MAKASEB ARAB TIGERS FUND

makaseb مكاسب

Fact Sheet for November 2008

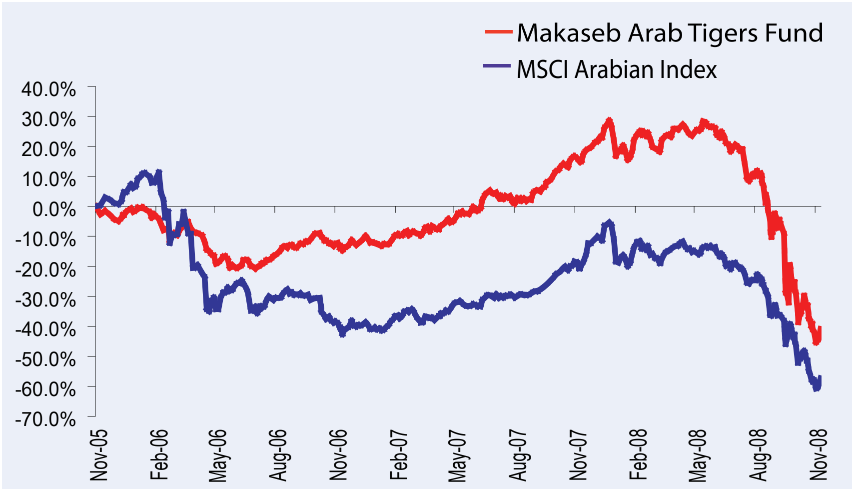
Investment Objective

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.

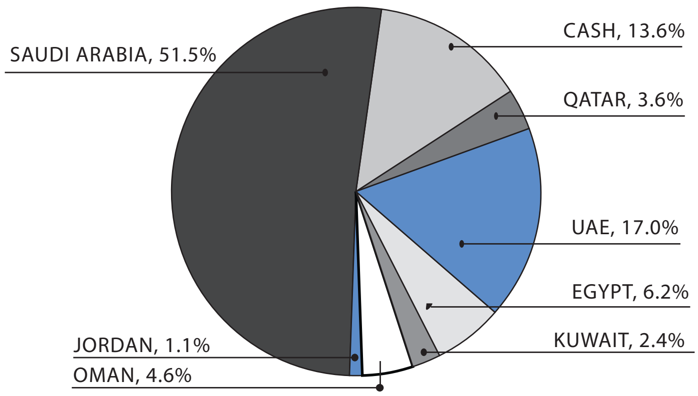
Fund Information

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



Regional Allocation

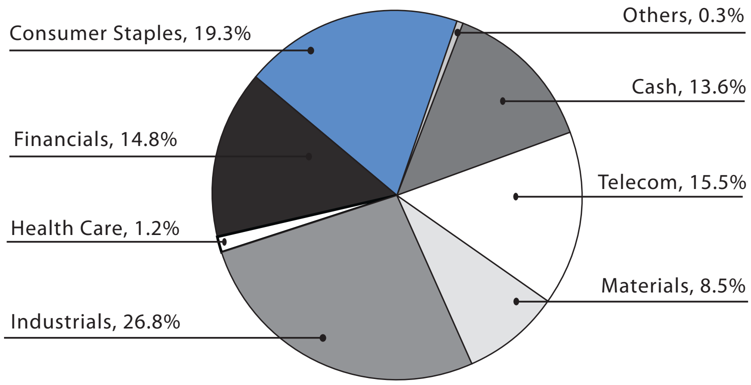


Perfomance Summary

	MATF	MSCI Arabian Index
NAV (November 30, 2008)	US$5.9	
Since inception (Nov 22, 2005)	-40.9%	-57.3%
YTD-2008	-51.9%	-52.2%
November 2008	-16.0%	-24.5%
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	39.3%	
Ann. SD	15.6%	21.9%
Sharp Ratio	-1.3	-1.3
Treynor Ratio	-1.1	
Information Ratio	1.0	

STANDARD & POOR'S AA FUND MANAGEMENT RATING

Sector Allocation



Top 5 Holdings

Stock	Weight
JARIR MARKETING CO.	13.35 %
ALMARAI CO.	12.7 %
ETIHAD ETISALAT COMPANY	7.19 %
SAVOLA GROUP	6.59 %
EMIRATES TELECOM CORPORATION	5.89 %

Fund Codes:
WKN: A0J3RQ
ISIN: BH000A0J3RQ8
BLOOMBERG CODE:MAKATFD BI
ZAWYA CODE: MAKARBT.MF
REUTERS ID : LP65038280

Investment Manager & Sponsor:
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Fund Manager's Commentary

November proved to be another tumultuous month for global capital markets. Highlight of the month was US Presidential elections. Success of Barak Obama has largely removed global political uncertainty; however, the world still remains in the thick of economic uncertainty with most economists forecasting a grim outlook and a prolonged recession.

