Aafaq Investment Funds

NBD MENA Fund

November 2006

Investment Objective

The Fund seeks capital growth by investing in a portfolio of MENA equities and equity linked securities.

Fund Performance

NAV/Unit (AED)	8.14
Month on Month	-3.97%
Incep.(Nov. 2005)	-18.58%

Fund Details

Type of Fund	: Open Ended	Fund Currency	: UAE Dirhams
Subscription Fee	: 1.00%	Administration Fee	: 0.1%
Unit Price at Inception	: AED10	Management Fee	: 2.00% (on non-cash assets)
Min. Initial Subscrip (AED)	: 100,000		
Min. Subsequent Subscrip (AED)	: 50,000	Performance Fee	: 10% of gains over the Hurdle Rate of 10%
Manager	: NBD		
Dealing Day	: 1st Business Day of each month	Redemption Fee	: 1.5% for Year 1 : 1.0% for Year 2

Fund Managers

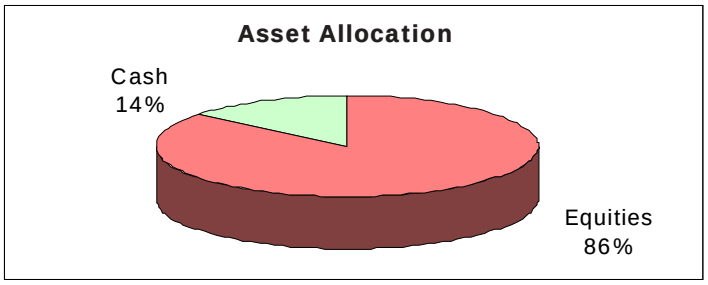
Amin El-Kholy
Leslie Dharmasena

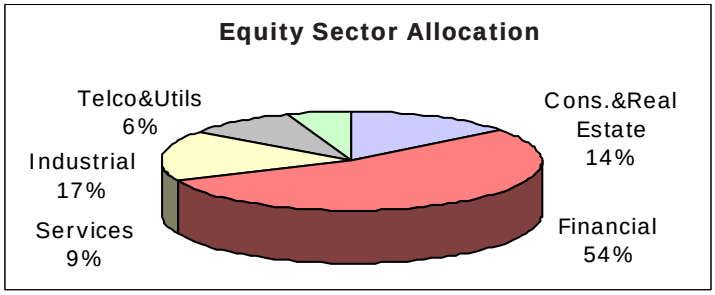
Management Team

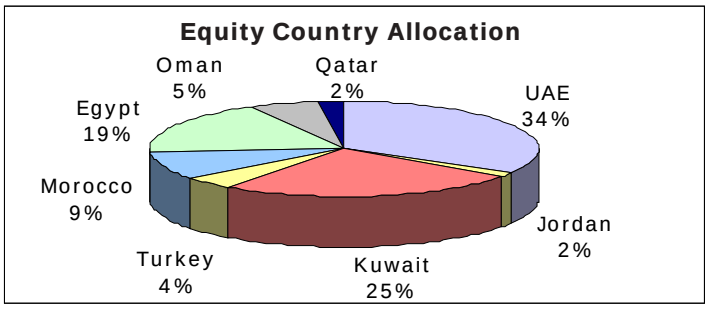
Anita Shetty

The NBD MENA Fund declined by 3.97% to close at an NAV of AED8.14 during November comfortably outperforming the GIC Composite Index which declined by 16.7% during the period largely due to the continued absence from the KSA market which declined by 23.8% during the month and a significantly lower allocation to of 2.3% to the Qatari market which lost 15.7% during November. Meanwhile a 22.3% allocation to the Kuwaiti market which has been relatively resilient (having fallen by 8.7%) has supported the fund performance. In tandem with GEMs volatility and downward pressure on the lira, the Turkish market meanwhile declined by 6.0% during the month. Egypt has however remained relatively resilient despite the regional decline falling by 1.5% during the month.

The major gainers in our investment universe included Addoha, Vodafone Egypt, Commercial International Bank and Eczacibasi Ilac which increased by 72.0%, 12.9% 10.0% and 3.9% respectively while Emirates Integrated Telecommunication (Du), Burgan Drilling, Orascom Telecom and Olympic Group have declined by 3.0%, 2.7%, 2.2% and 0.4%. Given the lack of significant catalysts, we expect the GCC market to move sideways in the immediate term characterized by a series of rallies and pullbacks ahead of the release of the 4Q2006 corporate results. We expect the Egyptian and Turkish markets to meanwhile remain relatively buoyant on the back of a revival in GEMs flows and healthy investor sentiment.







Top Equity Holdings*	*(%)*
Arabtec Construction	5.00
Aabar Sukuk	4.66
Emaar Properties	4.00
EFG Hermes Holding	4.00
Muscat Fund	3.50

** % of NAV*

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