

MAKASEB EMIRATES OPPORTUNITIES FUND

Fact Sheet for July 2006

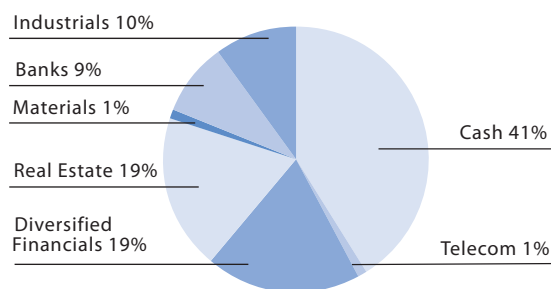
Executive Summary

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	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

	Makaseb Emirates Opportunities Fund	MSCI U.A.E Index
NAV (July 30, 2006)	USD 5.18	
April 2006	-11.91%	-15.50%
May 2006	-12.62%	-9.61%
June 2006	-11.65%	-5.89%
July 2006	-0.06%	-3.00%
Since Inception	-48.19%	-41.03%

Asset Allocation



For more information please contact

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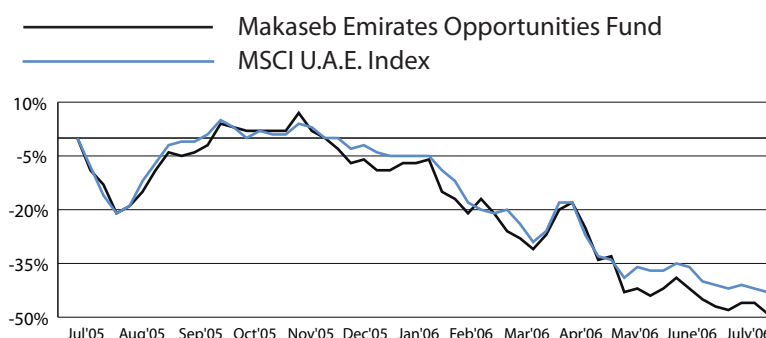
ISIN: BH000A0J3RP0

BLOOMBERG CODE: MAKEOFD BI

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

Your Fund ended the month of July almost unchanged, declining by 6 bps. The UAE market however had another negative month, with the MSCI UAE Domestic Index falling 3%. With the UAE, the Dubai Financial Market was down 5.8%, while the Abu Dhabi Securities Market fell 3.8% in July. Your Fund had a positive alpha of 2.9% for the month.

July was again characterized by thin liquidity, and a general lack of volatility in daily trading. Such an environment severely limits the opportunities for adding alpha for a dynamic strategy such as the one employed by your Fund. The Fund has been positioned defensively during the month, believing that a more constructive stance for the portfolio will become appropriate once market direction is clearer. Given the lack of trading volumes during the month, the reliability of standard indicators used to gauge market action is compromised, limiting the Fund to a more defensive stance. In line with this view, the Fund raised cash further, and rotated out of stocks likely to disappoint with their results. This resulted in closing positions in Dubai Investments (where the results confirmed a sharp contraction in core operating earnings), and no exposure to Shuaa Capital. The Fund also switched from Amlak Finance to Tamweel, based on relative value.

Since the end of July, we have had a few days of much better activity and hence volatility. The Fund will continue to follow a strategy of remaining exposed to fundamentally attractive stocks in general, while actively utilizing market opportunities to reduce costs and generate alpha. Market action has been mixed thus far, with the rally fizzling out rapidly. A clear direction is still elusive, but with increased volatility and activity, your Fund is well positioned to benefit from such market conditions.