



STANDARD & POOR'S



**Fund Objective**

The objective of the Fund is to provide investors with a professionally managed means of participating in Shari'a compliant growth investments across a range of MENA markets. The Fund aims to achieve long-term capital growth from a diversified portfolio of Shari'a compliant equity securities, although it can take on exposure to other assets from time to time if the Investment Manager believes it would be appropriate to do so. These assets include, but are not limited to, Murabaha and fixed deposits, Sukuk, trade finance, real estate, alternative strategies and cash equivalent assets.

**Market Commentary**

MENA markets strengthened during December 2011 with the S&P Pan Arab Index gaining 1.9% for the month while the MSCI Emerging Markets Index depreciated 1.3% during the same period. Top performing regional markets for the month included Saudi Arabia (+5.1%), Oman (+5.1%) and Qatar (+2.2%) while the laggards were Egypt (-10.2%), Dubai (-1.9%) and Abu Dhabi (-1.8%).

The MENA Opportunities Fund appreciated 0.3% in December compared to 0.8% depreciation in the benchmark\*. Since inception in April 2006, the fund has depreciated by 11.7% compared to the benchmark return of -19.5%. The Fund's equity weighting decreased from 57% at the end of November 2011 to 55% at the end of December 2011.

In aggregate, the portfolio's underweight in Kuwait contributed positively to performance for the month due to stock selection while the underweight in Saudi Arabia was a detractor from relative performance for the month, due to asset allocation.

For December, the Saudi market outperformed its MENA peers due to the announcement of the 2012 Saudi budget where expenditure is 19% higher than the 2011 budget and remains focused on economic and social development. Infrastructure development and education collectively account for over 50% of the budget. It is estimated that the 2011 fiscal surplus would be SAR306bn or 14% of GDP which is a very strong result in light of the current global economic climate. In addition, there were press reports that the Kingdom was examining measures to open the stock market to foreign investors in 2012 although no official statements have been made by the relevant authorities.

UAE and Egypt, on the other hand, underperformed the general MENA market for the month. For UAE, investors were disappointed that MSCI did not upgrade the market from the Frontier to the Emerging Market Index. While Qatar did not receive the upgrade as well, stocks in UAE had rallied prior to the announcement in anticipation of an upgrade. For Egypt, political tensions took their toll on the market despite a fairly smooth election process. Preliminary results showed that Muslim parties garnered more than two-thirds of total votes, in line with general expectations.

For 2012, we remain overweight in Qatar on the back of strong economic fundamentals and in UAE due to attractive valuations. We are underweight Kuwait due to rich valuations and Egypt due to political and macroeconomic concerns although these concerns are now being reflected in the cheap valuations.

**Performance Data**

	Fund	Benchmark*
1 Month Performance	0.27%	0.80%
3 Month Performance	0.10%	1.01%
12 Month Performance	-7.61%	-7.19%
Year to Date	-7.61%	-7.19%
Performance since Launch	-11.72%	-19.48%
CAGR Since Inception	-2.14%	-3.69%
Volatility	14.60%	14.18%
Sharpe Ratio	-0.32	-0.44

\* The benchmark index for EMOF is a return weighted index with the following constituents and weights: 60% hybrid MENA Equity Index and 40% 3 month LIBOR where the hybrid MENA Equity Index comprises 60% MSCI Arabian Markets Domestic ex Saudi Arabia Index and 40% Tadawul Index.

