

Makaseb Emirates Opportunities Fund (MEOF)

Fund Description

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.

Fund Managers Commentary

- Your fund lost 2.1% during December outperforming the S&P U.A.E. Composite Index by 0.5%. YTD return is -15.7% outperforming the benchmark by 1.7.
- Our selection in the Industrial and Consumer Staples sectors has added to our performance this month.
- The overweight position in the telecommunication and the underweight position in the energy sectors have added to our performance this month. Whereas, underweight position in financial sector has detracted from the performance.

Fund Returns

	MTD	YTD	1 Year	3 Years	SI
MEOF	-2.1%	-15.7%	-15.7%	24.8%	-65.3%
Benchmark*	-2.6%	-17.4%	-17.4%	1.3%	-76.1%

	2005	2006	2007	2008	2009	2010
MEOF	-8.9%	-44.5%	55.5%	-64.6%	48.2%	-0.1%
Benchmark*	-4.9%	-44.5%	43.2%	-68.8%	27.9%	-4.1%

Top Holdings

Emirates Integrated Telecomm	20.7%
First Gulf Bank	16.7%
Emaar Properties PJSC	16.5%
Aramex Co	11.0%
Emirates Telecom Corporation	9.5%

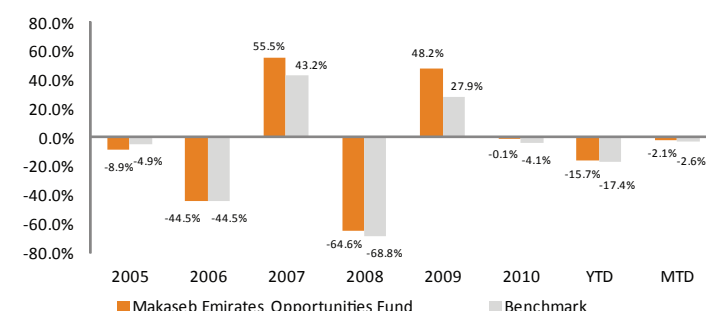
Risk/Return Profile Since Inception

	Fund	Benchmark	vs Benchmark
Excess Return	10.8%		R Squared 52.0%
Beta	0.7		Information Ratio 0.5
Sharpe Ratio	(2.5)	(2.6)	Treynor Ratio (1.0)
Skewness	(1.5)	(1.0)	Tracking Error 22.1%
Kurtosis	12.0	6.5	Correlation 0.7
SD	27.4%	30.6%	

Fund Details

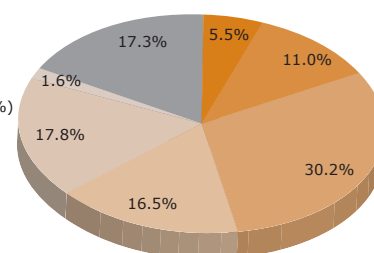
Fund Type	Open Ended
Domicile	Bahrain
Currency	USD
Regulator	Central Bank of Bahrain
Investment Manager	Mashreq bank PSC
Net Asset Value	Each Business day
Subscription/ redemption	Each Business day**
Management Fee	2.0% p.a.

Performance (Chart)



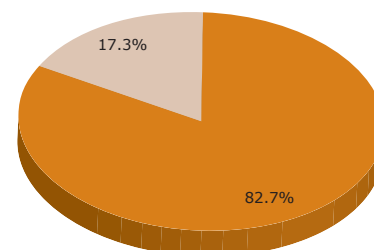
Industry Allocation

- Food Beverage & Tobacco (5.5%)
- Transportation (11.0%)
- Telecommunication Services (30.2%)
- Real Estate (16.5%)
- Banks (17.8%)
- Diversified Financials (1.6%)
- Cash (17.3%)



Asset Allocation

- Equities (82.7%)
- Cash (17.3%)



Performance Fee	Up to 10% of the appreciation in the Net Asset Value (NAV) of the fund which exceeds 10% p.a. during a calendar year
Fund Award	Lipper Fund Award 2009, 2010 & 2011 for best fund in the Equity UAE category
Auditor	Deloitte & Touche
Registrar	KeyPoint Consulting W.L.L, Bahrain
Administrator	Citibank N.A., Bahrain
Bloomberg Ticker	MAKEOFD BI
Zawya Code	MAKEMRD.MF

*MSCI UAE Domestic Index was the funds benchmark until Sep 29, 2010. Since Sep. 30, 2010 the S&P UAE Composite Index is the benchmark (BB TICKER: IDGPAEPD)
 ** 2 business days notice
 SI: Since Inception, SD: Standard Deviation, MTD: Month to Date, YTD: Year to Date

Contact Us: Tel: +9714 207 8811, Email: assetmanagement@mashreqbank.com, Web: www.mashreqassetmanagement.com

Disclaimer: This note has been prepared solely for information purposes. It does not constitute an investment advice, solicitation, offer or personal recommendation by Mashreq Asset Management or any of its related parties to buy or sell any securities, product, service or investment or to engage in or refrain from engaging in any transaction, particularly, in any jurisdiction where such an offer or solicitation would be illegal. Certain assumptions may have been made in the analysis that resulted in any information and results/returns detailed therein. No representation is made that any returns/results indicated would be achieved or that all assumptions in achieving these returns/results have been considered. Past performance is not necessarily indicative of future results. Mashreq Asset Management does not warrant the accuracy of the information provided herein and views expressed in this note reflect personal views of the analyst(s) which does not take account of individual clients' objectives, financial situations or needs. Investors are required to undertake their own assessment and seek appropriate financial, legal, tax and regulatory advice to determine whether this investment is appropriate for them in light of their experience, objectives, financial resources and other relevant circumstances. Mashreq Asset Management, nor any of its related parties accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this memorandum and/or further communication in relation thereto. Mashreq Asset Management does not accept any obligation to correct or update the information or opinions in it; however, opinions expressed are subject to change without notice. This note is disseminated primarily electronically, and, in some cases, in printed form. The above terms are indicative and do not constitute solicitation or an offer to sell to the public. This document is not intended to identify, represent or notify the conclusive terms and conditions of any transaction, other material considerations and any possible risks, direct or indirect, that would be involved in undertaking such a transaction.