

## Fact Sheet for July 2008

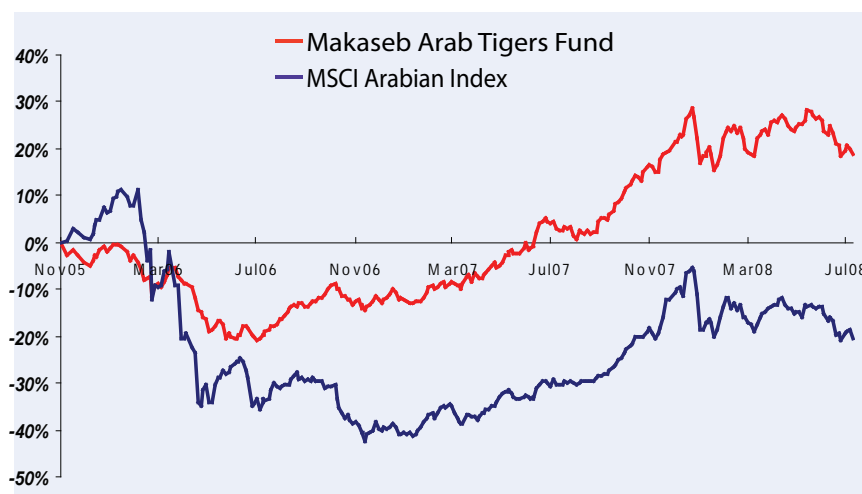
### Investment Objective

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.

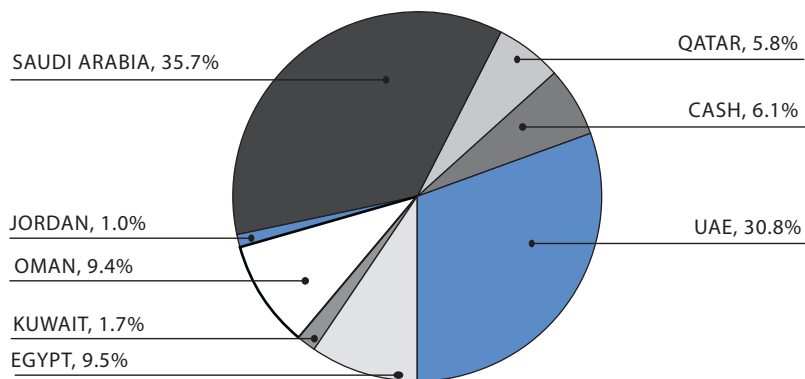
### Performance Chart since inception



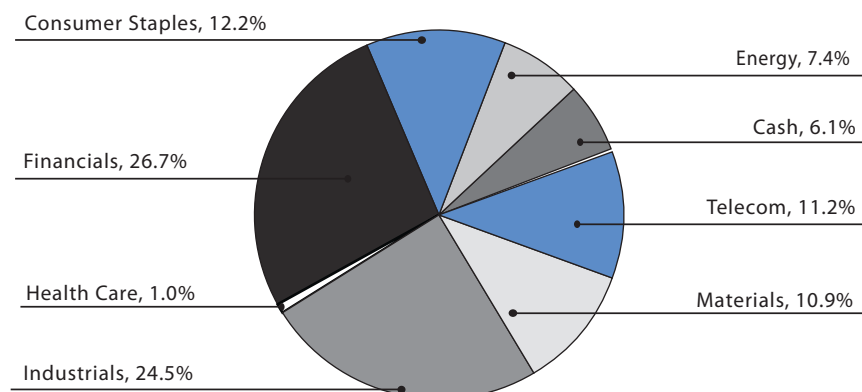
### Performance Summary

	MATF	MSCI Arabian Index
NAV (July 30, 2008)	US\$11.86	
Since inception (Nov 22, 2005)	18.6%	-20.6%
YTD-2008	-3.4%	-11.3%
July 2008	-3.5%	-4.8%
Year 2007	39.0%	48.2%
Year 2006	-8.1%	-40.7%
Year 2005	-3.8%	1.8%
No. of Holdings	29	142
Max. Monthly Gain	7.9%	12.7%
Max Monthly Loss	-9.9%	-15.5%
Beta	0.3	
R-Sq	36.8%	
Ann. SD	11.8%	21.4%
Sharp Ratio	0.2	-0.6
Treynor Ratio	0.2	
Information Ratio	2.4	

