MAKASEB EMIRATES EQUITY FUND

Makaseb مكاسب
FUNDS COMPANY BSC (C) لصناديق الاستثمار

Fact Sheet for April 2006

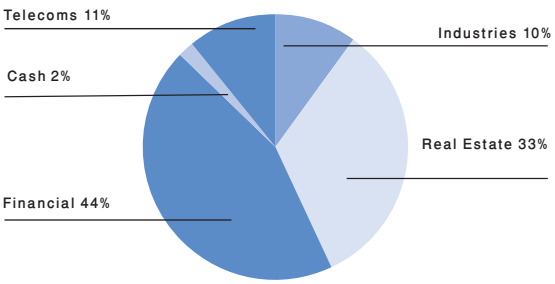
Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
Net Asset Value	Bi weekly
Subscription	Bi weekly
Redemption	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 (April 30, 2006)	USD 14.80
Jan 2006	-6.70%
Feb 2006	-4.76%
Mar 2006	-3.77%
April 2006	-13.98%
Since Inception (Feb 8, 2005)	47.98%

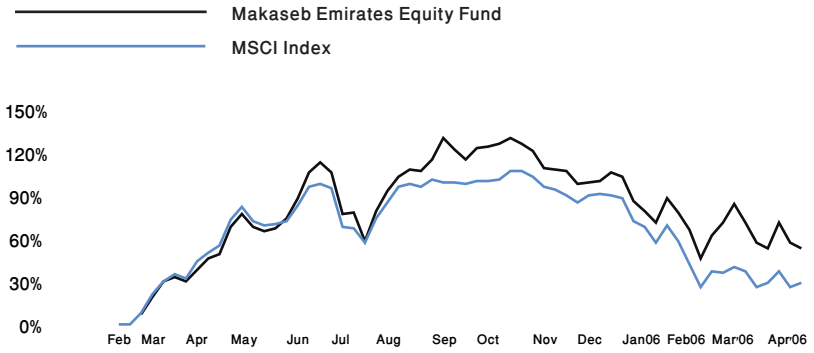
Sector Allocation



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 equity markets continued to decline amid better than expected earnings posted by most of the listed companies in the UAE. Bearish sentiments fueled by region wide stock market correction weighted heavily on the UAE market performance. This together with a high proportion of heavily leveraged retail investors exacerbated the decline.

The MSCI UAE Index for domestic investors declined by 15.7% during the month, bringing the YTD decline to 28.5%. Real estate sector lead the decline followed by banks and telecom sector. Notably, these were the very sectors which had posted better than expected earnings for the Q1FY2006. Real estate giant Emaar posted an earnings growth of 14.5% on quarter on quarter basis. Similarly, the banking sector posted quarter on quarter earnings growth of 72.9%. Similar performance was exhibited by the telecom sector which posted a quarter on quarter earnings growth of 31.1% amid growing competition.

Your fund managed to outperform the market by 1.5%. Our underweight in the telecommunications, energy, banking and utilities contributed to our out performance, however, our overweight in the real estate and diversified financials sector dampened our performance.

The UAE market appears to have overshot to the downside and is sufficiently oversold to trigger a technical rebound. Also, at current prices the market is trading at a relatively attractive valuation level. However, we expect the Saudi market to continue to influence sentiments in the UAE. Until the Saudi market stabilizes, negative sentiments would continue to spill into the UAE and would keep the bourse volatile.

Issued on May 3, 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