

## Fact Sheet for May 2007

### Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Central Bank of Bahrain
Net Asset Value	Each Sunday and Wednesday
Subscription	Each Monday and Thursday
Redemption	Each Monday and Thursday
Management fee	1.5% p.a.
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

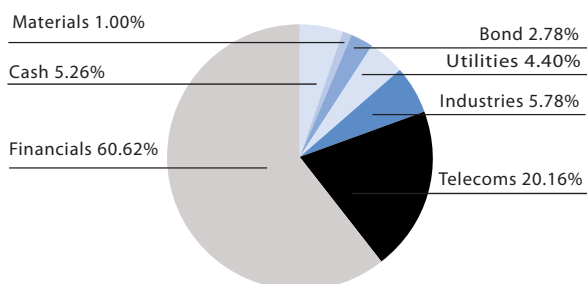
### Performance Summary

	Makaseb Emirates Equity Fund	MSCI U.A.E Index
NAV (May 30, 2007)	USD 13.44	
May 2007	17.5%	17.0%
April 2007	3.0%	3.9%
March 2007	-7.2%	-9.9%
February 2007	3.2%	2.9%
Since Inception (Feb 8, 2005)	34.4%	22.3%

### Top 5 Holdings

Stocks	Weight
Emaar Properties	29.7%
Emirates Telecom Corp	20.2%
Dubai Islamic Bank	7.2%
Abu Dhabi Commercial Bank	6.0%
National Bank of Dubai	4.7%

### Sector Allocation



For more information please contact

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ISIN: BH000A0J3RM7

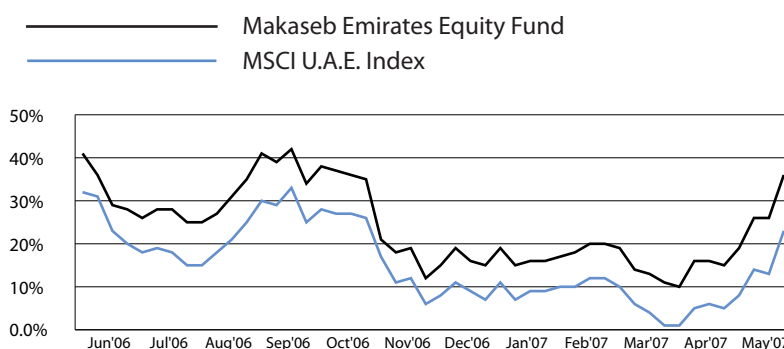
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### Investment Philosophy

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



### Overview and Outlook

May was excellent month for UAE equities as both Dubai Financial Market and Abu Dhabi Stock Market rose significantly by 17.7% and 18.4% respectively. Turnover in both markets stayed substantially higher than the previous month fueled by strong return of retail, institutional and foreign investors to the markets. The DFM London road show was very successful and the subsequent bullish price performance indicates towards an increase of foreign investors' interest in UAE equities.

Real estate was the top performing sector as the investors are still very bullish on Abu Dhabi real estate sector. Al Dar Properties and Sorouh continued with their spectacular performance gaining 52% and 53% respectively during the period. Banking sector was the second largest contributor to market return supported by Abu Dhabi banks. Dubai Islamic Bank also continued its bullish uptrend ended the month with gains of 34% based on 14x oversubscription of its IPO floated subsidiary "Deyyar Development". Energy stocks in Abu Dhabi Market witnessed huge buying interest which in turn pushed prices of sector constituents significantly up. Positive news flows of Taqa acquisition of Canadian oil producer Northrock, and Aabar's new oil discovery onshore in Indonesia helped in pushing prices of both stock up by 55% and 46% respectively.

Your fund managed to gain 17.5% during the month outperformed the benchmark by 0.5% thanks to our overweight in real estate sector especially Emaar, and also our overweight in Dubai Islamic Bank. Our overweight in Etisalat also contributed to the outperformance as the stock appreciated by 14% during the period.

As measured by MSCI UAE index UAE equities is trading at trilling PE ratio of 13.9x which is still cheaper than emerging markets average of 15.4x, hence we believe that foreigners flow will continue for the purpose of diversification

We are of the opinion that selective stock picking is happening in the UAE markets as at lower levels investors are preferring to accumulate certain stocks. The recovery in the market is also backed by good earnings exhibited by corporates for Q1-2007 and an anticipated good second quarter results.

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*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.*