

## 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

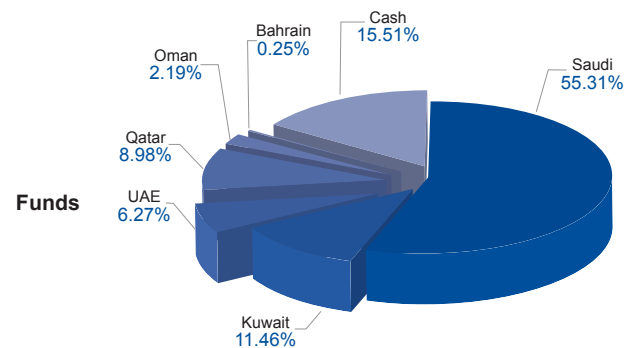
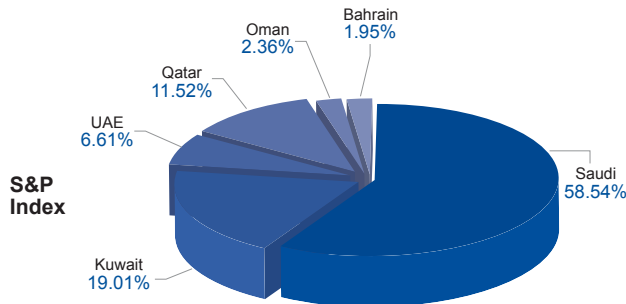
Launch Date	April 12th, 2003
Jurisdiction	Bahrain
Currency	U.S. Dollars
Subscription / Redemptions	Weekly at NAV
Minimum Subscription	US\$ 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5% per annum
Performance Fees	10% of returns above 10% per annum
Subscription Fees	2%

## Portfolio Structure

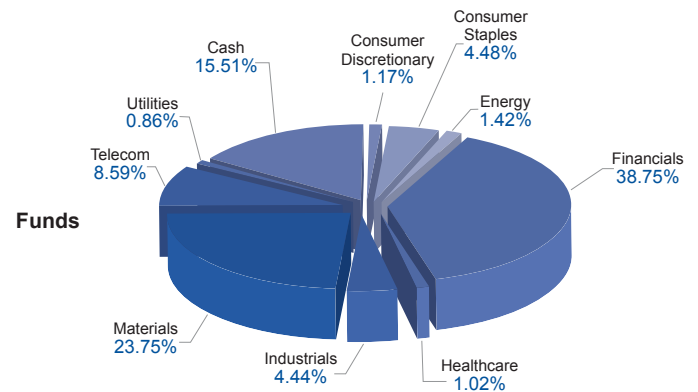
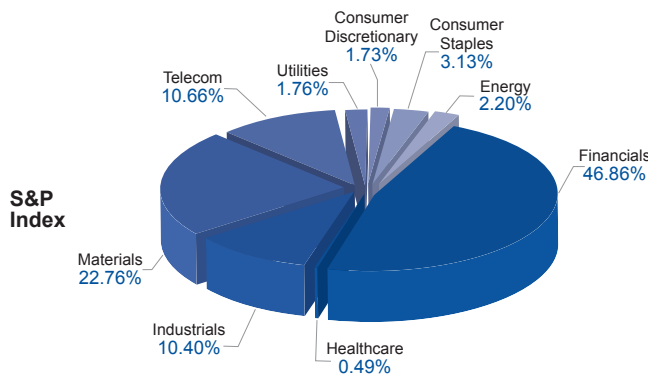
Fund Size : \$92 MM

