

## Fact Sheet for May 2006

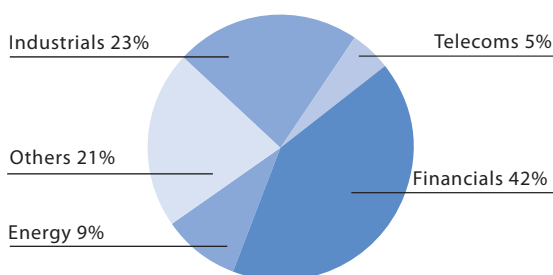
### Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
Net Asset Value	Bi weekly
Subscription	Bi weekly
Redemption	Bi weekly
Management fee	2% 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 (May 31, 2006)	USD 6.77
February 2006	-13.96%
March 2006	-1.17%
April 2006	0.57%
May 2006	-13.71%
Since Inception (Jun 22, 2005)	-32.30%

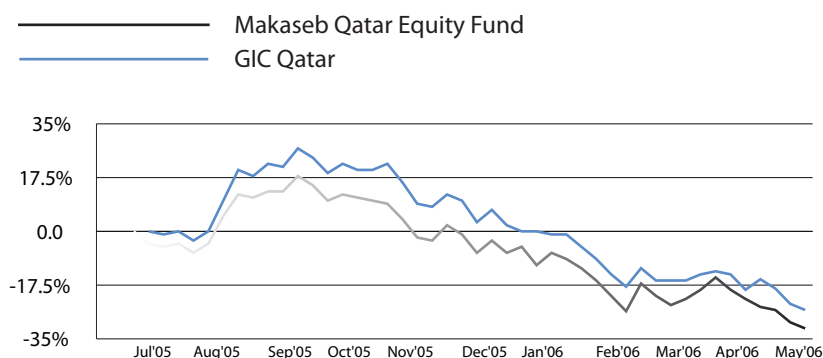
### Asset Allocation



### Investment Philosophy

Makaseb Qatar Equity Fund (MQEF) aims to achieve long term capital appreciation through investment primarily in shares listed on the Doha Stock Market. The MQEF 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

The Doha Securities Market fell sharply in May, with MSCI Qatar losing 15% of its value amid high selling pressure. The market lost nearly 22% of its value before recovering in the last week of May to close the month 15% down. In the latter half of the month, the Qatar Stock Index ("QSI") traded below the 8000 mark for the first time since February last year. All sectors posted steep declines during the month led by the banking and industrial sectors, which fell by 17.4% and 16.2% respectively.

Your fund managed to outperform MSCI Qatar by 1.3%, closing the month 13.71% down. This was primarily due to pursuing a conservative strategy in the weak market. The performance of the fund was hampered by its marginal overweight in the banking sector, which declined by 17.4%. The sector however remains attractive for value investors and we will seek to invest our cash strategically.

Going forward, the regional markets are showing signs of consolidation. A higher number of experienced investors looking for value are now stepping into the market cautiously. We expect the market to remain volatile around current levels. As the economy continues to grow and the companies keep generating robust earnings, the same should be reflected in the performance of the market over the long run.

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: MAKQEFD BI

Issued on June 6, 2006