

As of August 31, 2010

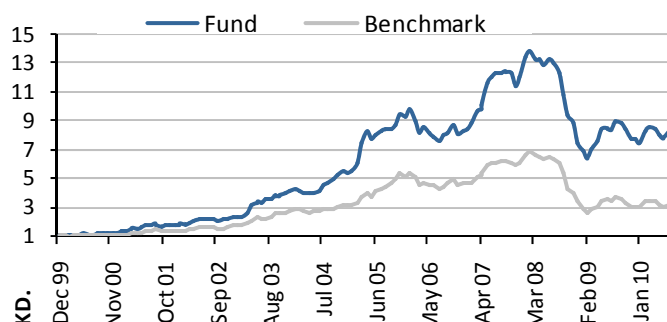
- Winner of five Lipper Fund Awards: 2010, 2008, 2007.
- Winner of Kuwait Equity Fund of the Year Award from MENA FM: 2010.
- "A" Rating from Standard & Poor's: 2009.



Fund Objective: To achieve long term capital appreciation through investing in blue-chip companies listed on the KSE.

Fund vs. Benchmark	MUMTAZ KIC Index		
Since inception (CAGR)	%	22.31	11.80
Volatility (SD)	%	20.57	19.81
Sharpe Ratio (RFR = KIBOR + 0.5%)		1.02	0.53
Information Ratio		1.21	-
Beta		0.94	1.00
Ex Post Alpha		11.07	-
Tracking Error (Annualized)		8.66	
Number of Holdings		34	
Portfolio Turnover (Annual)		0.46x	

Fund price performance



Fund Performance (Returns %)

Years	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Index
2000	-1.7	-0.5	2.1	7.2	4.0	-1.4	-0.9	2.7	5.3	-1.0	0.7	0.5	17.9%	3.2%
2001	4.9	10.9	10.0	-0.8	2.3	8.3	3.5	3.3	-8.9	2.2	0.6	3.5	45.8%	29.2%
2002	3.8	-0.8	7.8	5.6	2.6	3.3	-2.5	1.5	-3.9	2.6	5.3	2.4	30.6%	25.0%
2003	2.2	-0.3	11.0	20.8	7.4	-2.0	6.4	2.2	5.8	0.2	3.4	4.9	79.9%	62.5%
2004	4.4	-2.4	-3.9	-0.6	-0.8	5.4	9.6	3.5	4.6	5.5	4.1	-2.2	29.9%	12.6%
2005	4.4	8.6	23.0	11.8	-6.7	4.0	3.3	0.6	0.7	3.9	7.1	-1.2	74.2%	67.3%
2006	5.5	-8.3	-9.1	5.1	-5.6	-2.1	-3.9	4.5	2.1	7.5	-7.4	2.6	-10.5%	-9.0%
2007	1.7	5.6	8.8	4.7	14.6	3.1	2.3	0.7	0.5	-0.5	-7.4	4.9	44.4%	30.4%
2008	11.6	4.0	-4.4	-0.3	-3.0	2.9	-1.5	-5.7	-12.7	-12.7	-4.9	-16.4	-37.8%	-44.8%
2009	-8.0	-6.4	9.6	8.1	10.4	0.8	-0.7	6.6	-1.5	-4.9	-6.9	-1.5	3.1%	-9.3%
2010	-2.5	11.6	2.8	-1.5	-4.9	-2.9	6.1	4.6					12.8%	8.9%

