

# MAKASEB EMIRATES OPPORTUNITIES FUND

## Fact Sheet for February 2007

### Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Central Bank of Bahrain
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	Keypoint Consulting W.L.L., Bahrain
Administrator	Gulf Investment Corporation
Custodian	Gulf Investment Corporation
Auditor	Deloitte & Touche
Primary listing	Bahrain Stock Exchange

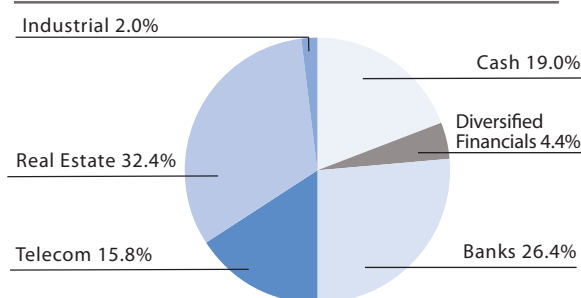
### Performance Summary

	Makaseb Emirates Opportunities Fund	MSCI U.A.E Index
NAV (February 28, 2007)	USD 5.01	
February 2007	-0.7%	2.9%
January 2007	0.2%	1.0%
December 2006	0.6%	1.7%
November 2006	-12.9%	-16.4%
Since Inception	-49.9%	-45.4%

### Top 3 Holdings

Stock	Weight
Emaar Properties pjsc	32.4%
Dubai Islamic Bank	26.4%
Emirates Telecom	15.8%

### Asset Allocation



For more information please contact

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Investment Manager & Sponsor:  
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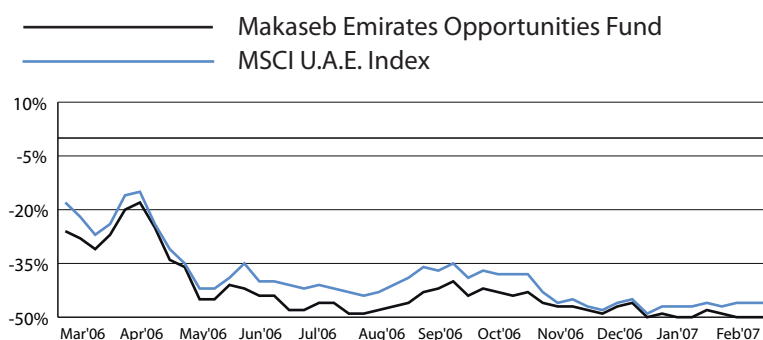
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WKN: A0J3RP  
ISIN: BH000A0J3RP0  
BLOOMBERG CODE: MAKEOFD BI  
ZAWYA CODE: MAKEMRO.MF

### 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 down 0.74% in February, compared to a gain of 2.92% for the MSCI UAE Domestic Benchmark, lagging the benchmark by 3.66% for the month. For the year, your Fund is down 0.76%, against a benchmark return of 3.32%, thus underperforming the benchmark by 4.08% for the year so far. For the month, the Dubai Financial Market was up 1.28%, while Abu Dhabi Securities Market was up 3.71%. Since the beginning of the year, the DFM is up 1.12%, while the ADSM has advanced 4.02%.

Since the middle of January this year, UAE markets have been characterized by a furious rally in second tier stocks like Amlak, Tamweel, Tabreed, and Aramex in Dubai, while Aldar, Aabar, and Dana rallied (among others) in Abu Dhabi. Though it has been tempting to participate in these rallies, the risk to reward profile does not appear attractive. The view here is that the recent rallies in some cases are more akin to a dead cat bounce, and in the medium term the Fund will be significantly better off limiting exposure to such speculative advances.

Going forward, as markets settle down, second tier stocks are likely to lag the market. Fundamentally sound, attractively valued stocks offer much greater magnitude for outperforming the market on a medium term horizon at the present moment, and the Fund is positioned to benefit from such an outcome.

Issued on March 5, 2007

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.