MAKASEB EMIRATES EQUITY FUND

Fact Sheet for August 2008

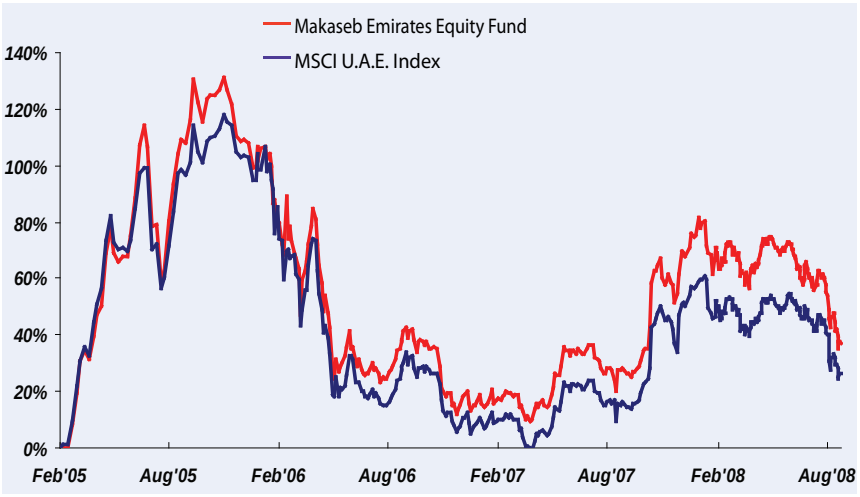
Investment Objective

Makaseb Emirates Equity Fund (MEEF) aims to achieve long term capital appreciation through investment primarily in shares listed on the UAE stock exchanges. The MEEF portfolio is constructed after careful evaluation of various factors including the liquidity of the stock, company fundamentals, profitability, and overall portfolio risk considerations.

Fund Information

Fund type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Central Bank of Bahrain
Net Asset Value	Each Business Day
Investment Manager	Mashreqbank psc
Share Registrar	KeyPoint Consulting W.L.L., Bahrain
Administrator	HSBC Middle East
Custodian	HSBC Middle East
Auditor	Deloitte & Touche
Primary listing	Bahrain Stock Exchange
Subscription	Each Busniess Day
Redemption	Each Busniess Day
Management fee	1.5% p.a.

Performance Chart since inception

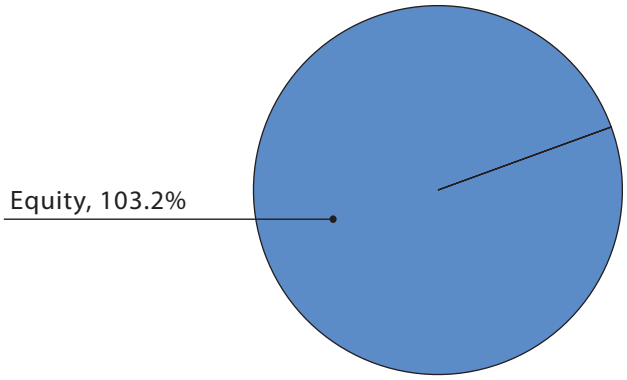


Perfomance Summary

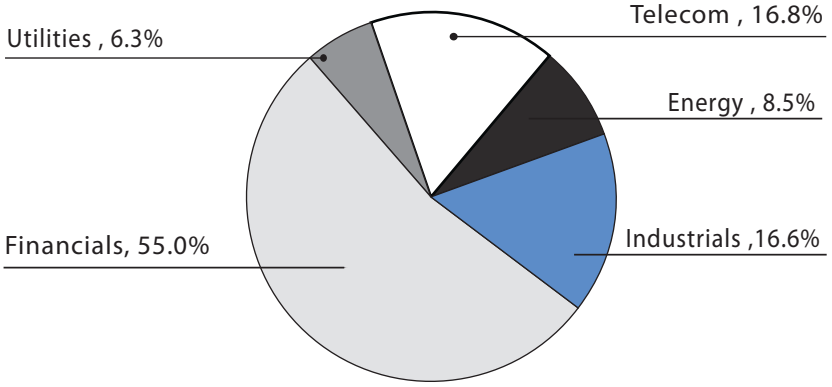
	MEEF	MSCI UAE Index
NAV (August 31,2008)	US$ 13.71	
Since inception (Feb 08, 2005)	37.1%	26.3%
YTD-2008	-20.8%	-18.5%
August 2008	-15.0%	-13.1%
Year 2007	50.2%	43.2%
Year 2006	-42.3%	-44.5%
Year 2005	99.9%	94.7%
No. of Holdings	14	23
Max. Monthly Gain	31.4%	31.0%
Max Monthly Loss	-25.7%	-21.4%
Beta	0.9	
R-Sq	69.7%	
Standard Deviation (Since Inception)	27.8%	28.1%
Sharp Ratio	1.2	0.8
Treynor Ratio	0.4	
Information Ratio	0.7	

STANDARD &POOR'S A FUND MANAGEMENT RATING

Asset Allocation



Sector Allocation



MAKASEB EMIRATES EQUITY FUND

Fact Sheet for August 2008 Contd.

Top 5 Holdings

Stock	Weight
Etisalat	16.8%
Emaar Properties	15.0%
Arab Technical Construction	10.2%
Aldar Properties	8.4%
Emirates NBD	7.9%

Fund Codes:

WKN: A0J3RM
ISIN: BH000A0J3RM7
BLOOMBERG CODE: MAKEEFD BI
ZAWYA CODE: MAKEMRE.MF

Investment Manager & Sponsor:
Mashreqbank psc, Al Ghurair City,
7th Floor, P.O. Box 1250, Dubai, U.A.E.
Tel +9714 2078461

Registered Office:
14th Floor, City Gardens, P.O. Box 140, Manama,
Bahrain. Tel + 97317 535455

Fund Manager's Commentary

Worry over real estate sector, and easing oil prices hit the UAE stock markets in the month of August, which proved to be the worst month in year 2008 so far. Selling from foreign investors and panic selling from small retail investors has coincided with absence of local liquidity due to the summer season creating the free fall journey during the month. The DFM General Index lost 11.9%, with daily turnover tumbled 24%, and the Abu Dhabi Index lost 11.3% with market activity got more weakened as average daily liquidity plunged 51%.

Real estate stock have taken big hits during the month as investors appear to be reassessing their portfolios amid growing worry over a possible real estate market correction. Emaar and Union Properties of Dubai declined by 13% and 29% meanwhile Aldar and Sorouh in Abu Dhabi lost 21% and 20% respectively affected by real estate scandals in Dubai which were regular headlines during the month.

Also talks about local liquidity crunch in the UAE banking sector as interbank rates spiked higher from around 1.9% in May to 3% in August have taken the sector to the second worst performing place during the month with Abu Dhabi Banks has largely underperformed the benchmark.

Your fund lost 14.9% underperforming the benchmark by 1.8% mainly because of our overweight in ARTC holding and Union properties which lost 23% and 29% respectively. Also our overweight in the energy and utilities sectors has largely contributed to the underperformance.

The UAE market's price to earnings ratio has now come to very attractive levels of 12.3x which below the GCC average of 14.2x, and with corporate earnings still fairly healthy and growth prospects still robust, we believe the current price levels are offering a good entry point .

September 10, 2008

For more information, please contact: Moomal Punjabi (+971 4 207 8396) www.makaseb.com email: contact@makaseb.com

Disclaimer: Performance data quoted represents past performance: past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted.