MAKASEB ARAB TIGERS FUND

Fact Sheet for August 2008

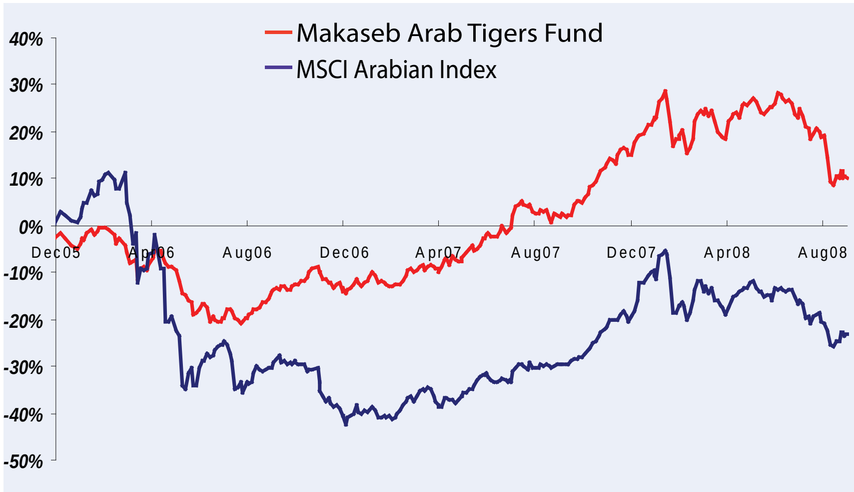
Investment Objective

Makaseb Arab Tigers Fund (MATF) aims to achieve long term capital appreciation through investing mainly in shares of companies listed on the Stock Exchanges of the Middle East and North Africa region.

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	2% p.a.

Performance Chart since inception

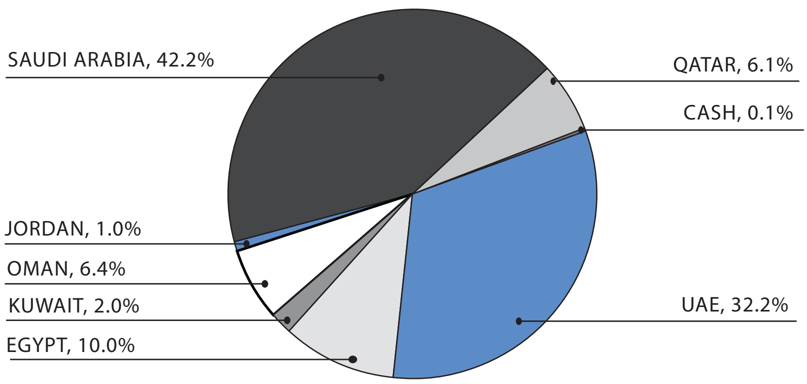


Perfomance Summary

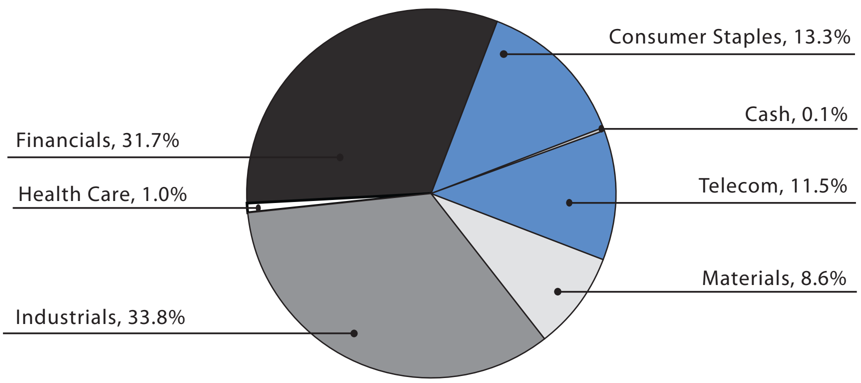
	MATF	MSCI Arabian Index
NAV (August 31 ,2008)	US$11.02	
Since inception (Nov 22, 2005)	10.2%	-24.4%
YTD-2008	-10.3%	-15.5%
August 2008	-7.1%	-4.8%
Year 2007	39.0%	48.2%
Year 2006	-8.1%	-40.7%
Year 2005	-3.8%	1.8%
No. of Holdings	28	181
Max. Monthly Gain	7.9%	12.7%
Max Monthly Loss	-9.9%	-15.5%
Beta	0.3	
R-Sq	37.1%	
Ann. SD	11.8%	20.6%
Sharp Ratio	-0.1	-0.7
Treynor Ratio	-0.1	
Information Ratio	2.1	

STANDARD &POOR'S AA FUND MANAGEMENT RATING

Regional Allocation



Sector Allocation



MAKASEB ARAB TIGERS FUND

makaseb مكاسب

Fact Sheet for August 2008 Contd.

