

Fact Sheet for February 2006

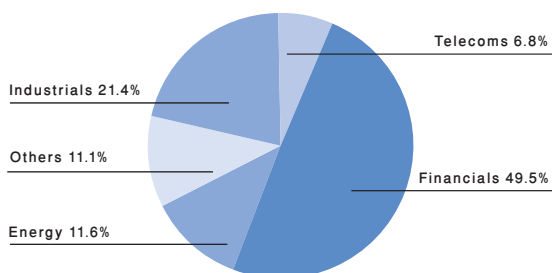
Executive Summary

Fund Type	Open-End Fund
Domicile	Bahrain
Currency	US Dollar
Regulator	Bahrain Monetary Agency
Net Asset Value	Bi weekly
Subscription	Bi 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
Primary listing	Bahrain Stock Exchange

Performance Summary

NAV (Feb 26, 2006)	USD 7.89
November	-10.85%
December	-0.66%
January 2006	-3.74%
February 2006	-13.96%
Since Inception (Jun 22, 2005)	-21.07%

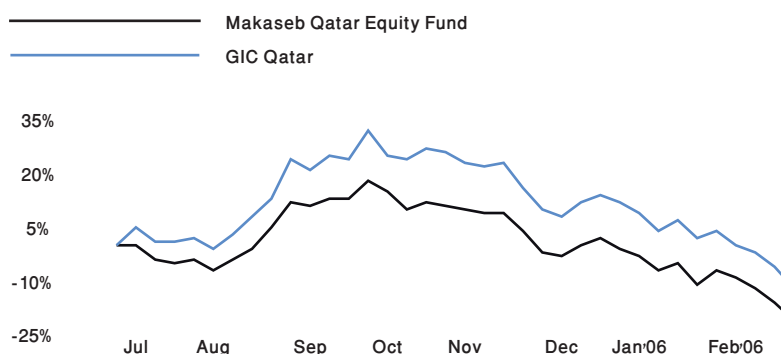
Asset Allocation



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

The Qatari market suffered losses for the fourth consecutive month; the Qatar Stock Index lost 14% during the month of February. This brought the market down from its prior valuation of over 30 times earnings to below 24 times. The market has been facing a liquidity crunch since November of last year due to fresh supply of new shares offerings draining liquidity. The market witnessed selling across the board with stocks in the Industrials and Energy sectors leading the decline. Some of the most liquid stocks were victims of their own liquidity and saw the largest price declines. Qatar Fuel Company and Industries Qatar led the Energy and Industrial sector stocks and declined by 30% and 26% respectively. On the other hand, Qatar Telecom, the country's sole telecom operator, lost just 5% of its value, due to its announcement that it would welcome the entrance of any competitor, should the government wish to liberalize the market. This announcement sent a positive signal to the company's investors confirming its competitive strengths.

As your fund was not immune to the bearish sentiment in the market, it also lost 14% during the month. Our overweight in the Financial Sector contributed to our losses; however these losses were recouped due to our underweight in the Industrials Sector. Although our positions are fundamentally sound and attractive, they will remain exposed to the liquidity crunch, as there are two further IPOs lined up for the latter part of H12006.

Going forward, we believe that this sell off was exaggerated due to the general negative sentiment in the GCC markets. This makes some Qatari stocks more attractive for value investors who are looking for attractive valuations. Unlike all the GCC countries, Qatar's real growth rate is expected to increase from 8.8% in 2005 to 9.4% in 2006. This should be reflected-at the micro level- in better corporate earnings during 2006.

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