

Makaseb Qatar Equity Fund

November 2005

Investment Objective:

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

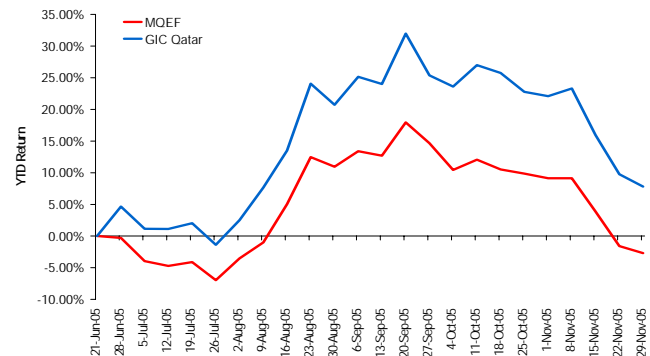
Executive Summary

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

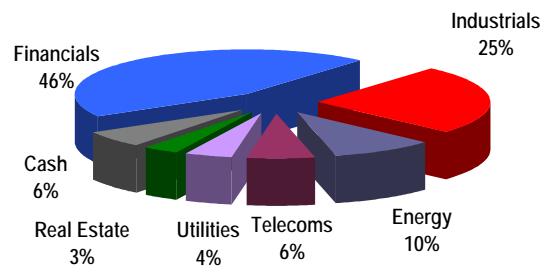
Performance Summary

NAV (October 25, 2005)	USD9.730404
September	3.3%
October	-4.2%
November	-10.8%
Since Inception	-2.7%

Performance Chart



Asset Allocation



Overview and Outlook

November was a turbulent month for the Qatari market. Qatar Stock Index ("QSI") lost over 12.1% in one month. Both the average trading value and volume declined by 40% during the month compared to the average for the preceding three months. The index recorded a monthly volatility of 9.0% which was the highest during the last six months reflecting on prevalent uncertainty in the market.

The month started with the news of institutions announcing to raising capital to the tune of QAR3.3bn. This sparked heavy sales by retail investors trying to raise cash for the share offerings. Since DSM is generally plagued with illiquid stocks, the run on the market resulted in the most liquid stocks witnessing the most price pressure. Specifically, banking and industrial stocks which account for over 60% of market capitalization came under pressure.

Your fund was fully invested in the market and lost 10.8% during the month. Still, your Fund was able to outperform the market by 1.3%. Our positions are fundamentally sound and we are positive on the macro and corporate outlook of Qatar. Furthermore, having shed most of August gains, the market appears to be well poised for a strong rally in the near future. We expect money that flowed out of listed securities to prepare for new share offerings will return during the coming months, thus, fueling the recovery.

There is no fundamental change in the macro economic outlook or corporate earnings prospects. Oil still remains well bid and Qatar is gradually emerging as a major global exporter of Liquefied Natural Gas ("LNG"). The above will keep stocks supported in the medium term. Moreover, new share offerings and fund raising through capital markets are expected to provide the needed breath and depth. This is expected to stabilize the market and generate liquidity in the long run.

Issued on December 7, 2005