

## Fund Overview

The Fund is designed to achieve long-term capital growth through investment in a diversified portfolio of GCC equities. The performance of the Fund is benchmarked against the S&P GCC Index.

Gulf Investment Corporation, the Investment Manager, is an experienced GCC investor and pursues an active management strategy of 'Growth at Reasonable Price'. The Fund Management team is ably supported by a team of dedicated GCC Research analysts.

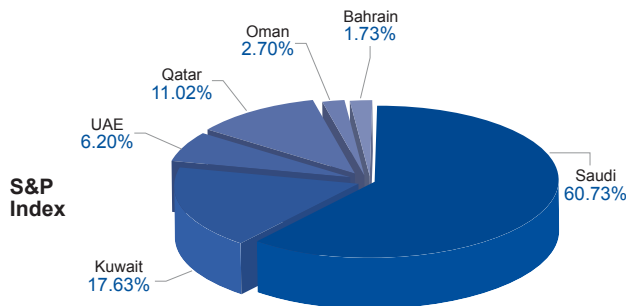
The GIC Composite Index, representing all six GCC markets, is used as a broad country and sector allocation tool. It is US dollar based and market cap weighted.

## Portfolio Structure

Fund Size : \$93 MM

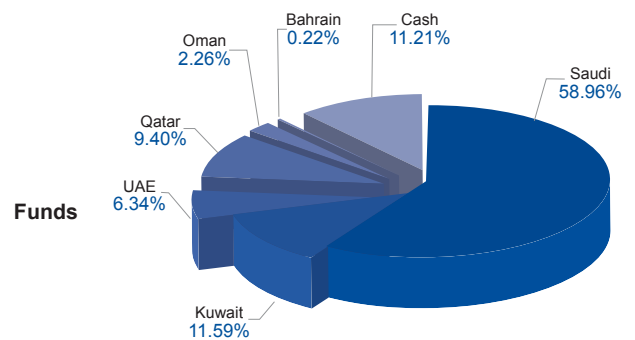
Number of Holdings : 62

### Country Allocation as of 31st December 2011

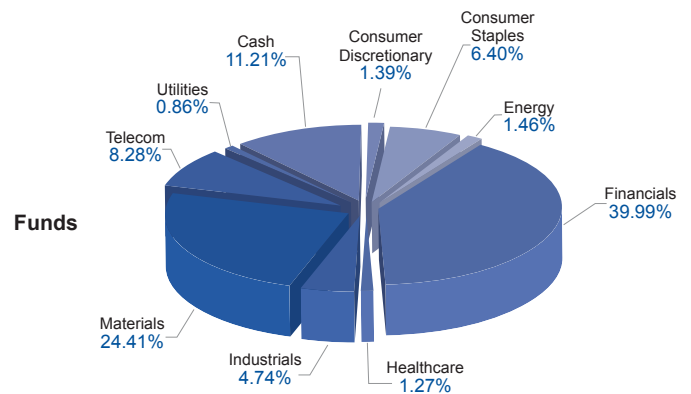
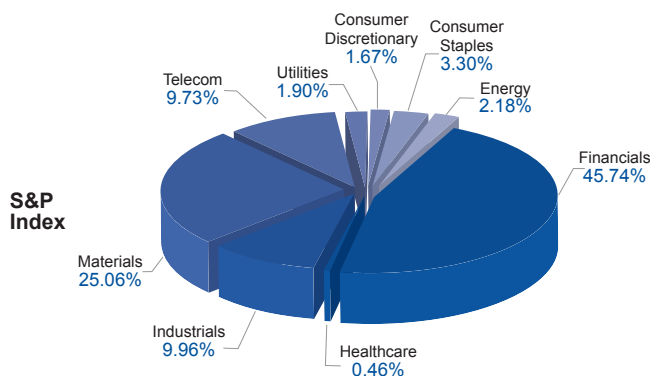


## Fund Information

Launch Date	April 12th, 2003
Jurisdiction	Bahrain
Currency	U.S. Dollars
Subscription / Redemptions	Weekly at NAV
Minimum Subscription	US\$ 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5% per annum
Performance Fees	10% of returns above 10% per annum
Subscription Fees	2%



### Sector Allocation as of 31st December 2011

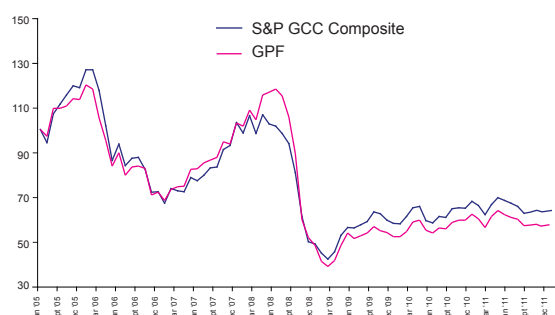


## Top Holdings

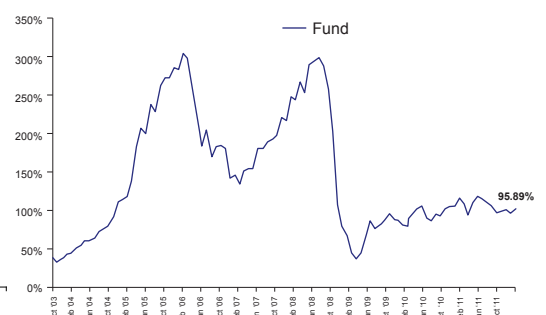
As of 31st Dec 2011

- 1) Al Rajhi Bank
- 2) Saudi Basic Inds Corp. (SABIC)
- 3) Al Othaim - Abdulla
- 4) Saudi Fertilizer Co.
- 5) Qatar National Bank

