

NAV per share : USD 27.69
 June return : +0.25%



Gulf Premier Fund

June 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 213 companies with a total private sector cap of \$339.6 billion. Securities are selected based on float and trading liquidity.

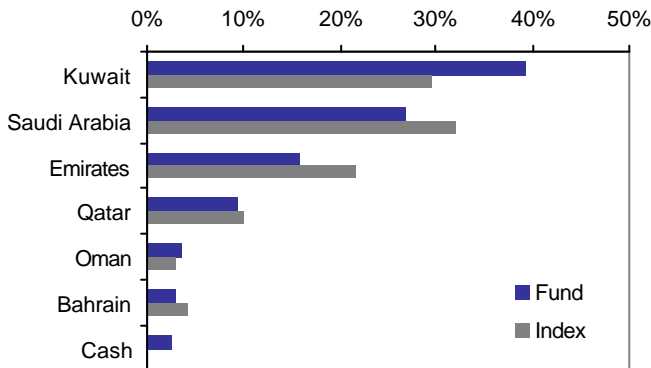
General Information

| | |
|-------------------------------|---------------------------------------|
| Launch Date | April 12 th , 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

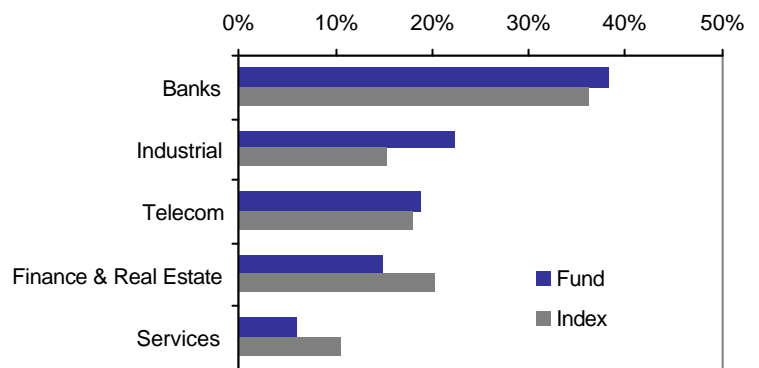
Country Allocation

as of 1 June 2007



Sector Allocation

as of 1 June 2007



| | |
|--------------------|-------------|
| Fund Size | \$ 162.6 MM |
| Number of Holdings | 115 |

Performance Results

| | June 07 | YTD | Rolling 12 mths | * Since Inception | 2007 | | | | | | 2006 | | | | |
|----------------|---------|-------|-----------------|-------------------|-------|------|-------|------|-------|-------|------|-------|-------|-------|--|
| | | | | | Jan | Feb | Mar | Apr | May | Jun | 1Q | 2Q | 3Q | 4Q | |
| ** The Fund % | 0.25 | 14.53 | -7.95 | 176.9 | -5.03 | 7.26 | 1.46 | 0.43 | 10.14 | 0.25 | -4.8 | -14.9 | -6.2 | -36.6 | |
| ***GIC Index % | -2.17 | 9.51 | -17.76 | 219.9 | -6.13 | 8.71 | -2.37 | 1.99 | 10.17 | -2.17 | -4.8 | -20.4 | -3.37 | -22.3 | |
| | | | | | Jul | Aug | Sep | Oct | Nov | Dec | 2005 | | | | |
| | | | | | | | | | | | 1Q | 2Q | 3Q | 4Q | |
| | | | | | | | | | | | 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 12th 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> |
|---------------------------------|------------------|----------------|-----------------|---------------|-------------|--------------|--------------|----------------|----------------|
| Closing Value (June) | 5675 | 2949 | 6064 | 9130 | 3549 | 7680 | 3454 | 5634 | 4894 |
| <u>Index Performance (%)</u> | | | | | | | | | |
| June (%) | -2.2 | 6.8 | -2.1 | 2.5 | 2.9 | 0.72 | -10.1 | -1.40 | -1.6 |
| YTD (%) | 9.5 | 17.4 | 14.9 | 33.1 | 20.2 | 10.5 | -44.4 | 8.7 | 16.8 |
| 2006 Return (%) | -43.1 | 8.2 | -43.9 | -4.0 | 2.8 | -40.6 | -58.2 | -33.5 | -32.6 |
| 2005 Return (%) | 116.8 | 25.8 | 140.9 | 84.5 | 48.2 | 101.7 | 124.3 | 110.7 | 59.5 |
| 2004 Return (%) | 69.2 | 46.8 | 114.1 | 13.5 | 36.3 | 49.0 | 94.9 | 70.3 | 41.7 |
| 2003 Return (%) | 57.4 | 44.3 | 32.2 | 62.4 | 62.9 | 87.9 | 59.9 | 42.0 | 78.0 |
| Since Fund Inception (%) | 219.88 | 222.9 | 313.5 | 281.6 | 237.6 | 175.7 | 134.0 | 254.2 | 169.5 |

