MAKASEB EMIRATES EQUITY FUND

Fact Sheet for October 2008

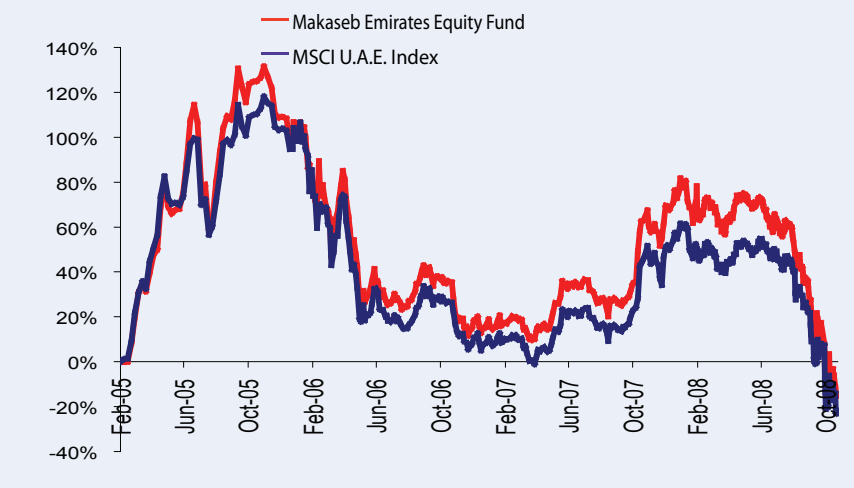
Investment Objective

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

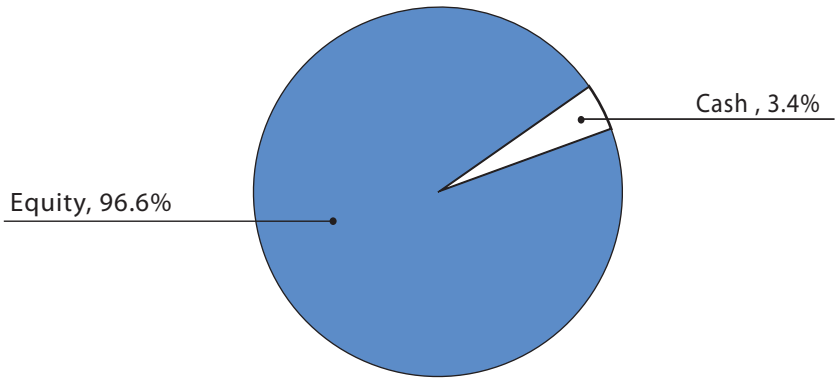


Performance Summary

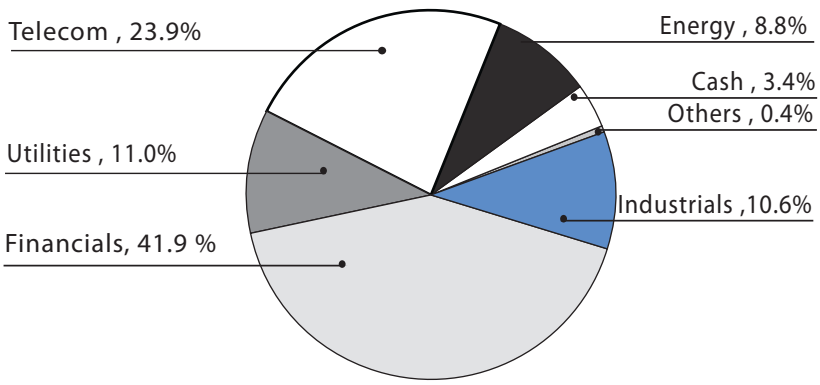
	MEEF	MSCI UAE Index
NAV (October 30,2008)	US$ 8.59	
Since inception (Feb 08, 2005)	-14.18%	-22.0%
YTD-2008	-50.3%	-49.6%
October 2008	-26.8%	-27.8%
Year 2007	50.2%	43.2%
Year 2006	-42.3%	-44.5%
Year 2005	99.9%	94.7%
No. of Holdings	12	23
Max. Monthly Gain	31.4%	31.0%
Max Monthly Loss	-26.8%	-27.8%
Beta	0.8	
R-Sq	63.71%	
Standard Deviation (Since Inception)	32.7%	31.8%
Sharp Ratio	-0.6	-0.9
Treynor Ratio	-0.2	
Information Ratio	0.5	

STANDARD &POOR'S A FUND MANAGEMENT RATING

Asset Allocation



Sector Allocation



MAKASEB EMIRATES EQUITY FUND

Fact Sheet for October 2008 Contd.

Top 5 Holdings

Stock	Weight
Etisalat	23.86 %
Emaar Properties	13.97 %
Abu Dhabi National Energy	10.98 %
Dubai Islamic Bank	9.08 %
Dana Gas	8.82 %

Fund Codes:

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

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

Registered Office:
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Road 365, Block 316
Manama
Kingdom of Bahrain

Fund Manager's Commentary

The developing global financial crisis has precipitated a global de-leveraging cycle that is affecting all assets. The UAE equity markets were not immune from the global crisis and have seen a huge nosedive in October. Foreign investors were reducing their off index exposure to the MENA region in general. Sharp price falls triggered liquidations for margin investors, driving prices even lower in the absence of any institutional liquidity. These factors combined with fears of a crash in Dubai real estate sector, and tight banking sector liquidity served to make October the worst month in the history of UAE stock market so far.

The Dubai Financial Market Index fell by 28.7% meanwhile Abu Dhabi Index fell by 15.9% during the month. The divergence between the two markets performance in October is basically because of foreign investors' high exposure to Dubai market compared to Abu Dhabi. Etisalat on the other hand, not available for foreign ownership or for GCC nationals has showed outperformance as the stock price declined only by 4.5%. Your fund lost 26.8% during the month, outperforming the benchmark by 1%. Our underweight in banks and real estate has served the portfolio however our overweight in capital goods and energy sectors erode performance.

During the month the government acted to ease interbank AED liquidity and approved an AED 120bn liquidity line. The move was part of economic measures taken by the government to support the banking sector and to protect it against adverse effect caused by the current global crisis.

The UAE economy is less vulnerable to the global credit crisis compared to the developed world as the country is running a huge current account surplus, fiscal surplus and has accumulated huge foreign reserve during the oil boom. This is will support the economy during the time of slow down in the world economy and will enable the government to continue with its expenditure plan at reasonable pace. However we are concerned about the real estate sector in Dubai due to the liquidity crunch. We are also underweight banks due to the end of the era of cheap credit and exponential balance sheet growth. As growth slows and loan books become seasoned, the incidence of non performing assets will normalize, muting profitability going forward. UAE markets are trading at valuations which compare favorably to liquidation value for many businesses-long term returns are a function of the starting point of valuations; the current environment is ideal for locking in the potential for significant positive returns over the long term. Valuations do not matter in the short term, and the market may very well head even lower; in the long run however, valuations have, and will continue to drive returns.

November 5, 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.