

## Fact Sheet for October 2008

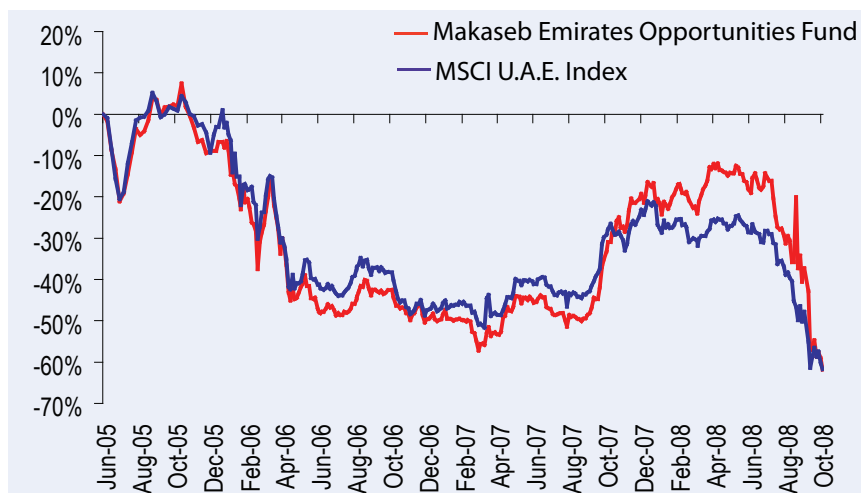
### Investment Objective

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.

### Fund Information

Fund type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Central Bank of Bahrain
Net Asset Value	Each Sunday and Wednesday
Investment Manager	Mashreqbank psc
Share Registrar	KeyPoint Consulting W.L.L., Bahrain
Administrator	Gulf Investment Corporation
Custodian	Gulf Investment Corporation
Auditor	Deloitte & Touche
Primary listing	Bahrain Stock Exchange
Subscription	Each Monday and Thursday
Redemption	Each Monday and Thursday
Management fee	2% p.a.

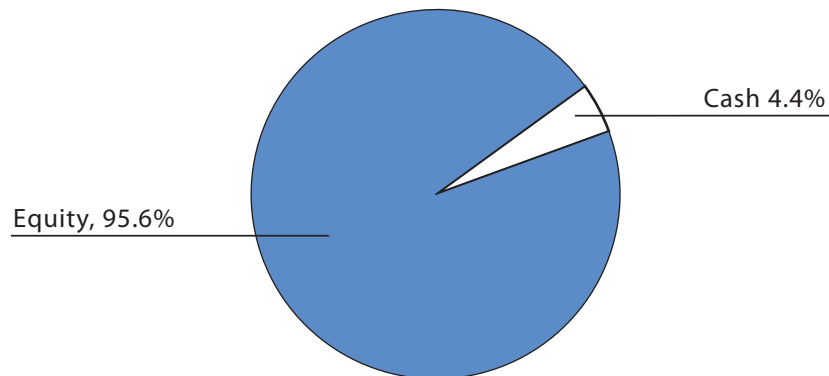
### Performance Chart since inception



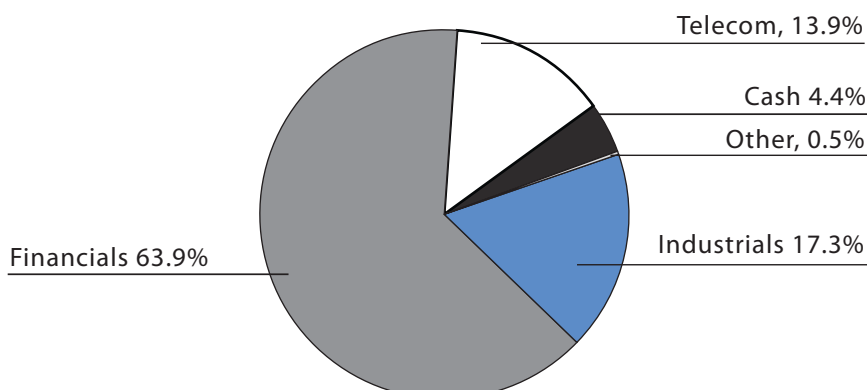
### Performance Summary

	MEOF	MSCI UAE Index
NAV (October 30, 2008)	US\$ 3.81	
Since inception (Jun 26, 2005)	-61.9%	-61.7%
October 08	-39.3%	-27.8%
YTD-2008	-51.5%	-49.4%
Year 2007	55.3%	43.3%
Year 2006	-44.5%	-44.5%
Year 2005	-8.9%	-4.9%
No. of Holdings	4	23
Max. Monthly Gain	33.3%	26.2%
Max Monthly Loss	-39.3%	-27.7%
Beta	0.8	
R-Sq	47.8%	
Ann. SD (Weekly returns)	33.5%	29.1%
Sharp Ratio	-2	
Treynor Ratio	-0.8	
Information Ratio	-0.01	

### Asset Allocation



### Sector Allocation



### Top 3 Holdings

Stock	Weight
Emaar Properties	63.9%
Airarabia	17.3%
DU	13.9%

#### Fund Codes:

WKN: AOJ3RP

ISIN: BH000A0J3RP0

BLOOMBERG CODE: MAKEOFD BI

ZAWYA CODE: MAKEMRO.MF

REUTERS ID : LP65038279

#### Investment Manager & Sponsor:

Mashreqbank psc, Al Ghurair City,  
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#### Registered Office:

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### Fund Manager's Commentary

Your Fund was down 39% last month compared to a loss of 27% for the MSCI UAE Domestic Index. Within the UAE, Dubai was down 28% while Abu Dhabi fell 15%. For the year, the MSCI UAE Domestic Index is down 49% while the Fund is down 51%. In the UAE, Dubai is off 51% this year while Abu Dhabi has fallen 26%.

Needless to say, October was one of the worst months on record for capital markets, not just domestically, but globally as well. Security selection for the Fund contributed heavily to the losses during the month, as many businesses saw valuations fall to levels which suggest the going concern assumption is suspect across the board. The tightening of liquidity in the domestic banking system and sharply higher funding costs have raised some concerns about the solvency of various private and public sector businesses in Dubai. As a result, the credit market has weakened, credit spreads for Dubai names widened significantly, and the equity market went into a virtual free fall. At present, valuations in the equity and yields in the credit market would suggest that most of these companies will cease to exist in the near future; meanwhile analyst expectations on the sell side would indicate that it is business as usual. Reality is perhaps somewhere in between, with a tighter liquidity environment a reality, which is still not enough to bring the local economy to a complete standstill.

Equity valuations are attractive at the moment, with the worst case scenario firmly priced in. As we do not expect the worst case to materialize, we are fully invested. Volatility is likely to remain high, but current valuations on offer make any potential trading gains appear insignificant by comparison and a fully invested stance appears appropriate at the moment.

November 5, 2008

For more information, please contact: Moomal Punjabi (+971 4 2078396) [www.makaseb.com](http://www.makaseb.com) email: [contact@makaseb.com](mailto:contact@makaseb.com)

Disclaimer: Performance data quoted represents past performance: past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted.