



Investing Professionally in the Middle East

Sep 2020

mashreq  المشرق
CAPITAL

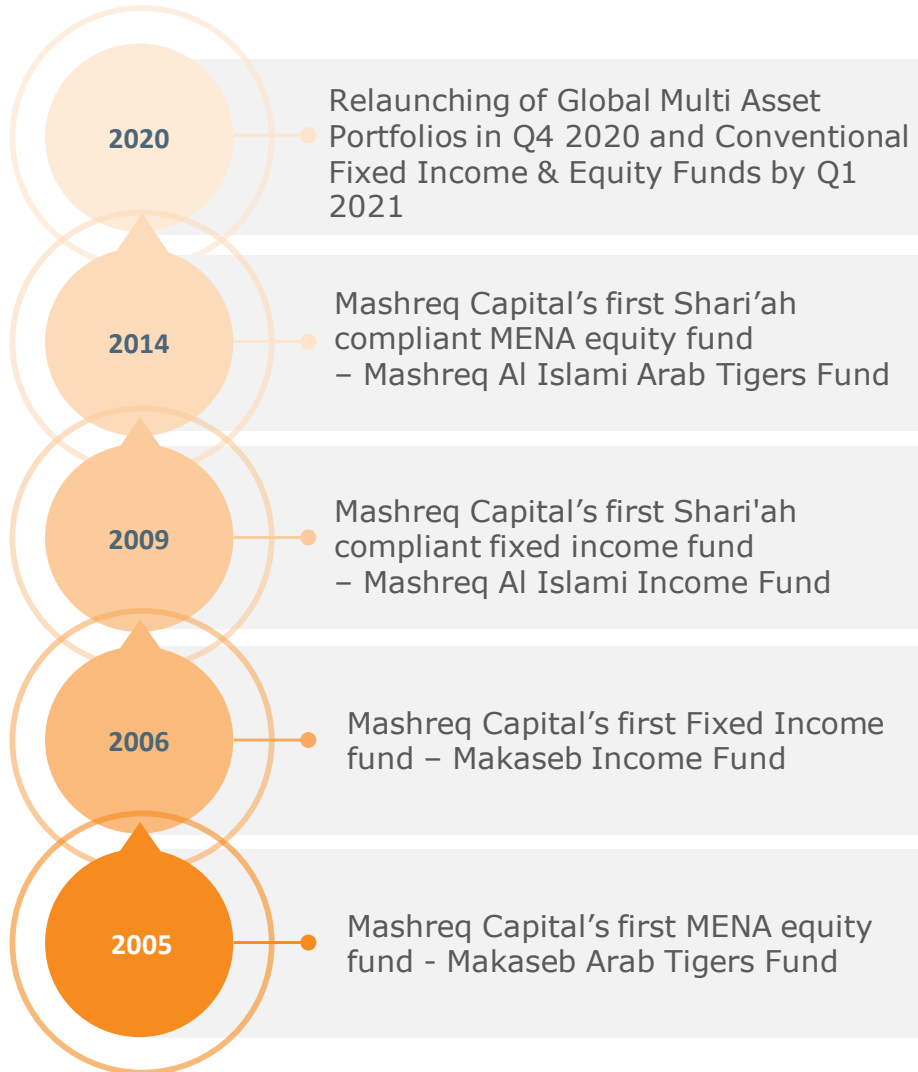
Contents

1	Overview of Mashreq Capital	3-7
	1.1 About Mashreq Capital	4
	1.2 Mashreq Values, Vision and Mission	5
	1.3 Why Invest with Mashreq Capital	6
	1.4 Breakdown of AUM by Client Type & Strategy	7
2	Value Proposition to Our Clients	8-16
	2.1 Values & Infrastructure	9
	2.2 Investment Team	11
	2.3 Investment Process	12
	2.4 Awards & Ratings	16
3	Risk Management Process	17-18
4	Makaseb Income Fund	19-23
5	Makaseb Arab Tigers Fund	24-28
6	Appendix A: Organizational Chart & Board of Directors	29-31
7	Appendix B: Investment Committee & Senior Management	32-33
8	Appendix C: Fixed Income Team & Equity Team Profile	34-36
9	Contact Us and Disclaimer	37

1. Overview of Mashreq Capital



1.1 About Mashreq Capital



Mashreq Capital (DIFC) Ltd (Mashreq Capital):

- Mashreq Bank PSC's Asset Management business was established in 2004
- Mashreq Capital is an 100%-owned asset management subsidiary of Mashreq Bank PSC ('Mashreq') and was established in 2006 in order to scale Mashreq's Asset Management business
- Mashreq Capital has unlimited support and backing by Mashreq Bank PSC
- Regulated by the Dubai Financial Service Authority (DFSA) with a category 2 license
- Is a GIPS® compliant firm
- Currently managing six public funds and a number of Discretionary Portfolios for institutional investors and Ultra High Net worth Individuals
- Long track record in managing MENA equity and fixed income funds
- State of the art infrastructure in portfolio management and reporting
- Strong ability in customizing portfolios to client needs

1.2 Mashreq Values, Vision and Mission



1.3 Why Invest with Mashreq Capital?



Regional expertise - A
proven and long standing
track record (MATF: 2005 –
to date, MIF: 2006 – to date
and MAIIF: 2009 – to date)



**Longest verified track
record - Mashreq Al Islami**
Income Fund (MAIIF) was the
first Global Sukuk Fund to be
launched in the region in 2009



Performance -
Consistently one of the
best performing funds in
the market



**Tailored Fixed Income
Strategies - To suit each**
investor's risk/ return
targets



**Best execution & lower
trading costs - By directly**
accessing major
counterparties in the
market



Team based approach -
Where key man risk is
eliminated – Guarantees
continuity and performance
of the fund



**State of the art
infrastructure**



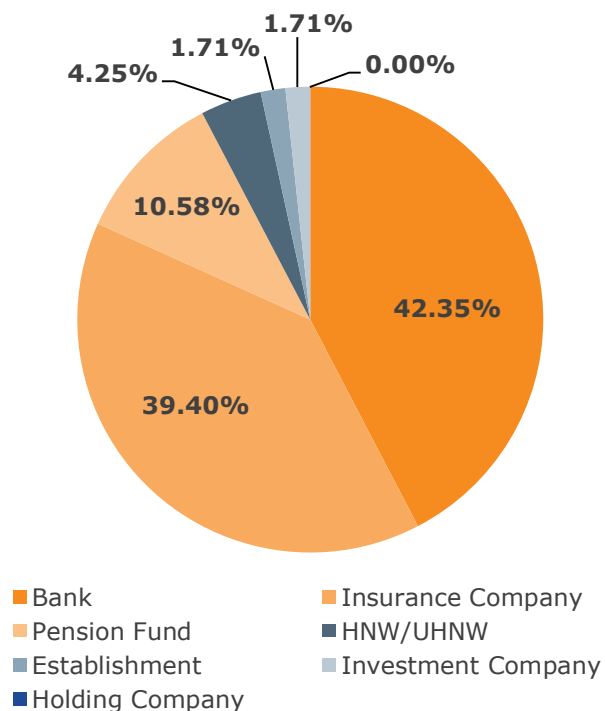
**Full backing and support
by Mashreq bank**



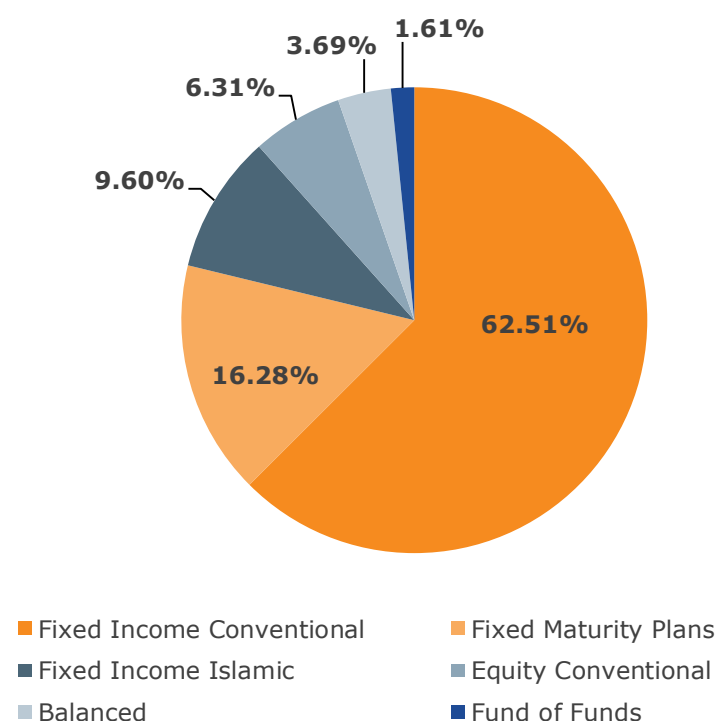
**Mashreq Group entities
are the largest investor
in Mashreq Capital
offerings**

