MAKASEB EMIRATES EQUITY FUND

Makaseb مكاسب
FUNDS COMPANY BSC (C) لصناديق الاستثمار

Fact Sheet for September 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

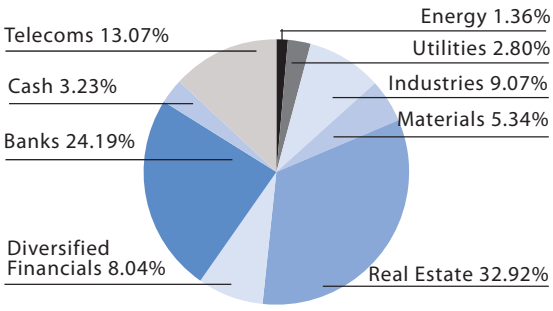
Performance Summary

	Makaseb Emirates Equity Fund	MSCI U.A.E Index
NAV (September 27, 2006)	USD 13.76	
September 2006	-0.01%	0.61%
August 2006	10.26%	11.25%
July 2006	-0.54%	-3.00%
June 2006	-7.09%	-5.89%
Since Inception (Feb 8, 2005)	38.00%	27.99%

Top 5 Holdings

Stocks	Weight
Emaar Properties pjsc	28.4%
Emirates Telecom Corp	13.1%
Abu Dhabi Commercial Bank	8.1%
Dubai Islamic Bank	7.9%
First Gulf Bank	7.6%

Sector Allocation



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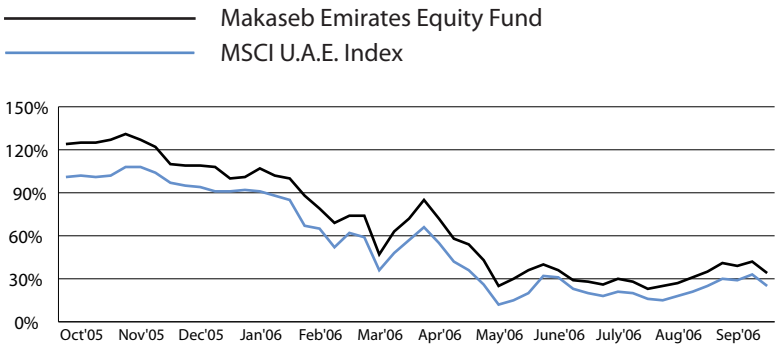
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WKN: A0J3RM
ISIN: BH000A0J3RM7
BLOOMBERG CODE: MAKEEFD BI

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 markets witnessed profit taking activities during the month of September in line with our view in the previous fact sheet. The Dubai Financial market (DFM) experienced a short-term sell off during the month dragging the index down by 2.65%. The decline largely came from banks and insurance sectors.

The Abu Dhabi Securities market (ADSM) also showed negative performance with the index dropping by 0.64%. The decline was across all sectors except for the materials sector that was able to maintain positive performance thanks to cement companies.

Despite this decline in UAE markets your fund succeeded in ending the month unchanged thanks to the current diversification strategy that protected the fund against the market volatility. The fund gained performance in capital goods and industrial sectors because of the overweight in Arabtec Holding, Aramex, and cement companies. On the other hand the performance was adversely affected because of the overweight in Abu Dhabi banks (Abu Dhabi Commercial Bank, and First Gulf Bank) which was the main reason for lagging the benchmark by 0.62%.

We could see a period of sideways trading over the next month, as trading volumes are likely to remain low during the period of Ramadan. Thus we will maintain the same diversification strategy. We expect to see quarter-on-quarter earnings growth during the third quarter, which will improve the sentiments in the medium term. We still believe that the market has significant long-term value. Although it may take some time for the market to make major gains, in our view, the downward correction seems to be over.

Issued on October 8, 2006