MAKASEB EMIRATES EQUITY FUND

Fact Sheet for June 2008

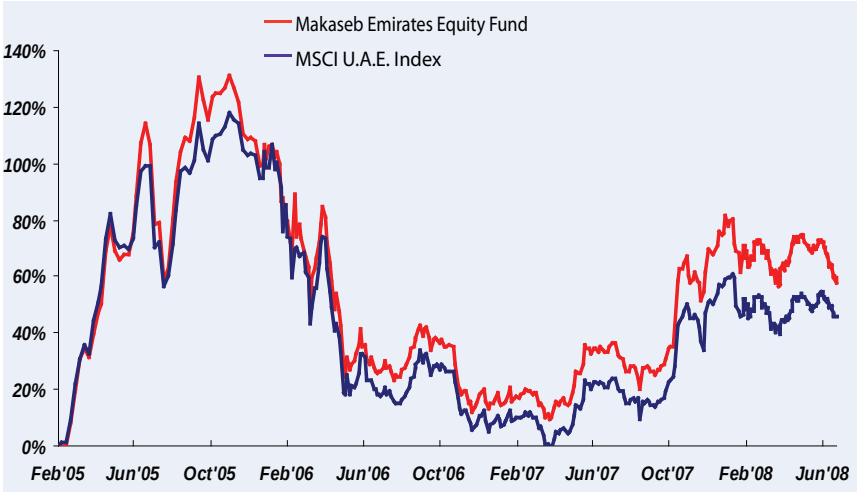
Investment Objective

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

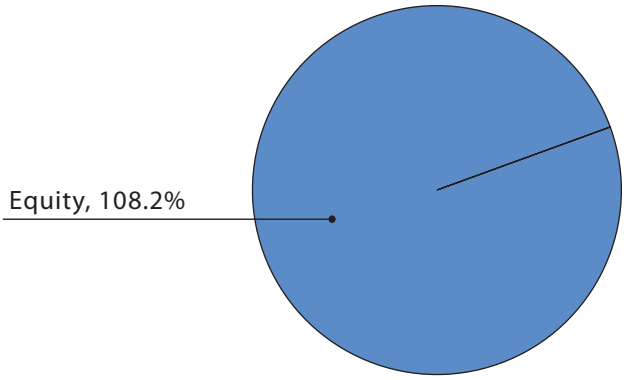


Perfomance Summary

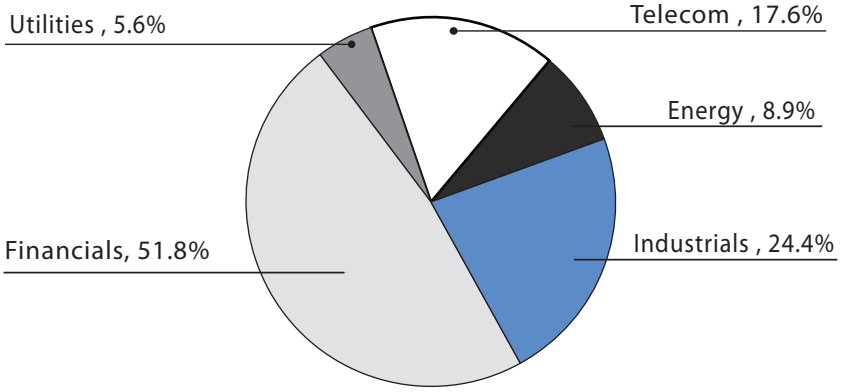
	MEEF	MSCI UAE Index
NAV (May 29,2008)	US$ 15.94	
Since inception (Feb 08, 2005)	59.4%	45.9%
YTD-2008	-7.9%	-5.8%
June 2008	-6.4%	-3.1%
Year 2007	50.2%	43.2%
Year 2006	-42.3%	-44.5%
Year 2005	99.9%	94.7%
No. of Holdings	13	34
Max. Monthly Gain	31.4%	31.0%
Max Monthly Loss	-25.7%	-21.4%
Beta	0.9	
R-Sq	70.6%	
Standard Deviation (Since Inception)	28.0%	28.2%
Sharp Ratio	1.9	1.4
Treynor Ratio	0.6	
Information Ratio	0.9	

STANDARD &POOR'S A FUND MANAGEMENT RATING

Asset Allocation



Sector Allocation



MAKASEB EMIRATES EQUITY FUND

Fact Sheet for June 2008 Contd.

Top 5 Holdings

Stock	Weight
Emaar Properties	19.1%
Arab Technical Construction	17.7%
Etisalat	17.6%
Dana Gas	8.9%
Abu Dhabi Commercial Bank	7.3%

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

Despite record all time high crude oil prices and start-ups of many new infrastructure projects, the weak global economic outlook subdued the markets sentiment through out the month.

The UAE markets lost more ground this month after last month's modest decline. The DFM general Index has been underperforming with two straight months of decline following its strong advance in April. In June the DFM slipped 4.1% dragged down by the poor performance of diversified financials and real estate sectors. The Dubai Financial Market was worst performer this month losing 12%. On the back of negative performance in June the DFM index saw a year- to date loss of 8.3%

On the other hand ADX general index has reversed its upward journey in June losing 1.7%. The energy and real estate stocks witnessed choppy sessions pulling the index down for the month. Although during the first have of the month the market reflected a bullish stance, however news of geopolitical fears due to Iran- US conflict and concerns of rising inflation have put pressure on the index and dragged it down towards the end of the month. Taqa led the way down falling 25% after the company's board of directors approved issuing AED 4.15 billion in convertible sukuk. ADX general index year- to – date gains has declined to 8.8% due the poor performance this month.

Your fund lost 6.4% this month underperforming the benchmark by 3.3%. Our stock selection proved to be wrong this month as our overweight in Energy stocks in Abu Dhabi did not serve the purpose with Taqa and Dana Gas slipped by 25% and 12% respectively. Also our overweight in diversified financials in Dubai has contributed to the underperformance as Dubai Financial Market and Dubai Islamic Bank declined by 12% and 10% respectively. On the other side a major rebalance occurred in the benchmark constituents at the beginning of June has also contributed significantly to this month's underperformance.

Going forward the investment manager will continue to overweight real estate and energy stocks as they are a direct beneficiary of increasing oil prices. Also we will continue to cut our position in the stocks that might be hit by inflation and high oil prices like Air Arabia and we will allocate the proceeds to accumulate to our position in real estate stocks.

July 09, 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.