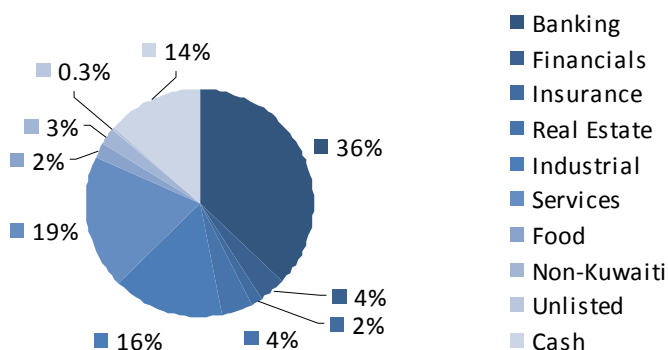
Key Facts

Net Assets	KD. 70.335 Million
NAV per unit	KD. 4.33188669
Type	Open-ended
Investment Manager	Kuwait Financial Centre
Fund Inception	December 1999
Management Fees	1.50% p.a.
Subscription/Redemption fee	0.25%
Minimum Subscription	100 units
Subscription/Redemption	Weekly
Fund Valuation	Weekly
Custodian	Kuwait Clearing Co
Auditor	Deloitte & Touche
ISIN	KW0EQ0903298
Bloomberg	MUMTAZF KK
Lipper Code	LP65038179
Zawya Code	KFCMUMT.MF

Top 5 Holdings (54% of NAV)

National Bank of Kuwait
Kuwait Finance House
Zain Telecom
National Industries Holding Group
Mabaneer

Sector Diversification



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Fund Manager commentary on page 2

Market Commentary

Once again the Kuwait Stock Exchange (KSE) proved its distinctiveness in interacting with the local factors, brushing aside the external factors through its dazzling performance during the month of August. The KIC Index rose by 4.0% MTD and 8.9% YTD, increasing value, quantity and number of deals traded, despite shortened trading session during the blessed month of Ramadan. This positive performance was driven by different catalysts, which can be summed up as follows:

- Positive government statements regarding the development plan and the mechanism of its implementation, with a view to reviving the local economy.
- Moody's upgrade of Kuwait's sovereign Credit Rating.
- Kuwait's financial surpluses that exceeded KD 6.5 billion.
- The banking sector was the leader, being the first beneficiary of the mega development projects, and its impact on the loan portfolio in terms of growth and quality (NBK's share was the largest sector-wise, and attracted the largest share of trading against the backdrop of the news that GCC investors showed their desire to acquire a capital share of the bank, in addition to Moody's upgrading of NBK's credit rating and future outlook).
- The end of the period for the announcement of quarterly financial results and the clear vision as to investment decisions and future trends of local companies performance, were factors that had their positive effects (corporate quarterly results included record profits of 232 fils per share for Zain, which were the result of divesting Zain Africa and the gains posted by the group associated with Zain).
- The extension of the main supplier contract for Agility with the American Army for six months, and unconfirmed news that the court case (between Agility and the American Army regarding the prices quoted in Agility's contracts) is on the way for settlement without paying large financial amounts, coupled with dropping the accusation by the US public prosecution against one of Agility's subsidiaries, have given strong momentum for the shares of Agility and its associate companies.

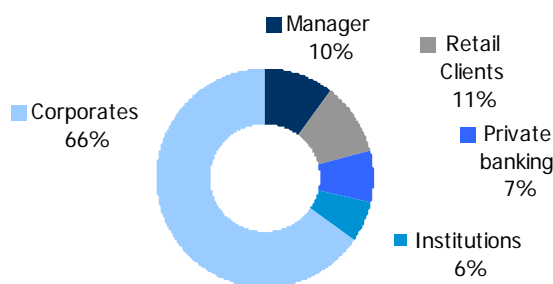
Despite these positive drivers, there are factors that impede the market's revival and recovery as the debate on the mechanisms for financing the economical development plan (supported by some, the proposed legislation to establish a national fund to finance development projects, while others, led by Central Bank of Kuwait has insisted that no funding source other than local banks, as on the grounds that they are the most competent and professional in lending and protecting the public funds), would cast a shadow over the local economy because it indicates the delay in the plan implementation at a time when it's the concerted efforts is most needed to move the wheel of national development. Also, one cannot ignore the developments of the global economy and the current debate on the recovery of the U.S. economy from the repercussions of the global financial crisis, and the continued fluctuation and volatility in global financial markets and oil prices, with the resulting implications on the appetite of investors towards more risky assets.

But as mentioned, the local market remains of a peculiar nature, and the news of the local companies and the national economy will have the pivotal role in directing the market trend during the coming period. In the light of the current state of affairs, stability is more likely than sharp drop or retreat.

Fund Style Overview

	Value	Growth
Large Cap	5%	68%
Mid Cap	1%	24%
Small Cap	1%	

Fund Shareholders



Fund Manager

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