MAKASEB EMIRATES EQUITY FUND

Fact Sheet for July 2008

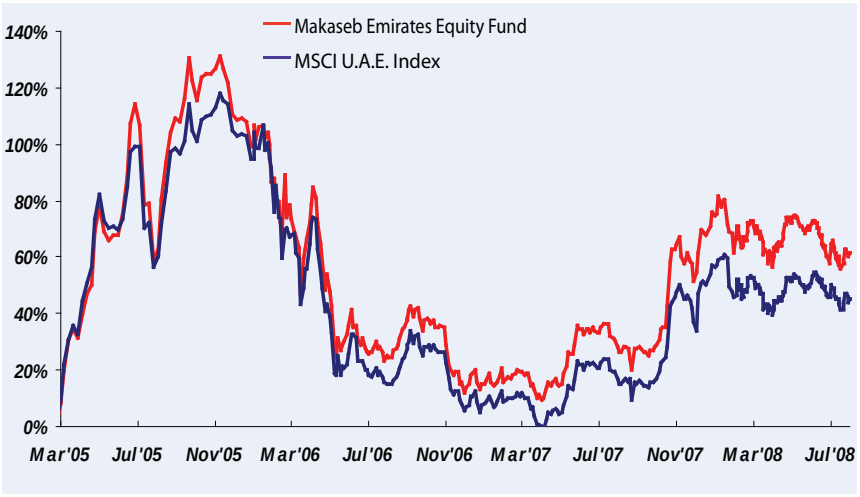
Investment Objective

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

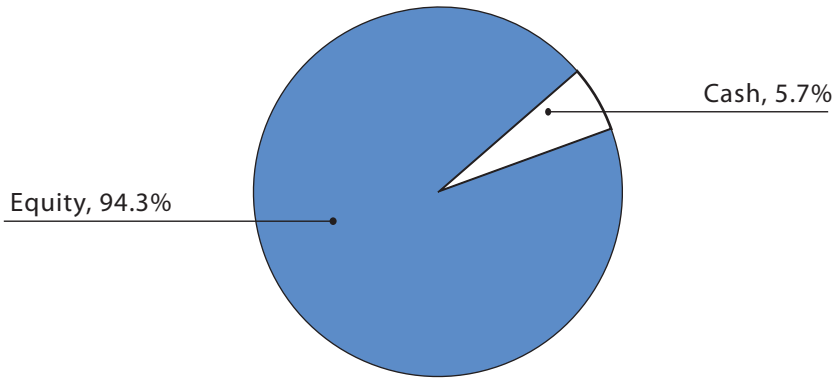


Perfomance Summary

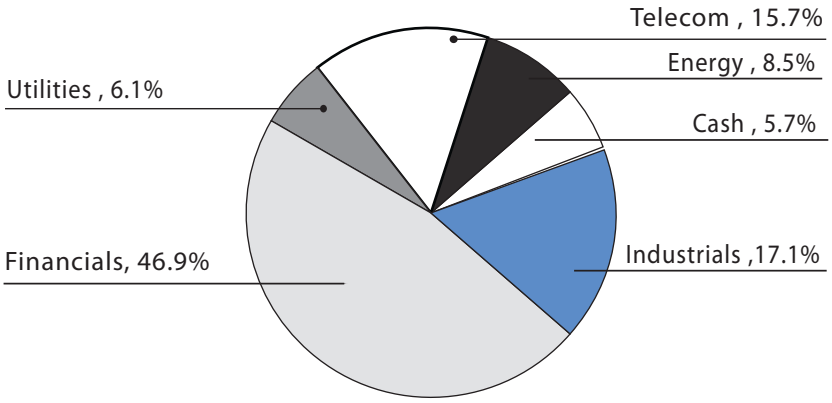
	MEEF	MSCI UAE Index
NAV (July 30,2008)	US$ 16.13	
Since inception (Feb 08, 2005)	61.3%	45.3%
YTD-2008	-6.8%	-6.2%
July 2008	1.2%	-0.4%
Year 2007	50.2%	43.2%
Year 2006	-42.3%	-44.5%
Year 2005	99.9%	94.7%
No. of Holdings	13	34
Max. Monthly Gain	31.4%	31.0%
Max Monthly Loss	-25.7%	-21.4%
Beta	0.9	
R-Sq	70.2%	
Standard Deviation (Since Inception)	27.8%	27.9%
Sharp Ratio	2.0	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 July 2008 Contd.

Top 5 Holdings

Stock	Weight
Etisalat	15.7%
Emaar Properties	14.6%
Arab Technical Construction	11.2%
Dana Gas	8.5%
Abu Dhabi Commercial Bank	7.3%

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

In contrast to strong second quarter results announced in the month of July the stock markets in the UAE have seen weak performance, with the Dubai Financial Market declined by 0.70% and the Abu Dhabi Exchange edged up by 0.45%.

Companies in the UAE reported earnings growth of 50% Y-o-Y; with Abu Dhabi ones reported average earnings growth of 58% outperformed Dubai companies which has achieved 42% increase over the same period last year. Banks enjoyed a significant improvement in earnings growth as the sector has benefited from increased liquidity, decreased cost of funds and rising corporate loan growth which has led to a good jump in interest income. The buoyant real estate market has enabled continued growth within the sector, with Abu Dhabi real estate companies continued to benefit from soaring property prices either through booking revenues from delivered properties or valuation gains from their investment properties. Etisalat continued to show solid performance driven by ongoing regional expansion and rising levels of mobile penetration.

Overall companies in the UAE and more specifically banks and real estate have surprised positively as it come a head of expectations.

Despite the solid earnings growth the stock market did not respond and showed weak performance mainly because of the summer season and the exiting of foreign investors from the market.

Your fund gained 1.2% outperforming the benchmark by 1.5% mainly due our heavy overweight in Arabtec Holding, the stock was amongst few exceptions as it managed to gain 18% during a weak month basically due to a spectacular second quarter results and major additions to its backlog during the quarter.

We see the UAE markets are attractively valued at the current levels and provide a good entry for institutional and value investors. Corporates earnings are expected to grow over the remaining of the year underpinned by increasing demand and government expenditure. The jump in oil prices happened this year will provide a significant acceleration in fiscal and current account surpluses which will ensure the availability of funds for the planned infrastructure expansion.

August 11, 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.