Number of Holdings : 60

### Country Allocation as of 30th Sept 2011



### Sector Allocation as of 30th Sept 2011

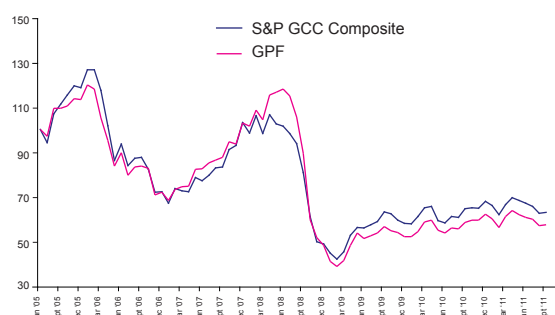


## Top Holdings

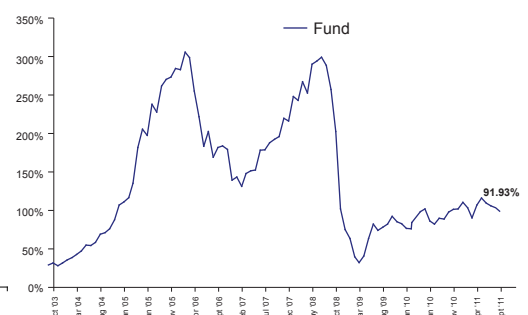
As of 30th Sept 2011

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

## GPF vs S&P GCC Index



## GPF since inception



## Fund Rating



## Monthly Performance

Annualized rate of return : **+8.01%**

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				-7.65

## Market Review

The GCC markets had contrasting fortunes during the month of September as momentum picked up after the tepid month of Ramadan. Volumes started to increase albeit minimally, with the state of the global economy still a major hindrance to market activity in the region. Continued pessimism of the state of the US economic recovery coupled with a persistent sovereign debt crisis in Europe have greatly hampered returns in emerging markets. The potential collapse of the Euro due to the Greece crisis has been magnified recently, and a double dip recession becomes an increasingly likely reality if policy makers don't get their act together.

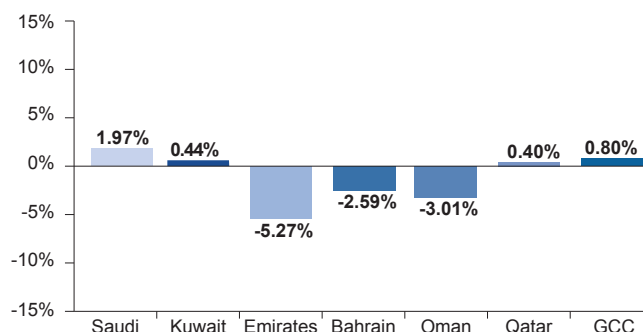
The US has been putting increasing pressure on Europe to get its act together or risk driving the world into another recession. Germany, being the largest and most powerful economy in Europe, is at the helm of it all, and is being advocated to act swiftly and do whatever is necessary to save Greece and the Euro. Angela Merkel and Nicolas Sarkozy have been criticised for being too casual and indecisive in their bid to shore up the markets and quell fears of a Euro meltdown. Moreover, Italy, the Euro zone's third largest economy, had its credit rating downgraded by S&P from A+ to A.

With equities continuing to get battered, investors have flooded into safe haven instruments. Gold, which surged to a record last month, dropped significantly, as investors flooded into US treasuries being the most liquid asset around. Gold ended the month down -11.05% to close at USD 1624/oz. Crude oil was also down for the month as concern over the global economic recovery dampened demand for the commodity. WTI and Brent slid -0.81% and -1.16% respectively.

GCC markets experienced differing fortunes, as the S&P GCC index gained slightly +0.68% for the month of September.

S&P UAE and S&P Oman were the two worst performing markets in September as they fell -5.27% and -3.02%. In Abu Dhabi, the market was hit hard in the Banking, Consumer and Real Estate sectors which fell significantly while in Dubai the Investments and Real Estate sector declined. In Oman, the

### GIC Country Indices Performance



Industrials, Services and Banking sectors were all in the red, responsible for the market's downturn as they slid -1.76%, -1.36% and -1.72% respectively.

The S&P Bahrain was the only other market that declined as it slid -2.60%. The decline was attributed to a plunge in the industries sector, which fell -38.60% for the month. The S&P Kuwait gained a minimal +0.02% as solid numbers from the Investments and Real Estate sector, which gained +3.69% and +3.10% respectively, helped the index.

S&P Saudi and S&P Qatar were the best performing markets for the month as they gained +1.97% and +0.40% for the month. In Saudi, large gains in the Insurance sector and Hotels sector by +13.73% and +10.40% contributed greatly to the index performance, supported by solid gains in the Transport and Multi-Investment sectors. In Qatar, gains in the Banking and Services sector by +0.78% and +0.79% were enough to offset losses in the Insurance and Industrial sector.

During the month of September 2011, the Gulf Premier Fund under-performed its benchmark with returns of +0.46% compared to +0.68% on the S&P GCC Index.



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