MAKASEB EMIRATES EQUITY FUND

Fact Sheet for January 2008

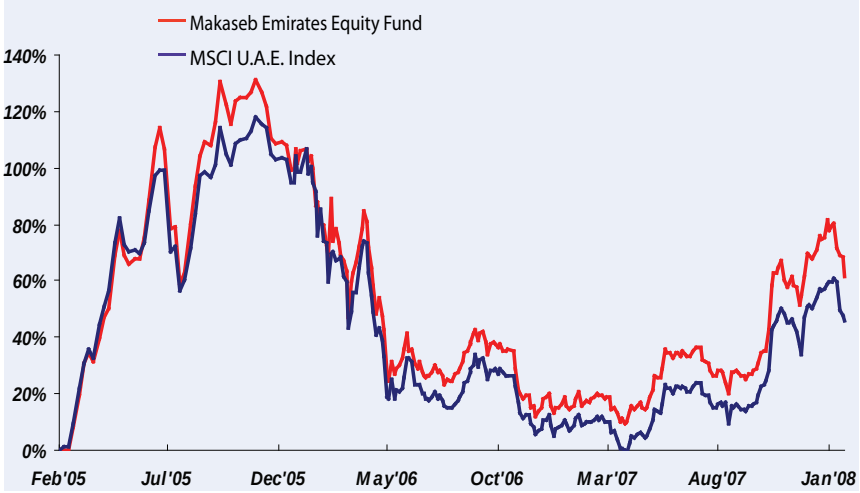
Investment Objective

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

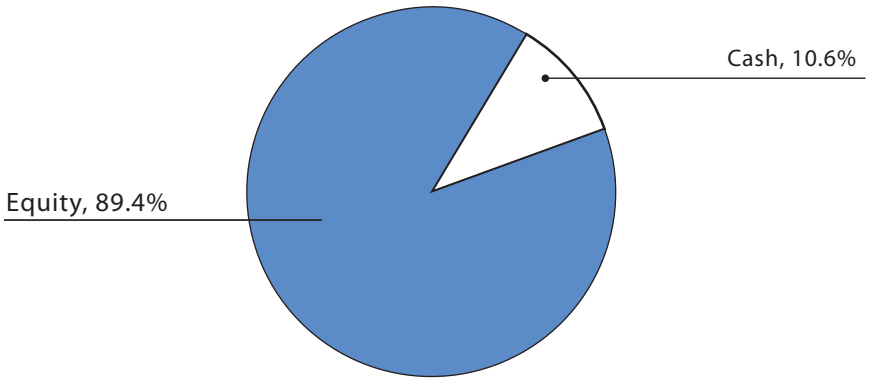


Perfomance Summary

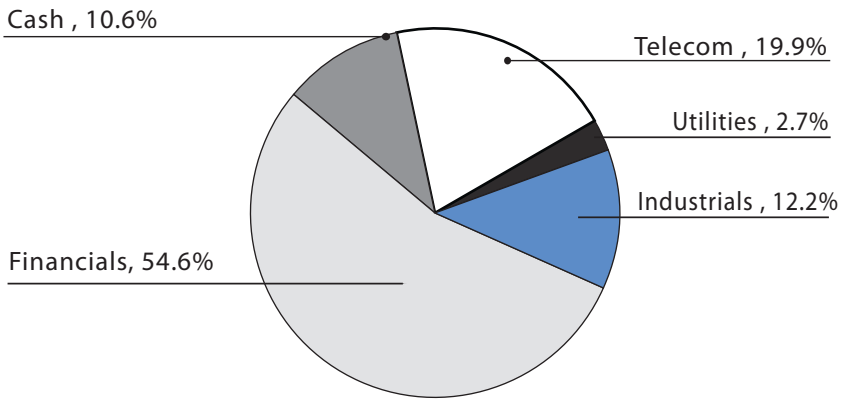
	MEEF	MSCI UAE Index
NAV (January 30,2008)	US$16.18	
Since inception (Feb 08, 2005)	61.8%	46.1%
YTD-2008	-6.5%	-5.7%
January 2008	-6.5%	-5.7%
Year 2007	50.2%	43.2%
Year 2006	-42.3%	-44.5%
Year 2005	99.9%	94.7%
No. of Holdings	13	34
Max. Monthly Gain	31.4%	31.0%
Max Monthly Loss	-25.7%	-21.4%
Beta	0.9	
R-Sq	73.8%	
Standard Deviation (Since Inception)	30.5%	29.8%
Sharp Ratio	1.9	1.4
Treynor Ratio	0.6	
Information Ratio	1.0	

STANDARD &POOR'S A FUND MANAGEMENT RATING

Asset Allocation



Sector Allocation



MAKASEB EMIRATES EQUITY FUND

Fact Sheet for January 2008 Contd.

Top 5 Holdings

Stock	Weight
Emaar Properties	21.7%
Emirates Telecom Com	19.9%
Dubai Islamic Bank	8.6%
Emirates Bank NBD	7.2%
Arab Technical Construction	5.8%

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

Corporate earning failed to spur the performance in Dubai Financial Market and Abu Dhabi Securities market in January. Both markets rose early in the month in anticipation of good fourth quarter earnings results, however global markets turmoil pulled the two markets down in the second half with DFMGI ended the month 7.80% lower, while the ADI edged up a mere 0.09%.

Concerns of a slowdown in global economy have increased markedly in particular after weak economic data from the USA in the fourth quarter of 2007. These concerns have led to increased volatility in global markets, most notably in the sharp selloff of global equities in the second half of January. The selloff fever has spread to the UAE equities whereas the main reasons for the correction have been the temporarily flight of western institutions and panicked domestic retail investors. Western investors were looking to lock in profits already generated or to cover losses incurred in other geographies. The situation has been further worsened by domestic retail investors panicked and forced selling due to margin calls which we believe the latter point was responsible for the particularly sharp drops in the market.

Despite their positive earnings the real estate companies in both Dubai and Abu Dhabi topped the worst performers this month with Emaar, Deyaar and Union properties in Dubai plummeted 19%, 13% and 12% respectively, while Aldar, Arkan and Sorouh in Abu Dhabi fell down by 15%, 9% and 6% respectively.

Your fund lost 6.5% underperforming the benchmark by 0.8% mainly due to our overweight in Emaar Properties.

While the results season is usually a key trigger for the UAE market, we believe the current uncertainty in the global markets will work against this in the short term. UAE market is expected to remain uncertain in the near term, with probability skewed towards a range-bound performance and periods of volatility are likely to increase. However, attractive valuation and positive earnings announcements for the first quarter in 2008 should support the market and limit the downside risk. The investment manager will continue to focus selectively within real state, diversified financials, telecoms and industrials which should benefit from current economic environment of negative real interest rate and strong infrastructure expansion.

February 07, 2008

For more information, please contact: Gayatri Banga (+971 4 207 8535) 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.