MAKASEB EMIRATES EQUITY FUND

Fact Sheet for September 2008

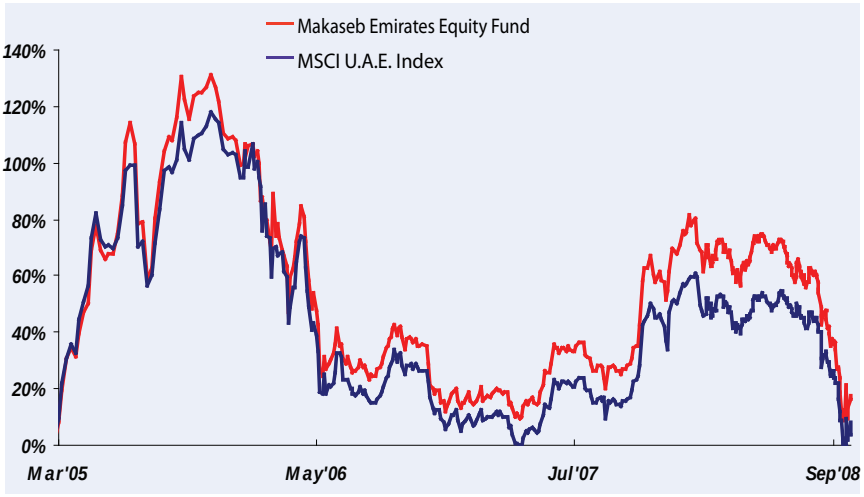
Investment Objective

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

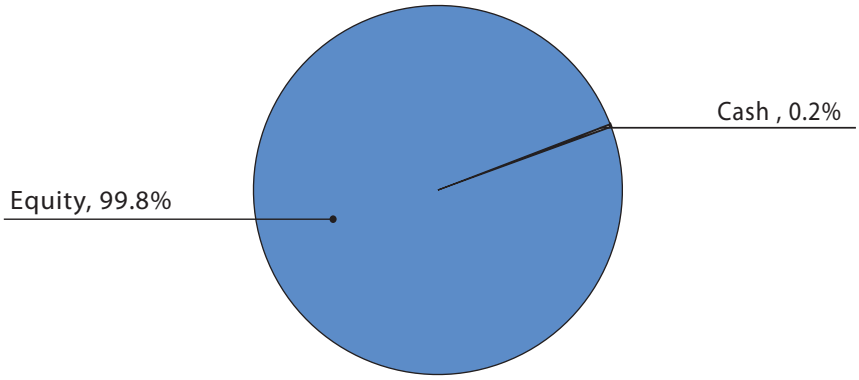


Perfomance Summary

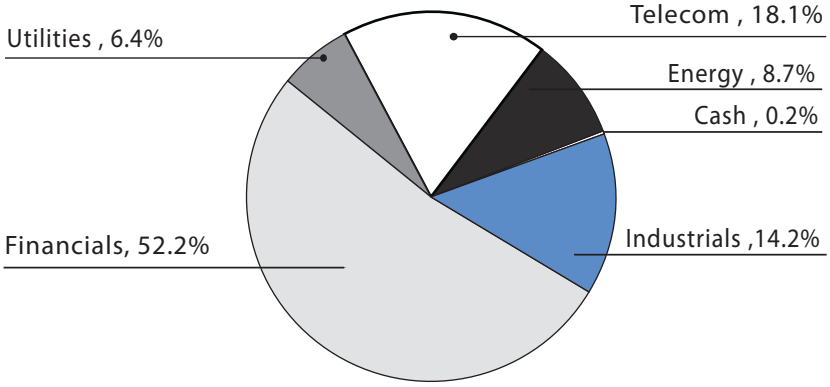
	MEEF	MSCI UAE Index
NAV (September 29,2008)	US$ 11.73	
Since inception (Feb 08, 2005)	16.8%	8.0%
YTD-2008	-32.7%	-30.3%
September 2008	-14.9%	-14.3%
Year 2007	50.2%	43.2%
Year 2006	-42.3%	-44.5%
Year 2005	99.9%	94.7%
No. of Holdings	12	23
Max. Monthly Gain	31.4%	31.0%
Max Monthly Loss	-25.7%	-21.4%
Beta	0.8	
R-Sq	62.5%	
Standard Deviation (Since Inception)	30.3%	29.3%
Sharp Ratio	0.4	0.1
Treynor Ratio	0.2	
Information Ratio	0.6	

STANDARD &POOR'S A FUND MANAGEMENT RATING

Asset Allocation



Sector Allocation



MAKASEB EMIRATES EQUITY FUND

Fact Sheet for September 2008 Contd.

Top 5 Holdings

Stock	Weight
Etisalat	18.1%
Emaar Properties	14.9%
Arab Technical Construction	10.1%
Dubai Islamic Bank	9.5%
Dana Gas	8.7%

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:
Flat 141, Building 3
Road 365, Block 316
Manama
Kingdom of Bahrain

Fund Manager's Commentary

September was one of the worst months for capital markets around the world. The month saw global credit crisis graduating to global credibility crisis. The month saw a continuation of massive on-going de-leveraging that lead to collapse of some of the oldest and established institutions on the Wall Street.

Regional capital markets were not immune from this de-leveraging with all major stock markets in the region losing more than 10% during the month.

		Performance	
Region	Markets	Month to date	Year to date
GCC	Saudi Arabia	-14.8%	-32.4%
	Dubai	-13.3%	-30.4%
	Abu Dhabi	-10.3%	-13.1%
	Kuwait	-11.1%	2.2%
	Qatar	-10.8%	-2.8%
	Oman	-10.5%	-6.0%
	Bahrain	-8.5%	-10.6%
North Africa and Levant	Egypt	-16.5%	-33.1%
	Morocco	-11.1%	-1.9%
	Jordan	-6.9%	10.7%
	Tunisia	1.1%	28.6%

Source: Bloomberg, All share indices used in calculation where available.
YTD=MTD: August 31 2008 – September 30 2008

The Fund lost 14.4% during the month, underperforming the benchmark MSCI UAE index by 1.9%. Losses were spread across the board with all sector moving sharply down.

Panic level in the market is at an unprecedented level. Although regional economies are doing well and oil was still trading at north of $90/bbl at the time of writing this fact sheet, investor sentiment is extremely bearish. All those companies which a few months ago were priced for growth are now trading close to their liquidation value with real estate companies and banks topping the list. In such a heightened state of frenzy, it is important that investors keep their calm.

Currently local equtiy markets is charging a steep premium for liquidity and investors who are leveraged or solvent would eventually be wiped out from this market. Long term investor need not to worry as this extreme pricing discrepency would not last long. Going forward, we are still positive on UAE equity market and strongly believe market to rebound from current levels.

October 13, 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.