MAKASEB EMIRATES EQUITY FUND

Makaseb مكاسب
FUNDS COMPANY BSC (C) لصناديق الاستثمار

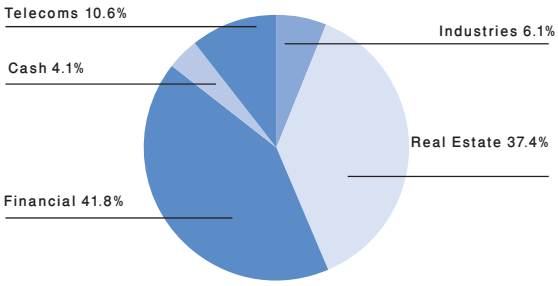
Fact Sheet for January 2006

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

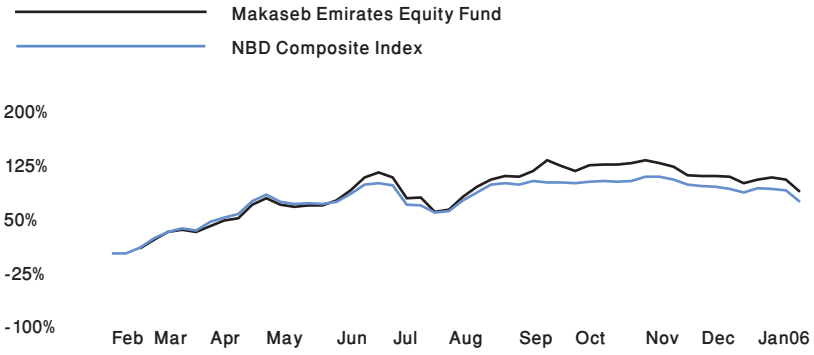
NAV (Jan 29, 2006)	USD 18.65
Nov 2005	-7.20%
Dec 2005	-5.00%
Jan 2006	-6.70%
Since Inception (Feb 8, 2005)	86.51%



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 capital markets continued to spiral downwards, and declined by 9.0% during the month. The markets were particularly volatile towards the end of the month with the DFM experiencing highest volatility during the last six months which was particularly influenced by month end market movements. This instability was sparked by less than expected results of Emaar Properties for FY2005. The negative sentiments spilled over into the broader market resulting in selling pressure across the board.

January also witnessed some of the most outstanding corporate results for FY2005. Emaar Properties announced record profits of AED 4.731 bn for FY2005 - a year on year growth of 180%. However, this performance failed to meet market's expectations. Amlak also announced its FY2005 earnings, posting 122% year on year earnings growth but failed to sooth the market. In line with the market expectations, Etisalat posted 25% year on year earnings growth for FY2005.

Your fund was fully invested in the market during the month and outperformed the market by 2.3% bringing our since inception aggregate relative performance to 13.02%. Our losses were spread across all sectors of the market and were particularly affected by the real estate and banking sector. We expect the markets to recover in the coming weeks. Month end panic sales resulted in markets overshooting thereby making some of the scrips attractive from relative valuation perspective. Your fund aims to capitalize on this opportunity by accumulating Aldar Properties and First Gulf Bank.

Issued on February 4, 2006

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