

Makaseb Qatar Equity Fund

August 2005

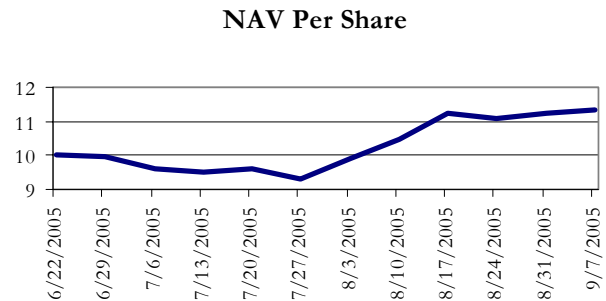
Investment Objective:

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

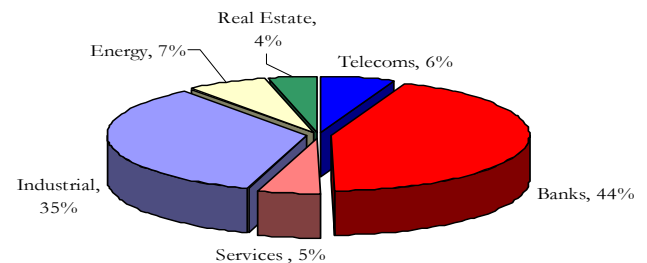
Performance Chart



Performance Summary

NAV (September 6, 2005)	USD 11.33
June	-1.3%
July	-4.3%
August	17.5%
Since Inception	13.42%

Asset Allocation



Overview and Outlook

The Doha Securities Market (DSM) was strong during the month of August. The euphoric buying pushed the market up by 19% and the volume to record highs. The uptrend was fueled by interest in active stocks such as Qatar Islamic Bank, Doha Bank, and Qatar LNG Transport Company. Volumes increased significantly compared with July's figures, clearly indicating the return of investor interest after a long summer holiday. This is when most investors start repositioning prior to third quarter 2005 earnings announcements which are expected to be strong.

Although the rally was widespread, small-caps and less liquid stocks outperformed the general market fueled by their strong corporate earnings during the first half of the year. The banking sector was one of the main contributors to the rise in prices. The price of Qatar Islamic Bank stock, our second largest holding rose by 34% fueled by a 63% growth in its half year results compared with the same period the year before. Doha Bank, another big position, performed well as the bank's share price rose by 35% during the same period.

Reflecting the DSM rise in August, Makaseb Qatar Equity Fund's NAV also rose by 17.5%. We believe that the market will continue its strong performance well into 2006 as the risk is now to the upside. The fund continues to invest in a well diversified portfolio of reasonably valued companies.

Issued on September 7, 2004

Investment Manager & Sponsor: Mashreqbank psc, Al Ghurair City, 3rd Floor, P.O. Box 1250, Dubai, U.A.E. Tel: +9714 2078461
 Registered Office: 14th Floor, City Gardens, P.O. Box 140, Manama, Bahrain. Tel: +97317 535455