1.4 Breakdown of Assets under Management by Client Type & Strategy

By Client Type



By Strategy



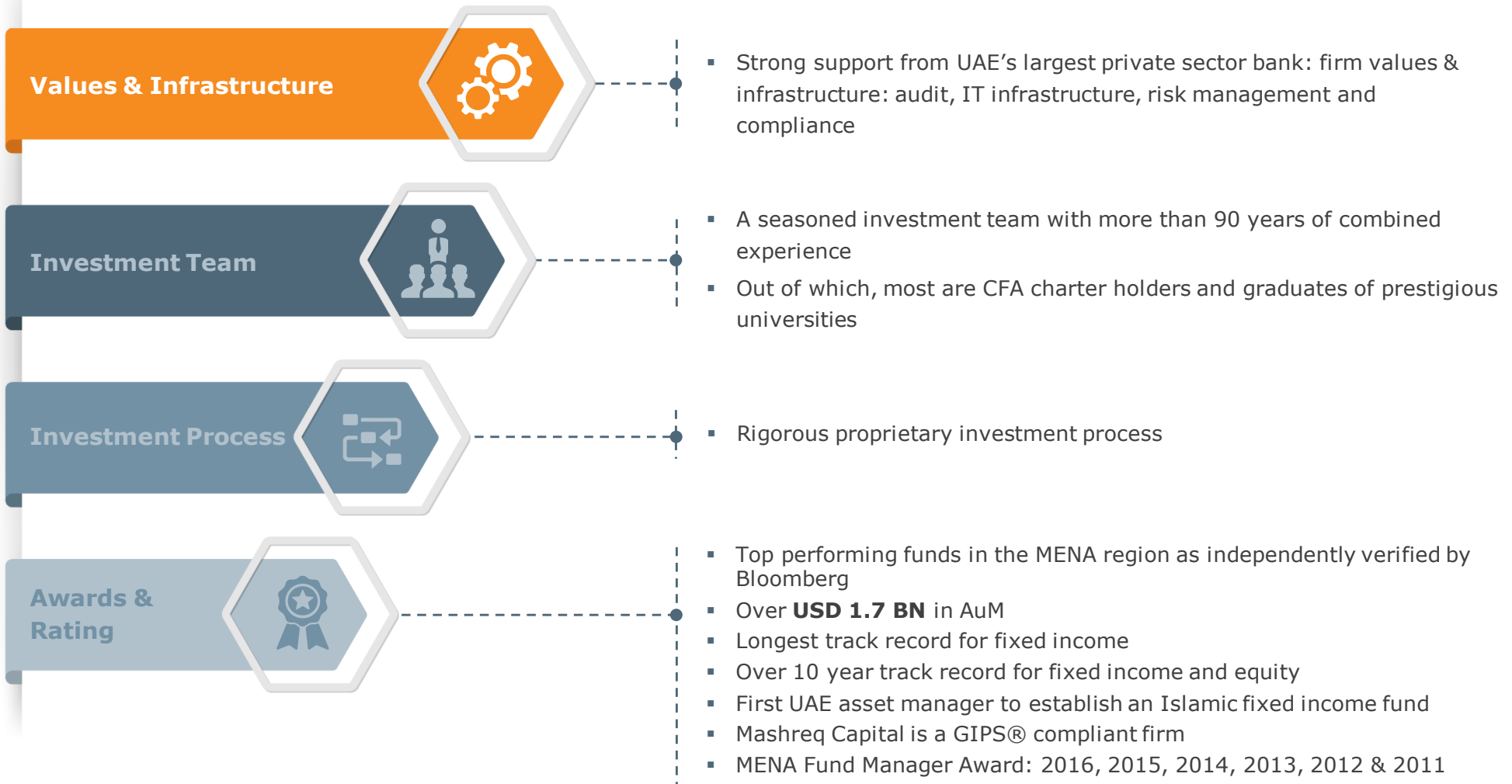
- Total AuM of over \$1.7 BN USD distributed over investment strategies throughout the global markets with emphasis in the MENA region
- The total AUM of GCC equities is over 110 MM USD and of Fixed income bonds, Conventional and Islamic is over 1.5 BN USD
- The total AUM of balanced strategy is over 64 MM USD.
- Shariah compliant products constitute around 50% of our total Fixed Income AuMs

Note: AUM numbers are as of Sep 30, 2020.

