



# NAV

## KWD 0.70352

### 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

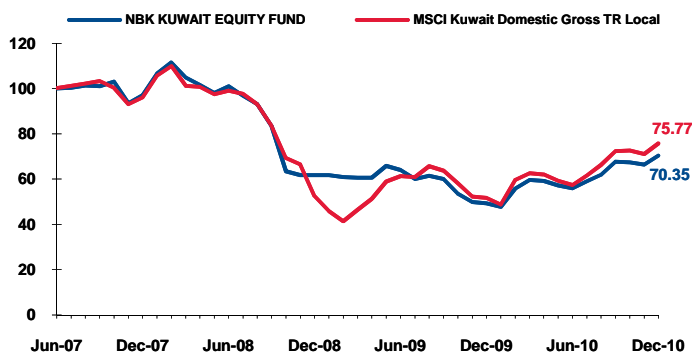
	Fund	Benchmark
1 Month	5.84%	6.53%
3 Months	3.92%	4.67%
YTD	42.54%	46.36%
12 Months	42.54%	46.36%
Since Inception	-29.65%	-24.23%
Ann. Return Since Inception	-9.47%	-7.55%
Ann. Standard Deviation <sup>1</sup>	22.88%	29.21%
Sharpe Ratio <sup>1,2,3</sup>	-0.40	-0.19

1: Annualized Standard Deviation is calculated since inception.  
 2: Risk Free Rate used is the 1-month KIBOR  
 3: The negative Sharpe Ratio is non significant

### Monthly Performance

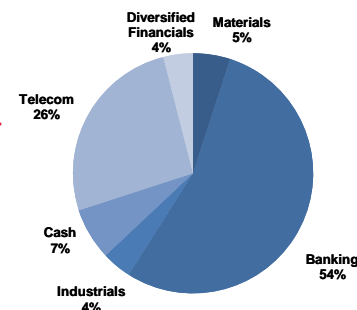
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-3.17%	16.81%	6.89%	-0.89%	-3.22%	-2.32%	5.53%	4.85%	9.43%	-0.37%	-1.45%	5.84%	42.54%
2009	-0.03%	-1.32%	-0.51%	-0.10%	8.72%	-2.76%	-6.27%	2.33%	-2.16%	-10.95%	-6.91%	-0.94%	-20.12%
2008	9.77%	4.53%	-5.94%	-3.11%	-3.43%	3.02%	-4.28%	-3.69%	-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 <sup>1</sup>



1: Performance of KWD100 invested since inception

### Sector Allocation



### Manager's Comments

- The return for the NBK Kuwait Equity Fund during December was +5.84% compared to +6.53% for MSCI Kuwait Domestic index. The fund ended 2010 with a full year return of +42.54%.
- Our underweight in Ahli United Bank and Zain affected the fund's performance positively while the underweight in NBK and overweight in Burgan Bank had a negative effect during the month.
- We reiterate our view that the commitment of the Kuwaiti government to the development plan should boost the long-term outlook of the Kuwaiti economy.