### Regional Allocation



### Sector Allocation



## Fact Sheet for July 2008 Contd.

### Top 5 Holdings

Stock	Weight
Almarai Co.	8.0%
Jarir Marketing Co	7.7%
Lamprell PLC	7.4%
Saudi Fertilizer Co	7.3%
Arabtec Holdings	5.9%

#### 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

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### Fund Manager's Commentary

The Arabian markets continued to trend down ward during July 2008. This was primarily due to absence of retail investors due to summer season while heightened geo-political crisis due to Iran-US standoff played havoc on investor sentiment. Furthermore, a sharp upsurge in oil price during first half of July followed by a sharp correction in the remainder of the month also contributed to the uncertain environment in Middle East.

All in all, MSCI Arabian Markets index – a proxy for aggregate performance of regional markets – lost 4.8% during the month. Most regional markets closed the month in red with only Abu Dhabi Securities Exchange managing to gain 0.5% during the month.

Country/Market	Index	Performance during July 2008
Saudi Arabia	Tadawul Index	-6.5%
Kuwait	KSE General Index	-3.1%
Egypt	CASE Index	-5.9%
Oman	MSM30 Index	-5.2%
Bahrain	BHSEASI Index	-2.2%
Dubai	DFMGI Index	-0.7%
Morocco	MCSI Index	-0.9%
Tunisia	TUNISE Index	-0.7%
Abu Dhabi	ADSMI Index	0.5%
MENA	MSCI Arabian Markets Index	-4.8%

Source: Bloomberg

Market performance during July calculated over the period June 30 2008 – July 31 2008

The above market decline was not limited to certain sectors but was broad base and reflected negative sentiments due to continued geo-political tension. Furthermore, anecdotal evidence suggests that a number of foreign funds operating in the region have reallocated their assets to developed markets in lieu of significant price declines in shares of some of the global blue chip companies. But we believe such capital outflows are insignificant and short lived and do not represent a threat to local market stability in medium to long term.

The Fund lost 3.5% during the month where as the benchmark MSCI Arabian Markets index lost 4.8% during the same period. Hence the portfolio outperformed the benchmark by 1.3%.

Almost all of the outperformance was due to the asset allocation; however, stock selection did have a positive impact on fund performance.

Performance Attribution	Allocation	Selection
Cash	0.4%	0.0%
Commercial Services & Supplies	0.6%	0.0%
Food Beverage & Tobacco	-0.1%	0.4%
Capital Goods	1.0%	0.0%
Energy	-0.2%	0.0%
Transportation	-0.1%	0.0%
Real Estate	0.2%	0.0%
Pharmaceuticals	-0.2%	0.0%
Consumer Services	0.0%	0.0%
Food & Staples Retailing	0.0%	0.0%
Consumer Durables & Apparel	0.0%	0.0%
Insurance	0.0%	0.0%
Utilities	0.0%	0.0%
Telecommunications	-0.3%	0.0%
Diversified Financials	-0.2%	0.0%
Materials	0.3%	-0.1%
Banks	-0.7%	0.1%
Total	0.9%	0.4%

Contd ....

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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

Bulk of the loss was concentrated in banking, materials, and telecommunications and energy sectors. Our exposure to banks in Oman, fertilizer producer in Saudi Arabia and telecommunication operator in Egypt were the worst performers during the month. On the other hand, our exposure to real estate contractor in UAE and food producer in Saudi Arabia provided cushion.

Going forward, we expect regional markets to recover with the re-entry of retail investor. Geo-political situation especially Iran-US stand-off might further increase short term volatility. However, we believe current volatile environment provides long term investors excellent entry point to gain exposure to the region. In the medium term, we expect oil prices to stabilize in the range of \$70/bbl-\$80/bbl which is above the price set by local oil producing countries in their budget revenues. Corporate sector profitability is robust with most 2Q 2008 earnings came ahead of investor expectations. Currently the portfolio is deployed in some of the highest earning growth companies with significantly higher return on capital and trading at a discount to fair value estimate. We plan to add more names to the portfolio with similar characteristics.

August 12, 2008

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

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