



NAV

KWD 0.59002

Objective

The Fund will seek long-term capital appreciation by investing primarily in Kuwait domiciled listed equities. From time to time, and not ordinarily exceeding 20% of the NAV of the Fund, the investment manager may choose to invest in non-Kuwaiti stocks that he deems to have significant exposure to the Kuwaiti economy. To help measure the success of the Fund, its performance will be measured against the MSCI Kuwait Index.

Facts

Fund Structure:	Open-ended
Liquidity:	Weekly
Currency:	Kuwaiti Dinar
Minimum Investment:	KWD1,000 with additional investments in multiples of KWD1,000
Subscription/Redemption deadline:	Every Monday of the week
Subscription Fee:	2%
Management Fee:	1.50% per annum
Performance Fee:	10% for every 1% excess return over the benchmark
Fund Manager:	Watani Investment Company K.S.C.C.
Auditor:	Ernst & Young
Custodian:	Kuwait Clearing Company S.A.K.
Distributor:	National Bank of Kuwait S.A.K.

Contacts

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Fund Performance

	Fund	Benchmark
1 Month	5.53%	7.42%
3 Months	-0.24%	-0.55%
YTD	19.54%	19.10%
12 Months	-1.71%	1.36%
Since Inception	-41.00%	-38.34%
Ann. Return Since Inception	-15.58%	-14.38%
Ann. Standard Deviation ¹	23.12%	29.98%
Sharpe Ratio ^{1,2}	-0.69	-0.43

¹: Annualized Standard Deviation is calculated since inception.
²: Risk Free Rate used is the 1-month KIBOR

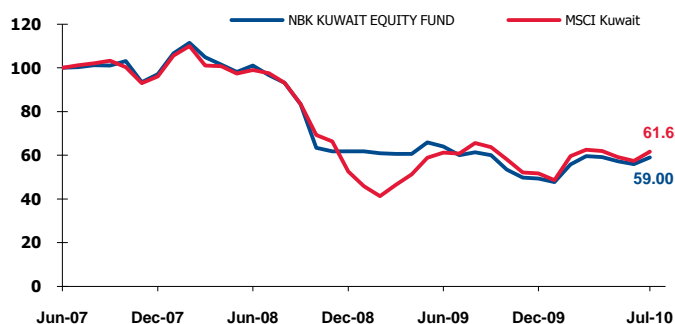
Top 5 Holdings

Company	Sector	Holdings
National Bank of Kuwait	Banking	30%
Mobile Telecommunications Company	Telecom	30%
Kuwait Finance House	Banking	12%
Combined Group Contracting Co.	Industrials	6%
National Mobile Telecommunications Co.	Telecom	5%

Monthly Performance

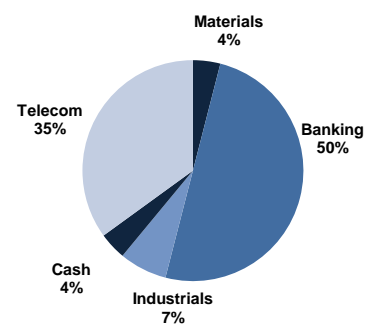
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
2010	-3.17%	16.81%	6.89%	-0.89%	-3.22%	-2.32%	5.53%						19.54%	
2009	-0.03%	-1.32%	-0.51%	-0.10%	8.72%	-2.76%	-6.27%	2.33%	-2.16%	-10.95%	-6.91%	-0.94%	-20.12%	
2008	9.77%	4.53%	-5.94%	-3.11%	-3.43%	3.02%	-4.28%	-3.69%	-10.55%	-23.85%	-2.67%	0.04%	-36.39%	
2007							-0.01%	0.31%	0.95%	-0.20%	2.00%	-9.28%	3.88%	-2.87%

Fund Performance against Benchmark ¹



¹: Performance of KWD100 invested since inception

Sector Allocation



Manager's Comments

- The NBK Kuwait Equity Fund underperformed the MSCI Kuwait Domestic Index as the market continued to rise. On a year to date basis, the Fund outperformed the index, which in turn outperformed all the regional markets during the same period.
- Our underweight in Agility and overweight in Combined Group affected the fund's performance negatively during the month, however both positions had contributed to its outperformance on a year to date basis.
- The Kuwaiti government continues to show commitment to the growth of the economy and improvement of the regulatory environment. We feel that this will continue to fuel the Kuwaiti market leading it to close the year with double digit return.