

Fact Sheet for September 2007

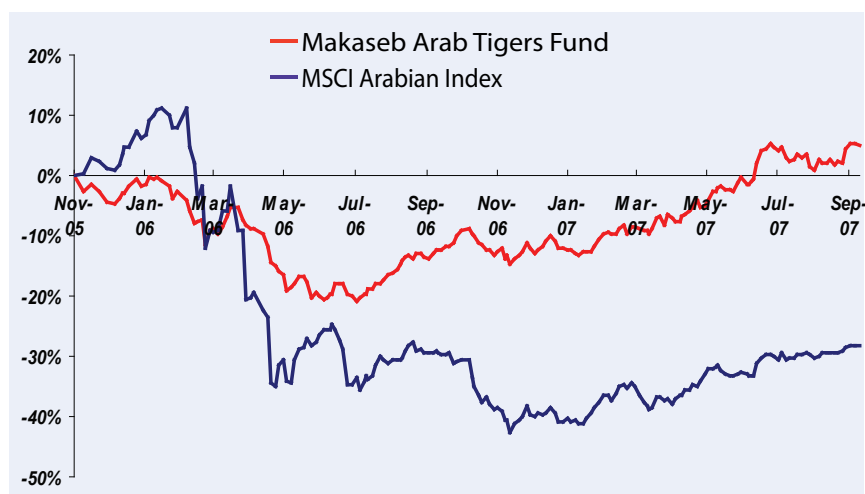
Investment Objective

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.

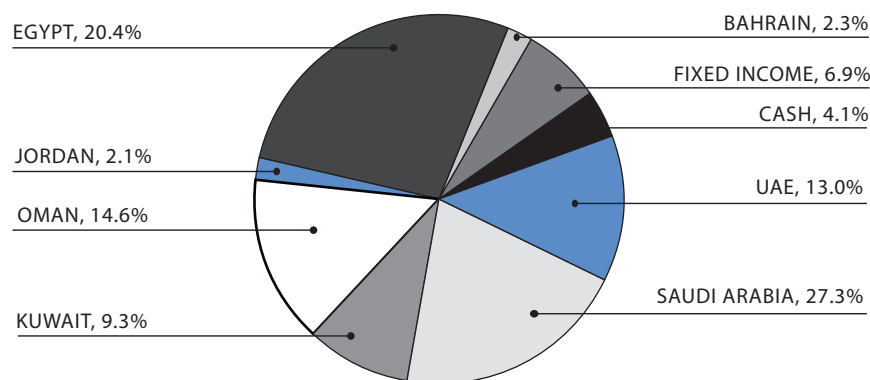
Performance Chart since inception



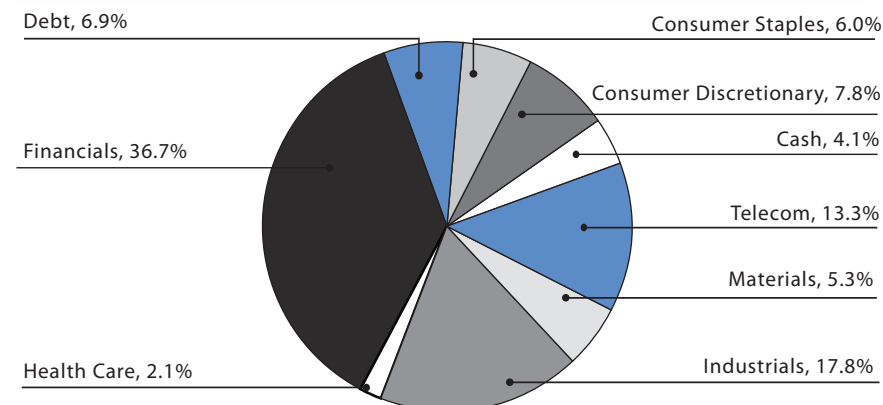
Performance Summary

	MATF	MSCI Arabian Index
NAV (September 30 ,2007)	US\$10.50	
Since inception (Nov 22, 2005)	5.0%	-28.2%
YTD-2007	18.8%	18.9%
September 2007	2.8%	1.7%
Year 2006	-8.1%	-40.7%
Year 2005	-3.8%	1.8%
No. of Holdings	22	173
Max. Monthly Gain	6.7%	8.0%
Max Monthly Loss	-9.9%	-15.5%
Beta	0.25	
R-Sq	28.3%	
Ann. SD	11.0%	21.6%
Sharp Ratio	-0.3	-1.0
Treynor Ratio	-0.2	
Information Ratio	1.8	

Regional Allocation



Sector Allocation



Fact Sheet for September 2007 Contd.

