

NAV per share : USD 29.42
 September return : +1.32%



Gulf Premier Fund

September 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.

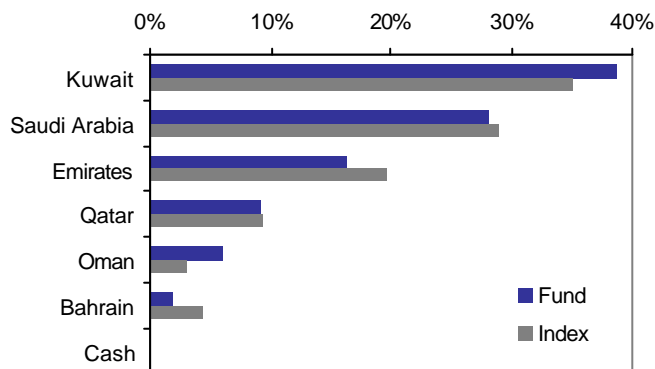
The GIC GCC Composite Index covers all six GCC markets. It is US dollar based and market cap weighted excluding government ownerships. It contains 223 companies with a total private sector cap of \$382.6 billion. Securities are selected based on float and trading liquidity.

General Information

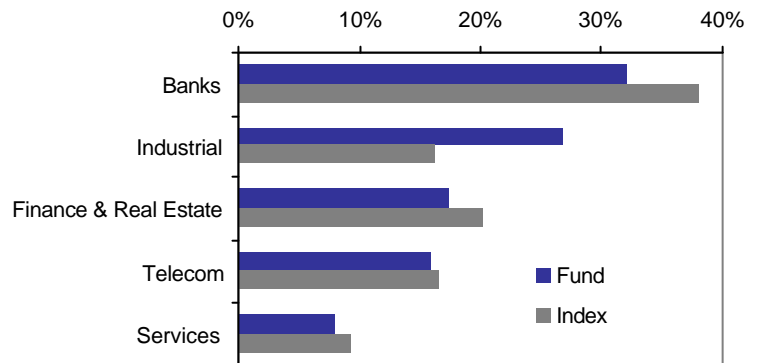
Launch Date: April 12th, 2003
 Jurisdiction: Bahrain
 Currency: U.S. Dollars
 Subscription / Redemptions: Weekly at NAV
 Minimum Subscription: US\$ 100,000
 Investment Manager: Gulf Investment Corporation
 Management Fees: 1.5% per annum
 Performance Fees: 10% of returns above 10% per annum
 Subscription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

Portfolio Structure

Country Allocation
as of 30 September 2007



Sector Allocation
as of 30 September 2007



Fund Size: \$ 166.4 MM
 Number of Holdings: 100

Performance Results

	Sept 07	YTD	Rolling 12 mths	* Since Inception	2007						2006				
					Jan	Feb	Mar	Apr	May	Jun	1Q	2Q	3Q	4Q	
**The Fund %	1.32	21.8	3.34	194.20	-5.03	7.26	1.46	0.43	10.14	0.25	-7.3	-14.9	-6.2	-14.3	
***GIC Index %	-0.07	17.74	-8.50	243.91	-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				1Q	2Q	3Q	4Q	
					4.56	2.90	-0.07				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

