MAKASEB EMIRATES EQUITY FUND

Fact Sheet for May 2008

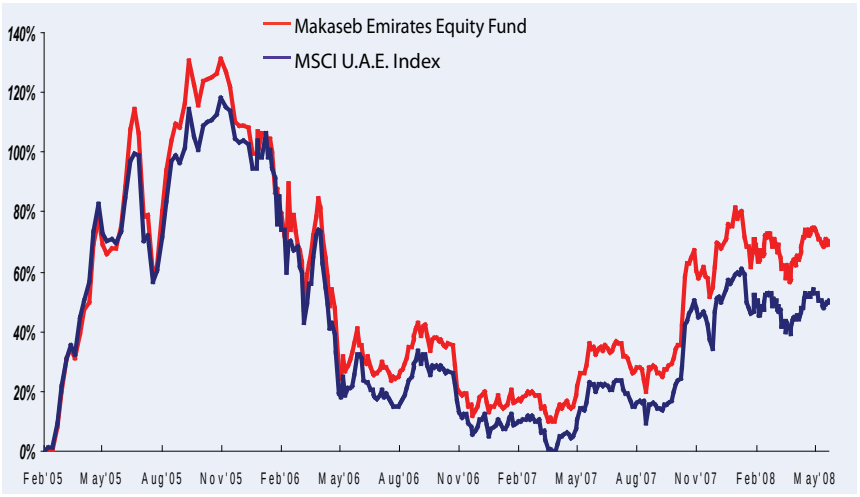
Investment Objective

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 Business Day
Investment Manager	Mashreqbank psc
Share Registrar	KeyPoint Consulting W.L.L., Bahrain
Administrator	HSBC Middle East
Custodian	HSBC Middle East
Auditor	Deloitte & Touche
Primary listing	Bahrain Stock Exchange
Subscription	Each Busniess Day
Redemption	Each Busniess Day
Management fee	1.5% p.a.

Performance Chart since inception

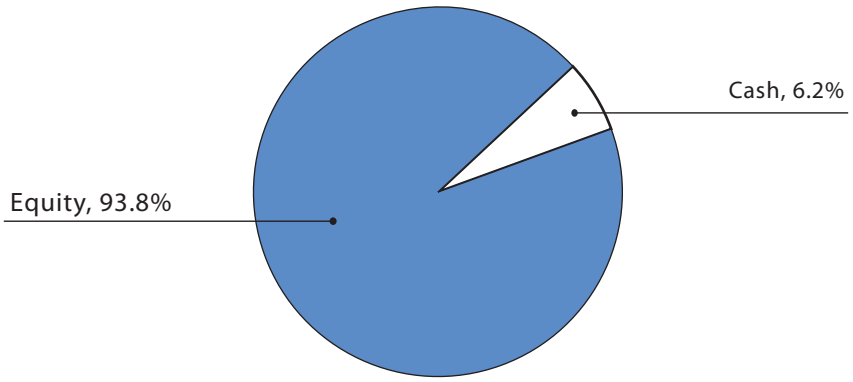


Perfomance Summary

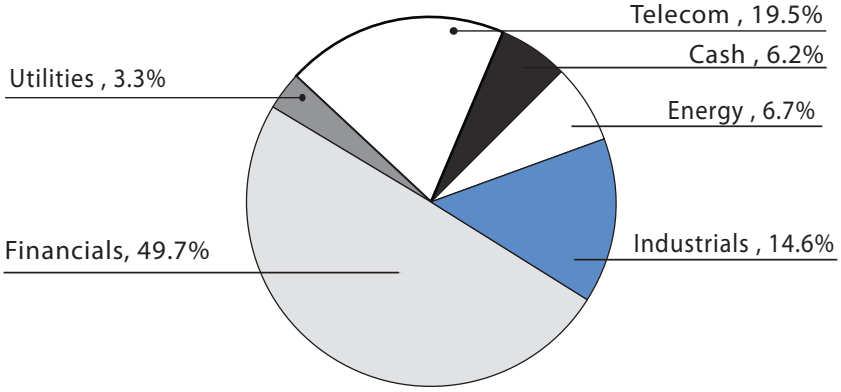
	MEEF	MSCI UAE Index
NAV (May 29,2008)	US$ 17.03	
Since inception (Feb 08, 2005)	70.3%	50.5%
YTD-2008	-1.6%	-2.8%
May 2008	-1.3%	-0.6%
Year 2007	50.2%	43.2%
Year 2006	-42.3%	-44.5%
Year 2005	99.9%	94.7%
No. of Holdings	14	34
Max. Monthly Gain	31.4%	31.0%
Max Monthly Loss	-25.7%	-21.4%
Beta	0.9	
R-Sq	70.7%	
Standard Deviation (Since Inception)	29.7%	28.6%
Sharp Ratio	2.2	1.6
Treynor Ratio	0.7	
Information Ratio	1.3	

STANDARD &POOR'S A FUND MANAGEMENT RATING

Asset Allocation



Sector Allocation



MAKASEB EMIRATES EQUITY FUND

Fact Sheet for May 2008 Contd.

Top 5 Holdings

Stock	Weight
Emirates Telecom	19.5%
Emaar Properties	19.2%
Dubai Islamic Bank	9.3%
Emirates NBD	7.5%
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 bourses ended in a mixed note in the month of May with Dubai Financial Market lost 1% and Abu Dhabi Securities Exchange gained 1%. The divergence between the two markets indices has widened over the course of this year as ADX gained 10.7% meanwhile DFM lost 4.3% as of the end of May. The main reason behind this divergence is that the DFM market is more correlated to the global markets because of the high foreign investors' presence in the market relative to Abu Dhabi market; hence their exit in the first quarter of this year in the face of global markets turmoil has negatively impacted the DFM performance.

Trading activity was weaker than the last month in Dubai as the market posted -19.5%, and -1% in trading value and trading volume respectively, meanwhile the case was completely different in Abu Dhabi, as the market showed 38%, and 75% increase in the value and volume traded over the last month. The reason behind that was increased interest in cement, food companies in Abu Dhabi that resulted in huge price increase in some cement companies like RAKCC which ended the month up with 59% gains.

Real estate in Abu Dhabi outperformed the benchmark this month underpinned by Aldar properties which ended the month up by 3.4%; on the other hand telecommunication lagged the benchmark as the heavyweight Etisalat declined by 3.7% this month. Banking sector also showed weak performance basically due to ADCB, and ENBD which went down by 9.3% and 2% respectively.

Your fund lost 1.3% this month underperforming the benchmark by 0.7% mainly because our overweight in Etisalat which attributed the most of the underperformance.

In the second half of this year we expect UAE markets to pick up as valuations multiples remain attractive (13.5x 2008E) when compared to the other markets in the region. We also expected the divergence between the two bourses to shrink over the remaining period of the year which means that Dubai to outperform Abu Dhabi. Our believe in this scenario is because Emaar the heavyweight in Dubai is very undervalued either in absolute or relative terms, the stock is traded on 9.3x 2008E, which make it one of the cheapest real estate stocks in the region.

June 04, 2008

For more information, please contact: Moomal Punjabi (+971 4 207 8396) 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.