MAKASEB EMIRATES EQUITY FUND

Fact Sheet for December 2008

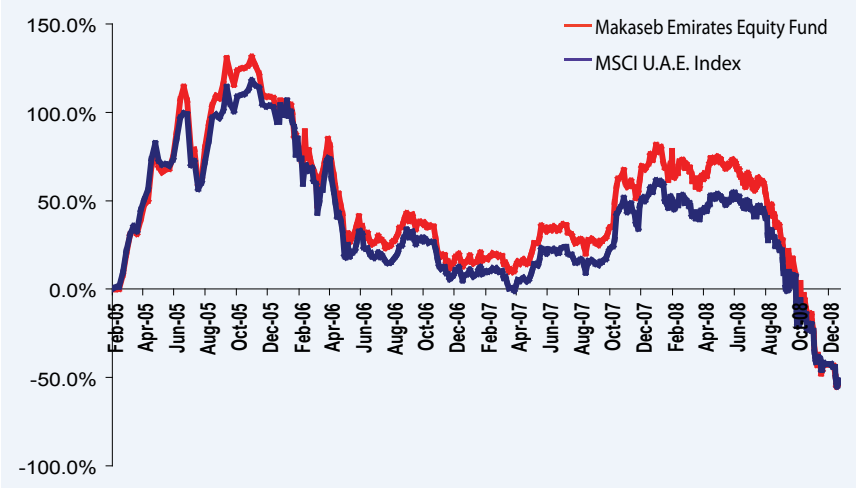
Investment Objective

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 Business Day
Redemption	Each Business Day
Management fee	1.5% p.a.

Performance Chart since inception

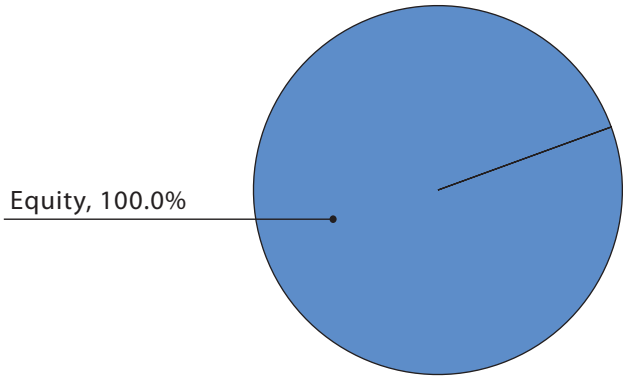


Performance Summary

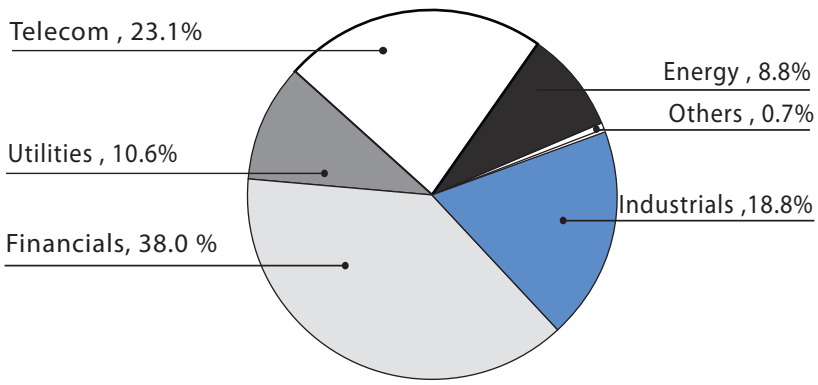
	MEEF	Benchmark*
NAV (December 31,2008)	US$ 4.72	
Since inception (Feb 08, 2005)	-52.76%	-51.75%
December 2008	-17.05%	-16.7%
Year 2008	-72.70%	-68.84%
Year 2007	50.2%	43.2%
Year 2006	-42.3%	-44.5%
Year 2005	99.9%	94.7%
No. of Holdings	13	21
Max. Monthly Gain	31.4%	31.0%
Max Monthly Loss	-33.71%	-28.01%
Beta	0.8	
R-Sq	62.2%	
Standard Deviation (Since Inception)	34.27%	33.13%
Sharp Ratio	-1.69	-1.71
Treynor Ratio	-0.7	
Information Ratio	0.06	

STANDARD &POOR'S A FUND MANAGEMENT RATING

Asset Allocation



Sector Allocation



MAKASEB EMIRATES EQUITY FUND

Fact Sheet for December 2008 Contd.

Top 5 Holdings

Stock	Weight
Emirates Telecommunications Corp	23.11 %
Arabtech Holdings Co.	12.59 %
Emaar Properties	10.80 %
Abu Dhabi National Energy Co.	10.59 %
Dana Gas	8.82 %

Fund Codes:

WKN: A0J3RM
ISIN: BH000A0J3RM7
BLOOMBERG CODE: MAKEEFD BI
ZAWYA CODE: MAKEMRE.MF
REUTERS ID : LP65038277

Investment Manager & Sponsor:
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Kingdom of Bahrain

Fund Manager's Commentary

UAE stock markets continued to suffer from a crisis of confidence in the month of December, with share prices factoring in a worst case scenario on systemic collapse.

In the Dubai Financial Market the weakness in real estate sector has created a significant overhang on the market and has directly impacted the listed financials and real estate companies. As a result the DFM index ended the month with losses of 16.7% to close 2008 with losses of 72.4%. Almost all of the sectors in Dubai Financial Market retreated throughout the month with most sectors witnessed double digit decline. Utilities sector was the worst performer where it plunged 33%. Real estate, Telecommunication and Transportation followed the losing trend dropping by 22.6%, 22%, and 16% respectively.

Abu Dhabi Securities Exchange was not different from its neighbor emirate during the month as it lost 13.9% to close the year with 48% decline in market capitalization. The lackluster performance was largely attributed to the heavy weight banking sector and Etisalat which lost 14% and 22% respectively. Also real estate along with energy fell by 20% and 19% respectively as negative views on real estate prices and a sharp fall in oil prices during the month have caused investors to shy away from such cyclical stocks.

Your fund lost 17% during the month in line with the benchmark. Our underweight in banking sector has served the portfolio this month however our overweight in Dubai real estate and diversified financials sectors work against us resulting in overall inline relative performance.

Starting from the second half of 2008 Stocks have been heavily punished, as if we were heading for an earnings shock. Growth has peaked and risks mount, but we believe that the markets have overshoot to the downside. Needless to say that the corporate earnings will substantially slow down largely attributed a negative outlook for the financials sectors which account for more 65% of market capitalization

The macroeconomic outlook for the UAE has weakened with the marked deterioration in the global economies. Most of the global slowdown will be felt through the oil price, but will also negatively affect key drivers of the non-oil sector including tourism, trade and the financial sector. Private consumption growth will witness a marked slow down with weaker wage increases and a slowdown in the influx of expatriate population as the outlook of the non-oil sector weakens. The solid investment levels will be the main driver of real GDP growth in 2009. The investment program remains a key tenet of the government's policy and is supported by its determination to ease supply bottlenecks in key areas, such as infrastructure and utilities. Direct government involvement in investment or government sponsorship of projects also supports the outlook. Fiscal policy will remain expansionary, focusing on capital spending. Nevertheless, project implementation is forecast to slow with the new global reality and the tightening in liquidity. Despite this weakening outlook, the UAE is in a strong position to face the challenges, given the fiscal and current account surpluses realized over the last few years and a buildup in net foreign assets. Moreover, the low budget breakeven, of USD44 per barrel in 2009, provides another layer of support for the economy and government spending.

January 7, 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.