

Fact Sheet for December 2008

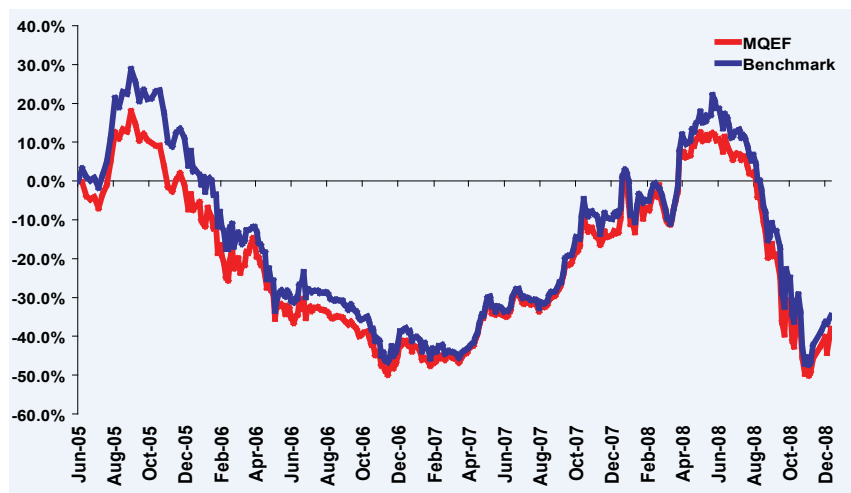
Investment Objective

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 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.

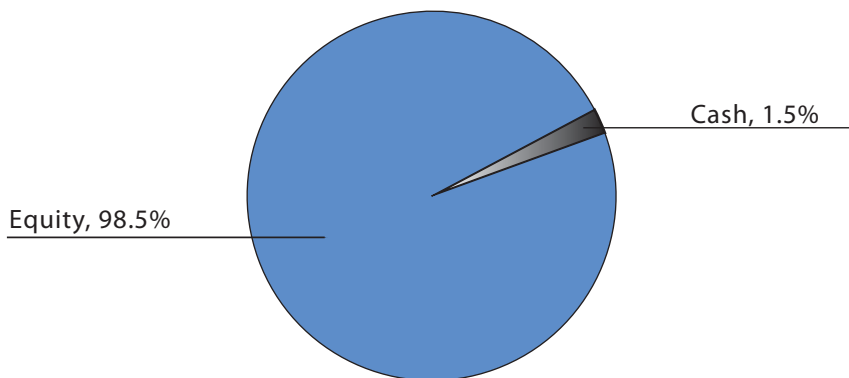
Performance Chart since inception



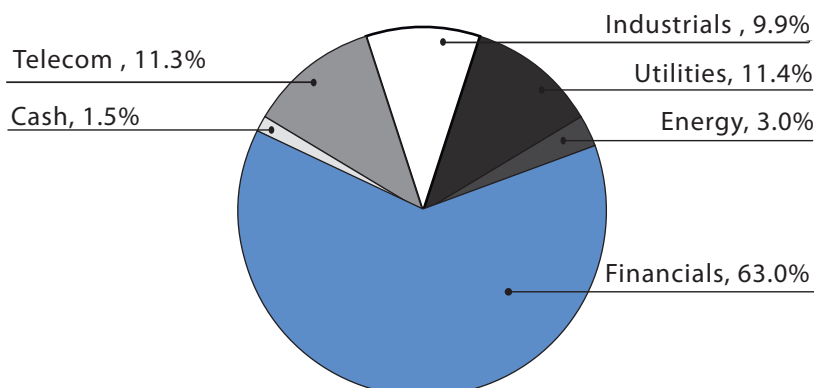
Performance Summary

	MQEF	MSCI QATAR Index
NAV (December 31, 2008)	US\$6.2	
Since inception (Jun 21, 2005)	-38.0%	-34.7%
December 2008	14.3%	13.0%
Year 2008	-28.3%	-28.3%
Year 2007	47.1%	47.3%
Year 2006	-39.1%	-42.6%
Year 2005	-3.3%	7.7%
No. of Holdings	9	13
Max. Monthly Gain	19.7%	23.4%
Max Monthly Loss	-29.1%	-26.9%
Beta	0.9	
R-Sq	83.9%	
Standard Deviation (Since Inception)	23.3%	23.0%
Sharpe Ratio	-1.85	-1.72
Treynor Ratio	-0.46	
Information Ratio	-0.21	

Asset Allocation



Sector Allocation



Top 5 Holdings

Stock	Weight
Commercial Bank Of Qatar	21.44%
Qatar National Bank	19.65%
Qatar Islamic Bank	9.35%
Doha Bank Ltd.	6.73%
Qatar Real Estate Co.	5.78%

Fund Manager's Commentary

The Doha Securities Market managed to move against the trend of most other GCC countries as it witnessed substantial gains of 13.9% during the month of December.

Banking sector in general and Commercial Bank of Qatar specifically led the market this month as the heavy weight sector contributed 77% of December gains meanwhile CBQ alone contributed almost 33%. The bank was the star performer as it gained 41% throughout the month mainly because investors were accumulated the stock after it hit very low levels in the beginning of the month. On the other hand the blue chip "Industries Qatar" gained 29% as its price levels in the beginning of the month attracted investors because of a high dividend yield. Other sectors also followed the suit with energy and telecommunications sectors were the only losers this month.

Your fund gained 14.3% this month outperforming the benchmark 1.3% thanks to our overweight in Commercial Bank of Qatar and utilities in addition our underweight in energy sector.

Qatar closed the year 2008 as the best performing markets among the GCC markets, reporting a 28% decline. The 27% dip in the fourth quarter was the key driver of the overall decline of the year. The market rallied during the first half gaining 26% and recorded all time high in June 2008. However as in other GCC markets, the DSM turned bearish during the second half posting a negative return of 43%. Unlike other market, however, the Qatari market experienced a significant jump in liquidity during the year as the average daily traded value reached QAR 690 mn, which is 65% higher than 2007.

Qatar will not be immune from the global economic slowdown; and there are growing warning signs that local banks are over-extending themselves just as the impact of the deteriorating global macro-economy looks set to hit the emirate. However the real GDP growth (5%) is expecting to be the highest among the GCC countries. That said the Qatar Investment Authority will continue to prop up the banking sector, having agreed to buy between 10% and 20% of the banks' listed capital on the Doha Securities Market based on closing share prices on October 12. This support will prevent an outright crisis but over the long term the banking sector's loans to deposits ratio will likely have to return to safer levels of around 100% (or less), and this means that banks will have to curb their lending practices somewhat.

January 7, 2008

Fund Codes:

WKN: A0J3RN

ISIN: BH000A0J3RN5

BLOOMBERG CODE: MAKQEFD BI

ZAWYA CODE: MAKQTRE.MF

REUTERS ID: LP65038278

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