MAKASEB ARAB TIGERS FUND

Fact Sheet for July 2007

Investment Objective

Makaseb Arab Tigers Fund (MATF) aims to achieve long term capital appreciation through investing mainly in shares of companies listed on the Stock Exchanges of the Middle East and North Africa region.

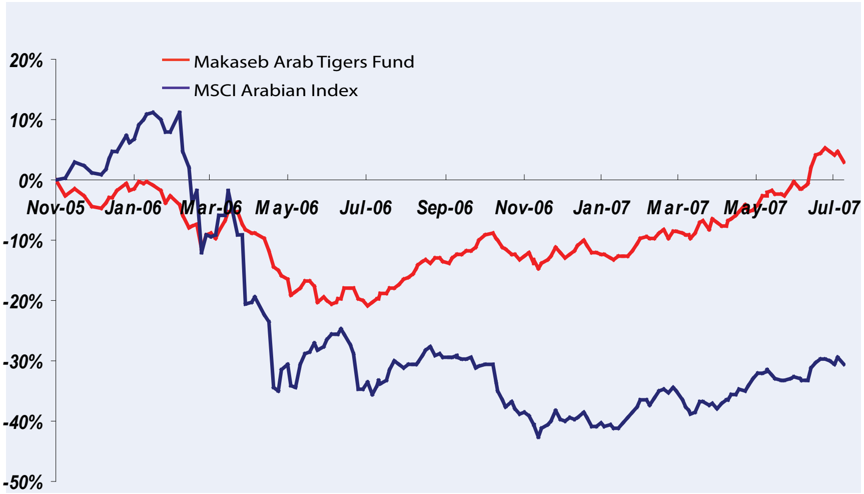
Fund Information

Fund type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Central Bank of Bahrain
Net Asset Value	Each Sunday and Wednesday
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
Subscription	Each Monday and Thursday
Redemption	Each Monday and Thursday
Management fee	2% p.a.

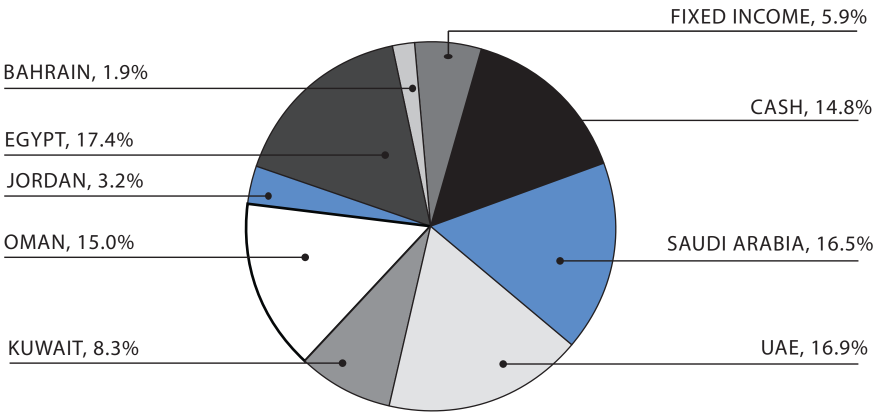
Perfomance Summary

	MATF	MSCI Arabian Index
NAV (July 29,2007)	US$10.29	
Since inception (Nov 22, 2005)	3.5%	-30.0%
YTD-2007	16.5%	15.2%
July 2007	4.3%	4.2%
Year 2006	-8.1%	-40.7%
Year 2005	-3.8%	1.8%
No. of Holdings	24	173
Max. Monthly Gain	6.8%	8.0%
Min Monthly Loss	-9.9%	-15.5%
Beta	0.24	
R-Sq	29.4%	
Ann. SD	11.0%	23.1%
Sharp Ratio	-0.5	
Treynor Ratio	-0.2	
Information Ratio	1.7	

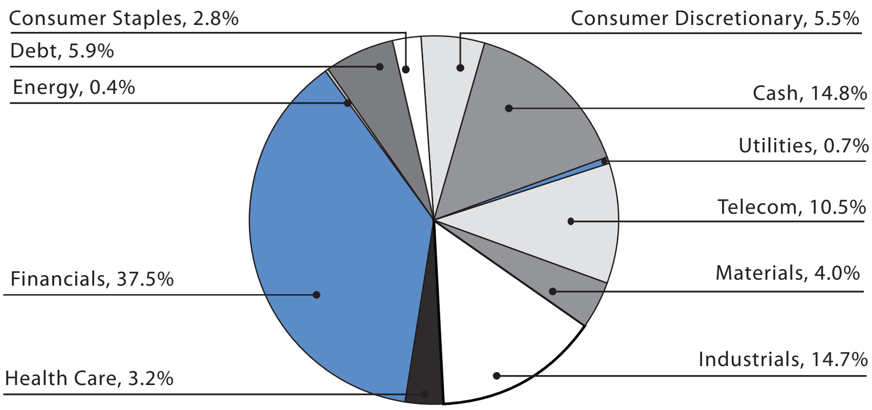
Performance Chart since inception



Regional Allocation



Sector Allocation



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Fact Sheet for July 2007 Contd.

