

Makaseb Emirates Opportunities Fund

October 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.

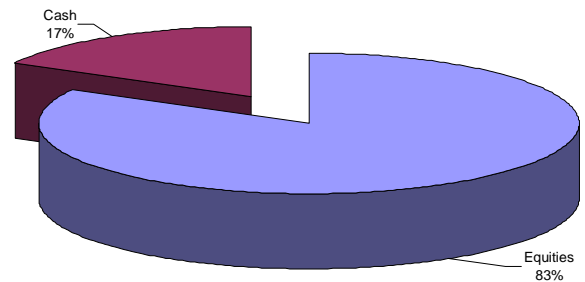
Executive Summary

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

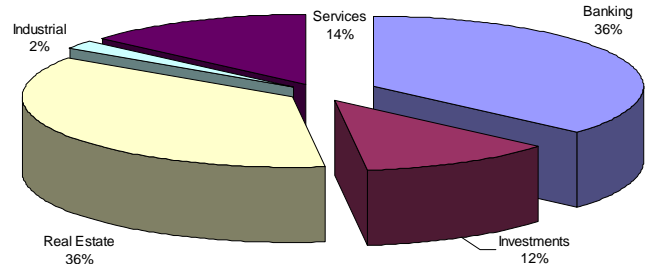
Performance Summary

NAV (Oct 30th , 2005)	USD 10.20
October	-0.65%
September	8.90%
August	17.50%
July	-17.70%
Since Inception	2.02%

Asset Allocation



Top 5 Holdings



Overview and Outlook

Capital markets in the UAE took a breather from the rally that started in August, remaining flat for October. Liquidity tapered off towards the end of the month with the approach of the Eid break. The Dana Gas IPO also drained market liquidity, Within UAE, the discord between the Dubai Financial Market and the Abu Dhabi Securities Market continued, as the DFM ended the month up over 4% while the ADSM was down marginally over the same period. The month ended on a slightly sour note, with reports that Etisalat's purchase of a 26% strategic stake in Pakistan Telecom had fallen through.

Your Fund fell 0.65% during the month, slightly lagging the market. Fund performance was hurt by some of our largest positions not keeping up with the market; Emaar, our largest holding, fell 1.3% in October, followed by Abu Dhabi Commercial Bank which was down almost 13%. However we remain fundamentally bullish on our largest holdings, and consider the recent underperformance only a temporary phenomenon. Also, following the recent announcement of corporate results for 3Q 2005, investor expectations have been generally met or exceeded, The strong tone of corporate earnings augurs well for market performance in the near future.

Dana Gas turned out to be another addition to the list of spectacularly oversubscribed IPO's in the region with applications worth AED 288 bn for an IPO size of AED 2.08 bn. Following the Eid break, we expect market activity to improve significantly, as investor focus moves back to the market and the Dana Gas IPO refunds also work their way back into market volumes.