

MAKASEB EMIRATES OPPORTUNITIES FUND

Fact Sheet for January 2007

Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Central Bank of Bahrain
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	Keypoint Consulting W.L.L., Bahrain
Administrator	Gulf Investment Corporation
Custodian	Gulf Investment Corporation
Auditor	Deloitte & Touche
Primary listing	Bahrain Stock Exchange

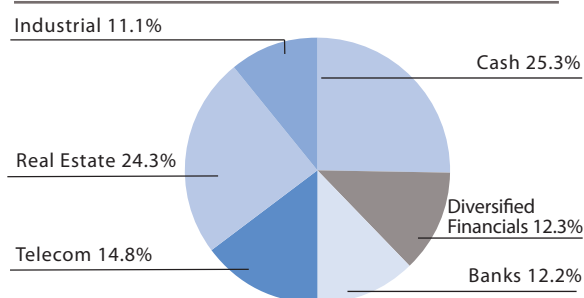
Performance Summary

	Makaseb Emirates Opportunities Fund	MSCI U.A.E Index
NAV (January 31, 2007)	USD 5.05	
January 2007	0.2%	1.0%
December 2006	0.6%	1.7%
November 2006	-12.9%	-16.4%
October 2006	0.1%	-1.7%
Since Inception	-49.5%	-47.0%

Top 3 Holdings

Stock	Weight
Emaar Properties pjsc	24.5%
Emirates Telecom	14.8%
Dubai Islamic Bank	12.3%

Asset Allocation



For more information please contact

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Investment Manager & Sponsor:
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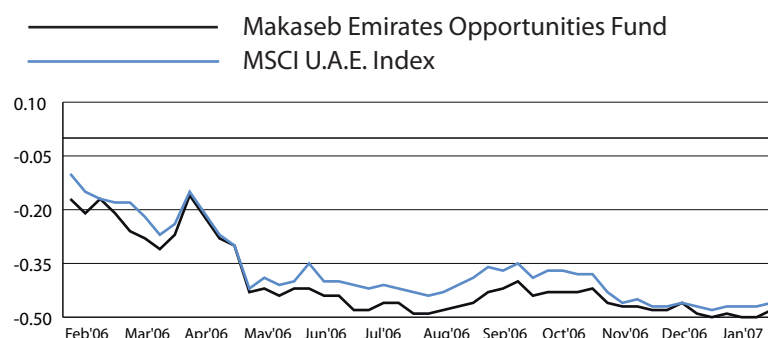
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WKN: A0J3RP
ISIN: BH000A0J3RP0
BLOOMBERG CODE: MAKEOFD BI
ZAWYA CODE: MAKEMRO.MF

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 January with a return of 0.20%, underperforming the benchmark return by 78 bps. The benchmark for the same month rose 0.98%. The start to the year was more or less spot on as per the manager's expectations, with the local markets slowly building up steam during the month, before the violent sell off towards the end of the month.

The sell off once again presents a buying opportunity, as investors essentially dumped Emaar holdings due to the absence of any form of a payout. Fundamentally, there was no reason for the company to even pay out anything for 2005, and last year was no different—simply, the incremental return on capital remains much higher for Emaar compared to any other investment opportunities available to investors. Hence, with ample growth opportunities regionally and beyond, any pay out will only hurt shareholders returns rather than enhancing them. The manager expects to witness a solid recovery in Emaar, and the Fund is being positioned accordingly.

Another encouraging development during the month was the lack of impact that Saudi market weakness had on the domestic market. This finally bears out the belief held here that Saudi market weakness does not translate into negative fund flows for domestic markets anymore—the sheer weight of the correction in Saudi Arabia has taken care of any survivors still investing on margin. Hence, going forward there should be increasing evidence that this relationship has broken down for good.

Your Fund is being positioned to capitalize on constructive market action going forward. Fund flows to the domestic market from outside the region have been strong according to the word on the street, and we expect the market to do reasonably well on the back of fresh buying interest. However, given the experience that retail investors have had in the past 12 months or so, the ride will be quite volatile will severe sell offs of the kind seen post Emaar results, will be quite common. Fasten your seat belts.

Issued on February 5, 2007

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.