

Fact Sheet for April 2006

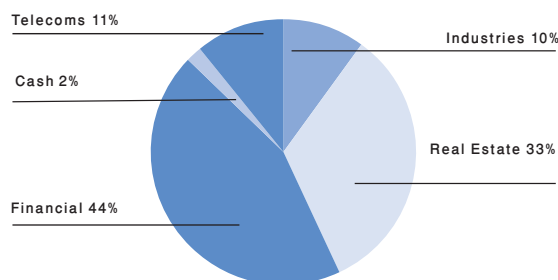
Executive Summary

| | |
|--------------------|-----------------------------|
| 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% |

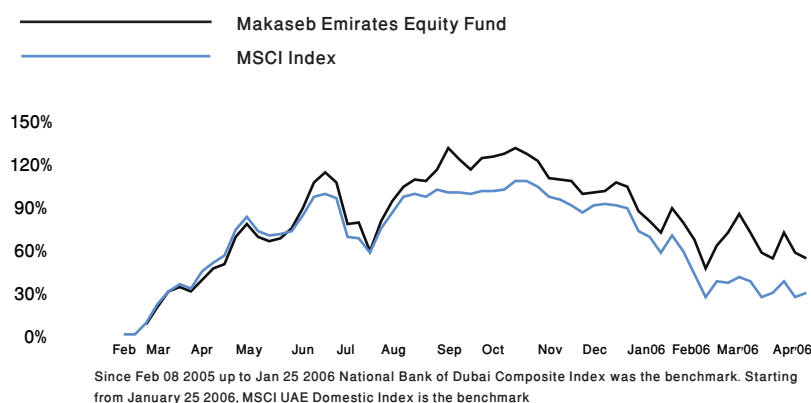
Sector Allocation



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



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.

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