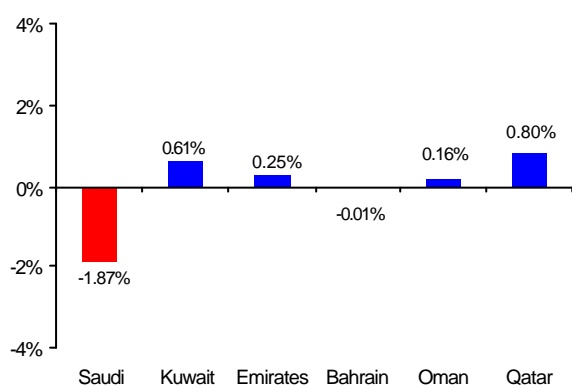
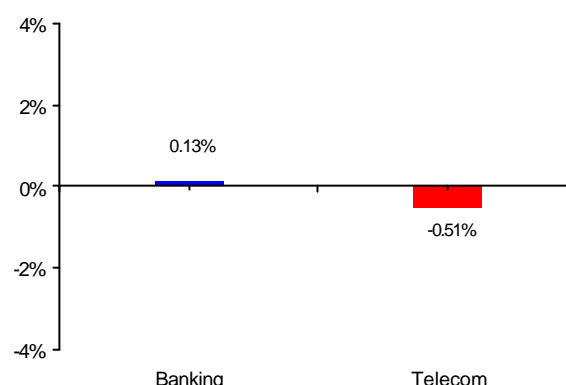
*** The GIC GCC Composite Index is not a benchmark for measuring the performance of the fund. It is used primarily as an asset allocation tool to determine country and sector allocation.

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 (Sept)	6101	3090	5912	9750	3972	8406	4003	6151	5009
Index Performance (%)									
September (%)	-0.1	-0.3	1.3	1.7	5.2	8.6	-5.9	0.8	-2.5
YTD (%)	17.7	23.0	12.1	42.1	34.5	21.0	-0.8	18.7	19.6
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 (%)	243.9	238.3	303.2	307.6	277.8	201.8	171.2	286.7	175.9

Index Technicals

GIC Composite Index Closing Value	6100.85	Rising issues	105
September Performance	-0.07%	Declining issues	118
Market cap	382.6 BN	Unchanged	-
Value traded September	37.6 BN		
Value traded previous month	38.8 BN		

September Index PerformanceCountrySector

Fund Performance Review

During the month of September the GCC market performance was positive with the exception of Saudi Arabia. Neither the expanding sub-prime crisis nor the Fed rate cut were reflected in the GCC markets. Qatar led the way up with gains of 8.62%, followed by Oman 5.17%, Kuwait 1.74% and Emirates 1.29%. Bahrain -0.27% lacked catalysts and took a breather during the month of September. The Saudi Tadawul corrected -5.85% after two consecutive bull months.

The Saudi bourse regulator removed constraints on investors from other GCC countries allowing investments to all Tadawul listed companies. However, IPOs continue to remain restricted to Saudi nationals only. Insurance and Agricultural companies were under heavy pressure whereas Cement and Banking were the best performing sectors in Saudi.

DSM's strong performance was explained by Industries Qatar which rallied 19.0% after it announced that it might delay its QAFCO bond sale for US\$ 1bn project. Other names such as Qatar Electricity (24.8%) and Commercial Bank of Qatar (13.3%) rallied also sharply. Oman remained on bullish trend and investors' response to the IPO of Galfar Engineering & Contracting Co. was very good with a total oversubscription of 14.5x.

DFM stabilized after two consecutive bear months. Emaar (-1.83%) dragged down the market, whereas Air Arabia (7.20%) and Arabtec (5.64%) posted above average returns. Abu Dhabi closed on the positive territory (3.53%) with all sectors ending on positive note. Real estate names such as Aldar gained (14.2%) after Time Warner Inc. said it will develop a theme park and other real estate with the company.

In Kuwait, investors bought up industrial companies and banks. Real Estate sector, which was the best performing sector during August reversed -3.20% in September. Bahrain closed slightly down as investors sold names such as Batelco (-5.05%) and Arab Insurance Group (-3.96%).

During September '07, the GPF over performed its benchmark, with gains of 1.40%, compared to -0.41% returns for the MSCI GCC Index. YTD gains for the GPF stand at 21.75% against a price appreciation of 16.57% for the benchmark.

Gulf Investment Corporation

Address Sharq, Jaber Al Mubarak Street
P O Box 3402, Safat 13035, Kuwait
Telephone (965) 222 5000 **Fax** (965) 222 5128
Website www.gulfinvestmentcorp.com / www.gic.com.kw

Contact Names

Malek Al Ajeel
Head of Business Development
E-mail: malajeel@gic.com.kw
Telephone (965) 222 5262