

NAV per share : USD 31.43  
 October return : -1.15%



# Gulf Premier Fund

## November 2007

### Investment Objectives & Strategy

The Fund is designed to achieve long-term capital growth through investment in a diversified portfolio of GCC equities.

Gulf Investment Corporation, the Investment Manager, is an experienced GCC investor and will pursue active management of the fund to add value utilizing the skills of a dedicated research and trading team.

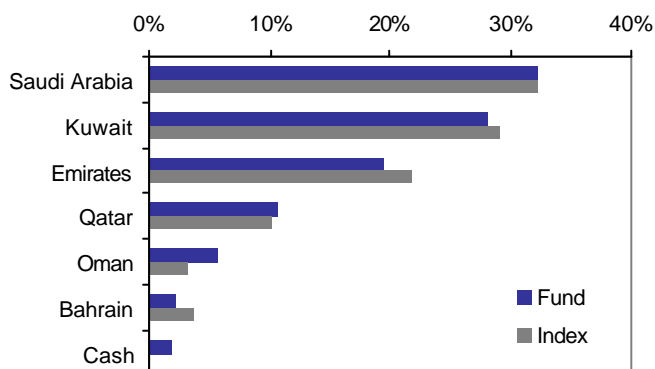
The GIC GCC Composite Index covers all six GCC markets. It is US dollar based and market cap weighted excluding government ownerships. It contains 227 companies with a total private sector cap of \$ 432 billion. Securities are selected based on float and trading liquidity.

### General Information

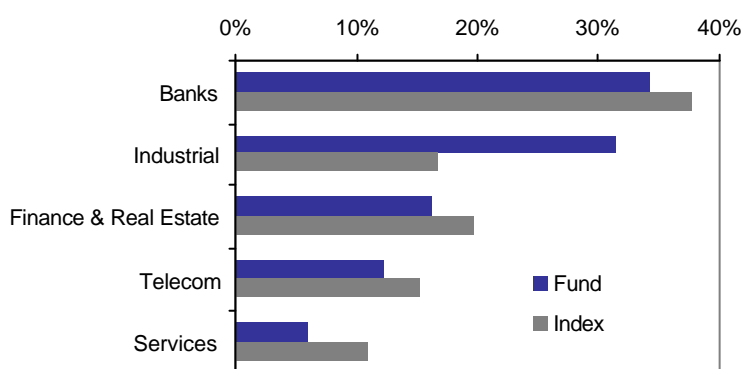
Launch Date: April 12<sup>th</sup>, 2003  
 Jurisdiction: Bahrain  
 Currency: U.S. Dollars  
 Subscription / Redemptions: Weekly at NAV  
 Minimum Subscription: US\$ 100,000  
 Investment Manager: Gulf Investment Corporation  
 Management Fees: 1.5% per annum  
 Performance Fees: 10% of returns above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

### Portfolio Structure

**Country Allocation**  
as of 30 November 2007



**Sector Allocation**  
as of 30 November 2007



Fund Size: \$ 213 MM  
 Number of Holdings: 96

### Performance Results

	Nov 07	YTD	Rolling 12 mths	* Since Inception	2007						2006				
					Jan	Feb	Mar	Apr	May	Jun	1Q	2Q	3Q	4Q	
**The Fund %	-1.15	30.08	32.23	214.26	-5.03	7.26	1.46	0.43	10.14	0.25	-7.3	-14.9	-6.2	-14.3	
***GIC Index %	0.32	30.01	30.50	279.77	-6.13	8.71	-2.37	1.99	10.17	-2.17	-4.8	-20.4	-3.4	-22.3	
					Jul	Aug	Sep	Oct	Nov	Dec	2005				
					3.26	1.56	1.32	8.01			1Q	2Q	3Q	4Q	
					4.56	2.90	-0.07	10.08	0.32		33.9	22.0	9.5	3.6	
											41.3	28.9	10.1	8.1	
					2003			2004							
					2Q	3Q	4Q	1Q	2Q	3Q	4Q				
					15.0	12.8	3.2	8.6	7.7	11.5	19.9				
					15.0	15.4	5.4	12.5	8.7	13.9	21.4				

\* Cumulative return since April 12<sup>th</sup> 2003

\*\* Performance is net of all fees

\*\*\* The GIC GCC Composite Index is not a benchmark for measuring the performance of the fund. It is used primarily as an asset allocation tool to determine country and sector allocation.

