

Mashreq Al Islami Income Fund (MAIIF)

NAV in USD as at Aug 31, 2020



B shares
18.68

DI shares
9.94

DA shares
12.33

DI AED shares
9.79

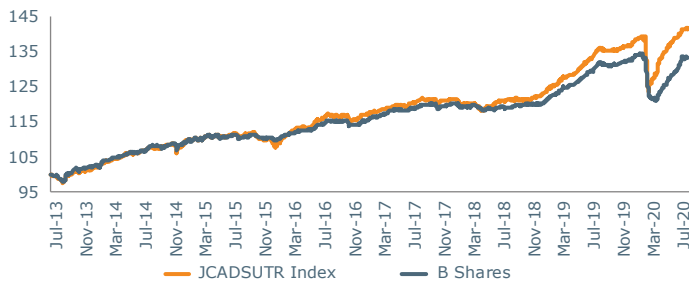
Fund Description

The investment objective of the Mashreq Al-Islami Income Fund (Sukuk Fund) is to provide Shareholders with Shariah compliant 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 positive momentum for the fifth month in a row and ended August with a return of 0.96%. Five months of positive performance have wiped out the Corona-induced loss and the return is now YTD positive at 0.62%, an impressive achievement given the fund was down nearly 10% at the depths of the Covid-19 market sell-off in 1Q20. The main contributors to performance during the month were the tactically positioned high-beta exposures that benefited from renewed risk appetite amidst the global growth recovery. Bahrain government was the top contributor and the sovereign remains the largest high-yield position in the portfolio. Other high-yield contributors included the perpetuals of Dubai Islamic Bank and Sharjah Islamic Bank. In contrast to the many contributors, the few detractors to performance centered on the long duration sovereign exposures of Malaysia and Saudi Arabia which suffered primarily due to renewed inflation fears around Fed Chair Powell's Jackson Hole speech. We believe the weakness in these high-quality, investment-grade exposures should be temporary in nature as the Fed is unlikely to generate sufficient inflation in the short term with the ongoing Covid-19 pandemic capping growth potential. We are maintaining our exposure to long duration, sovereign sukuk, complemented by selective exposures to higher-beta credits.

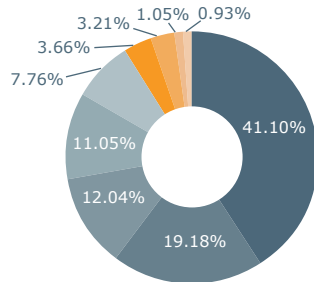
Performance Chart



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

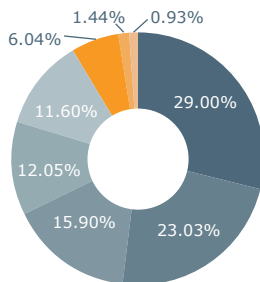
Industry Allocation

- Sovereign (41.10%)
- Financial Services (19.18%)
- Investment Companies (12.04%)
- Utilities (11.05%)
- Telecommunications (7.76%)
- Airlines (3.66%)
- Real Estate (3.21%)
- Commercial Services (1.05%)
- Cash (0.93%)



Regional Allocation

- United Arab Emirates (29.00%)
- Saudi Arabia (23.03%)
- Indonesia (15.90%)
- Malaysia (12.05%)
- Bahrain (11.60%)
- Qatar (6.04%)
- Kuwait (1.44%)
- Cash (0.93%)



Top Holdings

Indonesia Government Sukuk	14.45%
Saudi Electric Co. Sukuk	11.05%
Bahrain Government Sukuk	9.05%
Malaysia Government Sukuk	7.64%
Sharjah Government Sukuk	6.08%

Fund Returns

	MTD	YTD	1 Year	3 Years	5 Years	SI
MAIIF B Shares	0.96%	0.62%	1.11%	11.52%	20.48%	88.22%
MAIIF DI Shares	0.88%	0.09%	0.31%	8.52%	14.91%	24.47%
MAIIF DA Shares	0.88%	0.09%	0.31%	8.52%	14.92%	24.37%
MAIIF DI AED Shares	0.88%	0.09%	-	-	-	0.42%
Benchmark (B Shares)	0.98%	3.60%	4.23%	16.83%	27.47%	106.26%

	2014	2015	2016	2017	2018	2019
MAIIF B Shares	6.18%	1.93%	3.72%	4.55%	0.23%	10.19%
MAIIF DI Shares	5.10%	0.91%	2.68%	3.52%	-0.83%	9.29%
MAIIF DA Shares	5.13%	0.92%	2.68%	3.52%	-0.82%	9.30%

Fund Statistics

Average Coupon	4.34
Fund Rating	BBB
Average Maturity	10.50
Average Yield	3.57
Modified Duration	7.68