Top 5 Holdings

Stock	Weight
Ethiad Etisalat Company	7.5%
EFG Hermes Holding SAE	7.4%
PCFC Development	6.9%
Saudi Research and Marketing	6.4%
AGILITY (EX PWC)	6.1%

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

Investment Manager & Sponsor:
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Fund Manager's Commentary

September was a good month for equity markets in the Middle East and North Africa ("MENA") region. Most of the GCC markets posted positive returns – exceptions being Saudi Arabia and Dubai, while in the North Africa and Levant, Egypt came out on top with 11.6% monthly return, thus fully recovering losses resulting from emerging market sell off in the preceding month.

Region	Markets	Performance	
		Month to date	Year to date
GCC	Dubai	-0.3%	+2.5%
	Abu Dhabi	3.5%	+18.6%
	Qatar	8.3%	+13.5%
	Kuwait	1.3%	+27.6%
	Oman	5.5%	+25.2%
	Bahrain	0.1%	+14.7%
	Saudi Arabia	-4.8%	-1.3%
North Africa and Levant	Jordan	2.0%	+3.8%
	Morocco	0.5%	+27.2%
	Egypt	11.6%	+24.4%
	Tunisia	-1.0%	+5.8%

Source: Bloomberg. All shares indices used in calculation where available
MTF: August 29, 2007 - September 30, 2007
YTD: December 31, 2006 - September 30, 2007

Your Fund earned 2.77% during the month, outperforming the benchmark MSCI Arabian index by over 1%. Our overweight on Egypt and Oman was the main return and performance generator; however, our concentrated exposure on Saudi Arabia cost us 0.3% on relative basis. We plan to build selective exposure in UAE and Saudi Arabia while booking profits from Egypt and Oman. For the third quarter, we expect corporates to exhibit healthy growth in operating earnings and this has already started to reflect in share prices of most companies.

Markets	Makaseb Arab Tigers Fund	MSCI Arabian Index	Performance
Egypt	3.47%	1.74%	1.73%
Oman	0.74%	0.09%	0.65%
Jordan	0.22%	0.05%	0.17%
United Arab Emirates	0.08%	-0.03%	0.10%
Bahrain	0.07%	0.02%	0.06%
Kuwait	0.05%	0.38%	-0.34%
Qatar	0.00%	0.69%	-0.69%
Morocco	0.00%	0.27%	-0.27%
Saudi Arabia	-1.82%	-1.52%	-0.30%
Fixed Income	-0.03%	0.00%	-0.03%
Return during the month	2.77%	1.68%	1.09%

Note: Period: August 29, 2007 – September 30, 2007

September's highlight was the decision by the Federal Reserve Board of the United States to cut federal funding rate by 0.5% in order to soften the blow from sub-prime mortgage crisis. This reduction in interest rates had a predictable impact on equity markets around the world. This to some extent helps explain stellar performance in markets like Egypt, which have sizeable participation by foreign investors.

Of more importance and interest is the impact of Federal rate cut on the MENA region particularly on the GCC which has five out of six currencies pegged to the US dollar. Last month's rate cut by the Federal Reserve have put an upward pressure on all pegged currencies in the GCC. As it is common knowledge, the economic environment in the GCC and the United State is in complete contrast to each other. GCC economies continue to grow at a feverish pace supported by strong hydrocarbon prices where as US is possibly heading towards a recession. Following US monetary policies in GCC's hyper growth environment has already resulted in double digit inflation and negative real interest rates fueling various pockets of asset price bubbles. Although most of the central banks in the GCC have expressed strong commitment to retain dollar peg, we suspect these commitment would pass the test if the Fed lowers interest rates a second time.

Contd

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Disclaimer: Performance data quoted represents past performance: past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted.

Fund Manager's Commentary Cont'd

We are always wary of sudden outburst in investor sentiments leading to irrational exuberance or apathy. We reiterate our view that the sub-prime crisis would continue to haunt investors and their risk appetite for a protracted period. A glimpse of the damage already done should be visible from third quarter results of banks and financial institutions in the developed markets and it might spark yet another sell off. In lieu of the above opinion, we have aligned our portfolio to benefit most from region's economic prospects while withdrawing from opportunities which might be heavily dependent on growth in the European Union or the United States. Over the medium to longer term we are fairly bullish on regions economic prospects and expect attractive returns for investors who venture in to these waters. Understandably, the sails would be far from smooth.

October 04, 2007

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