

Makaseb Qatar Equity Fund July 2005

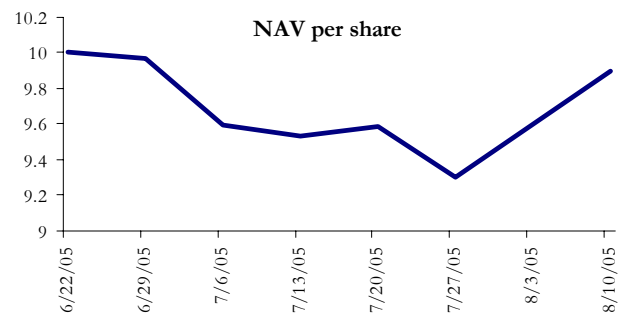
Investment Objective:

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

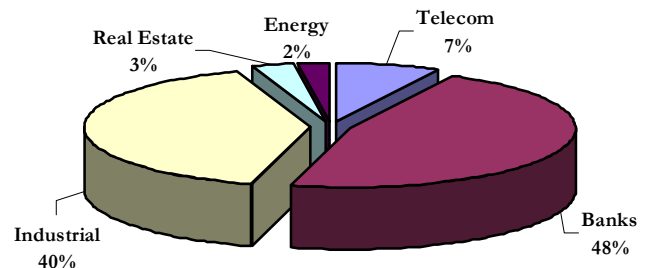
Executive Summary

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



Asset Allocation



Performance Summary

NAV (August 9, 2005)	USD 9.89
June 2005	-0.3%
July 2005	-6.7%
August 2005	6.3%
Since Inception	-1.1%

Overview and Outlook

Like most other GCC markets, the Doha Securities Market (DSM) ended the month of July in negative territory. The DSM witnessed a 40% drop in trading value during the same month. By the beginning of August, led by strong corporate results, the DSM has managed to recover its earlier losses. We believe that the recovery and overall performance will continue to be influenced by factors such as high energy prices, a high level of liquidity in the market, strong corporate earnings, and strong investor sentiment.

Reflecting the DSM market decline in July, Makaseb Qatar Equity Fund's NAV also fell by 7%. We believe that the recent price correction was a short term correction and the balance of risk is now to the upside. The fund continues to invest in a well diversified portfolio of reasonably valued companies.