## GPF vs S&P GCC Index



## GPF since inception



## Fund Rating



## Monthly Performance

Annualized rate of return : **+7.97%**

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2003				4.20	6.66	3.47	6.72	3.77	1.85	-2.69	2.79	3.17	33.84
2004	2.23	3.15	3.03	5.39	-0.27	2.50	6.84	1.08	3.28	6.52	10.41	1.96	56.53
2005	2.59	8.85	19.88	8.51	-2.67	13.65	-3.09	10.47	2.32	0.95	2.94	-0.35	82.26
2006	5.88	-1.67	-10.98	-9.45	-12.10	6.92	-11.20	4.83	0.69	-1.55	-14.40	1.65	-36.60
2007	-5.04	7.26	1.46	0.43	10.14	0.25	3.26	1.56	1.32	8.06	-1.15	10.13	43.25
2008	-1.43	7.04	-3.94	10.61	1.08	1.26	-2.62	-8.16	-15.39	-33.40	-13.41	-6.72	-53.29
2009	-14.78	-5.49	6.63	16.4	11.49	-4.48	2.43	2.42	5.34	-3.55	-1.32	-3.42	8.13
2010	-0.22	4.66	7.68	1.72	-7.82	-2.19	4.23	-0.60	4.88	1.87	0.11	4.35	19.27
2011	-3.22	-6.64	8.83	4.55	-3.03	-1.86	-1.29	-4.80	0.46	1.15	-2.19	2.70	-6.16

## Market Review

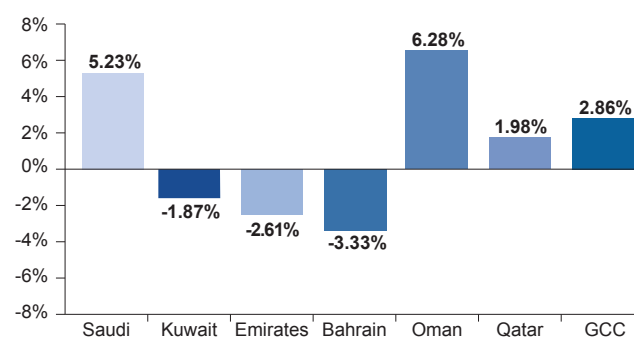
GCC markets experienced differing fortunes in the final month of the year as the picture of the global economy failed to clear up. Although encouraging economic data has been disseminated from the US, the European sovereign debt crisis remains the topic of conversation and will determine the fortunes of the global economy in 2012. The Euro has plummeted as a result of European policy makers failure to find a viable solution to the debt crisis, as the dollar goes from strength to strength against its major trading partners. With the dollar strengthening, money has been flooding into US treasuries as it is deemed by investors as the only safe and liquid asset presently, while perceived safe haven commodities such as gold have plunged recently.

Recent economic data from the US has showed signs that the world's largest economy is on a slow but steady path to recovery. Consumer sales numbers are up, unemployment is down, and market sentiment seems to be improving with investors seeing value in the equity market coming into the new year. However, the problems in Europe maintain the caution hanging over investor's head as it seems ever more likely the EU will endure a recession during 2012. In contrast, the US economy is expected to expand 2.1% during 2012. New austerity measures introduced in Spain will help the troubled EU nation to rectify its budget issues, although time is not on Europe's side as it struggles to find a solution to the debt crisis

Equity markets have continued to decline in the midst of market uncertainty with concern to the global economic recovery. Money continues to flood US treasuries, strengthening the dollar against its peers and slashing prices of the safe haven gold. Oil declined marginally for the month but remained at an amicable level for producers, as an Iranian threat to close the Strait of Hormuz acted as a support level for the commodity. WTI crude was down -1.62% for the month closing at USD 98.8/bbl while Brent crude slid -2.36% finishing the year at USD 107.4/bbl. Gold plunged -10.46% for the month, closing the year at USD 1563.7/bbl.

GCC markets had mixed results, as the S&P GCC index gained +2.86% for the month of December.

## GIC Country Indices Performance



S&P UAE and S&P Bahrain were the worst performing markets for the month of December as they slid -2.61% and -3.33% respectively. In Abu Dhabi, the Real Estate sector slid -6.58% while the Telecom sector plunged -7.03% for the month. In Dubai, the services sector took a beating as it plummeted -18.95% for the month. In Bahrain, the Hotel & Tourism sector was hit the hardest as it slid -9.83% for the month.

S&P Kuwait declined -1.87% while the S&P Qatar rose +1.98% for the month. In Kuwait, the Industries sector fell -4.39% contributing to the poor performance of the index. In Qatar, encouraging performance from the heavy weight Banking sector pushed the index up, as the sector rose +3.18% for the month

S&P Saudi Arabia and S&P Oman were the best performing markets in the region, rising +5.23% and +6.28% respectively. In Oman, the Banking and Industrials sectors surged +6.04% and +7.11% respectively to help the index. In Saudi Arabia, the Cement and Transport sectors made huge gains, rising +14.55% and +16.34% respectively, contributing to the index gains.

During the month of December 2011, the Gulf Premier Fund under-performed its benchmark with returns of +2.70% compared to +2.86% on the S&P GCC Index.



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