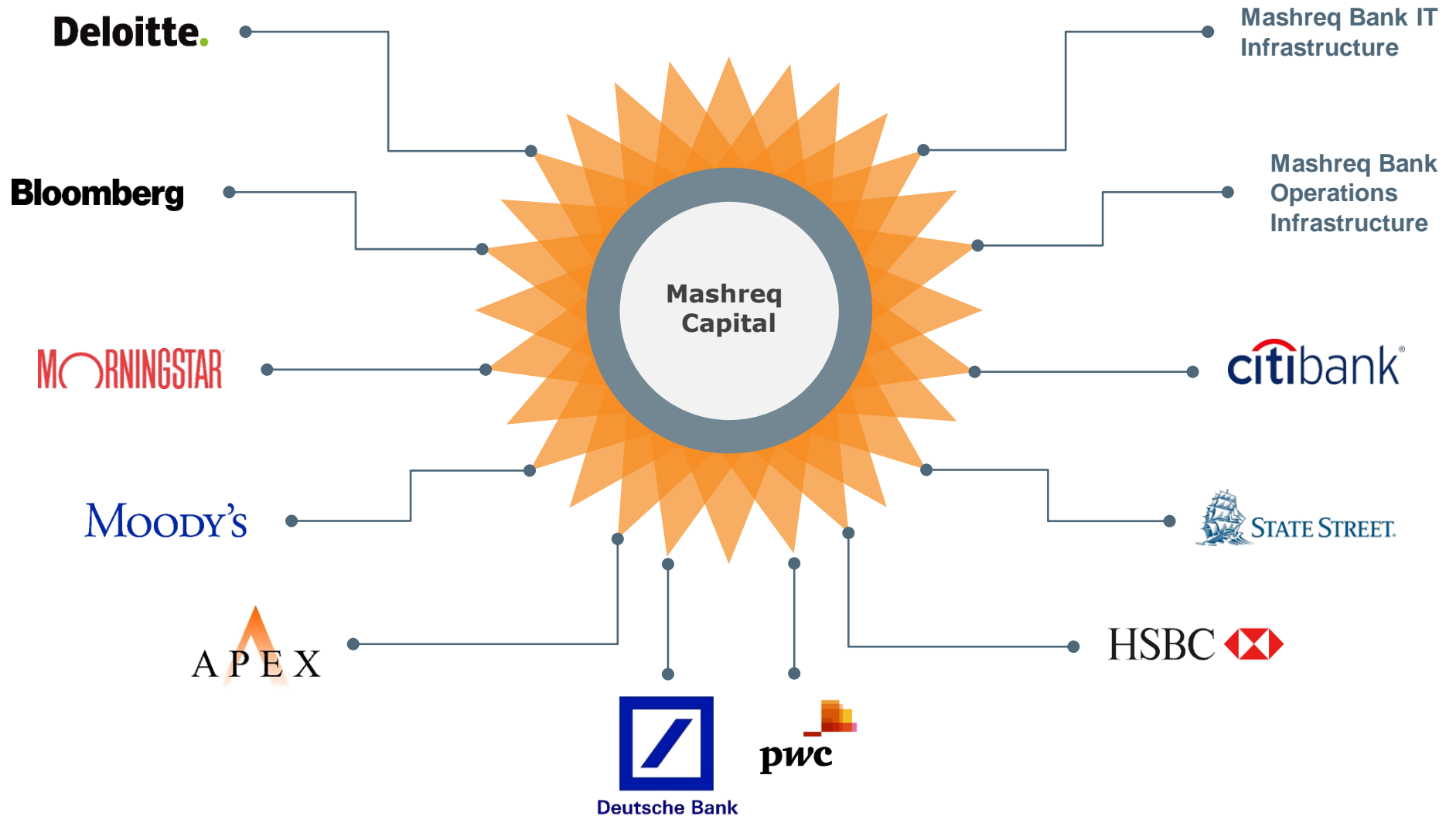
2. Value Proposition to Our Clients



2.1 Values & Infrastructure

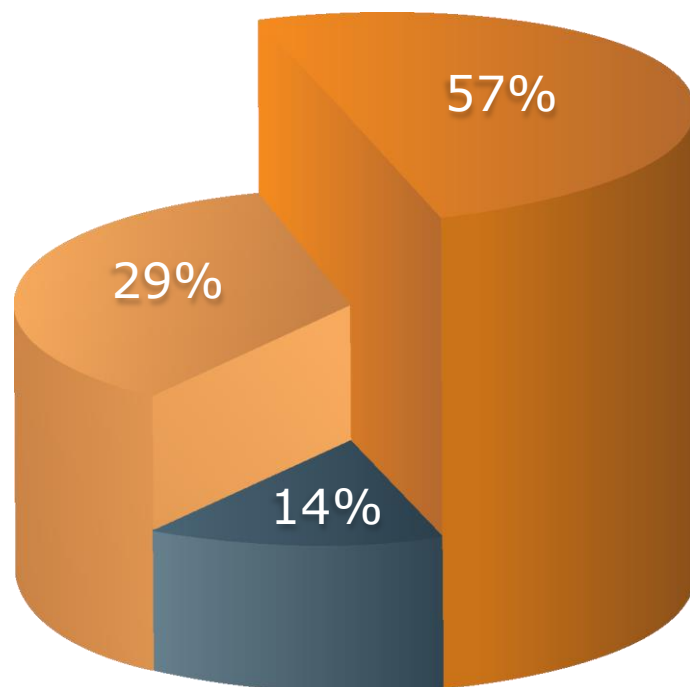


2.1.1 State of the Art Infrastructure



2.2 Experienced & Diverse Investment Team

Team Diversity



 Indian Subcontinent  Europe  MENA

10 years of experience on average

CFA Status

CFA charter holders:

71%

2.3.1 Investment Philosophy

Dynamic Approach

Investment opportunities vary according to ever-changing markets and economic conditions and require **adaptive strategies** that follow a **strict investment process**

Strong Risk Management

Risk management is an **integral part** of the investment process, as it helps to **provide diversification** across active strategies, a constant **trading discipline** and downside protection at both trade and portfolio levels



Research based conviction

Rigorous in-depth research is the key to exploit the investment opportunities and generate **consistent out-performance**

Collaborative Efforts

A **culture of debating and evaluating** a large set of viewpoints as well as constantly questioning "consensus views" is essential to be one step ahead of the crowd and deliver **superior risk-adjusted returns**

2.3.2 Investment Process - Overview

Investment Analysis

- Fundamentals: top-down & bottom-up research
- Sentiment: liquidity, supply & demand
- Valuation: risk/ return profile, size of risk premia
- Quant models

Portfolio Construction

- Build portfolio with strategies
- Attune strategy to client objectives
- Risk budgeting methodology
- Best execution

Risk Management

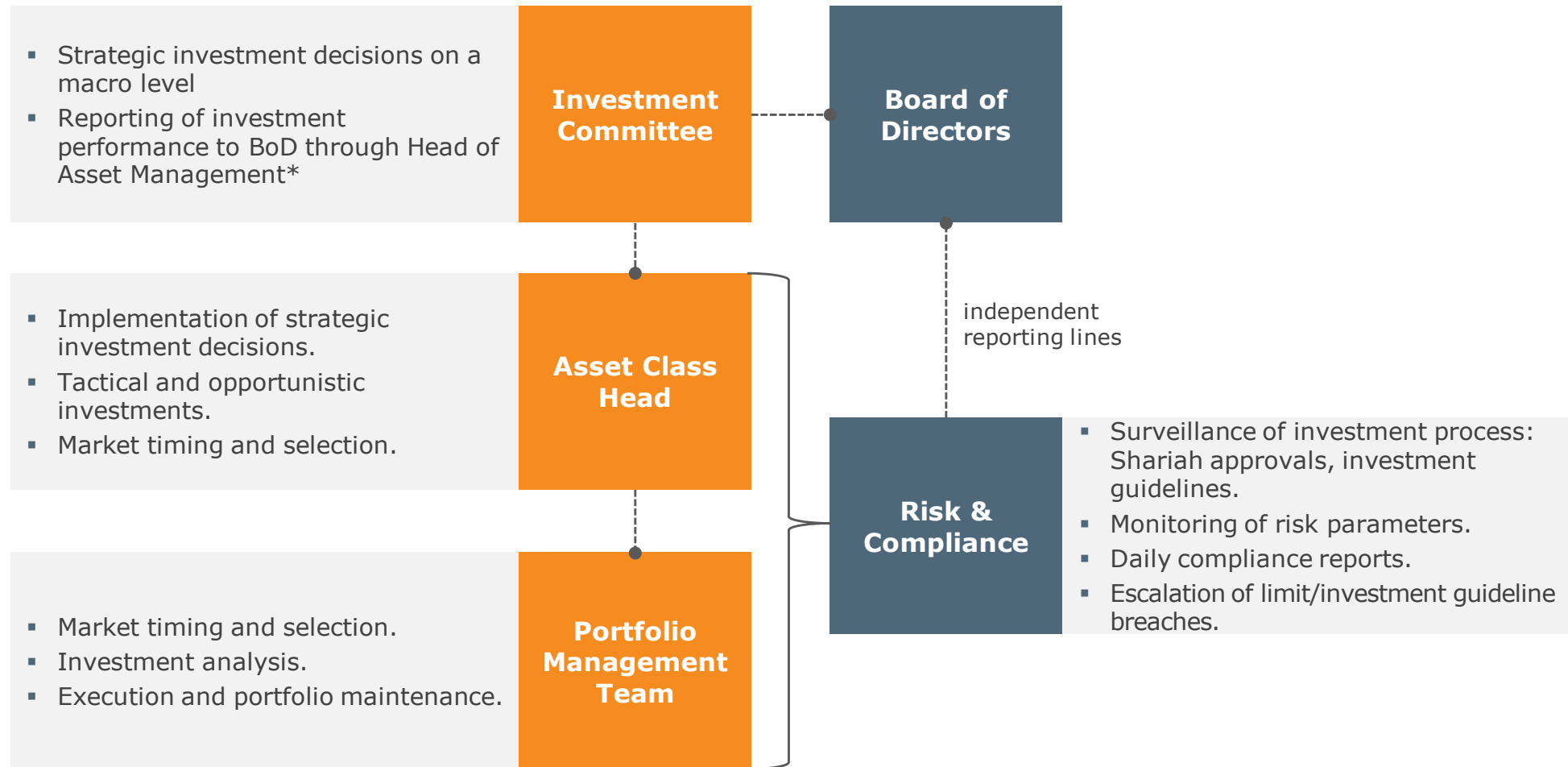
- Trade- & portfolio-level stops
- Compliance checks
- Internal guidelines and limits
- System infrastructure & business continuity plan

Ongoing Monitoring

- Measure, monitor and control portfolio's risk level
- Monitor investment thesis & strategy parameters
- Performance attribution
- Feedback into scenario analysis