Top 5 Holdings

Stock	Weight
Emaar Properties	11.2%
Etihad Etisalat Company	5.9%
PCFC Development	5.9%
Agility	5.7%
National Bank of Oman	5.6%

Fund Codes:
WKN: A0J3RQ
ISIN: BH000A0J3RQ8
BLOOMBERG CODE:MAKATFD BI
ZAWYA CODE: MAKARBT.MF

Investment Manager & Sponsor:
Mashreqbank psc, Al Ghurair City,
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Fund Manager's Commentary

July was surprisingly an active month for markets in the Middle East. The month started with positive market action backed by corporate earnings expectations for the first half of 2007. Towards the end of the month, global equity markets corrected sharply creating ripples in local equities. However, majority of the regional markets managed to close the month in black.

		Performance	
Region	Markets	Month to date	Year to date
GCC	Dubai	-3.8%	+3.0%
	Abu Dhabi	-0.5%	+17.6%
	Qatar	+3.4%	+6.1%
	Kuwait	+3.3%	+23.9%
	Oman	+1.5%	+15.1%
	Bahrain	+6.9%	+15.3%
	Saudi Arabia	+8.3%	-4.3%
North Africa	Jordan	-1.3%	+3.0%
	Morocco	+0.9%	+18.4%
	Egypt	+4.4%	+18.2%
	Tunisia	-3.2%	+4.6%

Source: Bloomberg, All shares indices used in calculation where available
MTF: June 27, 2007 - July 29, 2007
YTD: December 31, 2006 - July 29, 2007

Corporate earnings for the second quarter have been quite encouraging. Usually, the GCC companies are the first to announce their financial performance. Following is an aggregate of the second quarter corporate earnings announced by the GCC companies to date.

Markets	Sequential Growth in Profit	Year on Year growth in Profit
United Arab Emirates	16.2%	24.8%
Saudi Arabia	19.0%	3.6%
Qatar	5.0%	29.4%
Oman	20.4%	40.8%
Kuwait	-16.4%	133.6%
Bahrain	-3.4%	44.9%
GCC companies	7.2%	29.0%

Source: Bloomberg
1. Based on Half year numbers
Kuwait's QoQ negative earnings growth is primarily due to KIPCO's 1Q results which booked gains on sale of NMTC
Bahrain's QoQ negative earnings growth is due to United Gulf Bank's exceptional 1Q07, UGB increased in earnings 5 folds, during 2Q07, earnings growth YoY was over 130%

Keeping in mind seasonality in earnings for Saudi companies, earnings growth both sequential and year on year has been quite strong. This bodes well for the health of the corporate sector and should inspire investor confidence both at micro and macro level. North African companies are yet to announce their first half 2007 financial performance. We expect to see similar performance there as well.

Your Fund earned a return of 4.3%, largely tracking the benchmark MSCI Arabian Index. The Fund's performance was helped by our overweight in Egypt however, our overweight in UAE, which performed poorly, held back some of the gains.

Markets	MATF	Benchmark	Performance
Egypt	2.1%	0.7%	1.4%
Oman	0.2%	0.0%	0.2%
Jordan	0.2%	0.0%	0.0%
Qatar	0.0%	0.3%	-0.3%
Morocco	0.0%	0.1%	-0.1%
Bahrain	0.3%	0.0%	0.2%
United Arab Emirates	-1.3%	-0.5%	-0.8%
Kuwait	1.1%	1.1%	0.0%
Saudi Arabia	1.7%	2.6%	-0.9%
Fixed Income	0.1%	0.0%	0.1%
Return during the month	4.3%	4.2%	0.1%

Note: Period: June 27, 2007 – July 29, 2007

Cont'd

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Fund Manager's Commentary Cont'd

The Fund's underperformance in the UAE mainly stemmed from our overweight in Emaar Properties. Shares in Emaar Properties plummeted after the announcement of 2Q earnings which featured margin rationalization on the back of lower land sales. We believe that the UAE market has overshot itself on the downside and expect to see recovery once liquidity returns to the market.

During the month, we reduced our exposure to the Egyptian market by almost 50% in the wake of increasing volatility in global markets. Since Egypt is a prominent member of emerging market universe and a favorite among EM fund managers, it could possibly see capital flight in the wake of global market turmoil. Although macro and micro fundamentals in Egypt are still positive, we believe a little caution is necessary.

In Saudi Arabia, we continued to build positions in select stocks. We would further increase our exposure to Saudi equities; however, we would try to distance our selves from beta stocks in the Kingdom. In Oman, we took some gains from the recent market rally. We plan to deploy these gains opportunistically in Saudi Arabia. Kuwait continued its uphill stride during the month lead by Kuwait Finance House and Agility Logistics. We are reviewing our exposure in Kuwait which is triggered by continued strong performance of the Kuwaiti bourse.

Barring global market turmoil, we expect regional markets to deliver positive returns for the rest of the year. Any selling frenzy in the interim would provide an excellent opportunity to gain market exposure.

August 06, 2007

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