

## 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 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

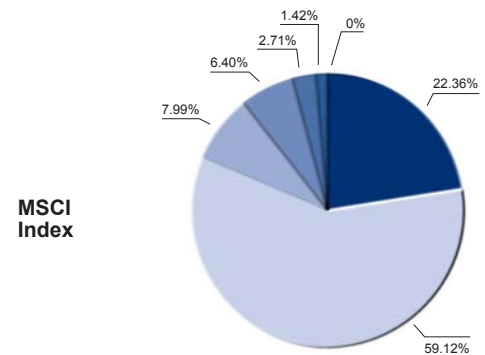
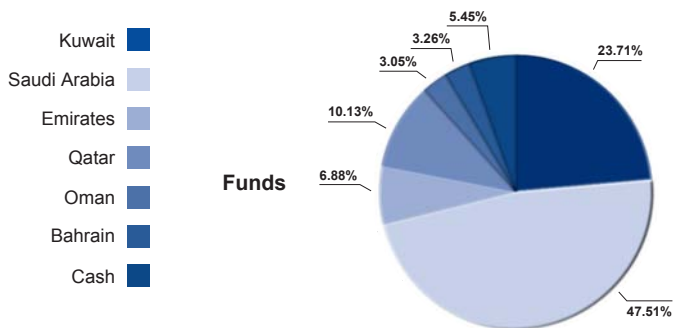
Launch Date	April 12th, 2003
Jurisdiction	Bahrain
Currency	U.S. Dollars
Subscription / Redemptions	Weekly at NAV
Minimum Subscription	US\$ 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5% per annum
Performance Fees	10% of returns above 10% per annum
Subscription Fees	2%

## Portfolio Structure

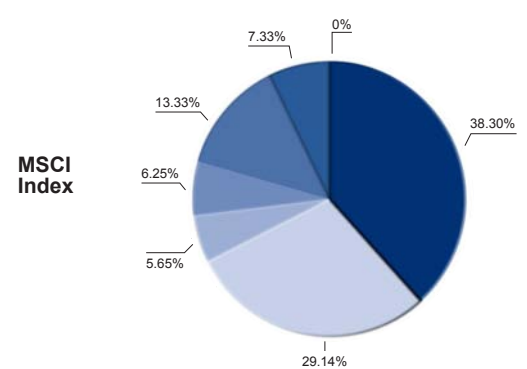
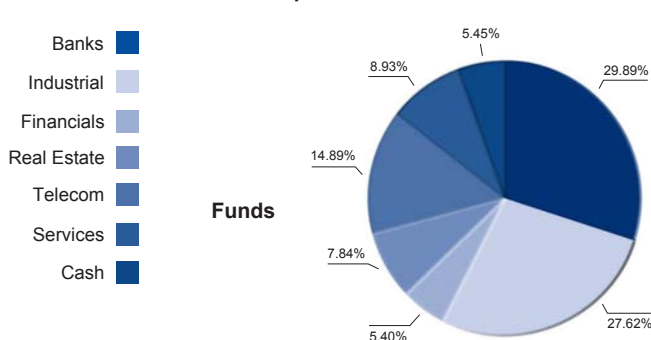
Fund Size : \$72 MM

