

## Makaseb Qatar Equity Fund (MQEF)

### Fund Description

Makaseb Qatar Equity Fund (MQEF) aims to achieve long term capital appreciation through investment primarily in shares listed on the Doha Stock Market. The MQEF portfolio is constructed after careful evaluation of various factors including the liquidity of the stock, company fundamentals, profitability, and overall portfolio risk considerations.

### Fund Managers Commentary

- Your fund gained 0.1% in December, underperforming S&P Qatar Index by 1.9%, YTD return is 2.3% underperforming the benchmark by 1.1%.
- Overweight position in Telecommunication and insurance sectors coupled with stock selection in Banks were responsible for underperformance this month.
- Underweight position in Capital Goods and overweight in utilities added performance this month.

### Fund Returns

	MTD	YTD	1 Year	3 Years	SI
MQEF	0.1%	2.3%	2.3%	25.3%	-22.3%
Benchmark*	2.0%	3.4%	3.4%	32.9%	-13.2%

	2005	2006	2007	2008	2009	2010
MQEF	-3.3%	-39.1%	47.1%	-28.3%	2.6%	19.4%
Benchmark*	7.7%	-42.6%	47.3%	-28.3%	-0.1%	28.6%

### Top Holdings

Qatar Electricity & Water Co	16.7%
Qatar National Bank	14.9%
Qatar Telecom	12.0%
Qatar Insurance	11.9%
Qatar Islamic Bank	11.8%

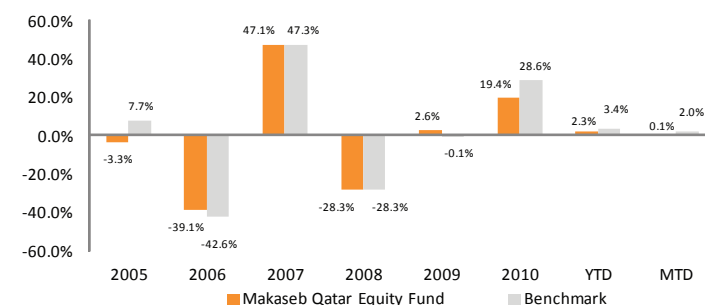
### Risk/Return Profile Since Inception

	Fund	Benchmark	vs Benchmark
Excess Return	-9.1%		R Squared 83.7%
Beta	0.9		Information Ratio (0.9)
Sharpe Ratio	(1.2)	(0.7)	Treynor Ratio (0.3)
Skewness	(0.2)	(0.6)	Tracking Error 9.8%
Kurtosis	8.7	8.7	Correlation 0.9
SD	22.2%	23.1%	

### Fund Details

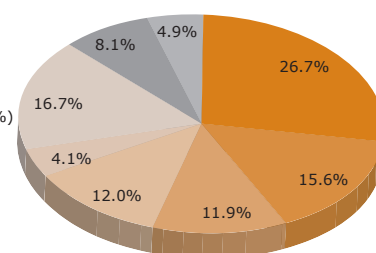
Fund Type	Open Ended
Domicile	Bahrain
Currency	USD
Regulator	Central Bank of Bahrain
Investment Manager	Mashreq bank PSC
Net Asset Value	Each Business day
Subscription/ redemption	Each Business day**
Management Fee	2.0% p.a.

### Performance (Chart)



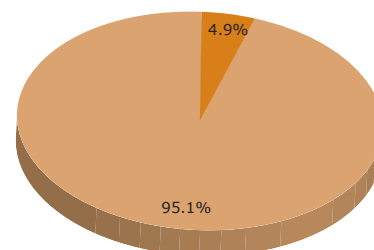
### Industry Allocation

- Banks (26.7%)
- Energy (15.6%)
- Insurance (11.9%)
- Telecommunication Services (12.0%)
- Transportation (4.1%)
- Utilities (16.7%)
- Capital Goods (8.1%)
- Cash (4.9%)



### Asset Allocation

- Cash (4.9%)
- Equity (95.1%)



Performance Fee	Up to 10% of the appreciation in the Net Asset Value (NAV) of the fund which exceeds 10% p.a. during a calendar year
Auditor	Deloitte & Touche
Registrar	KeyPoint Consulting W.L.L, Bahrain
Administrator & Custodian	Citibank N.A. Bahrain
Bloomberg Ticker	MAKQFED BI
Zawya Code	MAKQTRE.MF

\*S&P Qatar Index from Oct 01, 2010 and MSCI Qatar Index before that, SI: Since Inception, SD: Standard Deviation, MTD: Month to Date, YTD: Year to Date

\*\* 2 business days notice

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