MAKASEB EMIRATES EQUITY FUND

Fact Sheet for May 2006

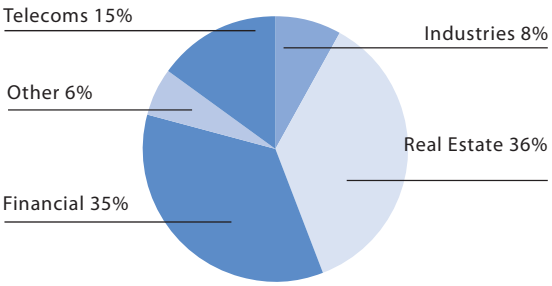
Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
Net Asset Value	Bi weekly
Subscription	Bi weekly
Redemption	Bi weekly
Management fee	1.5% p.a.
Investment Manager	Mashreqbank psc
Share Registrar	Ernst & Young, Bahrain
Administrator	Gulf Investment Corporation
Custodian	Gulf Investment Corporation
Auditor	Deloitte & Touche
Primary listing	Bahrain Stock Exchange

Performance Summary

NAV (May 31, 2006)	USD 13.59
May 2006	-8.16%
April 2006	-13.98%
Mar 2006	-3.77%
Feb 2006	-4.76%
Since Inception (Feb 8, 2005)	35.91%

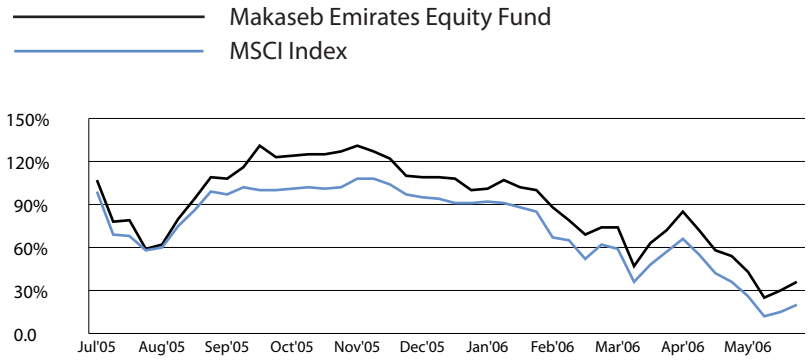
Sector Allocation



Investment Philosophy

Makaseb Emirates Equity Fund (MEEF) aims to achieve long term capital appreciation through investment primarily in shares listed on the UAE stock exchanges. The MEEF portfolio is constructed after careful evaluation of various factors including the liquidity of the stock, company fundamentals, profitability, and overall portfolio risk considerations.

Performance Chart



Since Feb 08 2005 up to Jan 25 2006 National Bank of Dubai Composite Index was the benchmark. Starting from January 25 2006, MSCI UAE Domestic Index is the benchmark

Overview and Outlook

The UAE stock markets continued to fall last month, with the Dubai Financial Market (DFM) posting a much larger loss, relative to the Abu Dhabi Securities Market (ADSM). The DFM ended the month with a 15.59% decline, with the ADSM down 3.78%. The end of May did show signs of an initial consolidation phase, with volatility decreasing substantially and the market trading sideways. The commencement of the summer season could have been a factor, but the initial signs of consolidation are present.

Sideways activity has hinted towards the bottoming of the market, but further evidence is needed before your Fund will consider altering its market exposure significantly. The market appears oversold and seems due a technical bounce. Abu Dhabi based pension funds are reported to have led the buying towards the latter stages of the month.

Your fund managed to outperform its benchmark, the MCSI UAE, by 1.43% during the month, declining 8.16%, compared to the MSCI's 9.59%

Issued on June 6, 2006

Investment Manager & Sponsor:
Mashreqbank psc, Al Ghurair City,
3rd 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
Website www.makaseb.com

BLOOMBERG CODE: MAKEEFD BI