

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

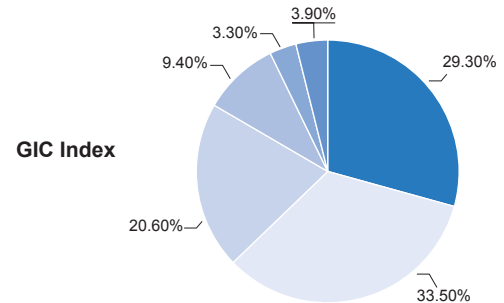
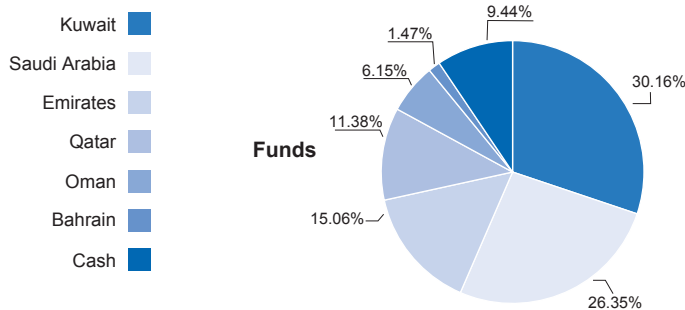
Launch Date	April 12th, 2003
Jurisdiction	Bahrain
Currency	U.S. Dollars
Subscription / Redemptions	Weekly at NAV
Minimum Subscription	US\$ 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5% per annum
Performance Fees	10% of returns above 10% per annum
Subscription Fees	2%

Portfolio Structure

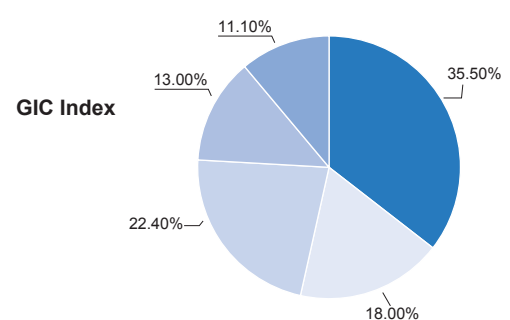
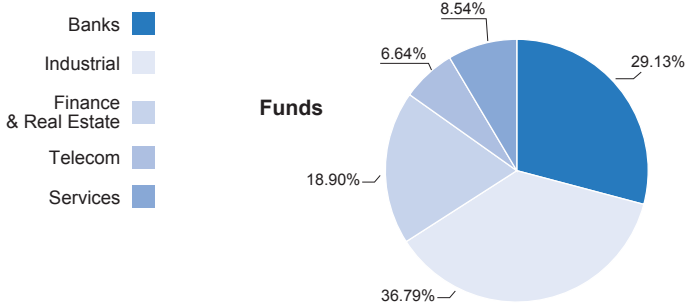
Fund Size : \$ 211 MM

Number of Holdings : 79

Country Allocation as of 31st March 2008



Sector Allocation as of 31st March 2008

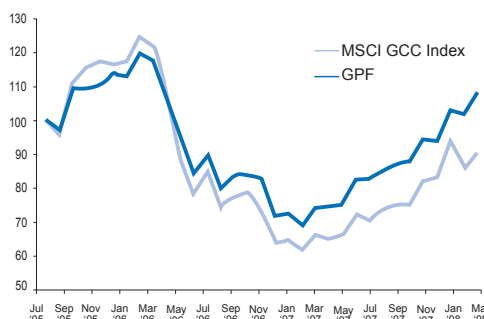


Top Holdings

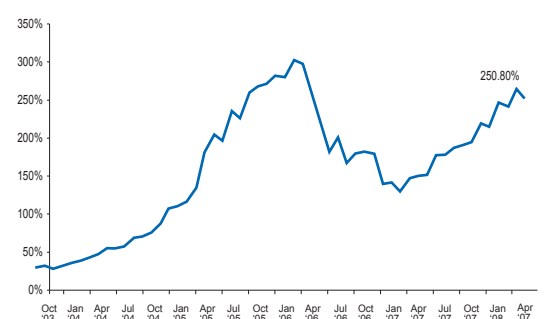
As of March 31st, 2008

- 1) Kuwait Finance House
- 2) Saudi Basic Industries Corp.
- 3) ARABTEC Holding Co.
- 4) Union Properties Co.
- 5) AI Safat Investment

GPF vs MSCI GCC Index



GPF since inception



Monthly Performance

Annualized rate of return : **28.53%**

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										1.35

Market Review

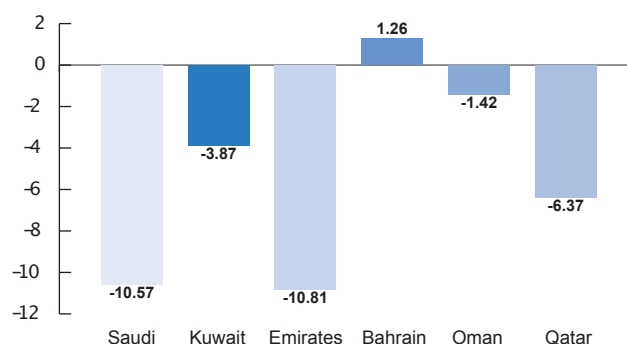
The GCC markets reversed during the month of March and swiped off the positive gains achieved in February. Nevertheless, of the 90 global indices tracked by Bloomberg, Kuwait is still the best and Oman the fourth best performing market YTD. During the month investors witnessed forecast revisions for oil price (Brent USD 86bbl for '08), global GDP (3.5% for '08) and global earnings growth (+12.0%). Estimates for the GCC corporate earnings and GDP growth remained intact.

During the month investors were busy dumping shares in Qatar (-6.37%) and Saudi Arabia (-10.57%), where the trailing 12 month valuations are still the highest in the GCC. The DSM20-index had only two gainers, whereas the Tadawul had eight mid-cap companies closing on the positive territory, thus highlighting the case for diligent stock picking.

The UAE closed the month with losses of -10.81%. Blue chips led the way down in Dubai whereas in Abu Dhabi the performance was mixed, where large caps were the biggest losers and small & mid-caps, with Emirates Driving Company, United Arab Bank and Natl. Bank of Fujairah among the winners.

In Kuwait the emir dissolved the parliament and set an election for May 17th due to political crisis that has delayed economic reforms. On the other front, the Central Bank changed its consumer and installment loans instructions, where the rate for consumer and installment loans was cut 100bps to 3% above discount rate, monthly installment ceiling was lowered to 40% of monthly income and interest rate fixed for five years from the date of the loan, to be then changed $\pm 2\%$ instead of along with the discount rate. During the month the gainers in Kuwait included a mixed bag of companies from Services, Insurance, Investment and Real Estate sectors. However, the general index closed the month with returns of -3.87%.

GIC Country Indices Performance



Bahrain announced that it is planning to set up a US\$ 3bn Islamic investment bank and an Islamic stock exchange by 2009. Oman confirmed that it is on track in executing its USD 8bn investment plan (by 2010). Nevertheless, the duo witnessed a significant drop in trading activity and volumes, but remained the least volatile markets during the month with returns of 1.26% and -1.42% respectively.

During March '08, the GPF outperformed its benchmark with returns of -3.94%, compared to -9.91% returns on the MSCI GCC Index. Year-to-Date returns for the GPF stand at 1.35% against -12.44% for the benchmark.



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