

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.

Fund Information

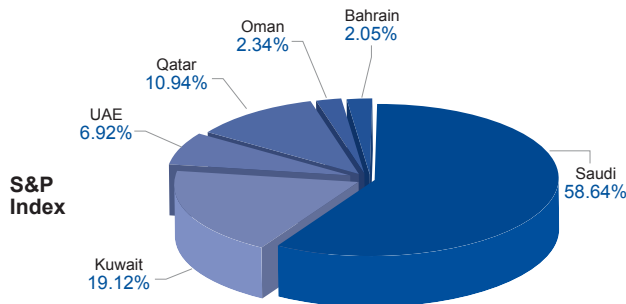
Launch Date	April 12th, 2003
Jurisdiction	Bahrain
Currency	U.S. Dollars
Subscription / Redemptions	Weekly at NAV
Minimum Subscription	US\$ 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5% per annum
Performance Fees	10% of returns above 10% per annum
Subscription Fees	2%

Portfolio Structure

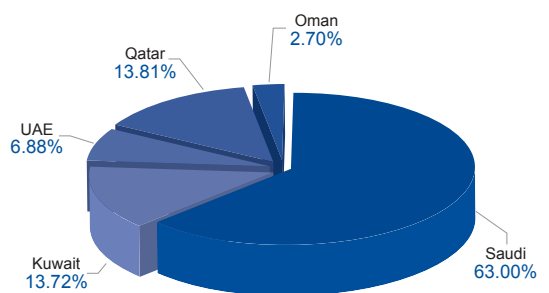
Fund Size : \$101 MM

Number of Holdings : 59

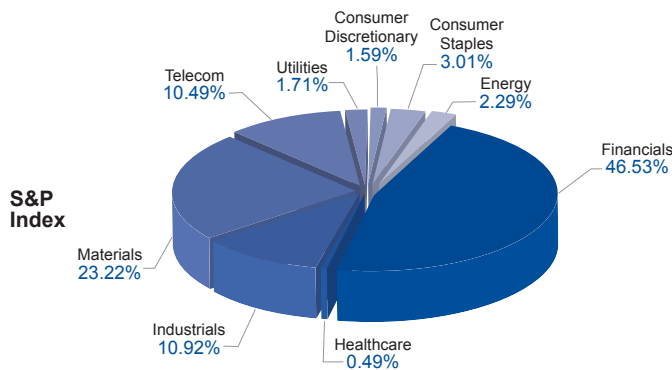
Country Allocation as of 30th June 2011



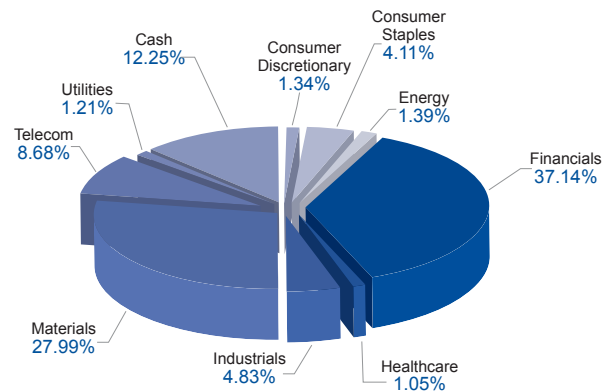
Funds



Sector Allocation as of 30th June 2011



Funds

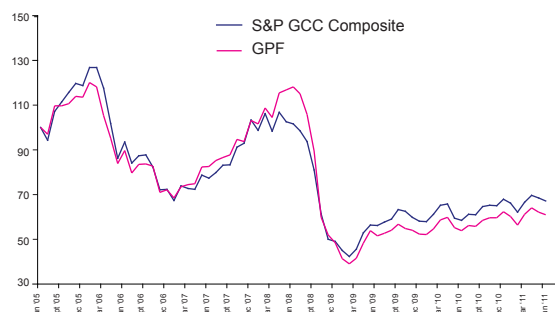


Top Holdings

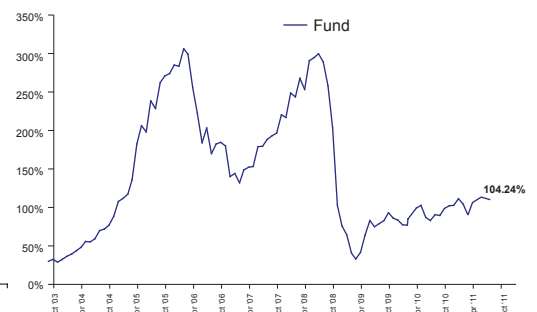
As of 30th June 2011

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

GPF vs S&P GCC Index



GPF since inception



Fund Rating



Monthly Performance

Annualized rate of return : **9.02%**

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							-2.17

Market Review

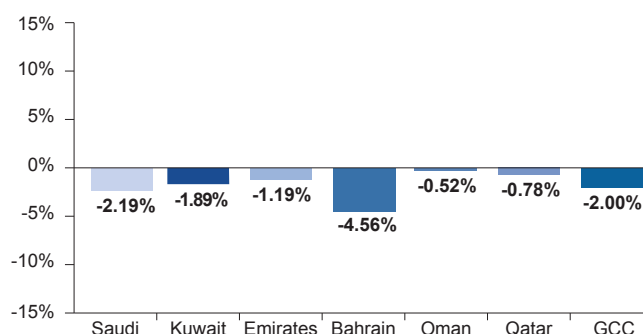
The GCC markets experienced a decline during the month of June as a result of many factors. One reason relates to the unsteady global markets as anticipation of a Greek default began to reflect heavily on the markets. Also, oil prices continued to decline as news of the IEA releasing 60mn barrels of strategic reserves into the market coupled with Saudi Arabia's voiced intent to unilaterally increase output. Another factor is the region's political instability which showed no signs of abating, however this has been factored into market prices as the stagnant summer season gets underway.

With a commodity sell-off persisting, WTI crude slid -7.60% during June, as concern over waning global economic recovery came to the fore, amplified by political instability and increase in oil supply. However, encouraging U.S. manufacturing data, paired with severe austerity measures passed by Greece to help avoid default, have boosted global markets in the past week.

All of the GCC markets ended in the red this month and contributed to the poor performance of the index. The S&P GCC index declined -2.00% during the month of June, taking the YTD down to -1.20%.

S&P UAE and S&P Saudi indices suffered the most in June as they slid by -3.07% and -2.19% respectively. The two major markets in the UAE saw opposite performance as Abu Dhabi edged up in the wake of expectations for UAE's inclusion in MSCI EM index, while Dubai lost ground as the Telecom and Banking Sectors failed to offset the downturn in the other industries. In Saudi Arabia, the increase in the Cement Sector was insufficient to offset heavy declines in the Transport and Multi-Investment Sector.

GIC Country Indices Performance



The S&P Kuwait and S&P Bahrain indices fell by -1.89% and -1.19% respectively. Kuwait's heavy weighted Banking and Investment Sectors led the declines as the Kuwaiti market struggles to rid itself from the sluggish economic environment. In Bahrain, the Insurance and Services Sectors were the main culprits behind the market's drop as the nation continues its slow recovery from the turmoil the past few months.

The S&P Oman and S&P Qatar declined the least as they slid by a shy -0.52% and -0.78% respectively. Oman's Service and Banking sectors led the downfall in the market in Muscat, while in Qatar, the Insurance and Industrial sectors were hit hard as a mere upturn in the Banking sector was inadequate to compensate for other sectors decline.

During the month of June 2011, the Gulf Premier Fund over-performed its benchmark with returns of -1.86%, compared to -2.00% on the S&P GCC Index.



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