MAKASEB EMIRATES EQUITY FUND

Makaseb مكاسب
FUNDS COMPANY BSC (C) لصناديق الاستثمار

Fact Sheet for December 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	KeyPoint Consulting W.L.L., Bahrain
Administrator	Gulf Investment Corporation
Custodian	Gulf Investment Corporation
Auditor	Deloitte & Touche
Primary listing	Bahrain Stock Exchange

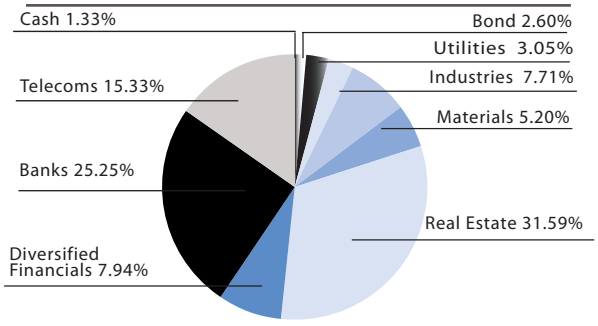
Performance Summary

	Makaseb Emirates Equity Fund	MSCI U.A.E Index
NAV (December 27, 2006)	USD 11.50	
December 2006	2.97%	1.75%
November 2006	-17.55%	-16.43%
October 2006	-1.58%	-1.65%
September 2006	-0.01%	0.61%
Year to Date	-42.48%	-44.80%
Since Inception (Feb 8, 2005)	14.97%	7.48%

Top 5 Holdings

Stocks	Weight
Emaar Properties pjsc	28.38%
Emirates Telecom Corp	16.45%
Dubai Islamic Bank	7.87%
Abu Dhabi Commercial Bank	7.75%
First Gulf Bank	5.60%

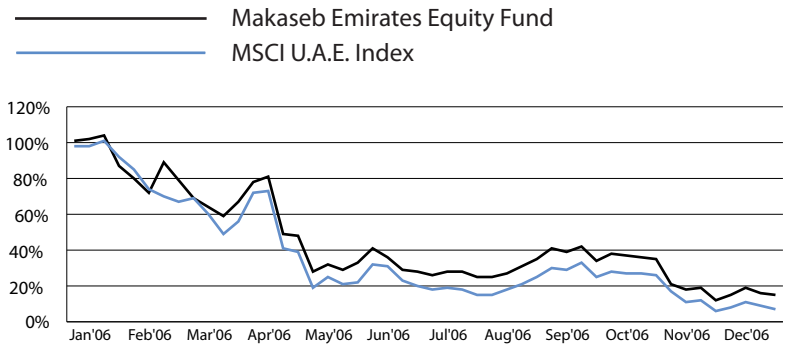
Sector Allocation



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 month of December was a quiet month for the UAE equity markets with low trading value as most of the investors are waiting for the year end results; however the DFM general Index gained 2.97% meanwhile the ADSM general index ended the month almost flat. Your fund managed to gain 2.97 on December outperforming the benchmark by 1.2% mainly because of the overweight in Emaar that appreciated by 7.5% and the recovery in Abu Dhabi banks stock prices. Within Abu Dhabi Banking sector our selection outperformed the sector and the whole market where Abu Dhabi Commercial bank and First Gulf Bank appreciated by 7% and 4% respectively.

We expect the activity to increase in January as most of the investors and fund managers will rebalance their portfolios resulting in more liquidity to enter the market.

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ZAWYA CODE: MAKEMRE.MF

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.