MAKASEB EMIRATES EQUITY FUND

Fact Sheet for December 2007

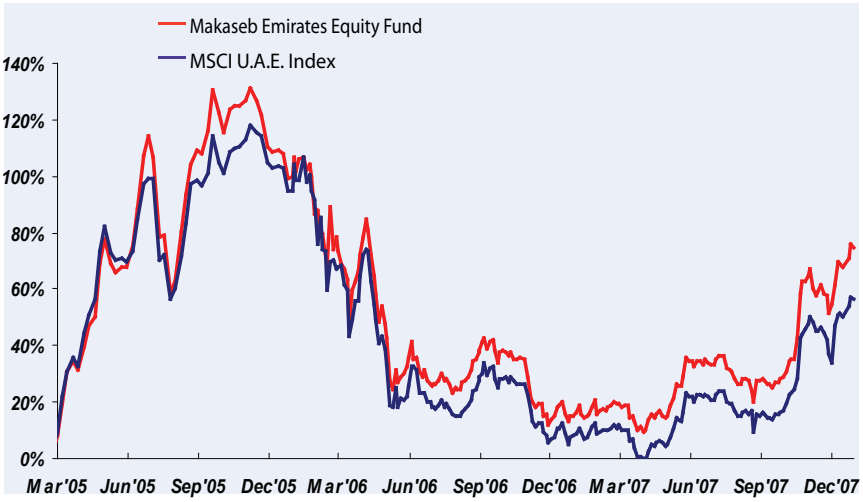
Investment Objective

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 Sunday and Wednesday
Investment Manager	Mashreqbank psc
Share Registrar	KeyPoint Consulting W.L.L., Bahrain
Administrator	Gulf Investment Corporation
Custodian	Gulf Investment Corporation
Auditor	Deloitte & Touche
Primary listing	Bahrain Stock Exchange
Subscription	Each Monday and Thursday
Redemption	Each Monday and Thursday
Management fee	1.5% p.a.

Performance Chart since inception

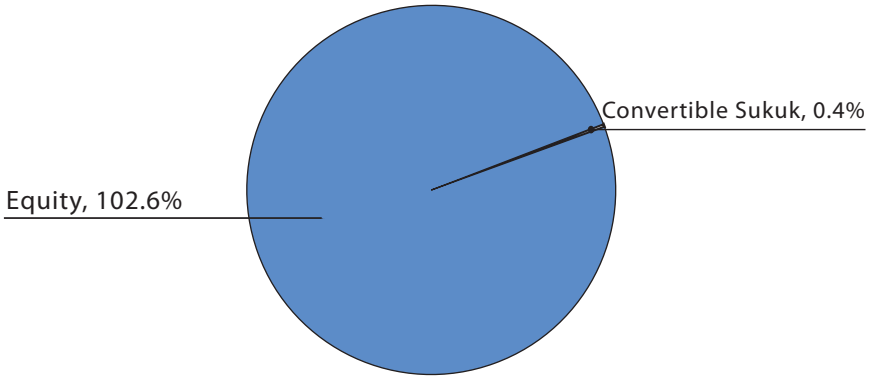


Perfomance Summary

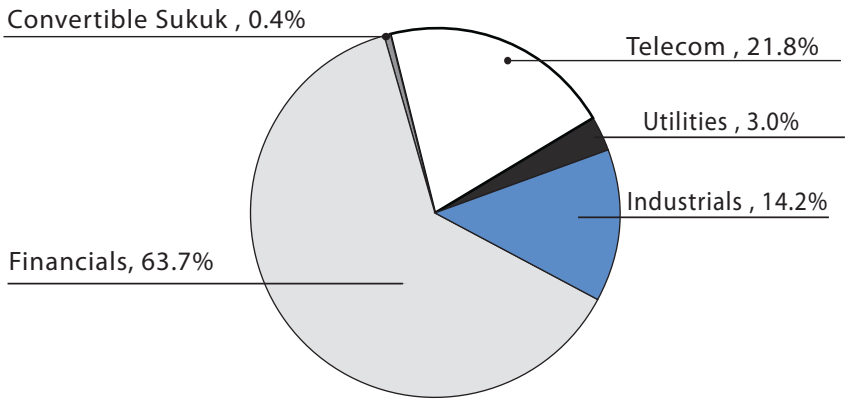
	MEEF	MSCI UAE Index
NAV (Dedember 30,2007)	US$17.50	
Since inception (Feb 08, 2005)	75.0%	56.3%
YTD-2007	51.9%	44.6%
December 2007	15.3%	14.0%
Year 2006	-42.3%	-44.5%
Year 2005	99.9%	94.7%
No. of Holdings	14	34
Max. Monthly Gain	31.4%	31.0%
Max Monthly Loss	-25.7%	-21.4%
Beta	0.9	
R-Sq	73.8%	
Standard Deviation (Since Inception)	47.0%	45.7%
Sharp Ratio	1.5	1.12
Treynor Ratio	0.8	
Information Ratio	0.8	

STANDARD &POOR'S A FUND MANAGEMENT RATING

Asset Allocation



Sector Allocation



MAKASEB EMIRATES EQUITY FUND

Fact Sheet for December 2007 Contd.

Top 5 Holdings

Stock	Weight
Emaar Properties	29.1%
Emirates Telecom Com	21.8%
Dubai Islamic Bank	9.0%
Emirates Bank NBD	8.9%
Arab Technical Construction	6.8%

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

After taking a breather in November, the UAE equity markets recorded a strong performance during the month of December with Dubai Financial Market and Abu Dhabi Securities Market increased by 13.88% and 12.92% respectively.

The rally was across the board; however this month's gainers list was dominated by real estate companies in both DFM and ADSM. Emaar properties the heavy weight stock in the DFM Index gained 27.50% underpinned by news regarding shares buyback meanwhile Aldar Properties in ADSM added 31% to its value during the period.

The sentiments was very positive during the month as both retail investors and local institutions accumulated their positions towards the year end in the anticipation of strong corporate earnings in the fourth quarter and expected strong funds influx from western investors towards the beginning of 2008.

Your fund gained 15.34% outperforming the benchmark by 1.38% thanks to our overweight in Emaar, Etisalat, ARTC and ENBD which all have outperformed the benchmark during the month. The fund ended the year 2007 with a positive return of 51.9% generating alpha for its investors of 7.30% thanks to a resilient investment strategy and the clarity of investment discipline.

We expect 2008 to be another good year for the UAE equity markets through a further influx of Western institutional investors, improving transparency and corporate governance, reasonable valuation multiples when compared to emerging markets, double digit earnings growth which are well above emerging markets and global levels, and strong economic growth underpinned by increasing oil prices.

January 09, 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.