

Makaseb Emirates Opportunities Fund November 2005

Investment Objective:

To out perform the broad UAE capital markets by using a dynamic asset allocation strategy to manage market exposure during medium term market cycles. 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

Performance Summary

NAV (Dec 04 2005)	USD9.33
Sep 2005	8.86%
Oct 2005	-1.38%
Nov 2005	-5.10%
Since Inception (Feb 8, 2005)	-6.67%

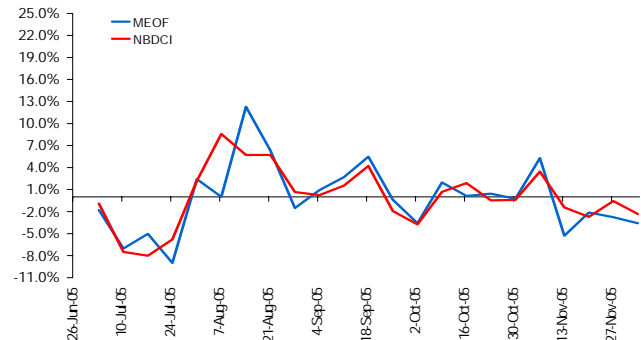
Overview and Outlook

The UAE markets were sluggish in the month following Ramadan. Both the Abu Dhabi Stock Index (“ADI”) and Dubai Securities Index (“DSI”) declined by 1.24% and 10.37% respectively. Investors’ shied away from Dubai Financial Market (“DFM”) and increased activity was witnessed in Abu Dhabi Stock Market (“ADSM”). As a result DFM’s average trading value declined by 40% in one month whereas ADSM’s average trading value increased by over 104% during the same period. We believe that this shift in investors’ interest was the prime reason of DFM’s underperformance relative to the ADSM. This despite there being no change in the underlying macro or micro environment in the UAE.

Makaseb Emirates Opportunities Fund (“MEOF”) lost 5.10% during the month primarily due to its over weight of the DFM. The Real Estate sector of DFM came under heavy pressure and Emaar Properties and Union Cement lost 12.7% and 13.3% respectively. On the other hand, your fund benefited from a healthy rally in Al Dar Properties. Your fund also benefited from strong prices of banking scrips listed on ADSM.

In the coming weeks, we expect markets to stabilize. ADSM may continue to attract investors’ interest. The DFM, after shedding some of its earlier gains, is poised for a recovery. Additionally, fourth quarter earnings expectations will have a major bearing on the direction UAE markets take in months ahead. We are fundamentally bullish on the UAE and have a positive outlook both on the economic and corporate front.

Fund Performance



Sector Allocation