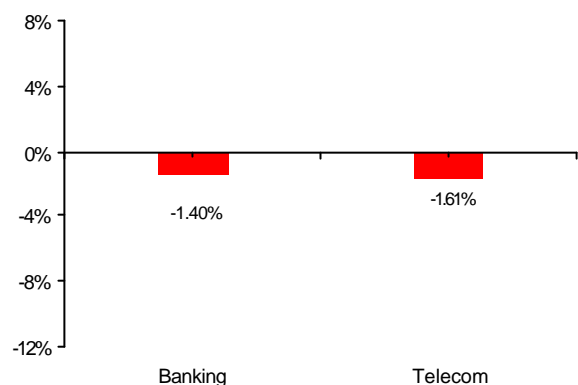
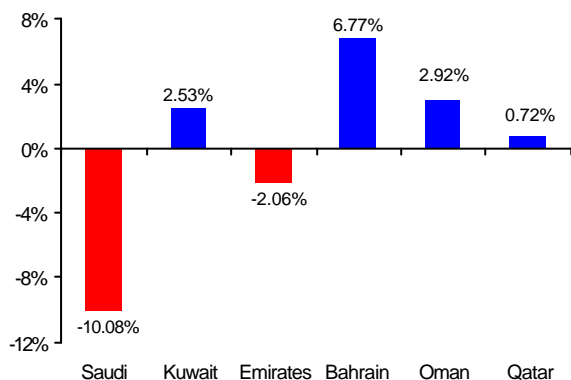
Index Technicals

| | | | |
|-----------------------------------|----------|------------------|-----|
| GIC Composite Index Closing Value | 5674.6 | Rising issues | 96 |
| June Performance | -2.2% | Declining issues | 101 |
| Market cap | 339.6 BN | Unchanged | 16 |
| Value traded June | 41.0 BN | | |
| Value traded previous month | 74.6 BN | | |

June Index Performance

Country

Sector



Fund Performance Review

The major GCC markets simmered down during June. Bahrain led the way up (+6.8%), followed by Oman (+2.9%) and Kuwait (+2.5%). Qatar remained flat (+0.7%), while the UAE sold-off slightly (-2.1%) and Saudi continued its nosedive (-10.1%). Investors appeared to have taken a breather after last month's strong gains, leading to the largely sideways performance during June.

Speculation that AUB, the largest publicly traded commercial bank in Bahrain, would be bought and Gulf Finance House's GDR plans gave Bahrain markets a friendly swing during the month. In Oman the tropical cyclone Gonu had no adverse impact on markets. On the contrary investors chased names such as Raysut Cement and Oman Cables that were expected to benefit from reconstruction, as the Index moved to record levels.

In Kuwait, the KSC Index broke the 'magical' 12,000 resistance, led by Industrial and Investment sectors. Corporate action speculation continued to keep the positive sentiment alive. During June, Qatar remained flat as investors started to position themselves for the 2nd Qtr results season.

Abu Dhabi declined marginally after investors pocketed profits from names such as Sorouh Real Estate and Aldar Properties. Similarly, real estate developers and Amlak were among the worst performing members in Dubai. Saudi Arabia continued its way down, led by Agricultural, Services and Industrial sectors. The Tadawul is still the worst performing GCC market with losses of -11.3% YTD.

During June '07, the GPF outperformed its benchmark, with gains of +0.25%, compared to -2.46% returns for the MSCI GCC Index. YTD gains for the Fund stand at 14.53% against 9.38% for the benchmark.

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