

Fact Sheet for December 2008

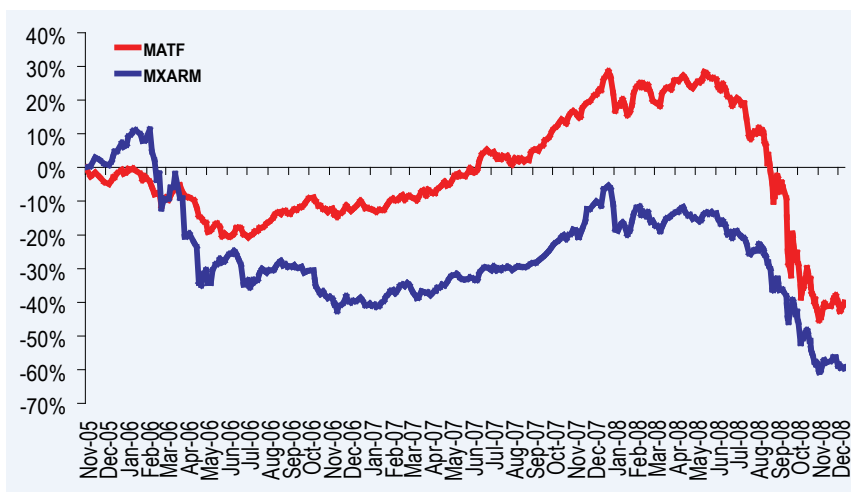
Investment Objective

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 Business day
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 Business day
Redemption	Each Business day
Management fee	2% p.a.

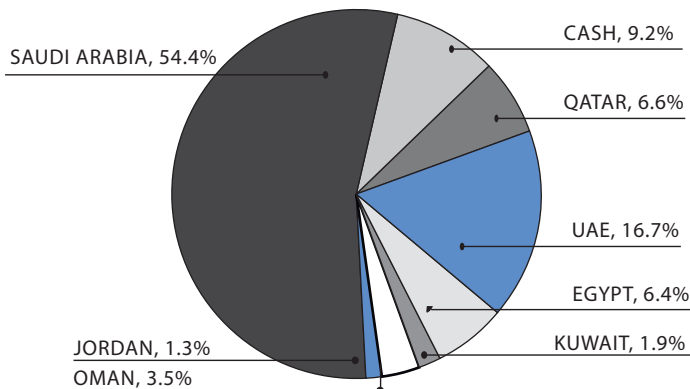
Performance Chart since inception



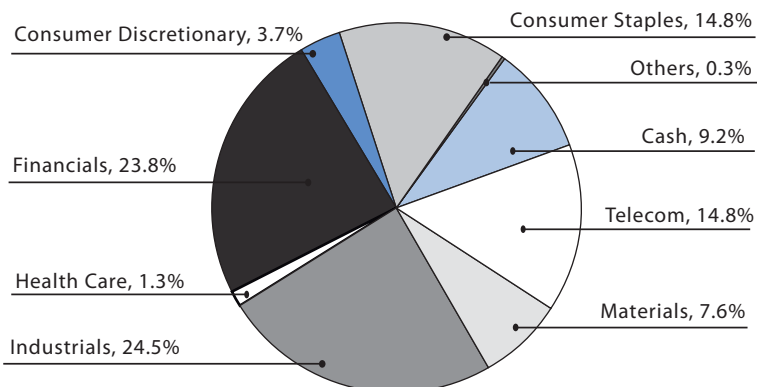
Performance Summary

	MATF	MSCI Arabian Index
NAV (December 31, 2008)	US\$6.0	
Since inception (Nov 22, 2005)	-40.0%	-59.7%
Year 2008	-51.2%	-55.0%
Year 2007	39.0%	48.2%
Year 2006	-8.1%	-40.7%
Year 2005	-3.8%	1.8%
No. of Holdings	24	181
Max. Monthly Gain	7.9%	12.7%
Max Monthly Loss	-9.9%	-15.5%
Beta	0.5	
R-Sq	39.2%	
Ann. SD	12.3%	21.7%
Sharp Ratio	-1.6	-1.4
Treynor Ratio	-1.1	
Information Ratio	1.2	

Regional Allocation



Sector Allocation



Fact Sheet for December 2008 Contd.

Top 5 Holdings

Stock	Weight
JARIR MARKETING CO.	10.29%
ALMARAI CO.	9.75%
ETIHAD ETISALAT COMPANY	8.63%
AL RAJHI BANK	6.62%
SAVOLA GROUP	5.04%

Fund Codes:
WKN: AOJ3RQ
ISIN: BH000AOJ3RQ8
BLOOMBERG CODE:MAKATFD BI
ZAWYA CODE: MAKARBT.MF
REUTERS ID : LP65038280

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

The year 2008 proved to be more challenging than most people had ever imagined. This could not be truer for investors in the Middle East. For roughly the first 6 months of the year, investors were chasing growth while trying to insulate their portfolios from inflation. In the later half of the year, investors were simply running for safe haven and were horrified to find that none existed! Almost all asset classes from equity, fixed income, currency, commodity, real estate etc witnessed unprecedented volatility and a severe price decline.

A simultaneous collapse in commodity market and unwinding of leverage in the credit market led investors to question going concern assumption for a number of listed companies in the Middle East. As a result, listed equities across the Middle East lost close to 50% of their value in just one year.

