

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

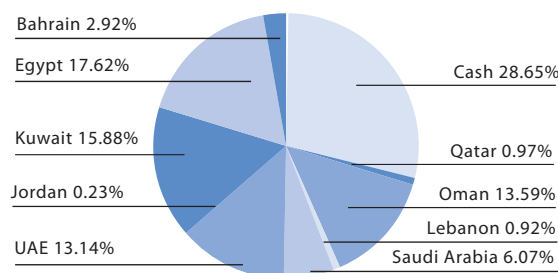
Performance Summary

	Arab Tigers Fund	MSCI Arabian Index
NAV (August 30, 2006)	USD 8.53	
August 2006	6.15%	5.72%
July 2006	0.18%	-11.67%
June 2006	-2.88%	7.16%
May 2006	-9.85%	-13.63%
Since Inception(Nov 22, 2005)	-14.73%	-24.65%

Top 5 Holdings

Stock	Weight
El Sewedy Cables Holdings Co	4.12%
Mobile Telecommunications Co	3.87%
Orascom Telecom Holding SAE	3.62%
National Bank of Kuwait	3.51%
Public Warehousing Co KSC	3.31%

Region Allocation



For more information please contact

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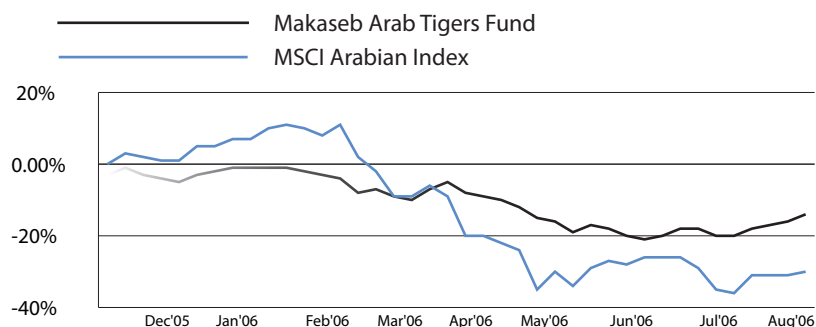
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WKN: A0J3RQ
ISIN: BH000A0J3RQ8
BLOOMBERG CODE:MAKATFD BI

Investment Philosophy

Makaseb Arab Tigers Fund (MATF) aims to achieve long term capital appreciation through investing mainly in shares of companies listed on the Stock Exchanges of the Middle East and North Africa region.

Performance Chart



Overview and Outlook

Your fund generated a return of 6.15% during the month of August, beating the benchmark by 43bps. The following is a breakdown of your fund's return relative to the benchmark.

Markets	MATF	Benchmark	Performance
Egypt	2.09%	0.77%	1.32%
Oman	1.07%	0.03%	1.05%
UAE	1.04%	1.78%	-0.73%
Kuwait	0.97%	0.94%	0.03%
Saudi Arabia	0.64%	1.78%	-1.14%
Other regional markets	0.33%	0.42%	-0.09%
Total Return	6.15%	5.72%	0.43%

The Fund benefited from a region wide stock market rally, especially in Egypt, Oman and Kuwait. We had long favored these markets over other MENA markets on the back of attractive valuations, supported by strong macro economic indicators. Your Fund also had limited participation in the Saudi and the UAE markets rallies. But due to our underweight in both these markets, we lagged the benchmark.

We still believe that in the regional context Saudi market is hugely overvalued and has to come off significantly before a compelling case can be made for investments in Saudi equities. UAE is another market where your Fund lagged the benchmark. The UAE market rally was concentrated in a few stocks listed in Dubai and did not broaden out to Abu Dhabi. This to us does not inspire much confidence as to the sustainability of the rally unless it broadens out to the Abu Dhabi market in the weeks to come.

Stock	Average weight	Price appreciation	Return Contribution
Emaar Properties	2.75%	26.1%	0.67%
Public Warehousing Co.	3.22%	13.3%	0.50%
Orascom Telecom	2.62%	11.6%	0.38%
National Societe General	1.06%	17.5%	0.37%

Our top return contribution came from Emaar Properties; we had built up a sizeable position in the stock when it was trading at relatively attractive valuation multiples. However, we believe that in the current market rally, the stock's price has run ahead of its valuation and hence we expect to see some correction in the coming weeks. Public Warehousing Co is another stock which had long traded at a depressed value, the recent price run up has brought it closer to the fair value with the stock having further upside potential. We like the diversified regional exposure of Orascom Telecom and its better than expected 1HFY2006 result supports its valuation. National Société Générale Bank is one of our core holdings in the MENA banking sector. We believe, and the market appears to agree, that its merger with Misr International Bank has created value for the shareholders while aggressively positioning the bank to benefit from any credit expansion in the Egyptian economy.

Going forward, we expect the regional markets to take a breather from last month's run up. We plan to book profits on some of the stocks which have reached their fair value targets while building positions in stocks which are still trading at attractive valuation levels.