MAKASEB EMIRATES EQUITY FUND

Makaseb مكاسب
FUNDS COMPANY BSC (C) لصناديق الاستثمار

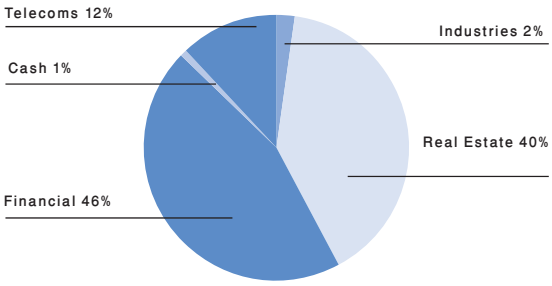
Fact Sheet for December 2005

Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
Net Asset Value	Weekly
Subscription	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	Dubai Financial Market

Performance Summary

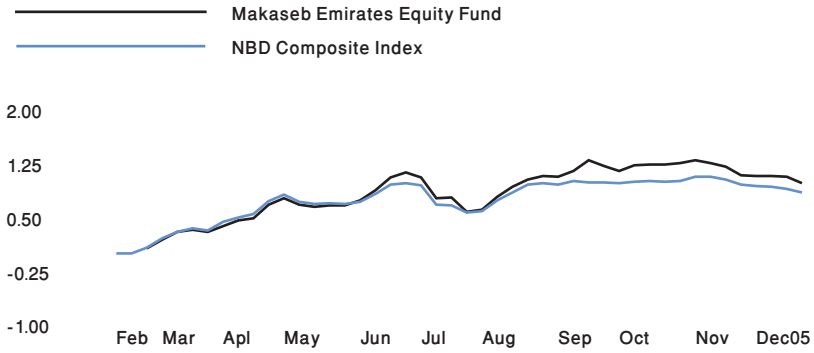
NAV (Jan 03, 2006)	USD 20.68
Oct 2005	1.80%
Nov 2005	-7.20%
Dec 2005	-5.00%
Since Inception (Feb 8, 2005)	106.82%



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 markets witnessed year end profit taking. The Dubai Securities Index closed the year at 1,019 -8.0% lower than that at the beginning of the month. Similarly, the Abu Dhabi Securities Index closed the year at 5,202 -5.6% lower than that at the beginning of the month. The UAE markets lost USD2.8b during the month with a substantial reduction in trading activity.

Overall 2005 was a very good year for the UAE markets as they witnessed substantial capital appreciation. The UAE market capitalization during the year rose from USD90.5bn to USD232bn. This represents over 250% growth thus making the UAE stock markets the fastest growing in the region. As such it is not surprising to see some profit taking at the year end.

Your fund outperformed the market during the month. Performance was based on our stock selection in the Real Estate and Industrials sector. We overweighed the Real Estate sector and underweighted the Industrial sector.

The markets looks weak in the short term. However, with oil prices remaining well bid in the medium term, we do not envisage a collapse in the markets. Moreover robust real GDP growth and the increasingly favorable climate for foreign investors should keep the market well supported. Officials have recently revised foreign ownership laws in a bid to attract further foreign investment. Now, foreigners are allowed 100% ownership of assets in the Industrial City of Abu Dhabi. Such move bodes well for further attracting FDI and appetite for local assets; this might encourage deregulations in other sectors of the economy which would have favorable implications for the economy in the long run.

Issued on January 4, 2005

Investment Manager & Sponsor:
Mashreqbank psc, Al Ghurair City,
3rd 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
Website www.makaseb.com

BLOOMBERG CODE: MAKEEFD BI