MAKASEB EMIRATES EQUITY FUND

Fact Sheet for October 2007

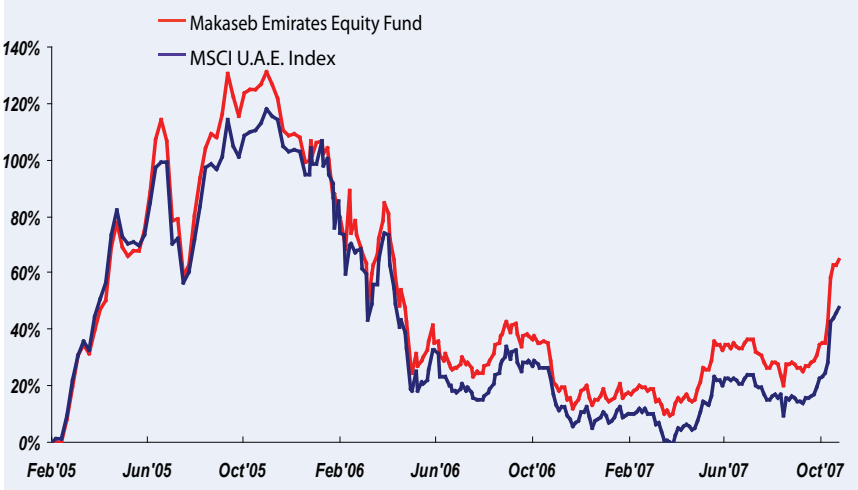
Investment Objective

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.

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	1.5% p.a.

Performance Chart since inception

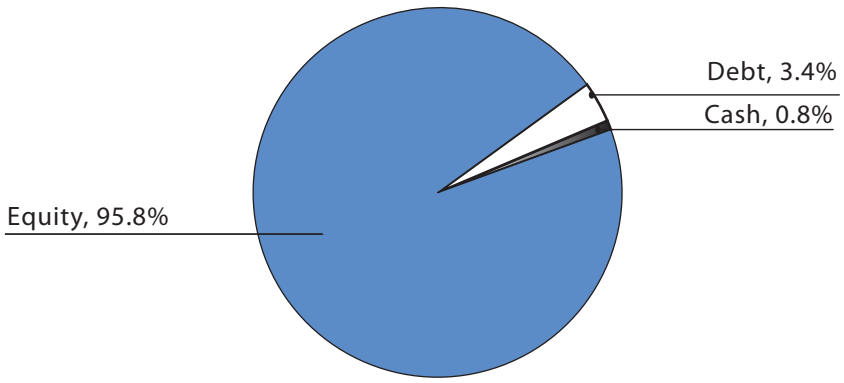


Perfomance Summary

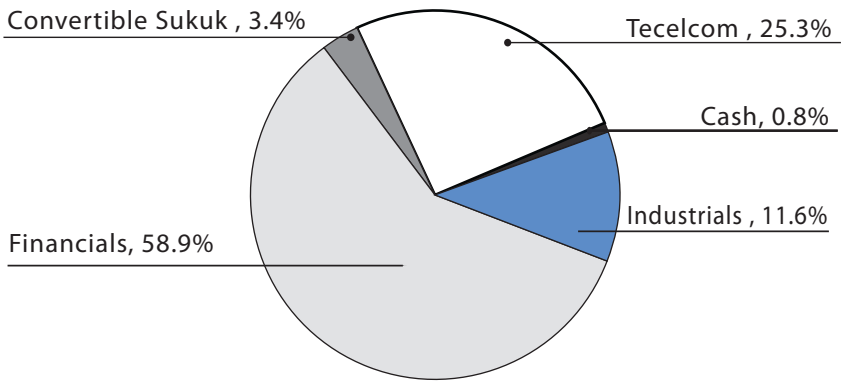
	MEEF	MSCI UAE slndex
NAV (October 31,2007)	US$16.45	
Since inception (Feb 08, 2005)	64.5%	47.5%
YTD-2007	42.8%	36.5%
October 2007	27.5%	26.2%
Year 2006	-42.3%	-44.5%
Year 2005	99.9%	94.7%
No. of Holdings	12	38
Max. Monthly Gain	31.4%	31.0%
Max Monthly Loss	-25.7%	-21.4%
Beta	0.9	
R-Sq	76.1%	
Standard Deviation (Since Inception)	43.9%	42.2%
Sharp Ratio	1.4	1.0
Treynor Ratio	0.7	
Information Ratio	0.8	

STANDARD &POOR'S A FUND MANAGEMENT RATING

Asset Allocation



Sector Allocation



MAKASEB EMIRATES EQUITY FUND

Fact Sheet for October 2007 Contd.

Top 5 Holdings

Stock	Weight
Emirates Telecom Com	25.4%
Emaar Properties	21.5%
National Bank of Dubai	14.9%
Dubai Islamic Bank	8.3%
Arab Technical Construction	7.2%

Fund Codes:

WKN: A0J3RM
ISIN: BH000A0J3RM7
BLOOMBERG CODE: MAKEEFD BI
ZAWYA CODE: MAKEMRE.MF

Investment Manager & Sponsor:
Mashreqbank psc, Al Ghurair City,
7th 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

Fund Manager's Commentary

The UAE market finally came out of the blue after one and a half year old bear run with Abu Dhabi and Dubai recording double digit monthly gains of 18.3% and 22.1% respectively. Strong inflows from off shore investors (both long term and short term) fueled the rally.

Your Fund earned a return of 27.5%, outperforming the MSCI UAE index by 1.4%. The Fund's overweight on Banking, Mortgage and Telecom sector was the major return and performance generator while our exposure to contracting and real estate also contributed to monthly gains.

Return Attribution	MEEF Return
Energy	0.32%
Industrials	2.13%
Financials	16.27%
Telecommunications	5.97%
Utilities	0.65%
Convertible Sukuk	0.06%
Total Return	27.53%

Going forward, we expect the market to sustain its momentum. The marginal investors in the current environment are off-shore institutions having both the experience and appetite for frontier market equities. New money is still flowing in – both from institutions and individuals. The market might take a breather in the short run and there might be outflow from secondary market for the upcoming DP World IPO. However, in our opinion last month's rally marks a convincing breakout from a 1 ½ year of bear run, strong investor sentiments and solid corporate earnings momentum make a strong case for continued up swing. Barring any geopolitical instability, we remain fairly bullish.

November 04, 2007

For more information, please contact: Gayatri Banga (+971 4 207 8535) 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.