Makaseb Emirates Equity Fund
November 2005

Investment Objective:
To achieve long term capital appreciation through investing mainly in shares of companies listed on the Stock Exchanges of UAE.

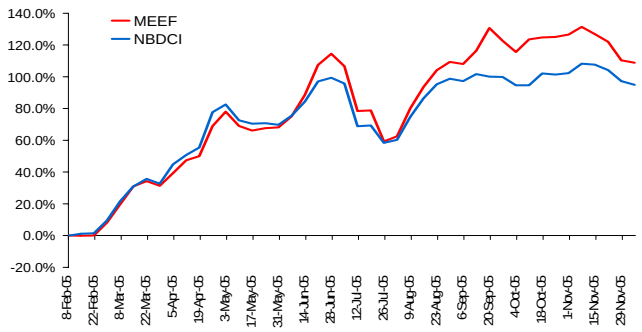
Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
Net Asset Value	Weekly
Subscription	Weekly
Redemption	Weekly
Management fee	1.5% p.a.
Investment Manager	Mashreqbank psc
Share Registrar	Ernst & Young, Bahrain
Administrator	Gulf Investment Corporation
Custodian	Gulf Investment Corporation
Auditor	Deloitte & Touche
Primary listing	Dubai Financial Market

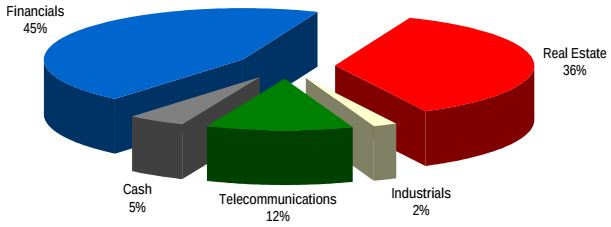
Performance Summary

NAV (Dec 05 2005)	USD20.88642
Sep 2005	6.3%
Oct 2005	1.8%
Nov 2005	-7.2%
Since Inception (Feb 8, 2005)	108.9%

Performance Chart



Sector Allocation



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 Equity Fund ("MEEF") lost 7.2% during the month due to it over weighting of the DFM, mainly in the Real Estate sector. The Real Estate sector bore most of the burnt during the month's bear spell, as Emaar declined by 12.5%. However, your Fund benefited from being invested in Al Dar Properties which appreciated significantly (23.6%). All other positions in your fund largely remained unsettled.

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.

Issued on December 6, 2005