

# Makaseb Emirates Opportunities Fund

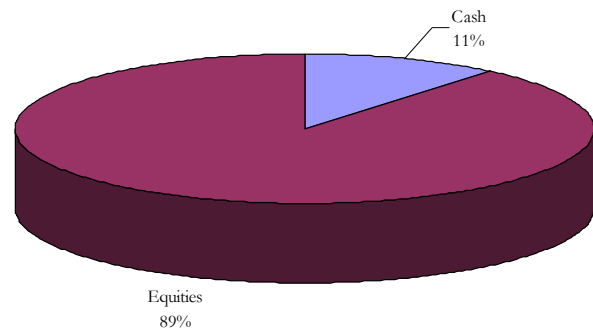
## September 2005

### Investment Objective:

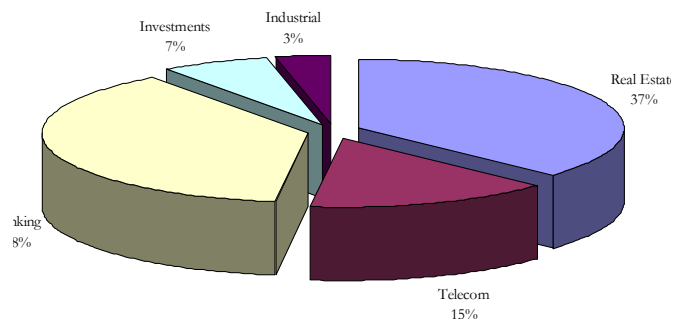
To out perform the broad UAE capital markets by using a dynamic asset allocation strategy. The Fund will invest primarily in the shares of companies listed in the stock exchanges of the UAE.

### Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
Net Asset Value	Weekly
Subscription	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



### Top 5 Holdings



### Performance Summary

NAV (Sep 25 <sup>th</sup> , 2005)	USD 10.3
September	8.9%
August	17.5%
July	-17.7%
Since Inception	3.4%

### Overview and Outlook

UAE capital markets posted a gain of 4% in the month of September, extending last month's rally. However the market ran out of steam towards the latter part of the month, as investors focused their attention on the forthcoming IPO of Dana Gas. Some negative news flow about Etisalat regarding the purchase of its strategic stake in Pakistan Telecom also hurt sentiment, resulting in a mild sell off close to month end.

Your Fund was up 8.9% during the month, on the back of the strong performance of several key holdings of the Fund. These included Emaar, up 15.7% for the month, National Bank of Abu Dhabi, up 28.4%, and First Gulf Bank, which rose 18.4%. Etisalat continued to be a laggard, dropping 8.6% during the month. Since the inception of the Fund, Etisalat has dropped 30.4%, hurting Fund performance. Etisalat has been hurt due to negative news flow, and speculation about increased competition both at home and in Saudi Arabia. Fundamentally Etisalat remains a sound business, though price performance may disappoint due to absence of any positive developments. The Fund has been repositioned accordingly in light of recent market action.

Dana Gas has attracted tremendous interest, with visitors from Saudi Arabia thronging the UAE. Market liquidity has been affected as a result, and is not likely to recover until the IPO is completed and investors receive refunds. The post IPO performance of Dana Gas will also affect sentiment and determine the overall tone of the market to some extent-a spectacular rise following listing will attract new buyers, focusing interest and liquidity away from other stocks. Upcoming third quarter results will also start attracting investor attention and should provide some strength as we expect earnings to remain robust.

Issued on October 5, 2005