**Market Performance Review**

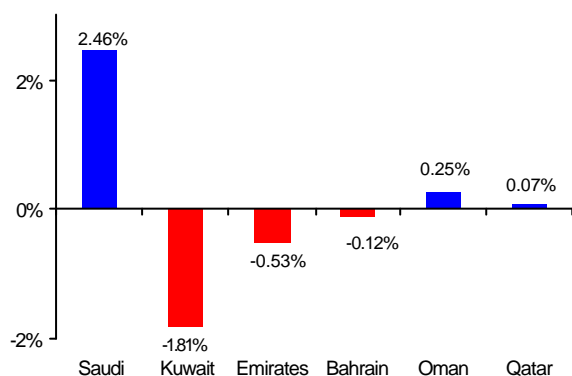
<u>Index Value</u>	<u>Composite</u>	<u>Bahrain</u>	<u>Emirates</u>	<u>Kuwait</u>	<u>Oman</u>	<u>Qatar</u>	<u>Saudi</u>	<u>Banking</u>	<u>Telecom</u>
<b>Closing Value (Nov)</b>	6737	3073	7317	8999	4745	10018	4814	6749	5218
<b><u>Index Performance (%)</u></b>									
<b>November (%)</b>	0.32	-3.4	-2.3	-6.3	7.8	0.7	8.8	0.4	-1.0
<b>YTD (%)</b>	30.0	22.3	38.7	31.2	60.7	44.2	19.4	30.2	24.6
<b>2006 Return (%)</b>	-43.1	8.2	-43.9	-4.0	2.8	-40.6	-58.2	-33.5	-32.6
<b>2005 Return (%)</b>	116.8	25.8	140.9	84.5	48.2	101.7	124.3	110.7	59.5
<b>2004 Return (%)</b>	69.2	46.8	114.1	13.5	36.3	49.0	94.9	70.3	41.7
<b>2003 Return (%)</b>	57.4	44.3	32.2	62.4	62.9	87.9	59.9	42.0	78.0
<b>Since Fund Inception (%)</b>	279.8	236.4	399.0	276.2	351.4	259.7	226.1	324.3	187.4

**Index Technicals**

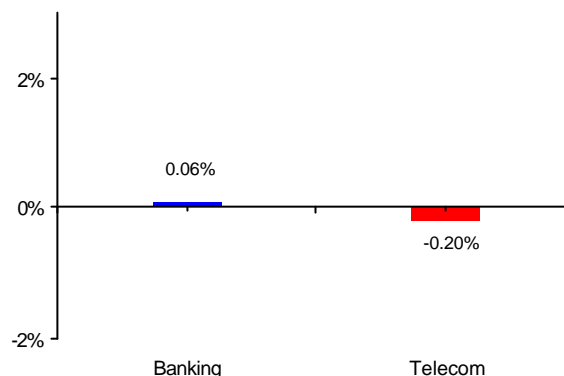
GIC Composite Index Closing Value	6739.17	Rising issues	103
November Performance	0.32%	Declining issues	124
Market cap	432 BN	Unchanged	-
Value traded November	76.2 BN		
Value traded previous month	65.1 BN		

**November Index Performance**

**Country**



**Sector**



**Fund Performance Review**

During November, the GCC markets witnessed mixed performance. Saudi Arabia, the worst performing market YTD, rebounded and led the way (8.84%), followed by Oman (7.82%), which has proven to be the most stable GCC market during '07. Qatar had a strong rally during the initial weeks of the month, but corrected towards the latter part, thus closing up only marginally (+0.70%). Kuwait was the worst performing market during the month (-6.33%) followed by Bahrain (-3.41%) and the Emirates (-2.33%).

The Saudi market exhibited strong performance with the help of Banking, Cement and Industrial sectors. The rally in Banking sector was explained by the removal of constraints by the Saudi Bourse regulator. SAMA's expected actions to begin a series of gradual adjustments to the exchange rate peg improved the market sentiment further.

Oman, the best performing GCC market YTD (+60.74%), remained on the positive trend. Investors rewarded Alliance Housing Bank (+38.26%), that agreed to sell a 35% stake to Bahrain's Ahli United Bank, after it got approval from regulators to become a full commercial bank. Other strong performers included OmInvest (+21.81%), which reported strong 3Q results and Oman Cables (+27.68%) on back of its announcement to build an aluminum plant with Takamol, a unit of the state-owned Oman Oil Co.

UAE, the best performing market last month, witnessed strong profit taking during the month. Banking, Financial Insurance and Utilities sectors led the way down. Construction sector was in the limelight after Arabtec faced a strike by 18'000 workers and as many as 286'000 illegal immigrants, or 7% of UAE residents left the country under an amnesty that expired in the beginning of November.

Meanwhile, a strong correction in Bahraini Banking sector dragged the market down. Shamel bank nose dived -17.65% despite Ithmaar Bank's announcement to buy all shares through a share swap. AUB got hammered on back of its US\$ 300m new share sale. Qatar closed up only marginally as investors took profits on Qtel, QNB and Qatar Electricity. Qatar has posted strong growth numbers, but inflation concerns (3Q'07 at 13.7%) are growing and could hurt the economy going forward.

Industrial, Investment and Services sectors were the worst performing sectors in Kuwait. Sentiment remained weak, influenced by political considerations. Nevertheless, Kuwait continues to hold its position as the fourth best performing GCC market YTD (+31.16%).

During November '07, the GPF performed its benchmark, with gains of -1.15%, compared to xxx% returns for the MSCI GCC Index. YTD gains for the GPF stand at 30.08% against a price appreciation of xxx% for the benchmark.

**Gulf Investment Corporation**

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