# MAKASEB EMIRATES EQUITY FUND

Makaseb مكاسب
FUNDS COMPANY BSC (C) لصناديق الاستثمار

## Fact Sheet for January 2007

### Executive Summary

| | |
|---|---|
| Fund Type | Open-End Fund |
| Domicile | Bahrain |
| Currency | US Dollar |
| Regulator | Central Bank of Bahrain |
| 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 | KeyPoint Consulting W.L.L., Bahrain |
| Administrator | Gulf Investment Corporation |
| Custodian | Gulf Investment Corporation |
| Auditor | Deloitte & Touche |
| Primary listing | Bahrain Stock Exchange |

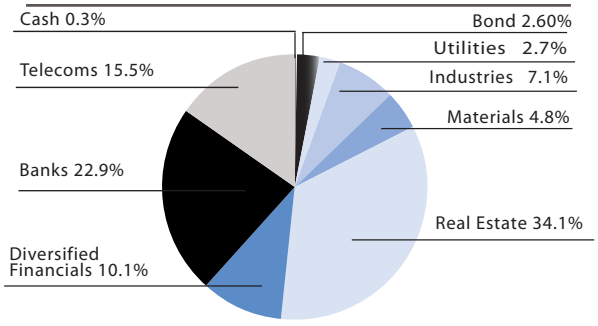
### Performance Summary

| | Makaseb Emirates Equity Fund | MSCI U.A.E Index |
|---|---|---|
| NAV (January 31, 2007) | USD 11.60 | |
| January 2007 | 0.9% | 1.0% |
| December 2006 | 3.0% | 1.8% |
| November 2006 | -17.6% | -16.4% |
| October 2006 | -1.6% | -1.7% |
| Since Inception (Feb 8, 2005) | 16.0% | 8.5% |

### Top 5 Holdings

| Stocks | Weight |
|---|---|
| Emaar Properties pjsc | 31.1% |
| Emirates Telecom Corp | 15.5% |
| Dubai Islamic Bank | 8.0% |
| Abu Dhabi Commercial Bank | 7.8% |
| First Gulf Bank | 5.8% |

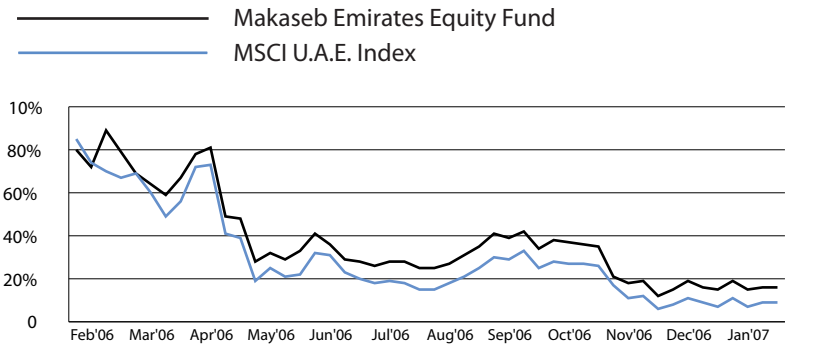
### Sector Allocation




### 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

UAE stock markets ended the month of January on a mixed note as Dubai General Index recoiled by 0.2% while Abu Dhabi General Index increased by 0.3%. The markets witnessed buying interest with the new year and on the sound of the full year good results for the main companies like Emaar, and Etisalat. On the other hand major banks surprised the investors' community as some banks results came over the expectation mainly because of gains from the big DFM IPO in the fourth quarter. At the time core earnings of banks recorded significant growth. However the last two days of the month witnessed a nervous selling pressure that ate up all the gains of the month. The retail investors were nervous because of the uncertainty about the big companies' dividends. The retreat was across the board except for banking and real estate sectors that ended the month in a green territory.

Your fund was able to end the month on a positive note gaining 0.9% underperforming the bench mark by 9bps mainly because of our underweight in banking sector.

In the short term we expect the UAE market to remain range bound in the absence of any major market moving catalyst. In the long term we believe that the UAE valuation multiples are at reasonable levels compared to the emerging markets average. We will maintain our selective approach because we think the markets movements will differ from what happened in the last two years as the fundamentals will play a bigger role.


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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.