Number of Holdings : 53

### Country Allocation as of 30th April 2009



### Sector Allocation as of 30th April 2009

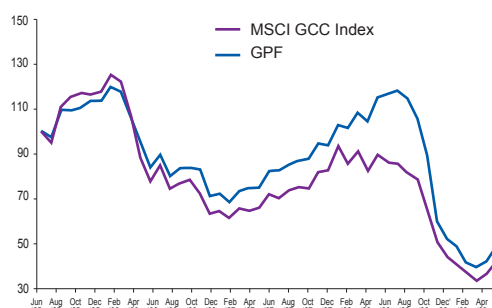


## Top Holdings

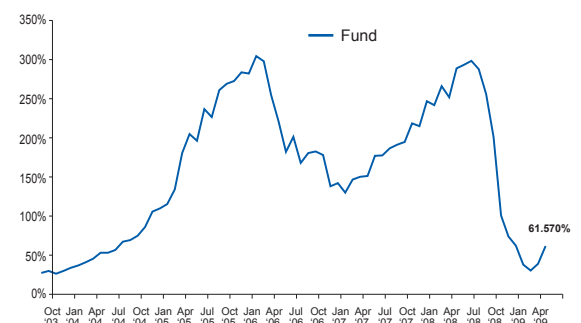
As of April 30th 2009

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

## GPF vs MSCI GCC Index



## GPF since inception



## Monthly Performance

Annualized rate of return : **8.21%**

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%									-0.04

## Market Review

The beginnings of a rebound that was set in motion in March, gathered considerable pace during April, with all the GCC markets exhibiting robust returns during the first half, before marginal profit-taking eased off some steam during the latter part. While it could be argued that what we witnessed during April was a bear market rally, and that the correction was following a pattern, some markets like Saudi and Qatar continued the upward trend.

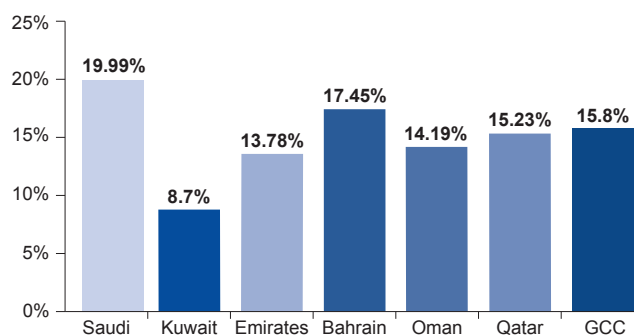
The general reaction to the quarterly financials from companies was positive, though investors resorted to stock-picking rather than buying the broader market. Oil prices were another strong catalyst, acting as a sentiment support for the market, and the extent of the influence was evident from the market correction that a sharp mid-month fall in oil prices brought about. However, the pace of the ascent so far has been quite sharp, leading credence to the calls for a brief lull, before sentiment and fundamentals build up towards a more sustainable rally.

Saudi and UAE indices have recouped their losses for the year, and are net YTD gainers, while the others are still net negative for the year, with Qatar the laggard with YTD losses of 19.9%.

The MSCI Saudi Index emerged as the best performing, with net gains of 19.67%, driven by robust gains across the board, with only two negative performers amongst the 20 stocks in the index. Kingdom Holding and Arabian Cement were the leaders with gains of 44.7% and 41.5% respectively. Meanwhile, Bank Al Bilad and Al Marai closed with negative returns of 11.3% and 5.7%. Bahrain followed Saudi with gains of 17.5% on the MSCI Index.

Oman managed a swift recovery from the performance in March, and the MSCI Oman Index closed up by 13.4%, riding on gains of 53.5% on Galfar, 50.1% on Oman Cement and 36.9% on Renaissance Services. Qatar followed closely with net gains of 13.0% on the MSCI

### GIC Country Indices Performance



Qatar Index derived from a strong performance on Bank stocks. Al-Khalij Bank with 29.7% and Commercial bank of Qatar with 28.6% rounded up the gainers.

Despite being an outperformer during the initial part of the month, the UAE managed to break out of a subsequent correction only at the very end, restricting gains on the MSCI UAE Index to 11.5%. Dana Gas was the best performing with returns of 46.5%, while Union National Bank was the preferred Bank stock in the UAE, riding a sharp wave to close with gains of 39.4%. In Kuwait, lacklustre performance from the large caps ensured that the MSCI Kuwait Index was a laggard with gains of only 8.7%, led by a 134.2% rise in International Financial and 52% in National Industries.

During the month of April 2009, the GPF out-performed its benchmark with returns of 16.40%, compared to 15.80% on the MSCI GCC Index.