	B Shares	DI Shares	DA Shares	DI AED Shares
Volatility 1 year	3.81%	3.81%	3.81%	-
Volatility 3 years	4.30%	4.49%	4.29%	-
Sharpe Ratio - 1 year	0.22	0.01	0.01	-
Sharpe Ratio - 3 years	2.62	1.84	1.92	-

Maturity Profile

0-5 Years	38.41%
5-10 Years	37.25%
20+ Years	24.34%

Income Distribution - DI share class

Year	Quarter	Target Payout
2019	Q4	1.25% ^(A)
	Q1	1.25% ^(A)
2020	Q2	1.25% ^(A)
	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													
2020	0.97	-0.35	-8.29	0.37	2.46	2.35	2.62	0.96	-	-	-	-	0.62
2019	1.20	1.04	1.00	0.93	0.68	1.33	1.37	1.73	-0.44	0.17	0.26	0.50	10.19
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													
2020	0.90	-0.41	-8.36	0.31	2.39	2.28	2.56	0.88	-	-	-	-	0.09
2019	1.11	0.98	0.93	0.87	0.62	1.26	1.30	1.67	-0.51	0.10	0.20	0.42	9.29
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													
2020	0.90	-0.41	-8.36	0.31	2.39	2.28	2.56	0.88	-	-	-	-	0.09
2019	1.11	0.98	0.93	0.87	0.62	1.26	1.30	1.67	-0.51	0.10	0.20	0.42	9.30
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
DI - AED Shares													
2020	0.90	-0.41	-8.36	-0.94	2.39	2.29	2.56	0.88	-	-	-	-	0.09
2019	-	-	-	-	-	-	-	-	-	-	-	0.33	0.33

Fund Details

Fund size	USD 164.10 million	Lipper ID	68121746 in respect of Class "B" Shares 68602684 in respect of Class "C" Shares 68200829 in respect of Class "D" Income Shares 68222182 in respect of Class "D" Accumulation Shares 68583733 in respect of Class "D" AED Income Shares 68583734 in respect of Class "D" AED Accumulation Shares
Fund Type	Shariah Compliant Open Ended Fund.	Minimum Subscription	The minimum initial subscription and holding amount is: *USD 500,000 in respect of the Class "B". Additional subscriptions may be made in increments of USD 100,000. *USD 1 in respect of the Class "C". Additional subscriptions may be made in increments of USD 1. *USD 1 in respect of the Class "D Accumulation" and Class "D Income" Share. Additional subscriptions may be made in increments of USD 1. *AED 1,000 in respect of the Class "D AED Accumulation" and Class "D AED Income" Share. Additional subscriptions may be made in increments of AED 100.
Inception Date	June 09,2009	Subscription Fee	Up to 2.0% in respect of Class "B" and "C" Shares Up to 5.0% in respect of Class "D" and "D AED" Share
Domicile	DIFC, Dubai	Performance Fee	NIL
Currency	USD	Management Fee	0.75% p.a. in respect of Class "B" Shares 0.70% p.a. in respect of Class "C" Shares 1.00% p.a. in respect of Class "D" and "D AED" Shares
Benchmark	JP Morgan Middle East Sukuk Index	Distribution Fee	0.5% p.a. in respect of Class "D" and "D AED" Shares
Fund Manager	Mashreq Capital (DIFC) Limited	Redemption Fee	None
Administrator & Transfer Agent	Agent: Apex Fund Services (Dubai) Ltd.	Settlement for Subscriptions	2 Business Days prior to Dealing Day
Custodian	Deutsche Bank	Settlement for Redemption	5 Business Days after the Dealing Day
Auditor	Deloitte & Touche, Dubai	Notice Periods	2 Business Days each for Subscriptions & Redemptions
Valuation Day	Each Business Day		
Dealing Day (Subscription/Redemption)	Each Business Day		
ISIN	AEDFXA1T6467 in respect of Class "B" Shares AEDFXA1T6475 in respect of Class "C" Shares AEDFXA1T6483 in respect of Class "D" Income Shares AEDFXA1W2ZD7 in respect of Class "D" Accumulation Shares AEDFXA03C018 in respect of Class "D" AED Income Shares AEDFXA03C000 in respect of Class "D" AED Accumulation Shares		
Bloomberg Ticker	BADISIN in respect of Class "B" Shares BADISIC in respect of Class "C" Shares BADISID in respect of Class "D" Income Shares BADISDI UH in respect of Class "D" Accumulation Shares BADIDUI UH in respect of Class "D" AED Income Shares BADISDA UH in respect of Class "D" AED Accumulation Shares		
Zawya Code	MAKBIIF		

Please visit <https://www.mashreqcapital.ae/capital/knowledge/monthly-outlook> for Mashreq Capital's Monthly Market Outlook.

Please note with effect from 1st January 2018, all fees & charges mentioned above are subject to additional 5% Value Added Tax

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