

Makaseb Qatar Equity Fund

September 2005

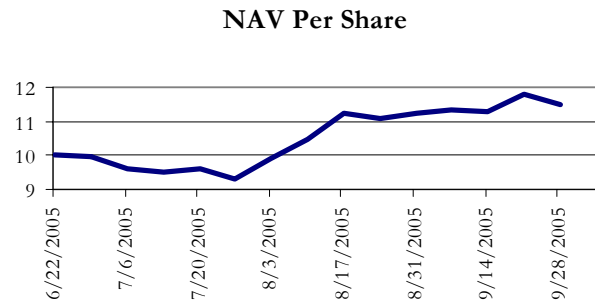
Investment Objective:

To achieve long term capital appreciation through investing mainly in shares of companies listed on the Doha Stock Market.

Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
Net Asset Value	Weekly
Subscription	Weekly
Redemption	Weekly
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

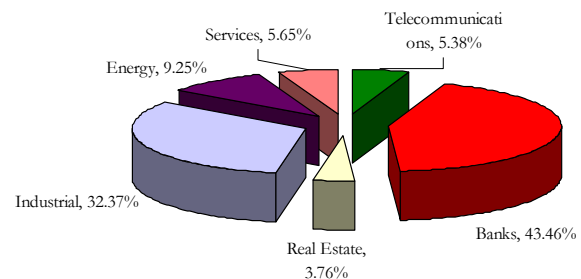
Performance Chart



Performance Summary

NAV (September 30, 2005)	USD 11.04
July	-4.3%
August	18.4%
September	2.5%
Since Inception	10.46%

Asset Allocation



Overview and Outlook

The month of September witnessed little activity at Doha Securities Market (“DSM”). The market moved erratically and Qatar Securities Index (“QSI”) marginally increased by 2.5% during the month. Investors’ interest was focused mainly on Service sector followed by Banking and Industrial sectors.

Makaseb Qatar Equity Fund (MQEF) tracked market performance and posted 2.5% return during the month. The fund generally benefited from strong performance of its large position in Qatar Gas Transport Company (Nakilat). Nakilat appreciated by 30% during the month on the back of strong core earning expectations and announcement by the Company to add 6-8 LNG vessels to its transportation fleet. This is an indication of strong growth prospects in the business and is expected to positively impact earnings going forward.

Qatar Commercial Bank – MQEF’s second largest position – rose by 13.5% in anticipation of a 25% capital increase. Increased capital would allow the bank to grow and is expected to positively impact future earnings.

Going forward, we expect low volumes in the market during the month of Ramadan due to little active interest from investors. However, we expect the bulls to return to the market by month end in anticipation of strong third quarter results.

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