**Details**

<b>Discretionary Investment Manager</b>	Emirates NBD Bank PJSC, UAE
<b>Delegate Investment Manager</b>	Emirates NBD Asset Management Limited regulated by Dubai Financial Services Authority
<b>Fund Manager</b>	Emirates NBD Fund Managers (Jersey) Limited
<b>Fund Type</b>	Open ended investment fund
<b>Domicile</b>	Jersey, Channel Islands
<b>Fund Launch Date</b>	26 April 2006
<b>Current Fund Size</b>	USD 52.94 million
<b>Annual Management Fee</b>	E Daily Share Class (AED): 1.75% A Daily Share Class (USD): 1.5% P Daily Share Class: 1.5%
<b>Performance Fee</b>	10% of the return above hurdle rate of 10%
<b>NAV/Share (31.12.2011)</b>	E Daily Share Class (AED): 6.28 A Daily Share Class (USD): 8.83 P Daily Share Class (USD): 6.27
<b>NAV/Subscriptions</b>	Daily
<b>Redemptions</b>	Daily
<b>Valuation Point</b>	Daily (Monday to Friday)
<b>Bloomberg Ticker</b>	E Daily Share Class (AED): EMIRAED JY A Daily Share Class (USD): EMMENAO JY P Daily Share Class: EMNOPPD JY
<b>Life Company Fund Code</b>	Hansard: MC136* Oman Insurance Company: H90* Salama

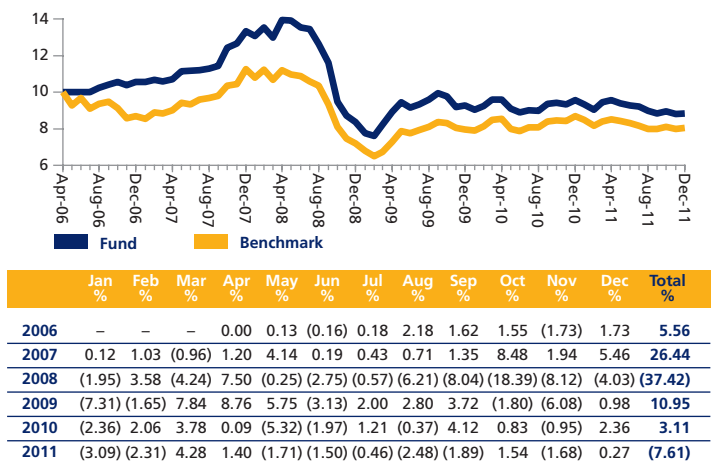
\* Regulars and Singles

**Target Asset Allocation Restrictions**

Asset Class	Min	Neutral*	Max
Murabaha & Fixed Deposits	3%	10%	30%
Sukuk	0%	25%	40%
Equities	30%	60%	97%
Real Estate	0%	5%	40%
Other Investments	0%	0%	25%

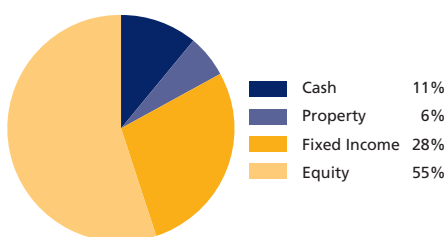
\* As of March 2011, the neutral target asset allocation weights of the Fund have been amended

**Performance History**

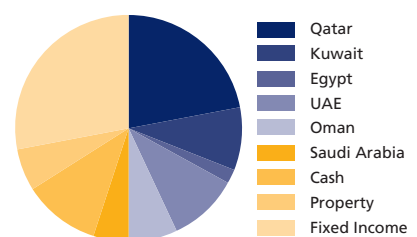


**Fund Weightings**

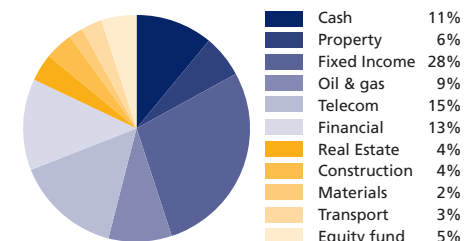
**Asset Allocation**



**Country Weights**



**Sector Weights**



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Past performance is not indicative of future performance. The value of investments and the income derived from them may go down as well as up and you may not receive back all the money which you invest.

For a full outline on applicable fees, please refer to the Fund's supplement or term sheet.

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