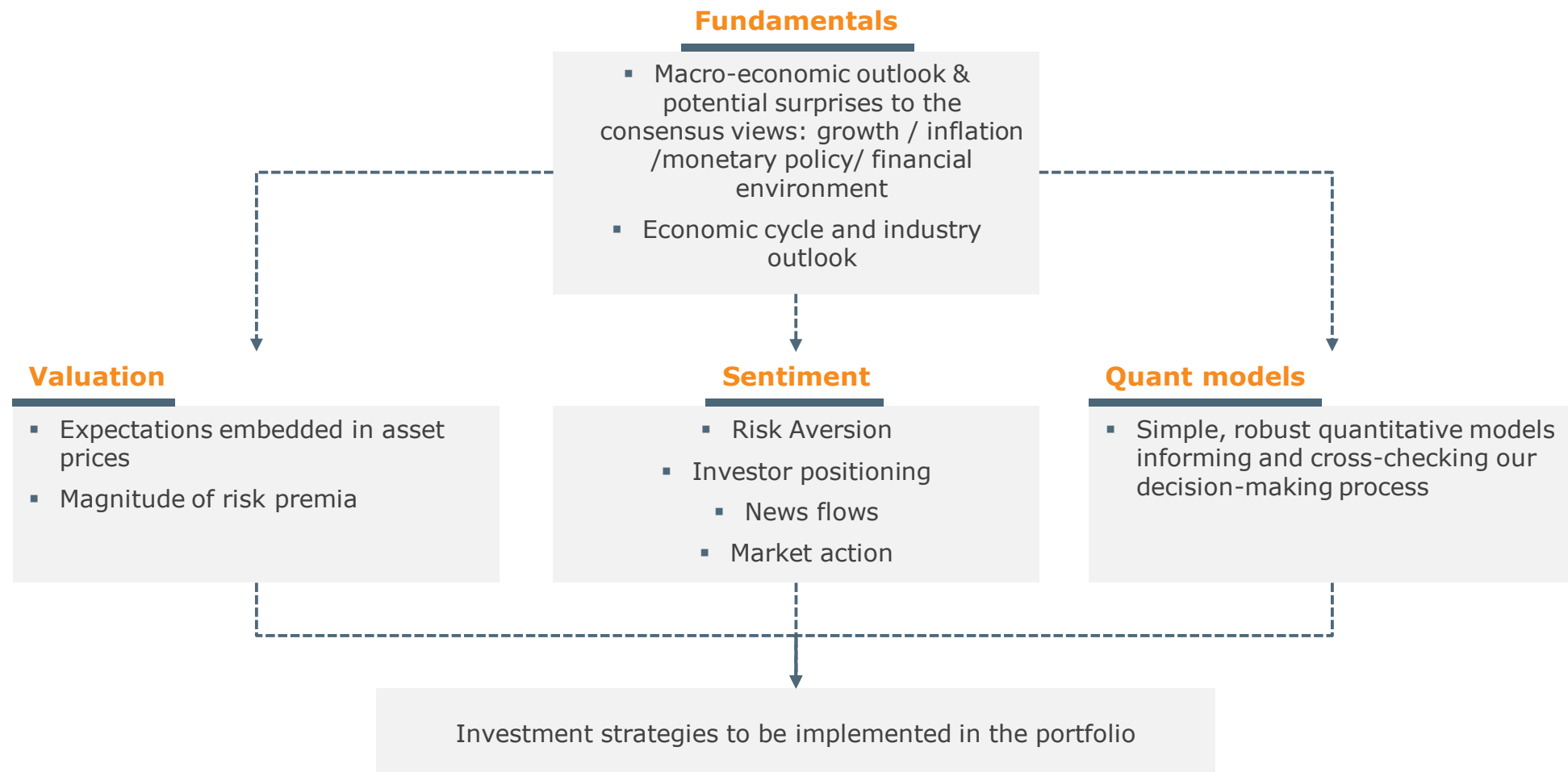


2.3.3 Investment Process - Responsibilities



*The board of directors is not involved in day to day investment decisions but receives regular business updates about all client mandates with target returns and actual returns. Any positive/negative deviation is also explained. The board would take action if investment performance shows weaknesses.

2.3.4 Investment Strategy - Overview



2.4 Awards and Ratings



Categories:

- **Makaseb Income Fund:** Best Fund Performance over 5 Years



Categories:

- **Mashreq Al Islami Income Fund:** Best Shari'ah Compliant Fund of the Year
- **Moody's MQ2 Rating** for very good asset manager characteristics



Categories:

- **Makaseb Income Fund:** Fixed Income Fund for 3 year performance
- **Mashreq Al Islami Income Fund:** Shari'ah Compliant Fund of the Year



Categories:

- **Makaseb Income Fund:** Fixed Income Fund for 1 year performance
- **Makaseb Income Fund:** Fixed Income Fund for 3 year performance
- **Makaseb Arab Tigers Fund:** MENA Equity Fund of the year
- **Makaseb Arab Tigers Fund:** MENA Equity Fund for 3 year performance
- **Mashreq Al Islami Income Fund** Highly Commended Sukuk Fund



Categories:

- **Makaseb Income Fund:** Fixed Income Fund for 3 year performance
- **Makaseb Arab Tigers Fund:** MENA Equity Fund of the year
- **Makaseb Arab Tigers Fund:** MENA Equity Fund for 3 year performance



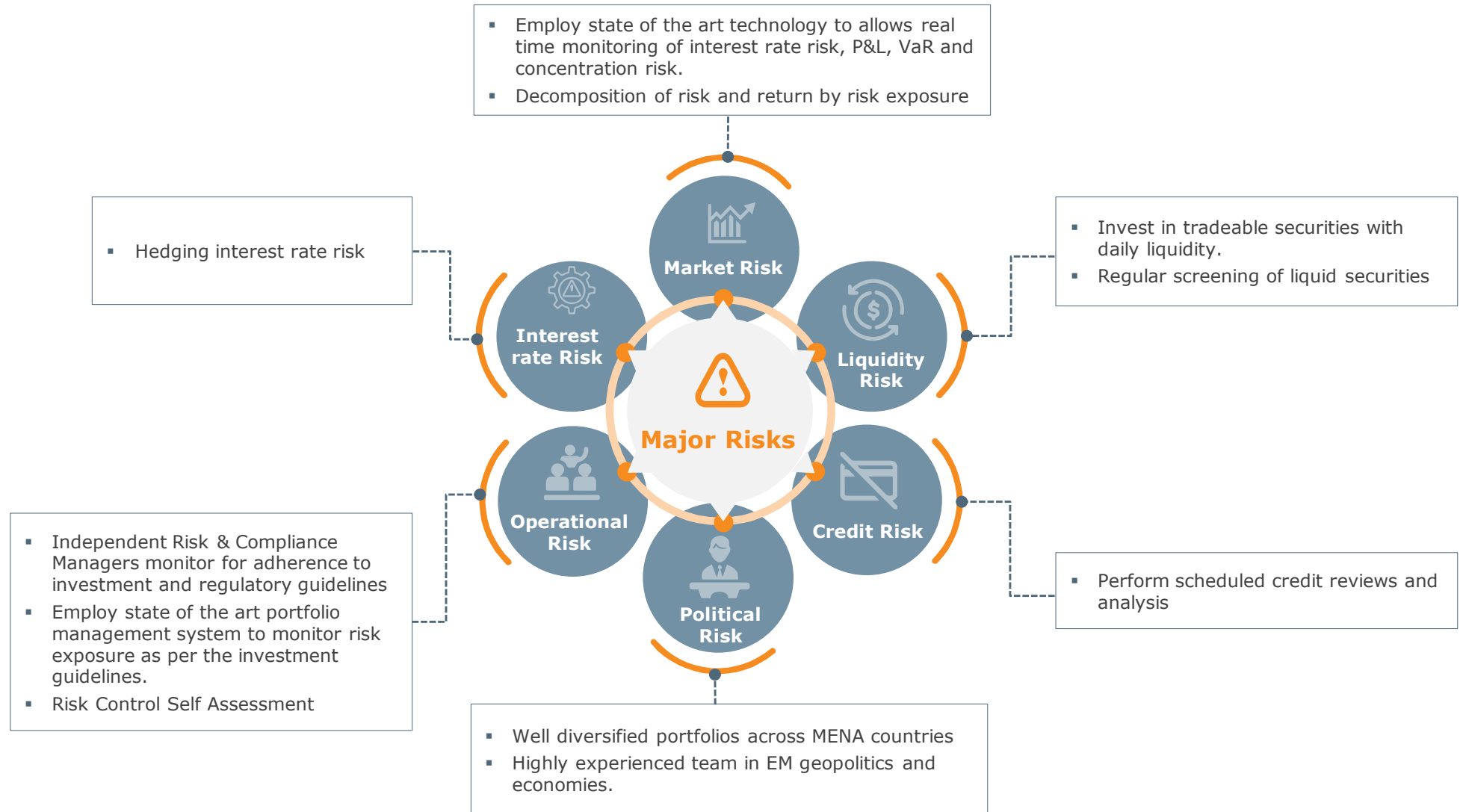
Categories:

- **Mashreq Al Islami Income Fund :** Fixed Income Fund of the Year

3. Risk Management Process



3.1 Risk Management Process



4. Makaseb Income Fund



Makaseb Income Fund (MIF)



Fund Objective:

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.