The situation is not entirely different in the Middle East. The spectacular rise in oil price during the first half of the year and an equally spectacular fall during second half has put most economic experts and government policy makers in a conundrum. The need to develop infrastructure and capacity enhancing projects is being evaluated in the back drop of a remote but very real possibility of running substantial fiscal deficits. Hence, National Oil Companies in the region are re-evaluating and possibly prioritizing major undertakings. The delay of 400,000bpd export refinery at the Yanbu Industrial City in the Kingdom of Saudi Arabia is a case in point. Although we do not expect a drastic decline in government spending, marginal projects will be shelved thus rationalizing government spending.

During the month, we witnessed bail-out of the two Dubai based mortgage lenders by an Abu Dhabi based entity. We expect to see further financial assistance from Abu Dhabi particularly to the embattled companies in the vulnerable real estate sector in Dubai. We expect UAE banking sector to be next in line for a state sponsored bail-out.

In Kuwait, currency market volatility almost claimed Gulf Bank of Kuwait which posted a trading loss of KWD374mn (USD1.37bn) wiping off almost all the capital (Gulf Bank reported equity of KWD445mn at the end of September 30, 2008). On the other hand, mounting losses on Kuwait stock market prompted investor protest and the stock exchange was closed under court order. It was opened only after government intervention. This highlights socio – political cost of current meltdown which has now started to affect masses and is causing social unrest.

In such a grim backdrop, regional capital markets continued to lose ground. Dubai Financial Market lost 1/3rd its value during the month to earn the dubious title of the worse performing market in the Middle East – year to date.

Performance

Region	Markets	Month to date*	Year to date**
GCC	Saudi Arabia	-14.4%	-57.1%
	Dubai	-33.2%	-66.9%
	Abu Dhabi	-16.5%	-39.0%
	Kuwait	-9.3%	-29.3%
	Qatar	-12.4%	-36.6%
	Oman	0.9%	-30.7%
	Bahrain	-12.2%	-29.3%
North Africa and Levant	Egypt	-10.8%	-60.1%
	Morocco	-7.1%	-12.6%
	Jordan	-12.8%	24.7%
	Tunisia	-3.1%	13.2%
	Lebanon	-15.4%	-19.5%
Arabian Markets	MSCI Arabian Markets	-13.4%	-52.2%

* From October 31, 2008 upto November 30, 2008
** From December 31, 2007 upto November 30, 2008
All Shares Indices of the respective exchanges are used for calculating performance

Your Fund lost 8.3% during the month but managed to outperform the benchmark MSCI Arabian Markets Index by 5.4%. Bulk of the outperformance came from exposure to the Retail sector and lack thereof to the Commodity Chemicals sector. The Fund is being currently rebalanced to confirm closely to the changing economic landscape and would be 100% re-deployed by the first half of the current month.

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Fund Manager's Commentary Cont'd

Performance Attribution	Allocation	Selection	Currency	Relative Performance
Retail	2.02%	1.04%	0.05%	3.11%
Oil & Gas	-0.29%	0.56%	-0.15%	0.13%
Food & Beverages	0.63%	0.08%	0.02%	0.73%
Basic Resources	0.48%	-0.82%	0.00%	-0.34%
Telecommunications	0.12%	-0.83%	-0.01%	-0.71%
Travel & Leisure	-0.10%	-0.11%	0.01%	-0.21%
Healthcare	0.03%	0.00%	-0.04%	-0.01%
Personal & Household Goods	0.00%	0.00%	0.00%	0.00%
Insurance	-0.03%	0.00%	0.00%	-0.03%
Construction & Materials	0.13%	-0.56%	0.04%	-0.38%
Utilities	-0.12%	0.00%	-0.01%	-0.12%
Technology	-0.35%	-0.02%	0.05%	0.32%
Industrial Goods & Services	-0.23%	0.02%	0.00%	-0.20%
Chemicals	1.41%	0.63%	-0.03%	2.01%
Financial Services	0.41%	-0.66%	0.00%	-0.25%
Banks	-0.95%	0.20%	0.03%	-0.72%
Cash	2.61%	0.00%	0.01%	2.62%
Total	5.78%	-0.46%	-0.01%	5.40%

Note: Period from October 31, 2008 upto November 30, 2008
Source: Mashreqbank psc

Going forward, we expect short term weakness to prevail. Sentiment is expected to remain negative fueled by disappointing news flow both on the macro as well as on the corporate front. However, equity markets have largely discounted most of the negative news. Lack of clarity on some of the key sectors is causing the market to price in the doomsday scenario. In the forth coming months, when markets gain more clarity and as survivors emerge (hopefully), we expect to see a gradual rationalization in prices.

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