

NBK Qatar Equity Fund



NAV: USD 1.05224

Fund Objective

The Fund seeks long-term capital appreciation by investing primarily in Qatari-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-Qatari stocks that are deemed to have significant exposure to the Qatari economy. The performance of the Fund will be measured against that of a recognizable Qatar Benchmark (MSCI Qatar Index).

Investment Features

- Investing in Qatari Equity
- Easy access to your money on a weekly basis
- Investing in equities with strong fundamentals and good long term prospects

Fund Facts

| | |
|------------------------------------|--|
| Fund Structure: | Open-ended |
| Inception Date: | May 22, 2006 |
| Liquidity: | Weekly |
| Currency: | US Dollars |
| Initial Subscription Price: | USD1 per unit |
| Minimum Investment: | USD100,000 with additional investments in multiples of USD10,000 |
| Subscription Fee: | One-time fee of up to 2.00% upon subscription |
| Management Fee: | 1.50% per annum |
| Performance Fee: | 10.00% for every 1.00% excess return over the benchmark (positive performance) during the Financial Year |
| Fund Manager: | Watani Investment Company K.S.C. |
| Custodian | HSBC Bank Middle East Limited |
| Distributor: | National Bank of Kuwait S.A.K |
| Auditor: | PriceWaterhouseCoopers, Bahrain |
| Domicile of the Fund: | Kingdom of Bahrain |

Performance Since Inception

| | Fund | Benchmark |
|-----------------------------------|---------|-----------|
| Cumulative Return Since Inception | 5.22% | 17.45% |
| Annualized Return Since Inception | 1.33% | 4.25% |
| YTD return | 9.48% | 9.19% |
| 1 Month Return | 7.48% | 7.27% |
| 3 Month Return | 9.48% | 9.19% |
| 6 Month Return | 2.22% | 3.21% |
| 1 Year Return | 15.97% | 57.34% |
| 2 Year Return (annualized) | -10.72% | -6.54% |
| 3 Year Return (annualized) | 8.15% | 13.06% |
| 5 Year Return (annualized) | N/A | N/A |
| Annualized Standard Deviation | 25.40% | 36.86% |
| Annualized Sharp Ratio | 0.08 | 0.23 |

Top Five Holdings

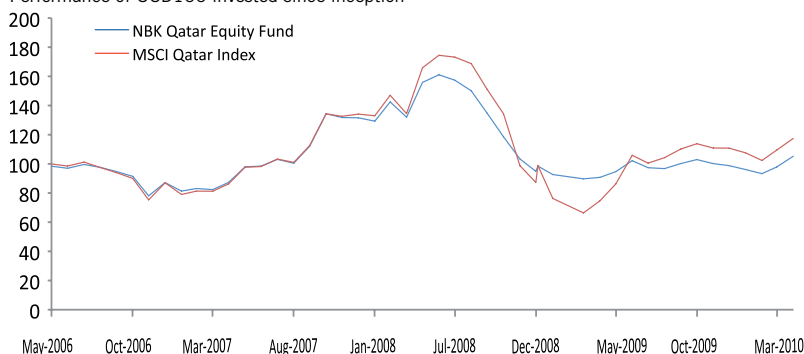
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|---------------------|--------|--------------------------|--------|
| Qatar National Bank | 16.00% | Masraf Al-Rayan | 11.00% |
| Industries Qatar | 13.00% | Commercial Bank of Qatar | 11.00% |
| Qatar Telecom | 12.00% | | |

Sector Allocation

| | | | |
|-----------|--------|------------------------|-------|
| Banking | 52.00% | Real Estate | 3.00% |
| Telecom | 15.00% | Diversified Financials | 3.00% |
| Materials | 13.00% | Industrials | 2.00% |
| Energy | 7.00% | Cash | 2.00% |
| Insurance | 3.00% | | |

Fund Performance Against Benchmark

Performance of USD100 invested since inception



All data as of March 31, 2010.

Past performance is no guarantee for future result. The value of units can go up as well as down.

General Fund Overview

- The NBK Qatar Equity Fund (QEF) slightly outperformed the MSCI Qatar Index during the first quarter. The outperformance was mainly due to the funds underweight in the Qatar Gas Transport Company (Nakilat) and Vodafone Qatar both of which had negative performance during the quarter.
- Qatar started the year on a negative note with the MSCI Qatar International Index losing 4.9% in January only to rebound and continue positively during February and March, closing the quarter up 7.27%. The Qatari Governments constant support, including the recently announced very large expansionary budget, was one of the main market drivers during the quarter.
- The Banking sector was the strongest performing sector during the Quarter, with Qatar National Bank, Commercial Bank and Doha Bank as the three top contributors to both the Index and QEF performance for the same period.
- We continue to believe in the strength of the Qatari economy, and we now believe that the market has started to reflect this. Going forward we expect to remain fully invested in the market, with a large weight in Banks and exposure to blue chips like Industries Qatar and Qatar Telecom.