NAV in USD as at Sep 30, 2020

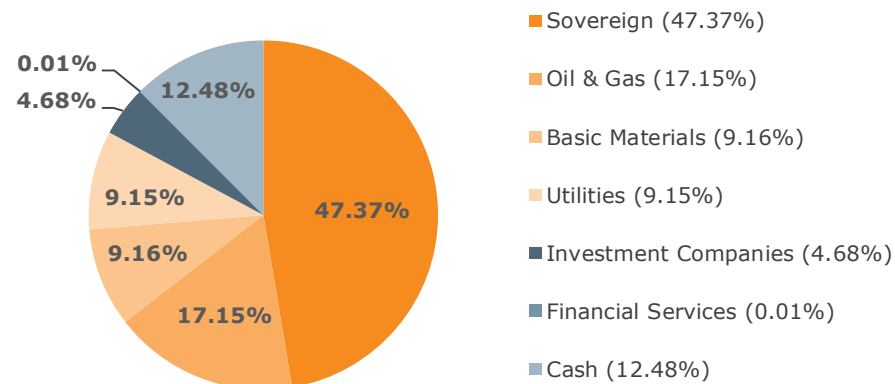
16.57

Top Holdings

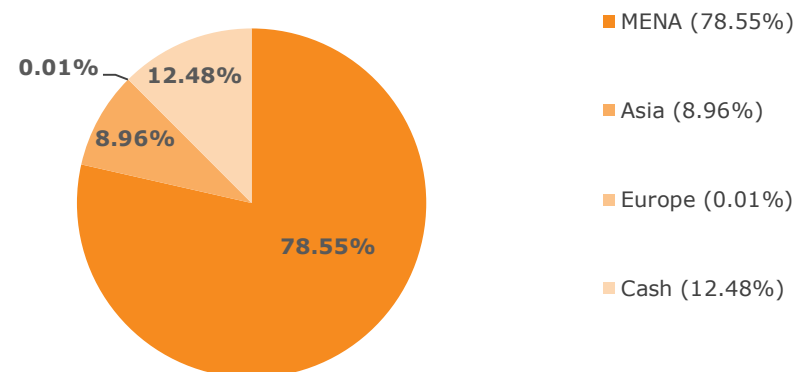
State Of Qatar	9.19%
Office Cherifien Des Pho	9.16%
Acwa Power Mgmt Invst	9.15%
Republic Of Indonesia	8.96%
Abu Dhabi Crude Oil	8.83%

Only Regional Fixed Income Fund That Carries A Track Record Of 11+ Years

Industry Allocation



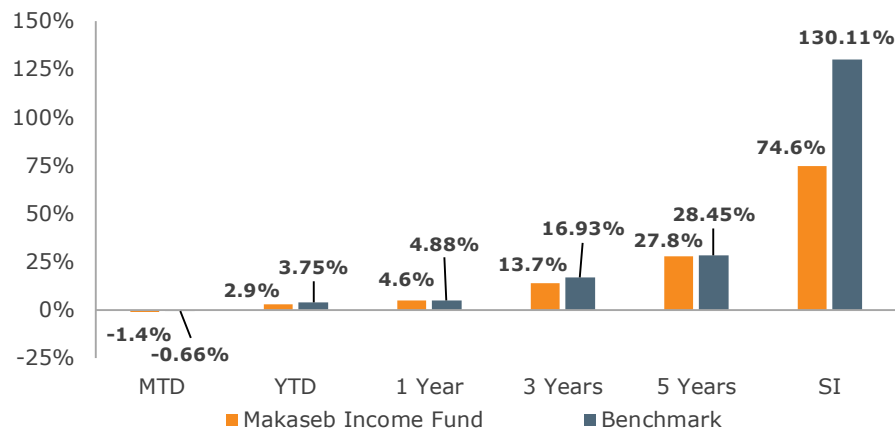
Regional Allocation



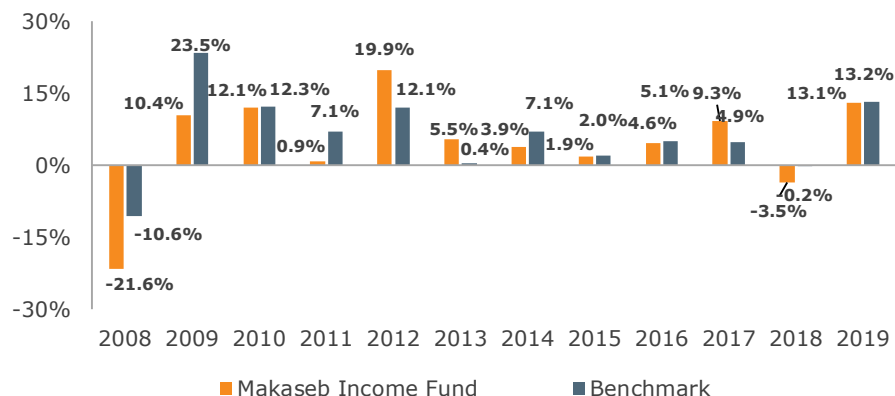
Note: Data represented as of Sep 30, 2020

Makaseb Income Fund (MIF)

Track Record - Short-Term Returns



Track Record - Calendar Year Returns



Fund Statistics

Average Coupon	4.67
Average Credit Rating	BBB+
Average Maturity	23.92
Average Yield	3.56
Modified Duration	12.62

Volatility & Ratios

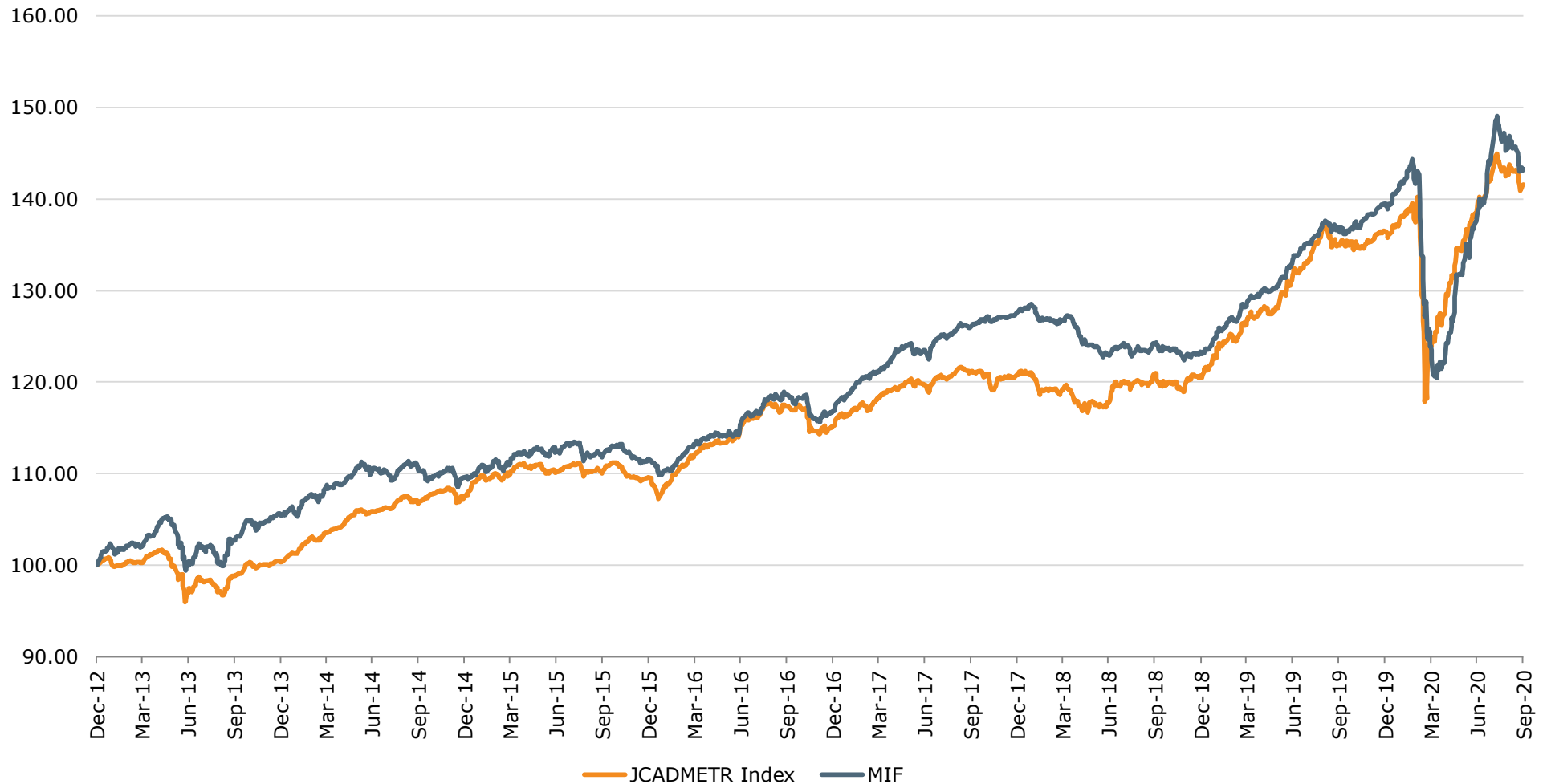
1 year volatility	7.80%
3 year volatility	8.30%
Sharpe ratio – 1 year	0.51
Sharpe ratio – 3 year	1.57

Fund Highlights

- Min Investment USD 10,000
- NAV each business day
- Regulated by the Central Bank of Bahrain
- Only Regional Fixed Income Fund with a track record 11 years+
- Recipient of MENA Fund Manager Award in 2011, 2013, 2014 & 2015
- Recipient of Lipper Award in 2017

Note: Performance calculated as of Sep 30, 2020

Makaseb Income Fund vs. Index



Note: Fund performance has been rebased as of 31st December, 2012. The fund was benchmarked against HSBC Nasdaq Dubai ME index until 31st December, 2013. On 1st January, 2014 the benchmark was changed to JP Morgan MECI Index (BB TICKER: JCADMETR). All historical benchmark performances have been replaced to that effect.

