

MAKASEB EMIRATES OPPORTUNITIES FUND

Fact Sheet for December 2005

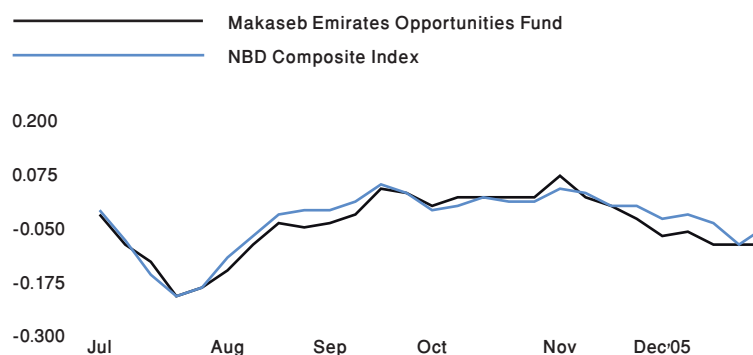
Executive Summary

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

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.

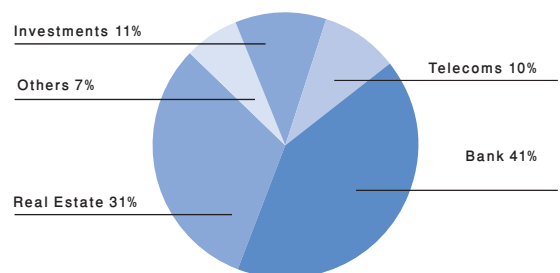
Performance Chart



Performance Summary

NAV (Dec 31, 2005)	USD 9.11
December	-5.82%
November	-5.10%
October	-1.38%
September	8.86%
Since Inception	-8.82%

Asset Allocation



Overview and Outlook

The UAE markets witnessed year end profit taking. The Dubai Securities Index (DSI) closed the year at 1,019 point - 8.0% lower than that at the beginning of the month. Similarly, the Abu Dhabi Securities Index closed the year at 5,202 points - 5.6% lower than that at the beginning of the month. The UAE markets lost USD2.8b during the month with a substantial reduction in trading activity.

Over all 2005 was a very good year from the UAE markets as they witnessed substantial capital appreciation. The UAE market capitalization during the year rose from USD90.5bn to USD232bn. This represents over 250% growth thus making the UAE stock markets the fastest growing in the region. As such it is not surprising to see some profit taking at the year end.

Your fund over performed the benchmark by 3.10% by aggressively exploiting investment opportunities created due to short term price distortions in the market. Your fund also make opportunities investments in Telecom Egypt and Industries Qatar. The results of these investments have been encouraging. Your fund will continue to focus on good investment opportunities to enhance of the portfolio.

The UAE market is looking weak in the short term. However, with oil prices remaining well bid in the medium term, we do not envisage a collapse in the markets. Moreover robust real GDP growth and the increasingly favorable climate for foreign investors should keep the market well supported. Officials have recently revised foreign ownership laws in a bid to attract further foreign investment. Now, foreigners are allowed 100% ownership of assets in the Industrial City of Abu Dhabi. Such move bodes well for further attracting FDI and appetite for local assets; this might result in deregulations in other sectors of the economy which might have good implications for the economy in the long run.

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