December further witnessed initial wave of corporate defaults by Middle Eastern companies; the most prominent of such case was the "intentional" default by Global Investment House in Kuwait. Around the Gulf, anecdotal evidence points to increase in the number of corporate debt restructuring. As indicated earlier, this is the second phase of credit crunch when asset quality on bank's balance sheet erodes. We expect more delinquencies which would either require capital injection or asset sale by banks. Current market environment is not conducive for either!

In Dubai, property prices continued their downward trend, their decline exacerbated by thin volumes. As per Dubai Land Department, both the number of transactions and value transacted declined to a two year low – this represents 81% decline for number of transactions from April 2008 peak and 84% decline for value transacted from May 2008 peak. Although the evidence is purely anecdotal and transaction based data is not publicly available to ascertain the extent of price decline, it does however points to a market where buyers have disappeared – due to lack of funding and a general expectation of a price decline. If liquidity in this market does not improve, it would surely pull prices further down, exacerbating seller's remorse and their financier's (read banks) demise.

In Saudi Arabia and Oman, the governments have announced expansionary budgets for FY2009 with each recording a budget deficit of 5% - 6% as percentage of GDP. We are happy to see that gulf governments are continuing their spending plans; stimulus packages in the form of infrastructure spending announced in 2009 budget by Saudi Arabia and Oman would ensure that local economies do not experience a severe contraction and are able to come out of the current global recessionary spell largely unscathed.

Markets	Exchange	Performance	
		Month to date*	Year to date**
Saudi Arabia	Saudi Stock Exchange	1.4%	-56.5%
United Arab	Dubai Financial Market	-16.7%	-72.4%
Emirates	Abu Dhabi Exchange	-13.9%	-47.5%
Kuwait	Kuwait Stock Exchange	-12.3%	-38.0%
Qatar	Doha Stock Market	13.4%	-28.1%
Oman	Muscat Stock Market	-13.1%	-39.8%
Bahrain	Bahrain Stock Exchange	-7.4%	-34.5%
Egypt	Cairo Stock Exchange	9.3%	-56.4%
Jordan	Amman Stock Exchange	-0.3%	-24.9%
Morocco	Casablanca Stock Exchange	-0.9%	-13.4%
Tunisia	Tunis Stock Exchange	-2.2%	10.6%
Lebanon	Beirut Stock Exchange	-2.5%	-21.5%
Arabian Markets	MSCI Arabian Markets	-5.8%	-55.0%

* From November 30 2008 up to December 31 2008
** From December 31 2007 up to December 31 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.

Fund Manager's Commentary Cont'd

Your Fund gained 1.4% during the month, outperforming the benchmark MSCI Arabian Markets index by 7.3%. Bulk of the performance was the result of asset allocation however stock selection also contributed positively to Fund returns.

At sector level, our overweight to Retail and Food & Beverages sector in Saudi Arabia was the key return driver at the same time our underweight to Chemicals, Financial Services and Banks helped preserve capital. At country level, our overweight to Saudi Arabia and underweight to Kuwait helped the Fund outperform the benchmark..

Performance Attribution	Allocation	Selection	Currency	Relative Performance
Retail	3.2%	-0.4%	-0.1%	2.7%
Oil & Gas	-0.2%	0.6%	-0.1%	0.2%
Food & Beverages	0.4%	0.0%	0.0%	0.4%
Basic Resources	0.4%	-0.4%	0.0%	0.0%
Telecommunications	0.0%	0.3%	-0.2%	0.2%
Travel & Leisure	-0.3%	0.1%	0.0%	-0.3%
Healthcare	0.4%	0.0%	0.0%	0.3%
Personal & Household Goods	-0.1%	0.4%	0.0%	0.3%
Insurance	0.0%	0.0%	0.0%	0.0%
Construction & Materials	0.0%	0.5%	0.0%	0.4%
Utilities	-0.1%	0.0%	0.0%	-0.1%
Technology	0.7%	0.0%	0.0%	0.7%
Industrial Goods & Services	-0.4%	0.0%	0.0%	-0.4%
Chemicals	-0.5%	-0.1%	0.0%	-0.6%
Financial Services	1.3%	-0.4%	0.2%	1.1%
Banks	0.2%	1.5%	0.0%	1.7%
Cash	0.7%	0.0%	-0.1%	0.6%
Total	5.4%	2.1%	-0.3%	7.3%

Note: Period from November 30, 2008 to December 31, 2008
Source: Mashreqbank psc

Going forward, we expect negative news on economic and corporate front to weigh on investor sentiment. Banking sector during 2009 is expected to show contraction in balance sheet, erosion in asset quality, increase in funding cost and a decline in profitability. If funding availability does not improve then real estate developers will experience a dramatic decline in earnings during 2009. Commodity prices have already declined sharply as markets have pre-empted demand decline and commodity producers are poised to see operating margins and utilization levels reverting to the mean. The only silver lining in this grim outlook is that all of the above and perhaps a bit more is already incorporated in share prices. Stock markets historically recover before the economy and we do not see any reason why it would be different this time around. However, if you wait for the robins, spring will be over. We wish our investors a happy and prosperous new year.

January 04, 2009

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.