Source: Mashreq Capital

Fund Details

	Makaseb Income Fund
Fund Size	USD 24.90 Million
Fund Type	Open Ended
Inception Date	Mar 29, 2006
Domicile	Bahrain
Currency	USD
Benchmark	JP Morgan MECI Index
Fund Manager	Mashreq Capital (DIFC) Ltd.
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
Min. Subscription Amount	USD 10,000 And In Multiples Of USD 1,000 Thereafter
Subscription Fee	Up To 2%
Management Fee	0.75%
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

5. Makaseb Arab Tigers Fund



Makaseb Arab Tigers Fund (MATF)



Fund Objective:

Makaseb Arab Tigers Fund (MATF) aims to achieve long-term capital appreciation by investing in the securities of blue chip companies listed on the stock exchanges of the Middle East and North Africa (MENA) region. The primary equity markets targeted by MATF include Saudi Arabia, UAE, Kuwait, Qatar, Egypt, Jordan, Morocco, Oman, Bahrain, Lebanon & Tunisia.

NAV in USD as at Sep 30, 2020

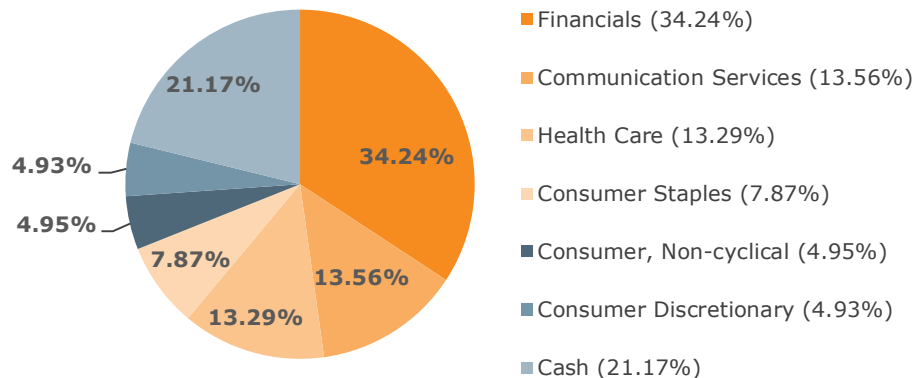
10.37

Top Holdings

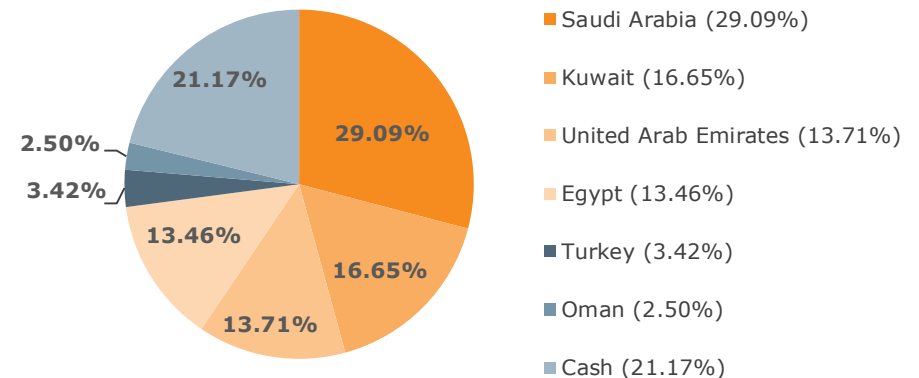
Emirates NBD PJSC	6.15%
Abdullah Al Othaim Markets	5.91%
National Bank of Kuwait	5.87%
Mobile Telecommunications Co	5.85%
Middle East Healthcare Co	4.94%

A Well Diversified Portfolio Giving Better Exposure With Minimum Risk

Industry Allocation



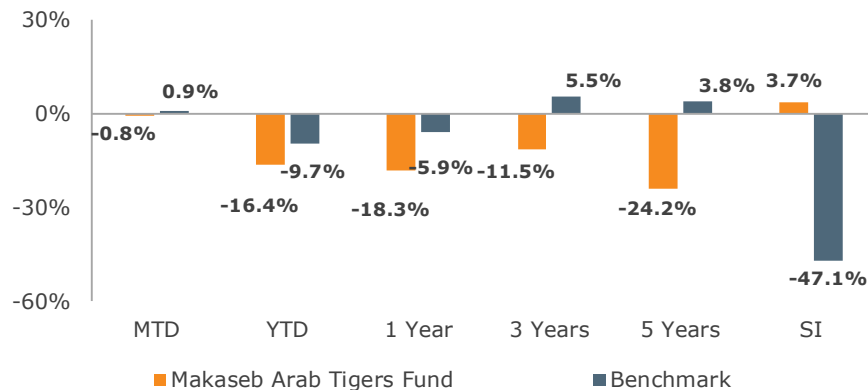
Regional Allocation



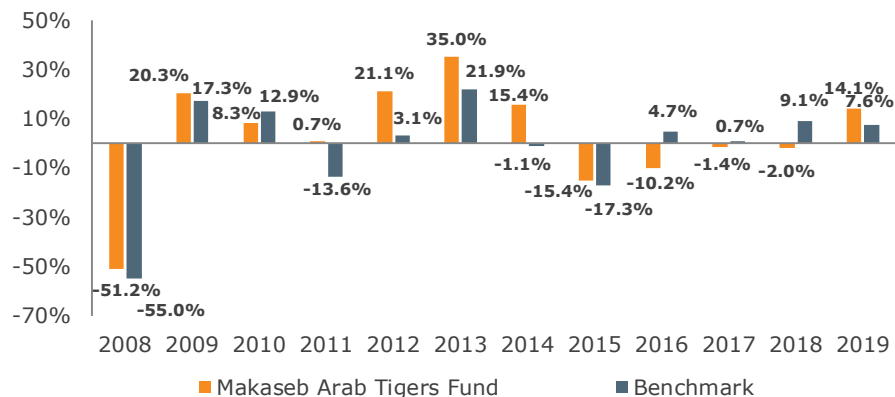
Note: Data represented as of Sep 30, 2020

Makaseb Arab Tigers Fund (MATF)

Track Record - Short-Term Returns



Track Record - Calendar Year Returns



Risk/Return Profile Since Inception

	Fund	Benchmark
Excess Return	50.75%	-
Beta	0.66	-
Sharpe Ratio	0.10	(1.97)
Skewness	(1.32)	(2.52)
Kurtosis	18.23	24.56
Standard Deviation	22.79%	24.18%

Ratios Profile Since Inception

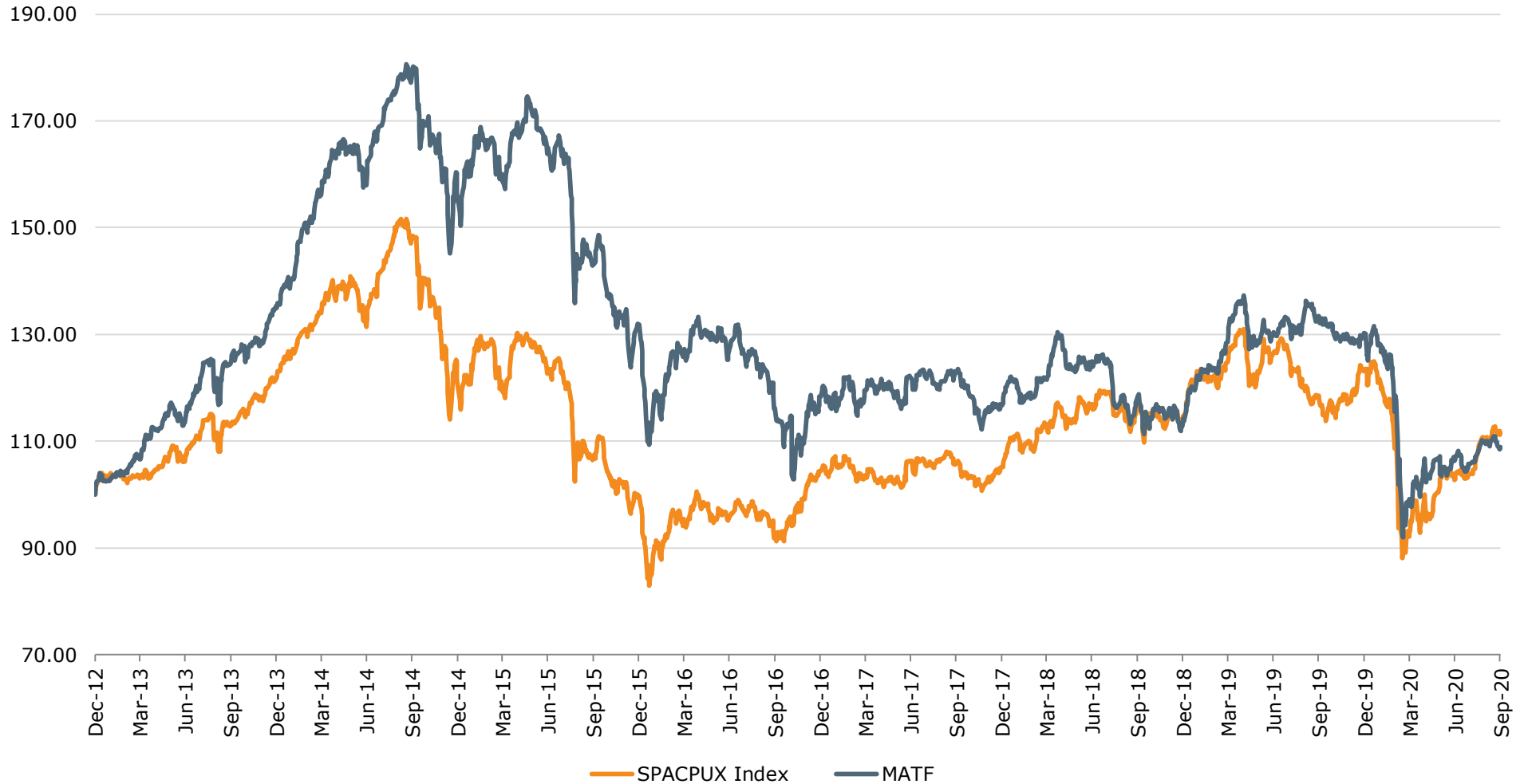
R Squared	53.20%
Information Ratio	3.40
Treynor Ratio	(0.01)
Tracking Error	15.03%
Correlation	0.73

