



**NAV**  
**USD 0.93848**

### Objective

Seeks long-term capital appreciation by investing primarily in the equity markets of the GCC countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE).

Optimization of long-term returns is achieved through dynamic asset allocation, which allows significant overweight and underweight positions to be taken among GCC countries. Moreover, the investment manager can build cash positions up to 50% of the fund's net asset value and can allocate up to 15% to other Middle East and North Africa markets.

### Facts

Fund Structure:	Open-ended
Liquidity:	Weekly
Currency:	US Dollars
Minimum Investment:	USD25,000 with additional investments in multiples of USD1,000
Subscription/Redemption deadline:	Monday of every week
Subscription Fee:	2%
Management Fee:	An annual fee of 1.50%
Performance Fee:	10% for every one percent by which the Fund's return exceeds 10% during any financial year
Fund Manager:	Watani Investment Company K.S.C.C.
Administrator:	Keypoint Consulting W.L.L. Bahrain
Auditor:	PriceWaterhouse-Coopers, Bahrain
Custodian:	HSBC Bank Middle East Limited
Distributor:	National Bank of Kuwait S.A.K

### Contacts

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### Fund Performance

	Fund
1 Month	5.12%
3 Months	-8.10%
YTD	2.93%
12 Months	-3.36%
Since Inception	-6.15%
Ann. Return Since Inception	-1.22%
Ann. Standard Deviation <sup>1</sup>	16.86%
Sharpe Ratio <sup>1,2</sup>	-0.13

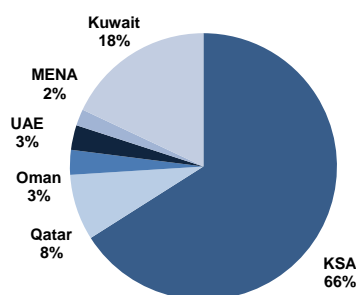
1: Annualized Standard Deviation is calculated since inception.

2: Risk Free Rate used is the 1-month USD Treasury Bill

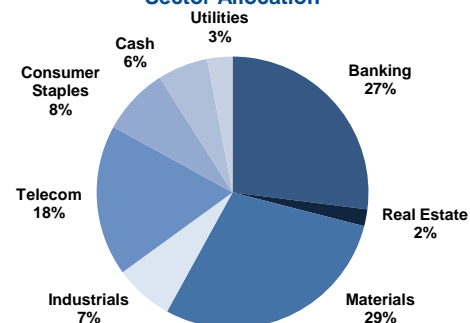
### Monthly Performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	0.34%	2.51%	5.62%	3.11%	-11.14%	-1.62%	5.12%						2.93%
2009	-1.37%	-0.91%	0.08%	-0.31%	8.18%	-5.30%	-0.03%	1.49%	3.66%	-3.32%	-4.56%	-3.29%	-6.24%
2008	-5.45%	7.28%	-6.51%	8.28%	-1.14%	-1.72%	-3.35%	-6.02%	-12.02%	-16.25%	-2.57%	0.33%	-34.73%
2007	-0.49%	3.04%	1.10%	4.38%	8.53%	0.80%	1.54%	1.20%	3.04%	6.63%	-0.54%	7.02%	42.26%
2006	4.67%	-2.60%	-5.72%	-0.42%	-5.95%	-0.33%	-1.16%	2.76%	1.69%	1.40%	-6.74%	3.23%	-9.54%
2005						4.74%	-0.08%	4.09%	2.39%	1.66%	2.03%	0.07%	15.78%

### Country Allocation



### Sector Allocation



### Manager's Comments

• The NBK Gulf Equity Fund gained 5.12%, rebounding during July after the drop in May and June. While the regional markets showed strength during the month they did lag other emerging markets. This can be expected given the outperformance of the MSCI GCC Index compared to the MSCI Emerging Market Index on a year to date basis.

• Our two largest markets Saudi Arabia and Kuwait contributed to more than 90% of the positive performance in July. While our exposure to MENA affected the fund's performance negatively during the month.

• We expect regional markets to perform well ending the year in positive territory. Qatar and Saudi remain our favorite markets; we believe their strong fiscal and economic growth position will lead to positive equity returns in the long term.