

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 MSCI 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 GCC MSCI 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

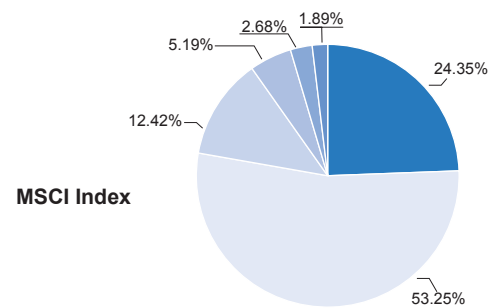
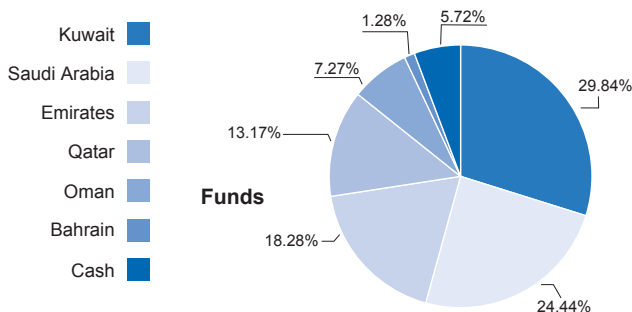
Launch Date	April 12th, 2003
Jurisdiction	Bahrain
Currency	U.S. Dollars
Subscription / Redemptions	Weekly at NAV
Minimum Subscription	US\$ 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5% per annum
Performance Fees	10% of returns above 10% per annum
Subscription Fees	2%

Portfolio Structure

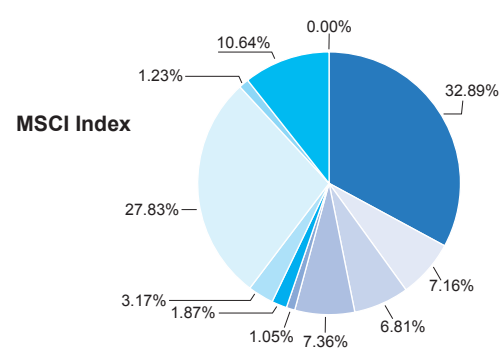
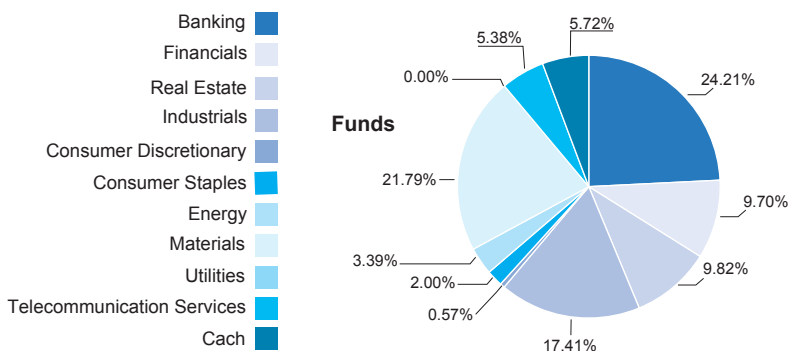
Fund Size : \$ 249 MM

Number of Holdings : 82

Country Allocation as of 30th June 2008



Sector Allocation as of 30th June 2008

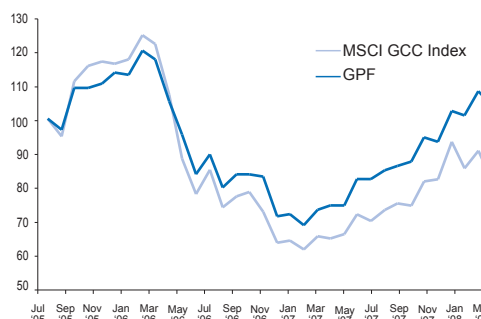


Top Holdings

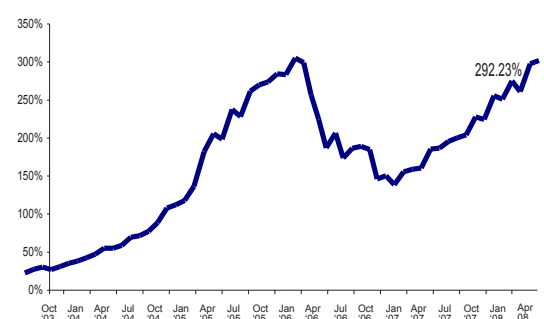
As of June 30th, 2008

- 1) Saudi Fertilizer Co.
- 2) Kuwait Finance House
- 3) ARABTEC Holding Co.
- 4) Saudi Basic Industries Corp.
- 5) Arabian Pipe

GPF vs MSCI GCC Index



GPF since inception



Monthly Performance

Annualized rate of return : **30.60%**

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							14.76

Market Review

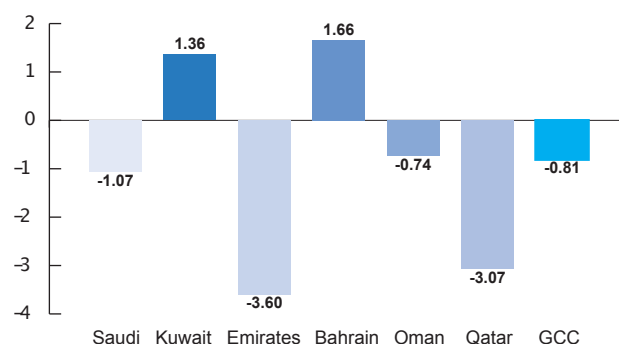
During June, the GCC markets maintained the trend of May, remaining range-bound, with mixed directions. With the exception of the UAE, Oman, and Qatar the other markets closed net positive for the month. In the absence of major catalysts to drive the markets, or set direction, trading was mostly listless.

Kuwait managed to reverse direction from last month, as some of the large-caps contributed positively, in unison with the smaller-caps, which continued their upward trend. Key Industrial and Real-Estate companies extended their recent trend and remained at the forefront, while certain Bank stocks including NBK and KFH posted nominal gains.

The Saudi market also switched tack from last month, as Insurance companies surged ahead with strong gains, with support from key Industrials, managing to override the negative impact of declines on select Bank and Cement names. The Banking sector continues to remain out of favour with investors, as evident from the Tadawul banking Index that has declined by 26% YTD.

Following an exceptional run during the past couple of months, the Qatari market witnessed a marked slowdown as profit-taking saw key stocks edge down. Prominent laggards included Q-Tel, CBQ and QNB. At the other end, Barwa remained firmly in the spotlight as the best-performing stock in Qatar YTD. The gainers also included QIB and QIIB which posted robust returns for the month.

MSCI GCC Country Indices Performance



Meanwhile, Bahrain managed to achieve modest gains for the month, with support from Bank stocks such as Al Salam and Ithmaar. Oman was pulled down by a reversal in direction on frontline Bank stocks including Bank Muscat and NBO, despite robust returns on other key stocks including Renaissance and Omantel.

The UAE continued to languish, with insipid performance from key property developers and Bank stocks (with the exception of FGB that recorded strong gains for the month). Interest appeared to gather momentum on UNB, which had a good showing as well. Union Properties and Emaar Properties, along with Tamweel and Amlak were relegated to the sidelines.

During June '08, the GPF outperformed its benchmark with returns of 1.26%, compared to a loss of -0.81% on the MSCI GCC Index. On a year-to-date basis, the GPF gained 14.76% against a loss of -8.70% for the benchmark.



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