Fund Highlights

- Min Investment USD 1,000
- Daily Dealing
- Regulated by the Central Bank of Bahrain
- Track record 12 years+
- Recipient of MENA Fund Manager Award in 2013 and 2015

Note: Performance calculated as of Sep 30, 2020.

Makaseb Arab Tigers Fund vs. Index



Note: Fund performance has been rebased as of 31st December, 2012. The fund was benchmarked against MSCI Arabian Market Index until 29th September, 2010. On 30th September, 2010 the benchmark was changed to S&P Pan Arab Composite Large Midcap Index (BB TICKER: SPACPUX). All historical benchmark performances have been replaced to that effect.

Source: Mashreq Capital

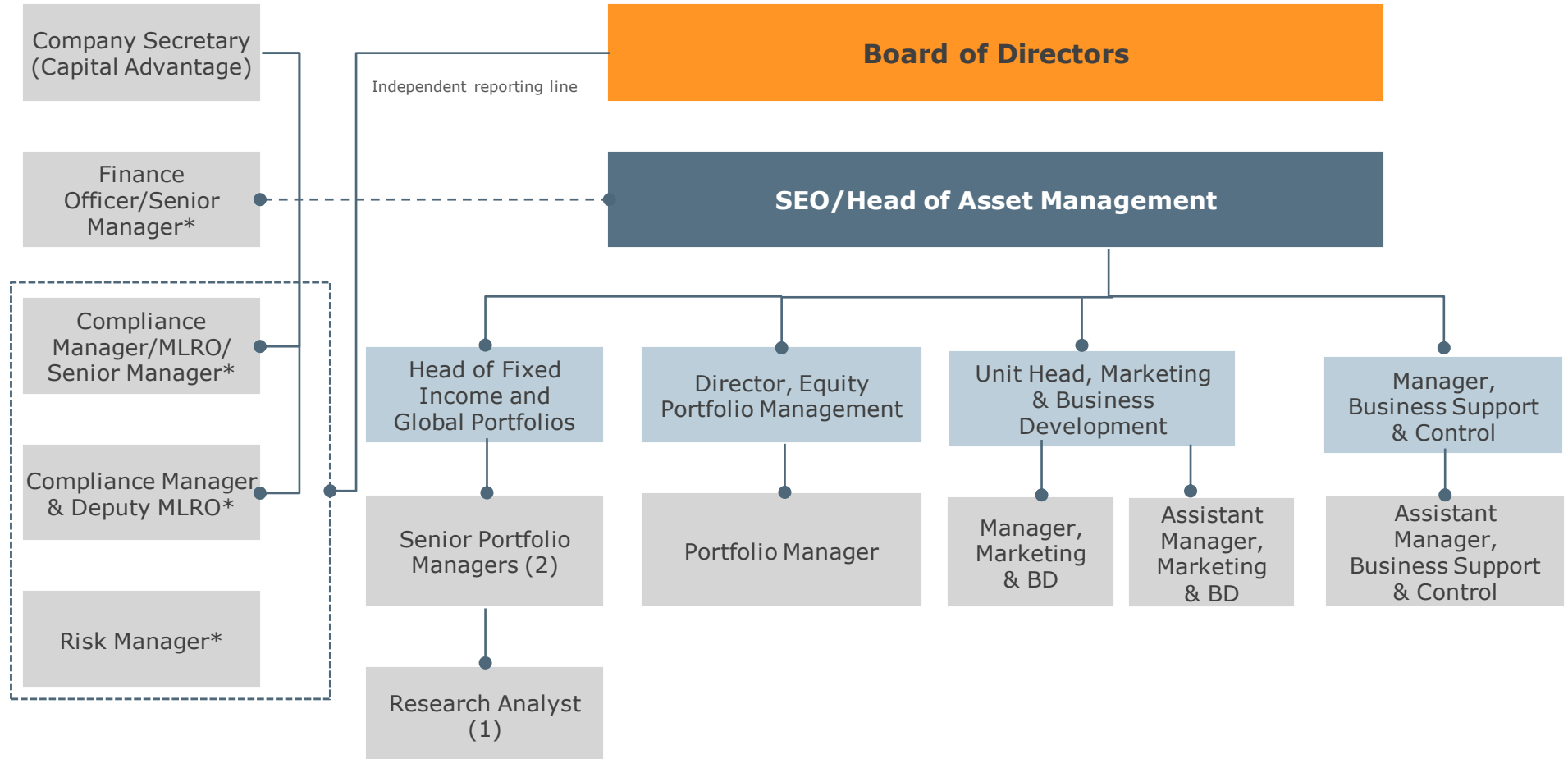
Fund Details

	Makaseb Arab Tigers Fund
Fund AuM	USD 7.58 Million
Fund Type	Open Ended
Inception Date	Nov 22, 2005
Domicile	Bahrain
Currency	USD
Benchmark	S&P Pan Arab Composite Large Midcap 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	BH000A0J3RQ8
Min. Subscription Amount	USD 1,000
Subscription Fee	Up To 5%
Management Fee	2% p.a. Of Net Asset Value
Performance Fee	10% Of Growth Above A 10% "Hurdle Rate" Per Annum Calculated Daily With A "High-Water Mark"
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

6. Appendix A: Organizational Chart & Board Of Directors



Organizational Chart



Additional functions like Sharia Supervisory Board, Internal Audit, IT, HR, Back Office etc. are being serviced through Service Level Agreements with Mashreq bank/Third parties.

**Staff perform dual responsibilities being employees of Mashreq bank and Mashreq Capital.*

Board of Directors



Hammad Naqvi

Chairman

Mr. Hammad Naqvi joined Mashreq in 1996 after having spent 7 years with Bank of America in various leadership roles in Corporate Finance and Treasury. He is a member of Mashreqbank's Senior Management forum and currently heads the Treasury and Capital Markets division. During his tenure in Mashreq, he was responsible for running the FX and derivatives flow, trading business, and the proprietary Investment portfolio of the bank. He holds a MBA from the Institute of Business Administration in Karachi.



Ali Raza Khan

Director

Mr Ali Raza Khan is Executive Vice President and Head of Corporate Affairs – CFO and Head of HR, at Mashreqbank. He joined Mashreqbank in 1980. During the past 37 years, Mr Khan, a Chartered Accountant by profession, has served in different positions as Manager of Operations, Contoller, Manager of Central Accounts Division and Division Head of Human Resources. He is a member of the Asset and Liability Committee, Information Security Committee, Investment Committee, Risk Committee, Audit and Compliance Committee, HR Committee, and the Leadership Forum of Mashreqbank. Mr Khan has been a speaker at various conferences. He is a member of the Institute of Chartered Accountants of India since 1978. Mr Khan obtained his B.Sc. from Kanpur University, India in 1973.



