares													
2019	1.11	0.98	0.93										3.04
2018	0.03	-0.56	-0.10	-0.38	-0.40	-0.33	0.83	-0.57	0.68	-0.06	0.02	0.02	-0.81
2017	0.69	0.72	0.38	0.88	0.45	-0.38	0.25	0.48	0.23	0.08	-0.62	0.32	3.52
2016	-0.44	0.88	0.52	0.52	-0.06	0.74	0.78	0.56	-0.09	0.07	-1.24	0.42	2.68
2015	1.14	0.51	-0.41	0.77	0.12	-0.68	0.47	-0.63	0.00	0.43	-0.83	0.03	0.93
2014	0.04	1.82	0.66	0.13	0.59	0.01	0.90	0.80	-0.06	-0.17	0.96	-0.65	5.12
2013	-	-	-	-	-	-	-1.41	-1.10	1.63	1.55	-0.12	0.20	1.63

Fund Details

Fund size	USD 65.85 million	Bloomberg Ticker	Class 'B' Shares - BADISIN Class 'D Income' Shares - BADISID Class 'D Accumulation' Shares - BADISDI
Fund Type	Shariah Compliant Open Ended Fund.	Zawya Code	MAKBIIF.IF
Inception Date	June 09,2009	Lipper ID	Class 'B' Shares - 68121746 Class 'D' Shares - 68200829
Domicile	DIFC, Dubai	Minimum Subscription	The minimum initial subscription in the Fund is USD 500,000 & subsequently USD 100,000
Currency	USD	Subscription Fee	Class 'B' Shares - Up to 2% Class 'D' Shares - Up to 5%
Benchmark	JP Morgan Middle East Sukuk Index	Performance Fee	NIL
Fund Manager	Mashreq Capital (DIFC) Limited	Management Fee	Class 'B' Shares - 0.75% Class 'D' shares - 1.00%
Administrator & Transfer Agent	Apex Fund Services (Dubai) Ltd.	Distribution Fee	Class 'D' Shares - 0.5% p.a.
Custodian	Deutsche Bank	Redemption Fee	None
Auditor	Deloitte & Touche, Dubai	Settlement for Subscriptions	2 Business Days prior to Dealing Day
Valuation Day	Each Business Day	Settlement for Redemption	5 Business Days after the Dealing Day
Dealing Day (Subscription/Redemption)	Each Business Day	Notice Periods	2 Business Days each for Subscriptions and Redemptions
ISIN	Class 'B' Shares - AEDFXA1T6467 Class 'D Income' Shares - AEDFXA1T6483 Class 'D Accumulation' Shares - AEDFXA1W2ZD7		

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