

BRIDGING INNOVATION AND INVESTMENT CAPITAL

There is now a new business that provides emerging US companies with access to Middle Eastern investors looking for fresh ideas and investment opportunities. It is called Arabian Access and **Eric Meyer** from **Shariah Funds Inc** reports on how the idea came about

Traveling through the Gulf and meeting investors on a range of levels, I consistently hear a common theme: “You have access to the right people on Wall Street, can you introduce me to new companies with new ideas that I can get involved with?” Like investors anywhere, Middle Eastern investors appreciate the value of good ‘deal flow’. Likewise, when I travel in the US or UK, corporate executives say to me: “You have access to the right people in the Gulf. Can you introduce my firm to equity investors or potential licensees (or franchisees)?” Like Gulf investors, western companies are always looking to increase their shareholder and relationship bases as well.

I am often approached by companies looking for capital investors, or partners, or distributors or agents in the Middle East. Their frustration has been a lack of contacts, particularly on the international side, to convey their messages to the right audience.

The web portal is called www.arabianaccess.com. First, we profile entries in concise, easy-to-read reports that are prominently featured on the website. These reports provide a snapshot of the company and highlight the opportunities of its businesses. Or, they might detail one aspect of a company that is particularly appealing for Middle Eastern investors. The majority of these companies are publicly traded, so financial information and other research is usually available from other sources, including the company itself, so it doesn’t need to be repeated on our site. The idea is straightforward: bring unique companies to the attention of investors known for their ability to identify undervalued or undiscovered opportunities.

Secondly, we broaden the awareness of these companies by introducing them to a variety of Middle East websites that focus on financial news. Construction and building materials are a popular topic these days. Energy, healthcare and technology also generate significant interest.

Finally, we alert institutions and individuals directly about companies featured on Arabian Access and some of their recent initiatives. Over the years, my colleagues and I have accumulated thousands of contacts in the Middle East, ranging from senior



government officials and individuals of prominence in numerous industries to high net worth clients and members of wealthy families. These individuals typically trade shares in their local markets already and have a defined process for evaluating stocks. Usually educated in the US or Europe, they make investment decisions without the bureaucracy of committees or advisors. They also are ‘Internet savvy’. Arabian Access was built specifically to meet their requirements for concise, topical information about companies with new or innovative products or business concepts. Our objective is to bring these investors to companies with ideas and vision.

NOT BROKERS

We are not brokers. Our business model is to provide access, not trade execution. We talk to a number of broker/dealers that oversee significant trading order flow, however, and can make referrals if requested.

Our role is to make investors aware of companies that could offer attractive opportunities for them. If they decide to buy a particular

stock, they can place an order with their existing broker. Again, since these companies are publicly traded, there are no extra steps or added paperwork.

Although investors should always consult their personal tax advisors, the US tax codes historically have not taxed the capital gains of offshore investors on securities. That would include investors in shares of companies showcased on Arabian Access. So, if an offshore investor buys the shares of a company at \$2 per share and sells them at \$5 per share, there are no U.S. taxes on the \$3 gain. That's a tremendous advantage for overseas investors, particularly those who trade actively in the US markets.

SEEKING CAPITAL

We can serve as a consultant to the company specifically for that purpose, if requested. I have met many Middle Eastern investors interested in private placements or PIPES (Private Investments in Public Entities) as a means to developing relationships with emerging and innovative companies. Once again, we can interface between the company and the investor to help them build that relationship. It is gratifying for us when an investor goes beyond passively investing in a company's stock. It means that Arabian Access truly is bringing people together.

ARE WE STILL FOCUSED ON ISLAMIC FINANCE?

We have not shifted our focus from Shari'ah compliant products at all. Arabian Access is complimentary to our Shari'ah products business. There are definite synergies between the two areas. The Shari'ah compliant oil and gas company we are structuring under the guidance of our Shari'ah scholars will be led by Marc Bruner, one of the highly successful oil and gas pioneers in the US. This is groundbreaking work and groundbreaking news. We don't know of any other western oil and gas executive who is willing to create and manage a new company structured as a Shari'ah compliant entity.

OTHER SERVICES

In addition to profiling a company in the Featured Listings section of our website, we provide an expanded range of services. These other services include capital introduction, investment consulting, licensing and technology applications, advising on listings on Middle Eastern exchanges, road shows and coordinating agency or distribution arrangements between companies and investors, as I mentioned earlier.

Road shows, for example, are the ultimate extension of these services where companies can meet investors directly. Over the years, we have led a number of road shows in the

Gulf for corporate executives and investment fund managers, so we readily can arrange meetings in selected countries with specific investors. We also can schedule speaking engagements at industry conferences, press interviews and media coverage typically not extended to most companies in the United States.

We get companies the attention and visibility they deserve in one of the most liquid markets in the world; from investors capable of investing serious capital. Our objective is to build a bridge between companies with exceptional ideas and talents and investors looking to invest capital and build relationships that can complement their existing businesses.

Events diary for February-May 2006

February

- 7-8** 2nd International Conference on Islamic Banking: Risk Management, Regulation and Supervision, Kuala Lumpur, Malaysia IFSB; Bank Negara Malaysia
- 21-22** Islamic Finance Singapore 2006
- 21-22** 2nd International Symposium on TAKAFUL (Islamic Insurance) Langkawai, Malaysia
- 23-24** IFSB 2nd Seminar on the Regulation of Takaful, Malaysia, The Andaman, Langkawai, Malaysia, Islamic Financial Services Board
- 23-24** Islamic Banking and Finance Conference, Lebanon Beirut, Lebanon, School of Business, Lebanese American University
- 27-28** Global Islamic Finance Conference 2006, Hotel Nikko, Kuala Lumpur

March

- 6-9** Hedge Funds World Middle East, Madinat Jumeirah, Dubai, UAE Terrapin
- 13-14** The 1st Islamic (Banks & Financial Institutions) Conference in Syria 06 Le Meridien Hotel, Damascus, Syria Al Salam for Int'l Conferences & Exhibitions.
- 14 - 15** 2nd Seminar on Legal Issues in the Islamic Financial Services Industry, "Toward An Effective Legal Framework for Islamic Finance: Asset Securitization and Insolvency", London The Landmark Hotel, London Islamic Financial Services Board, IDB, ADB
- 19 - 22** International Islamic Finance Forum Dubai 2006
- 23** Second Annual Innovations in Islamic Finance Conference, The Yale Club's Grand Ballroom, New York

April

- 9-10** World Takaful Conference, Bahrain, Grand Hyatt, Dubai
- 22-23** Seventh Harvard University Forum on Islamic Finance Harvard Law School, Massachusetts, US, Islamic Finance Project, Harvard Law School

May

- 17-18** 3rd Islamic Financial Services Board Summit: Aligning the Architecture of Islamic Finance to the Evolving Industry Needs, The Phoenicia Intercontinental Hotel Beirut, Lebanon Islamic Financial Services Board
- 23 - 24** 3rd Islamic Financial Services Board Summit: Strengthening the Financial Architecture of Islamic Financial Services Industry, Islamic Financial Services Board

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