Denis Sabourin

Director

Mr. Sabourin has over 30 years of experience in the marketing of financial products to premier global securities firms and investors. He is now the Managing Director of Sabourin Consultancy, assisting asset management companies with the implementation of their commercial strategy. He joined Mashreq Capital (DIFC) Ltd as an Independent Director in April 2008 and he brings superior leadership and management skills in the field of asset management. Mr. Sabourin holds a B.Sc & M.Sc in Economics from the University of Montreal, Canada and an MBA from INSEAD, Fontainebleau in France.



Anuratna Chadha

Director

Anuratna Chadha was appointed as the Chief Risk Officer of Mashreq Bank in March 2019. A post graduate from IIM-Ahmedabad in India, he started his banking career in 1988. He brings expertise in risk management and wholesale banking spanning over 30 years. Chadha's well-rounded knowledge in risk management developed while he held diverse roles across multiple geographies at Citibank, such as managing the Asia Pacific wholesale credit risk review function and serving as the bank's Chief Risk Officer for Japan. In earlier roles, Chadha also functioned as the Corporate Bank Head for India and Indian Sub-Continent, Corporate Bank Head for South Africa and the Private Bank Head for India.

7. Appendix B: Investment Committee & Senior Management



Investment Committee & Senior Management



Robert Hahm, CFA

CEO and Head of Asset Management



Kojagiri Bhoir, CFA, FRM

Senior Portfolio Manager, Fixed Income
Portfolio Management



Reda Gomaa

Director, Equity Portfolio Management



Amol Shitole, CFA

Senior Portfolio Manager, Fixed Income
Portfolio Management



Oliver Kettlewell, CFA

Head of Fixed Income and Global Portfolios



Rohan Shah

Portfolio Manager

8. Appendix C: Fixed Income Team & Equity Team Profile



Fixed Income Team Profile



Oliver Kettlewell, CFA

Head of Fixed Income and Global Portfolios

- Oliver has 15 years of industry experience and he joined Mashreq in September 2015.
- Oliver is part of the Investment Committee and advises on top-down asset allocation positioning of duration, regions, sectors and currencies.
- The majority of his industry experience was gained at Morningstar where he managed multi-asset portfolios. At Mashreq Capital he is lead manager of three multi-asset funds and is deputy manager of the Mashreq Al Islami Income fund, the firm's flagship Sukuk fund.
- His market views are published across a range of financial media including the FT, Morningstar web-videos in addition to him speaking at conferences in Europe and the Middle East.



Kojagiri Bhoir, CFA, FRM

Senior Portfolio Manager, Fixed Income Portfolio Management

- Kojagiri is the lead manager for Mashreq Capital's flagship Sukuk fund and is an expert in this field having been involved with Sukuk strategies for over 10 years. She also runs discretionary mandates for several regional institutions.
- Kojagiri has over 13 years of experience in the Financial Services Industry. Active in the regional Asset Management industry for over a decade, she has developed strong experience analyzing and covering Regional Markets. Prior to joining Mashreq Capital, she was heading Mashreq Bank's Portfolio Management & Risk Analytics team as a Senior Analyst and has worked as a Credit Analyst with S&P's Indian office.
- Kojagiri holds a CFA charter. She is also FRM Charter holder by GARP, USA and a qualified Chartered Accountant from the Institute of Chartered Accountants, India.



Amol Shitole, CFA

Senior Portfolio Manager, Fixed Income Portfolio Management

- Amol is managing the firm's successful FMP franchise totaling more than \$250m and he leads the team's coverage of emerging market bonds and has a successful track record in this high risk/return area.
- He is lead manager of Mashreq Capital's award-winning conventional MENA fixed income fund which has a track record of more than 10 years.
- Amol started his career in 2007 as a Credit Rating Analyst with S&P's Indian office. He built on that experience by working with both Buy side and Sell side firms focusing on global emerging market credits.
- Amol is a CFA charterholder and holds an MBA in Finance from Indian Institute of Finance, Delhi. He is also a Chemical Engineer by graduation.



Afiya Zaveri, CFA

Research Analyst

- Afiya Zaveri has over 7 years of experience in the banking and financial services industry, wherein her principal duties comprised of portfolio management and investment advisory for UHNI clients.
- A Mashreq Capital, her primary responsibility encompasses credit research for Middle East credits and Investment Grade credits in Emerging markets.
- She is a certified CFA charter holder and holds a Bachelor's degree from the University of Mumbai.
- She has been a part of the Mashreq group for over 2 years.

Equity Team Profile



Reda Gomaa
Director, Equity

- Reda has over 20 years of MENA experience conducting portfolio management, investment analysis, company valuations and feasibility studies. He was selected as "Top Equity Analyst" in Egypt in 2005 and best portfolio manager in MENA for one and three year returns in 2013 and 2014 respectively by MENA Fund Manager Magazine.
- As a member of the Investment Committee he advises on geopolitics and top-down asset allocation for regions, sectors and currencies.
- The equity fund has one of the longest verified track records in the region.
- Reda holds a Masters in Economics from University of Cairo.
- Reda joined Mashreq Bank in 2005 and currently leads the equity team.



Rohan Shah
Portfolio Manager

- Rohan looks at investment opportunities in MENA and Turkey Equities and is responsible for investment screening, conducting fundamental analysis, industry research and preparing in house investment thesis on equities.
- Rohan started his career as an Analyst with Deutsche Bank where he last worked as an equity research associate (sell side) covering MENA, Turkey and US equities.
- He is a Chartered Accountant from ICAI, India and earned his Bachelor's in Commerce from Mumbai University, India.
- Rohan has over 9 years of experience in the financial services industry and completed 2 years at Mashreq Capital.

Disclaimer:

This document has been prepared based on the sources believed to be reliable solely for information purposes by Mashreq Capital (DIFC) Limited ("MC") in its capacity as the Fund Manager of the Fund. MC is incorporated in the Dubai International Financial Center ("DIFC") and regulated by the Dubai Financial Services Authority ("DFSA"). This document does not constitute investment advice, solicitation, any offer or personal recommendation by MC or any related MC entity (which includes for the purpose of this disclaimer, any employee, director, officer or representative of any MC entity), to buy or sell any security, product, service or investment, or to engage in or refrain from engaging in any transaction, including any jurisdiction where any such investment advice, solicitation, offer and/or personal recommendation would be contrary to any law or regulation in that jurisdiction. Certain assumptions may have been made in the analysis that resulted in any information, projection, results and/or returns detailed in this document.

No warranty or representation is made that any returns/results indicated would be achieved or that all assumptions in achieving these returns/results have been considered. Past performance is not necessarily indicative of future results. Neither MC nor any related entity warrants or represents the accuracy of the information provided herein and any view expressed in this note reflects the personal view of the analyst(s) and does not take account of any individual investor's objectives, financial situation or needs or the suitability of investments against your individual needs and risk tolerance. Investors are required to undertake their own assessment and seek appropriate financial, legal, tax and regulatory advice to determine whether any investment is appropriate for them in light of their experience, objectives, financial resources and other relevant circumstances. Neither MC nor any related entity accepts any liability whatsoever for any direct, indirect, consequential or any other category of loss (except where there is gross negligence or willful misconduct on part of MC) arising from any use of this document and/or further communication in relation thereto. Neither MC nor any related entity has any obligation to correct or update the information or opinions in this document and any opinion expressed is subject to change without notice. This document is disseminated primarily electronically, and, in some cases, in printed form.

Any terms in this document are indicative and do not constitute solicitation or an offer to sell to the public, whether on any particular terms or at all. This document is not intended to identify, represent or notify any conclusive terms and conditions of any transaction, or other material considerations or any possible risk, direct or indirect that would or may be involved in undertaking any such transaction.

Prospective investors in the Fund must obtain and carefully read the Fund's most recent Prospectus as well as seek separate independent financial advice and prior to making an investment in the Fund to assess the suitability, lawfulness and risks involved. Prospective investors should be aware that investment in the Fund carries a significant degree of risk. The value of the investment and the income from it can fall as well as rise as the Fund are subject to investment risks, including the possible loss of the principal amount invested.

This information is not for distribution to general public and is intended for recipients only and may not be published, circulated or distributed in whole or part to any other person without the written consent of MC. Where this information is related to a Fund licensed to be marketed, it is directed to persons authorized to invest in the Fund and residing in jurisdictions where the Fund / investment product is authorized for distribution or where no such authorization is required.



Contact Us:

Office: Mashreq Capital (DIFC) Ltd.

Al Fattan Currency House, Tower 2, Floor 28, Office 2803,
DIFC, Post Box 1250, Dubai, U.A.E

Tel: +971 4 424 4618

Email: MarketingTeam@mashreq.com

Website: www.mashreqcapital.ae