

## Fact Sheet for September 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

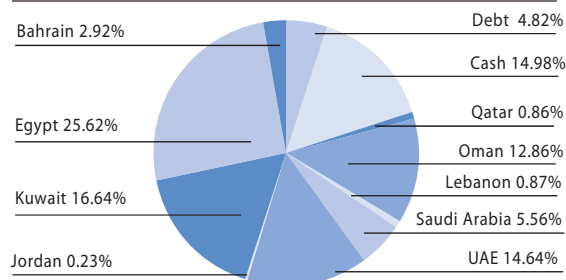
### Performance Summary

	Arab Tigers Fund	MSCI Arabian Index
NAV ( September 27, 2006)	USD 8.69	
September 2006	1.97%	1.45%
August 2006	6.15%	5.72%
July 2006	0.82%	-11.60%
June 2006	-2.88%	7.09%
Since Inception(Nov 22, 2005)	-13.05%	-29.44%

### Top 5 Holdings

Stock	Weight
EFG-Hermes Holding SAE	6.11%
Emaar Properties PJSC	5.26%
PCFC Development	4.82%
El-Sewedy Cables Holding Co	4.38%
Mobile Telecommunications Co	4.09%

### Region Allocation



For more information please contact

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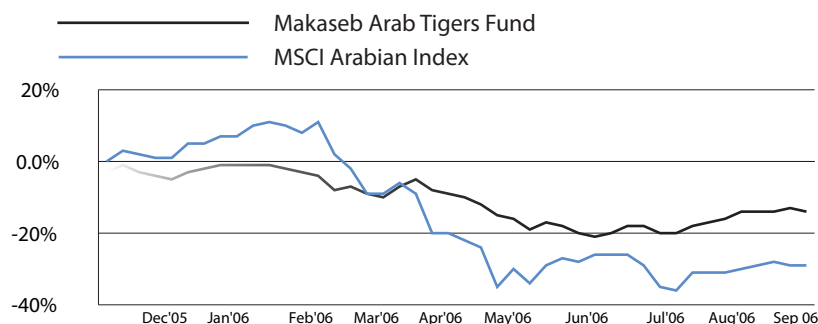
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BLOOMBERG CODE:MAKATFD BI

### 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

The month of September witnessed mixed market movements across the region. Some regional markets were in a correction phase after rallying during August while others continued the positive momentum built in the preceding month.

During September, your fund generated a return of 1.97% compared to 1.45% return for the benchmark MSCI Arabian Index, thus out performing by 0.52%. Our overweight in Oman and Egypt and underweight in Qatar contributed to our out performance while our decision to underweight Saudi Arabia took away 0.42% in relative performance.

Markets	MATF	MSCI Arabian	Relative Performance
Oman	+0.98%	+0.05%	+0.93%
Egypt	+0.37%	+0.22%	+0.15%
UAE	+0.13%	+0.29%	-0.15%
Kuwait	+0.34%	+0.51%	-0.17%
Saudi Arabia	+0.22%	+0.64%	-0.42%
Other MENA markets	-0.08%	-0.26%	+0.18%
<b>Total Return</b>	<b>+1.97%</b>	<b>+1.45%</b>	<b>+0.52%</b>

The Saudi market during the last couple of months has witnessed increased activity in speculative scripts which is driving up the market and adversely impacting your fund's relative performance. In our view, this is a temporary phenomenon as there is still a huge detachment between the asset's earning power and the price at which most Saudi scripts are trading. We expect this discrepancy to correct over time mostly through price action.

For the coming month, we expect the regional markets to be range bound ahead of third quarter earnings. We expect an average year on year earnings growth of over 30% for listed universe in our portfolio. During October, we intend to utilize most of the cash prior to earnings announcements in order to capitalize of earnings surprises.

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