

Fact Sheet for August 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

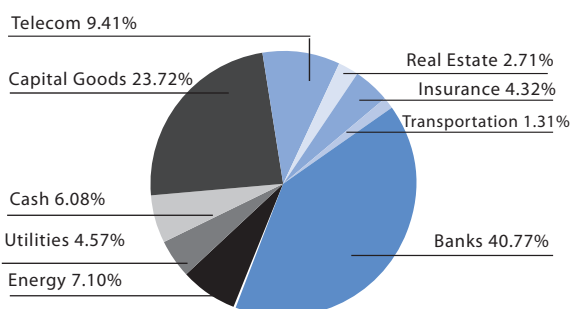
Performance Summary

	Makaseb Qatar Equity Fund	MSCI Qatar Index
NAV (August 30, 2006)	USD 6.47	
May 2006	-13.71%	-15.00%
June 2006	-3.34%	-1.37%
July 2006	2.76%	2.42%
August 2006	-3.73%	-3.26%
Since Inception (Jun 22, 2005)	-35.27%	-29.64%

Top 5 Holdings

Stock	Weight
Qatar Industries	23.7%
Commercial Bank of Qatar	13.9%
Qatar Telecom Q-Tel QSC	9.4%
Qatar Islamic Bank	8.6%
Doha Bank Ltd	7.9%

Asset Allocation



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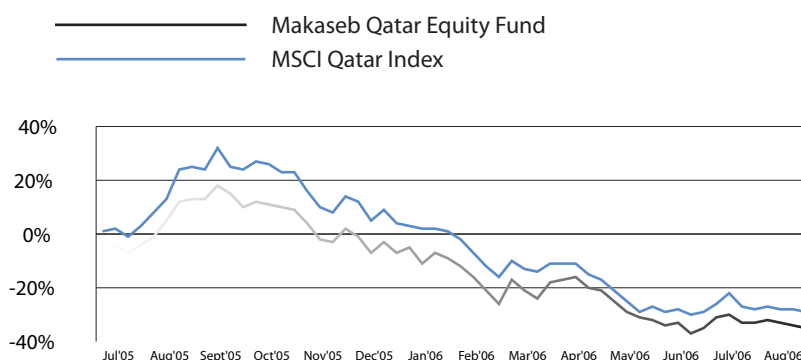
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WKN: A0J3RN
ISIN: BH000A0J3RN5
BLOOMBERG CODE: MAKQEFB BI

Investment Philosophy

Makaseb Qatar Equity Fund (MQEF) aims to achieve long term capital appreciation through investment primarily in shares listed on the Doha Stock Market. The MQEF portfolio is constructed after careful evaluation of various factors including the liquidity of the stock, company fundamentals, profitability, and overall portfolio risk considerations.

Performance Chart



Overview and Outlook

After remaining flat during most of August, the Doha Securities Market weakened at the end of the month due to rumours of the Gulf Commercial Bank IPO in September. This led to selling pressure in the market, with investors liquidating their positions to raise cash for the IPO. As a result, the MSCI Qatar Index ended the month with a loss of 3.3%.

Your fund closed the month down 3.7%. The marginal underperformance as against the benchmark was primarily due to our overweight in Commercial Bank of Qatar (CBQ), one of our core holdings. CBQ was one of the worst performing stocks in August, losing 10.2% during the month. We do not see any fundamental reason for this decline as it is one of the best managed Qatari banks, with strong financial performance and attractive valuations.

We remain positive on the market on a medium to long-term basis, although short-term weakness may persist. We will continue to take advantage of market declines to increase our positions in core holdings.

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