MAKASEB EMIRATES EQUITY FUND

Fact Sheet for July 2007

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.

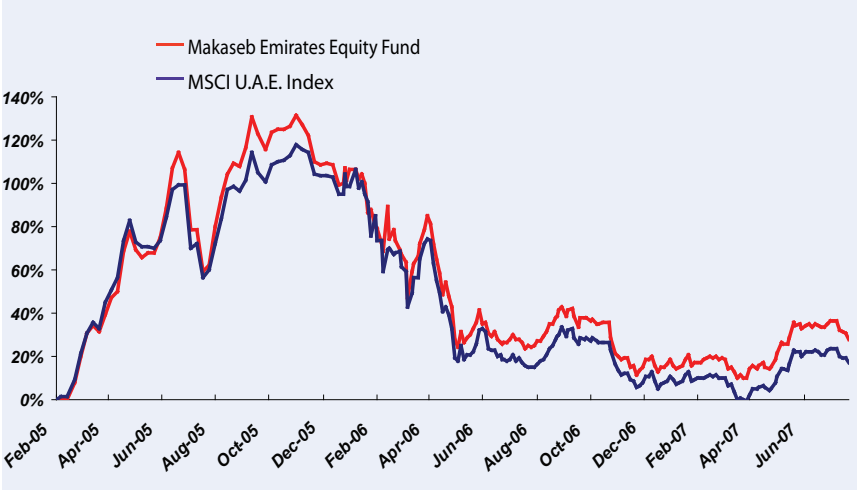
Fund Information

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

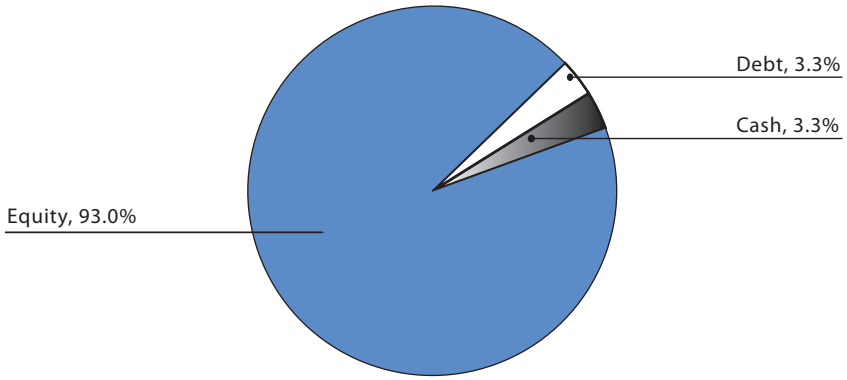
Perfomance Summary

	MEEF	MSCI UAE Index
NAV (July 29,2007)	US$12.80	
Since inception (Feb 08, 2005)	28.0%	16.9%
YTD-2007	11.1%	8.1%
July 2007	-3.9%	-2.9%
Year 2006	-42.4%	-44.5%
Year 2005	99.9%	94.7%
No. of Holdings	12	38
Max. Monthly Gain	31.4%	31.0%
Min Monthly Loss	-25.7%	-21.4%
Beta	0.9	
R-Sq	75.4%	
Standard Deviation (Since Inception)	40.4%	38.8%
Sharp Ratio	0.6	0.3
Treynor Ratio	0.3	
Information Ratio	0.6	

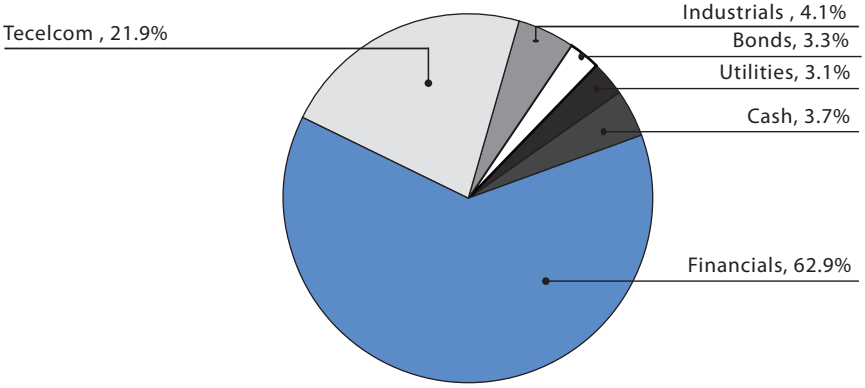
Performance Chart since inception



Asset Allocation



Sector Allocation



MAKASEB EMIRATES EQUITY FUND

Fact Sheet for July 2007 Contd.

Top 5 Holdings

Stock	Weight
Emaar Properties	28.7%
Emirates Telecom Com	21.9%
Dubai Islamic Bank	7.4%
Abu Dhabi Commercial Bank	6.5%
National Bank of Dubai	5.7%

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:
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Fund Manager's Commentary

The UAE stock markets did not respond fundamentally to the second quarter corporate earnings announcements in the month of July. Most of the listed companies in UAE stock markets reported healthy growth, as they achieved 25% growth in earnings in 1H07over the 1H06 results, 16% sequential growth (Q207 compared to Q107) and 38% growth Y-o-Y based on Q207 compared to Q206 results. Etisalat, the largest stock by market capitalization continued its solid performance, beating analysts' expectations by achieving 33% growth in earnings over the 1H06 results. On the other hand Emaar 2Q07 results disappointed the investors' community as it came below analysts' expectations. The company recorded 7% growth in earnings over the 1H06 results compared to analysts expectations of 15% in average; however this was mainly due to management's decision to alter Emaar's sales mix away from high margin land sales and towards development properties in order to take advantage of on-going strength in the real estate market. In other words the company sacrifices short term growth for medium and long term growth.

Despite the good second quarter results the Dubai Financial Market Index slipped by 3.8% dragged by heavy weight Emaar which lost 9% during the period, meanwhile Abu Dhabi Securities Market lost only 0.5%. It is worth mentioning that most of the losses happened on the last few days of the month mainly because of global market turmoil prompting investors to flee from equities.

Your fund lost 3.9% during the period underperforming the benchmark by 1% mainly due to our overweight in Emaar. Emaar shares plummeted after earnings announcement due to retail investors reacting negatively to second quarter results. We believe short-term pressure such as this provides good entry for long-term fundamental investors.

Over all UAE markets become more fundamentally attractive due to continued corporate earnings growth and unfavorable price action. The price to earnings ratio of the UAE markets stand at 12x trailing earnings, which is at a discount of 14% to the emerging markets. We expect this dichotomy to end in the near future as sentiments turn positive.

August 06, 2007

For more information, please contact: Gayatri Banga (+971 4 207 8535) 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.