

# MAKASEB EMIRATES OPPORTUNITIES FUND

## Fact Sheet for October 2006

### Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
Net Asset Value	Each Sunday and Wednesday
Subscription	Each Monday and Thursday
Redemption	Each Monday and Thursday
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
Primary listing	Bahrain Stock Exchange

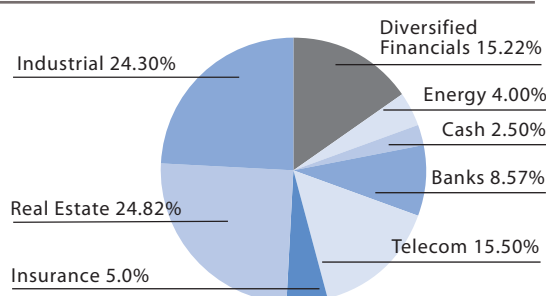
### Performance Summary

	Makaseb Emirates Opportunities Fund	MSCI U.A.E Index
NAV (October 29 , 2006)	USD 5.75	
July 2006	-0.06%	-3.00%
August 2006	6.50%	11.25%
September 2006	4.15%	0.61%
October 2006	0.06%	-1.65%
Since Inception	-42.49%	-38.26%

### Top 5 Holdings

Stock	Weight
Emaar Properties pjsc	24.13%
Emirates Telecom	15.53%
Arabtec Holding Co	12.50%
Amlak Finance Company	9.03%
Dubai Islamic Bank	6.27%

### Asset Allocation



For more information please contact

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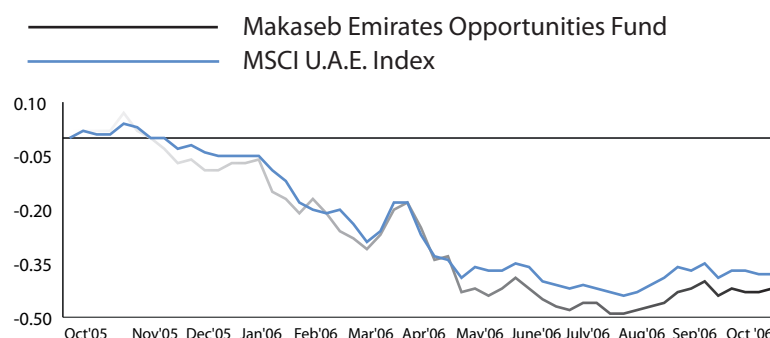
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WKN: A0J3RP  
ISIN: BH000A0J3RP0  
BLOOMBERG CODE: MAKEOFD BI

### 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



### Overview and Outlook

Your Fund was flat during October, posting a marginal gain of 6 basis points. However, the Fund outpaced the MSCI UAE Domestic USD Index by 155 bps, as the benchmark ended the same period with a loss of 1.49%. The Dubai Financial Market (DFM) was off 1.3%, while the Abu Dhabi Securities Market (ADSM) was down 3.16%.

October turned out to be an exciting month, prompting a complete change in near term market outlook for the Fund. As was noted last month, one caveat to the bullish view on the UAE markets was how the Saudi market turned out-contrary to our suspicion of oil led weakness, the Saudi market fell sharply after a period of sideways movement. After ending the month down 5.6%, Tadawul has fallen another 11.4% in just a couple of trading days-taking out the previous low reached in May of this year. Although the fundamentals for the Saudi market have remained weak for some time, now the technical side appears to have given in as well. Combined with the upcoming IPO of the DFM in the UAE, the near term seems set for serious volatility and possibly weakness. The refunds from the DFM IPO will not hit investor accounts during November, as the subscription period ends on the 22nd.

In light of the above, the Fund has positioned for a volatile, possibly weak market by scaling back exposure to equities. In the short term, the Fund may miss out on small advances as a result, however this is a cost the Fund is willing to bear in the interest of enhancing longer term performance by preserving capital.