MAKASEB EMIRATES EQUITY FUND

Makaseb مكاسب
FUNDS COMPANY BSC (C) لصناديق الاستثمار

Fact Sheet for August 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

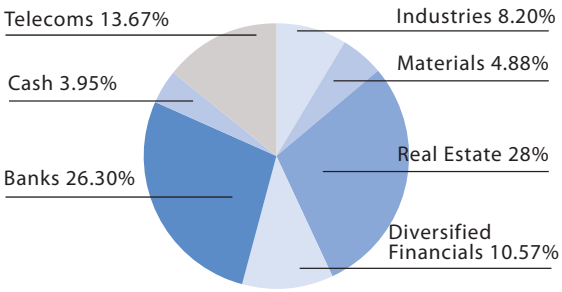
Performance Summary

	Makaseb Emirates Equity Fund	MSCI U.A.E Index
NAV (August 30, 2006)	USD 13.76	
August 2006	10.26%	11.25%
July 2006	-0.54%	-3.00%
June 2006	-7.09%	-5.89%
May 2006	-8.16%	-9.61%
Since Inception (Feb 8, 2005)	37.62%	27.75%

Top 5 Holdings

Stocks	Weight
Emaar Properties pjsc	23.0%
Emirates Telecom Corp	13.7%
Abu Dhabi Commercial Bank	9.1%
Dubai Islamic Bank	8.6%
First Gulf Bank	8.5%

Sector Allocation



For more information please contact

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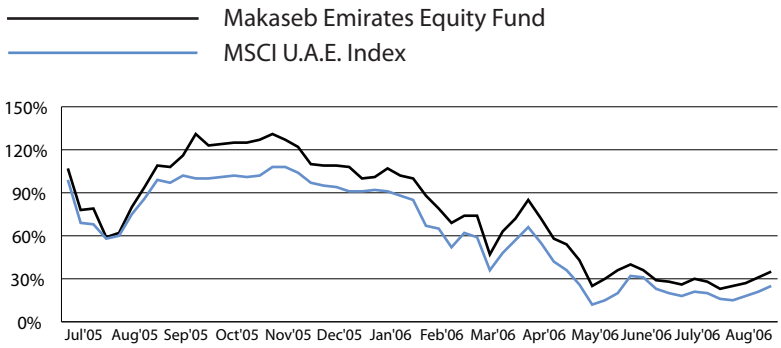
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WKN: A0J3RM
ISIN: BH000A0J3RM7
BLOOMBERG CODE: MAKEEFD BI

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 UAE stock markets flourished in August as the Dubai Financial Market (DFM) rallied 12.60% largely fuelled by Emaar. The Abu Dhabi Securities Market (ADSM) gained 5.12% during the month. The sharp correction witnessed in the last 7 months in the equity market, brought about by a collapse in sentiment from the capricious retail investment community, has resulted in pushing valuations to historically low levels. After the second quarter results that represented normalized levels, institutional investors became more comfortable with their forecasts and started to invest their cash in the markets. Consequently liquidity is gradually returning to the market, which suggests to us that investor sentiment is gradually improving. The more positive price action seen recently coincides with the end of the summer holiday season in the UAE, and we thus expect volumes to increase going forward.

Your fund managed to gain 11.26% during August underperforming the benchmark by 0.99%. The fund has benefited from deploying its cash at the beginning of the rally. This marginal underperformance was mainly due to heavily underweighting of illiquid banking stocks. However, your fund gained performance in real estate and industrial sectors.

We see the UAE market as reasonably valued, and given our bullish stance on the UAE economy, we expect valuations to move higher going forward. We believe that the market has bottomed out and offers long term potential. In the short term we might see some corrections due to some stocks being overpriced.

Issued on September 6, 2006