

MAKASEB EMIRATES OPPORTUNITIES FUND

Fact Sheet for January 2006

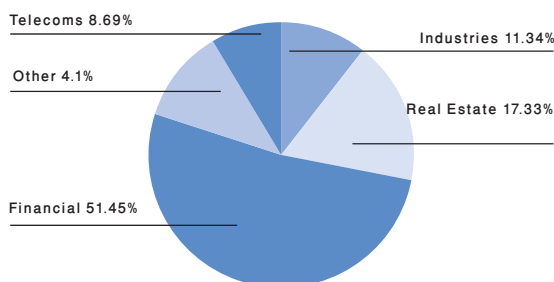
Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
Net Asset Value	Bi weekly
Subscription	Bi weekly
Redemption	Weekly
Management fee	2.0% 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

NAV (Jan 31, 2006)	USD 8.54
January 2006	-6.26%
December	-5.91%
November	-5.10%
October	-1.38%
Since Inception	-14.61%

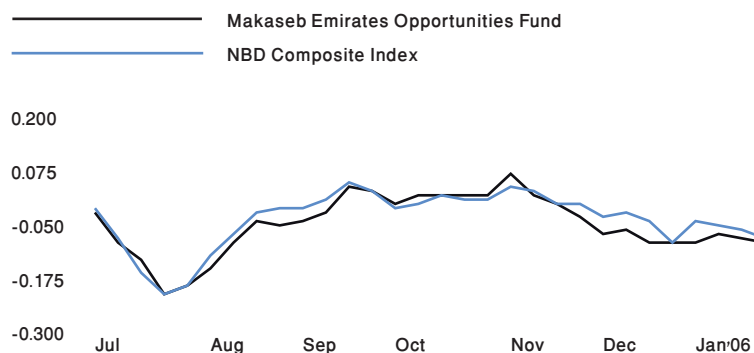
Asset Allocation



Investment Philosophy

Makaseb Emirates Opportunities Fund (MEOF) aims to achieve long term capital appreciation through investment primarily in shares listed on the UAE stock exchanges by using a dynamic asset allocation strategy. The MEOF portfolio is constructed after careful evaluation of market factors including liquidity and price action to determine the optimum market exposure. The monitoring and adjustment of Market exposure is dynamic, in order to take into account changing market dynamics.

Performance Chart



Overview and Outlook

The UAE capital markets continued to spiral downwards, and declined by 9.0% during the month. The markets were particularly volatile towards the end of the month with the DFM experiencing highest volatility during the last six months which was particularly influenced by month end market movements. This instability was sparked by less than expected results of Emaar Properties for FY2005. The negative sentiments spilled over into the broader market resulting in selling pressure across the board.

January also witnessed some of the most outstanding corporate results for FY2005. Emaar Properties announced record profits of AED 4.731 bn for FY2005 - a year on year growth of 180%. However, this performance failed to meet market's expectations. Amlak also announced its FY2005 earnings, posting 122% year on year earnings growth but failed to sooth the market. In line with the market expectations, Etisalat posted 25% year on year earnings growth for FY2005.

Your fund outperformed the market by 2.7% during the month bringing our since inception relative performance to -1.17%. Your fund was heavily exposed to the real estate sector which saw a major correction in the real estate sector which saw a major correction owing to Emaar Properties. However in the aftermath of the correction, your fund took aggressive positions in the market and was able to recoup most of its losses.

We expect the markets to recover in the coming weeks. Month end panic sales resulted in markets overshooting thereby making some of the scrips attractive from relative valuation perspective. Your fund aims to capitalize on this opportunity by accumulating Aldar Properties and First Gulf Bank.

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