MAKASEB EMIRATES EQUITY FUND

Fact Sheet for August 2007

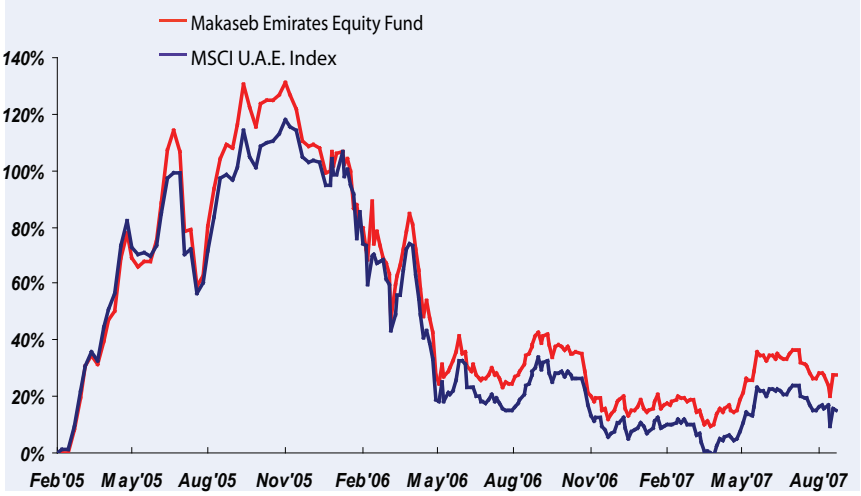
Investment Objective

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.

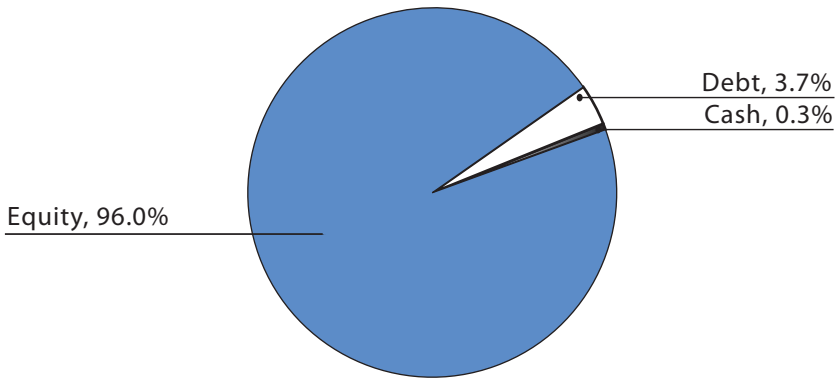
Performance Chart since inception



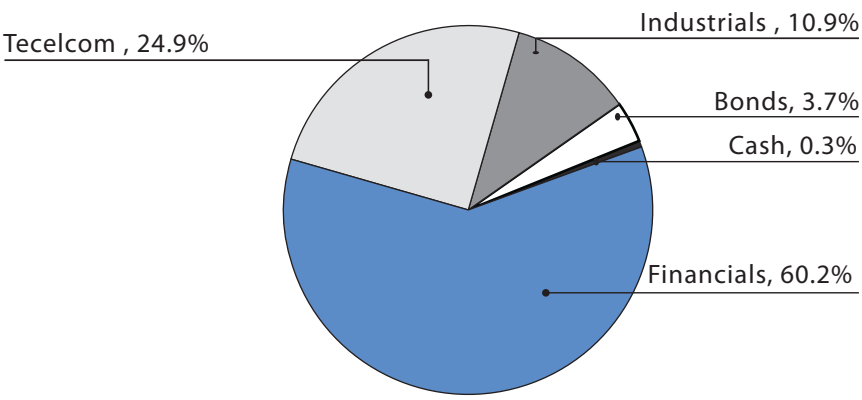
Perfomance Summary

	MEEF	MSCI UAE Index
NAV (August 29,2007)	US$12.74	
Since inception (Feb 08, 2005)	27.4%	15.3%
YTD-2007	10.6%	6.6%
August 2007	-0.5%	-1.4%
Year 2006	-42.4%	-44.5%
Year 2005	99.9%	94.7%
No. of Holdings	12	38
Max. Monthly Gain	31.4%	31.0%
Max Monthly Loss	-25.7%	-21.4%
Beta	0.9	
R-Sq	75.1%	
Standard Deviation (Since Inception)	41.7%	40.3%
Sharp Ratio	0.5	0.3
Treynor Ratio	0.3	
Information Ratio	0.6	

Asset Allocation



Sector Allocation



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Fact Sheet for August 2007 Contd.

Top 5 Holdings

Stock	Weight
Emaar Properties	25.6%
Emirates Telecom Com	24.9%
Dubai Islamic Bank	8.1%
Arab Technical Construction	7.5%
Abu Dhabi Commercial Bank	6.8%

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:
14th Floor, City Gardens, P.O. Box 140, Manama,
Bahrain. Tel + 97317 535455

Fund Manager's Commentary

UAE stock markets were very volatile during the month of August. Using MSCI UAE Domestic Index as benchmark, market volatility as measured by the standard deviation of daily index returns increased from 12.25% in the previous month to 19.23% in August. However volatility was higher in the Dubai Financial Market (22.50%) compared to the Abu Dhabi Securities Market (12.69%) during the month for two reasons. DFM is more liquid than the ADSM and is more open to foreign portfolio investment which sharply declined during August.

Due to unfavorable circumstances in the global markets caused by a slowdown in the mortgage sector and tighter credit facilities in the USA, foreign investors were net sellers in both DFM and ADSM with more focus in the former. Secondly Emaar the DFM market leader announcement of share-land swap cancellation with Dubai Holding, enabled the whole market to recover almost all of the losses occurred from the beginning of the month until one week before the month end. This effect has been spread to ADSM market but with lower pace.

The DFM market ended the period slightly down by 9 bps points, meanwhile the ADSM market slipped by 2.6% basically affected by lackluster performance of banking sector and heavy weight Etisalat.

Your fund ended the month slightly down by 0.49% outperforming the benchmark by 0.92% thanks to our overall underweight in Abu Dhabi banking sector, and almost 25% of the investment portfolio placed in defensive positions has well served the portfolio in such volatile circumstances.

We believe that the credit crisis which has jolted the global financial community will have a minimal effect on the UAE equity markets. As reported by S&P gulf banks in general have limited exposure (less than 1% of total banks assets) to sub prime mortgage- related instruments, we therefore don't expect any significant deterioration on the banks' fundamentals. On the other side UAE and Gulf equity markets in general have low correlation with the international markets. Accordingly UAE stock markets are not only underpinned by solid economic fundamentals but they might be considered as defensive markets for foreign investors.

September 04, 2007

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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.