MAKASEB EMIRATES EQUITY FUND

Makaseb مكاسب
FUNDS COMPANY BSC (C) لصناديق الاستثمار

Fact Sheet for July 2006

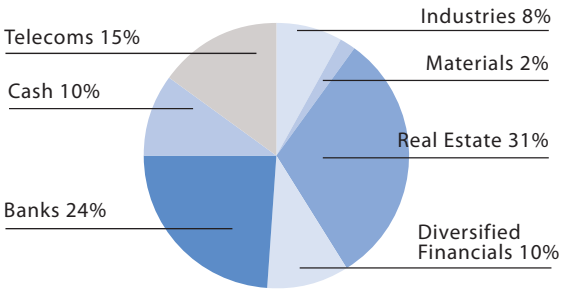
Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
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	Ernst & Young, 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 (July 30, 2006)	USD 12.48	
July 2006	-0.54%	-3.00%
June 2006	-7.09%	-5.89%
May 2006	-8.16%	-9.61%
April 2006	-13.98%	-15.50%
Since Inception (Feb 8, 2005)	24.81%	-41.03%

Sector Allocation



For more information please contact

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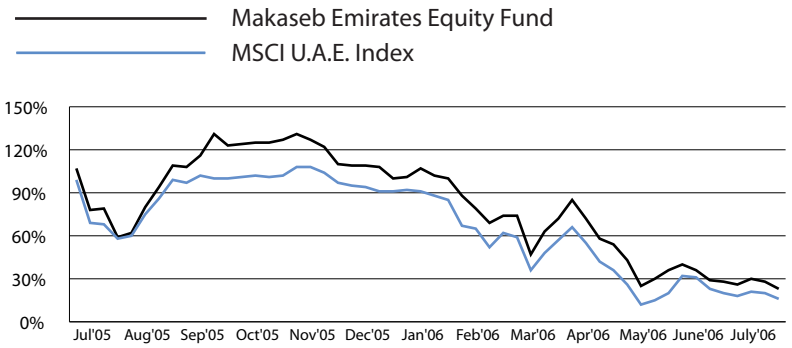
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WKN: A0J3RM
ISIN: BH000A0J3RM7
BLOOMBERG CODE: MAKEEFD BI

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 month of July was another negative month for the UAE, with the Dubai Financial Market (DFM) losing 5.82% and the Abu Dhabi Securities Market (ADSM) losing 3.80% during the month. The month's decline was mainly concentrated in banks and financial sector overall, while the industrial and telecommunications sectors were flat.

The UAE stock markets reacted negatively to the second quarter results announcements especially banks results as some banks registered negative earnings growth in the absence of IPO related income. The non–banking sectors registered a mixed performance with the companies that were invested heavily in the stock markets achieving investment losses because of the lackluster market performance. Major companies such as Emaar and Etisalat continued to record moderate growth. The results came in line with our expectations and represent normalized earnings in the absence of IPO and investment related income.

Your fund posted a loss of 0.54%, significantly outperforming the benchmark by 2.46%. Our investment strategy has helped us minimize the outcome of the prevailing bearish market conditions.

Currently, we are utilizing the fund's cash cushion to increase our positions in value stocks as we believe these companies will exhibit strong growth, resulting in attractive valuations at these prices. We continue to hold a positive outlook on our holdings since their quarterly earnings momentum is expected to resume from the third quarter of 2006, on the back of continued core earnings growth.

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