Top 5 Holdings

Stock	Weight
Riyad Bank	8.65
Almarai Co Ltd	8.63
Jarir Marketing Co	8.40
Saudi Arabian Fertilizer Co	7.42
Lamprell Plc	7.05

Fund Codes:
WKN: A0J3RQ
ISIN: BH000A0J3RQ8
BLOOMBERG CODE:MAKATFD BI
ZAWYA CODE: MAKARBT.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

August was a humbling experience for most money managers in the MENA region. The month witnessed 9 out of 11 markets record a negative return. Trading activity was low across the board in all markets and this had a magnified effect leading to sharp price declines.

		Performance	
Region	Markets	Month to date	Year to date
GCC	Saudi Arabia	0.2%	-27.1%
	Dubai	-11.1%	-21.0%
	Abu Dhabi	-11.3%	-5.3%
	Kuwait	-3.5%	11.2%
	Qatar	-9.7%	4.7%
	Oman	-11.5%	-2.2%
	Bahrain	-3.6%	-4.6%
North Africa and Levant	Egypt	-7.5%	-20.6%
	Morocco	-2.5%	9.6%
	Jordan	-6.5%	17.8%
	Tunisia	9.7%	27.4%

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

Your Fund lost -7.17% during the month, under performing the benchmark MSCI Arabian Markets Index by 2.73%. A performance attribution of the month's performance indicates that bulk of the under performance was caused by stock selection but sector allocation and currency selection also contributed negatively. Our stock selection in capital goods industry group namely Arabtech holding, exposure to UAE real estate developers – Emaar and Aldar and un-hedged exposure to British pound resulting from an oil rig repair and refurbishing company listed in UK were the major losing bets, however, our exposure to food and beverage sector mitigated some of those losses.

Performance Attribution	Allocation	Selection	Currency	Relative Performance
Banks	-0.5%	0.4%	0.0%	-0.1%
Diversified Financials	0.4%	-0.1%	0.0%	0.3%
Real Estate	-0.1%	-0.7%	0.1%	-0.7%
Capital Goods	-0.1%	-1.2%	0.1%	-1.2%
Materials	-0.1%	-0.1%	0.0%	-0.2%
Pharmaceuticals, Biotechnology	0.1%	0.0%	-0.1%	0.0%
Energy	-0.8%	0.5%	-0.6%	-0.9%
Telecommunication Services	-0.1%	-0.7%	0.1%	-0.7%
Transportation	0.0%	-0.2%	0.0%	-0.2%
Commercial Services & Supplies	0.6%	0.0%	0.0%	0.6%
Food Beverage & Tobacco	0.8%	-0.1%	0.1%	0.8%
Consumer Services	-0.3%	0.0%	-0.2%	-0.5%
Insurance	-0.1%	0.0%	0.0%	-0.1%
Cash	0.2%	0.0%	0.0%	0.2%
Total	-0.1%	-2.1%	-0.6%	-2.7%

Note: Period: July 30 2008 – August 31 2008

Although market movement during the month of August might in the longer term turn out to be perfectly random rendering all explanations futile, it was in its limited history just short of an extraordinary event and demands a close inspection. Thin liquidity across most markets and negative investor sentiment were already keeping the market weak, this coupled with anecdotal evidence of foreign funds selling out of the region led to a frenzied rush by retail investors to exit from the market. The resulting mayhem was exacerbated by an increasingly tight liquidity situation which lead to further sell off and pushed the market into a vicious cycle where low prices force leveraged investors to unwind their positions leading to further price declines.

Contd ....

For more information, please contact: Moomal Punjabi (+971 4 207 8396) www.makaseb.com email: contact@makaseb.com

Fund Manager's Commentary Cont'd

An interesting aspect of August market movement is the concentration of activity in large capitalization stocks. Usually speculators and day traders concentrate on low nominal value shares for speculation and their activity is limited to small capitalization counters. Institutional investors on the other hand focus on medium to large capitalization stocks. Since bulk of market activity was concentrated in large capitalization stocks, this might give some credence to the widely held view of foreign funds selling out of the region.

During the month, the market seemed to discount all good news while acting extremely negatively even on slightly negative news. A case in point is the Saudi market which completely discounted news of Tadawul being synthetically open to foreign investors (although to be fair, local Saudi financial institutions were allowed to conducted share swap transactions for foreign counterparties by getting an approval from the regulator). Nonetheless the move by Saudi regulator to allow foreign participation in the stock market was a major positive step towards further market liberalization.

Going into Ramadan, we remain cautiously optimistic about regional markets. Activity levels are expected to remain subdued. Although stocks in the region are trading at highly attractive valuation levels with core profitability and earnings growth intact, a further de-rating of emerging market equities might put downward pressure on prices in the short term. We would gain more clarity once Ramadan ends and trading activity returns to normal levels.

September 10, 2008

For more information, please contact: Moomal Punjabi (+971 4 207 8396) www.makaseb.com email: contact@makaseb.com