

Fact Sheet for December 2005

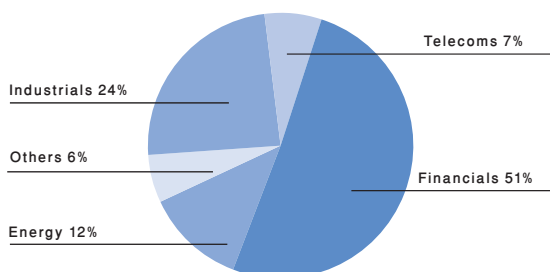
Executive Summary

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 Summary

NAV (Jan 03, 2006)	USD 9.34
October	-4.19%
November	-10.85%
December	-0.66%
Since Inception (Jun 22, 2005)	-7.44%

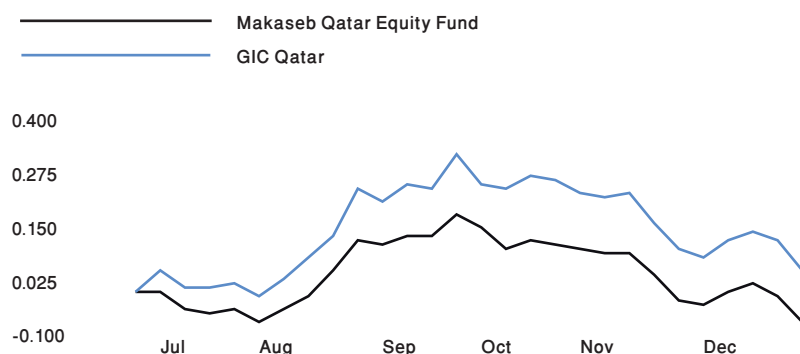
Asset Allocation



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

Qatar securities market witnessed an extended period of uncertainty fueled by retail investors liquidating their positions. Rumors of the impending IPOs have weighed negatively on the market over the past couple of months. Investors booked profits in order to prepare for these upcoming investment opportunities. In 2006 10 IPOs have been announced which include Gulf Cement and a subsidiary of Qatar Industrial Services. As dates of the IPOs are confirmed we may see investors create room in their portfolios for new equities. In the medium term these new listings will add much needed depth to the market and provide alternative investment opportunities.

Your fund was invested in most of the defensive stocks in the market. During the month, your fund underperformed the benchmark by 1.91%. The fund's losses were concentrated in the financial and industrial sectors. Notably, your fund incurred losses due to its overweight in Industries Qatar relative to the benchmark. Similarly fund performed poorly due to its underweight in Qatar National Bank relative to the benchmark. These losses are not the outcome of any change in the earning power of the underlying securities.

We expect market to respond positively to good corporate earning announcements. In the medium term, the country's ample oil and gas reserves will likely keep the bourse supported in 2006. A USD2.6bn petrochemical plant - a joint venture between Qatar petroleum and Honam Petrochemical of South Korea - is an indicator of Qatar's growing energy sector.

The market is trading at 30.2x trailing earnings and appears to be richly priced relative to the markets in the GCC. Your fund will continue to explore good potential investment opportunities with strong earning power of the underlying asset(s).

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