MAKASEB ARAB TIGERS FUND

Makaseb مكاسب
FUNDS COMPANY BSC (C) لصناديق الاستثمار

Fact Sheet for July 2006

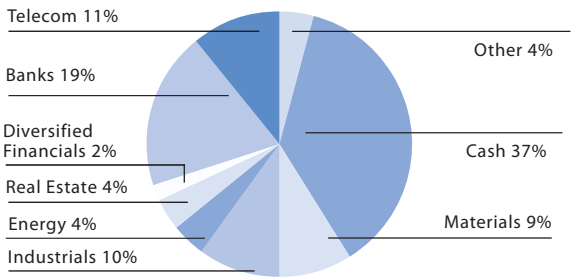
Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
Net Asset Value	Each Sunday and Wednesday
Subscription	Each Monday and Thursday
Redemption	Each Monday and Thursday
Management fee	2% p.a.
Investment Manager	Mashreqbank psc
Share Registrar	Ernst & Young, Bahrain
Administrator	Gulf Investment Corporation
Custodian	Gulf Investment Corporation
Auditor	Deloitte & Touche
Primary listing	Bahrain Stock Exchange

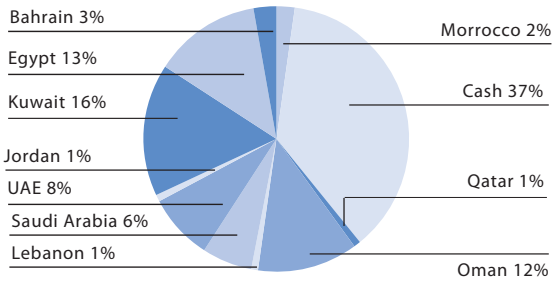
Performance Summary

	Arab Tigers Fund	MSCI Arabian Index
NAV (July 30, 2006)	USD 8.03	
July 2006	0.18%	-11.67%
June 2006	-2.88%	7.16%
May 2006	-9.85%	-13.63%
Apr 2006	-1.55%	-14.45%
Since Inception(Nov 22, 2006)	-19.67%	-34.75%

Sector Allocation



Region Allocation



For more information please contact

Mr. Marwan Farag (+971 4 207 8360)
Mr. Hadi Nasser (+971 4 207 8396)

Investment Manager & Sponsor:
Mashreqbank psc, Al Ghurair City,
7th Floor, P.O. Box 1250, Dubai, U.A.E.
Tel +9714 2078461

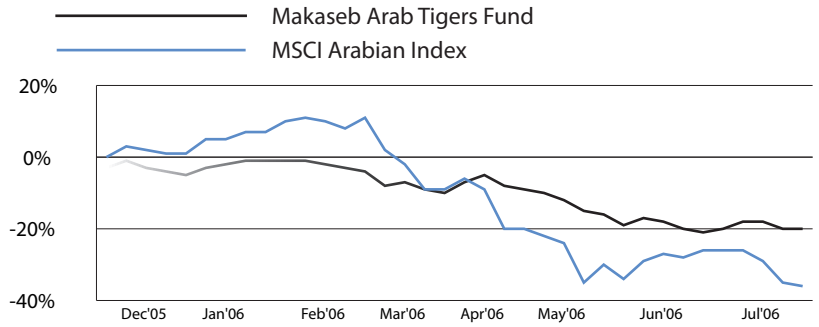
Registered Office:
14th Floor, City Gardens, P.O. Box 140, Manama,
Bahrain. Tel + 97317 535455
Website www.makaseb.com

WKN: A0J3RQ
ISIN: BH000A0J3RQ8
BLOOMBERG CODE:MAKATFD BI

Investment Philosophy

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.

Performance Chart



Overview and Outlook

Your Fund managed to garner a return of 0.18% during July amid a continuing GCC wide capital market decline. In relative terms, your Fund outperformed the benchmark by 11.6%.

Markets	Out performance
Saudi Arabia	+9.59%
Egypt	+1.19%
UAE	+0.66%
Kuwait	+0.54%
Others	-0.34%
Relative performance	+11.6%

As is evident, bulk of our out performance came from Saudi Arabia. Throughout the month, your Fund was heavily underweighting the Saudi market due to lack of attractive investment opportunities. Saudi stocks are still trading at a significant premium to emerging market stocks and a further rationalization in prices appears to be underway. Till such time that asset's earning power is able to support its valuation, we intend to keep clear of Saudi Arabia. Egypt ranks second amongst markets contributing to your Fund's out performance. Our timely call to invest in EFG-Hermes Holding is one of the leading contributors to our 1.19% out-performance generated from the Egyptian market. Similar good investment calls in the UAE contributed to over 0.66% in your Fund's out performance even though the UAE markets closed the month in the red. Kuwait continued its lackluster performance; however, our asset allocation decision gained us 0.54% in relative performance.

At a sector level, bulk of your Fund's out-performance was the result of heavily underweighting the Materials segment which is dominated by Saudi Basic Industries. Our stock selection in Diversified Financials, Capital Goods, Energy, Telecommunications and Banks contributed to over 3.81% to your Fund's out-performance. While our exposure to Public Warehousing Company in the transportation segment cost your Fund 0.20% in relative performance.

We expect the Saudi Arabia to continue the decline albeit at a much slower pace; Egypt might take a breather after July's run up and Kuwait is expected to stabilize. We are reviewing your Fund's exposure to the Real Estate sector regionally, particularly in the UAE for a possible portfolio rebalancing. Your Fund has sufficient cash balance to allow it to take advantage of any possible upturns in the regional markets.

Issued on August 6, 2006