

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

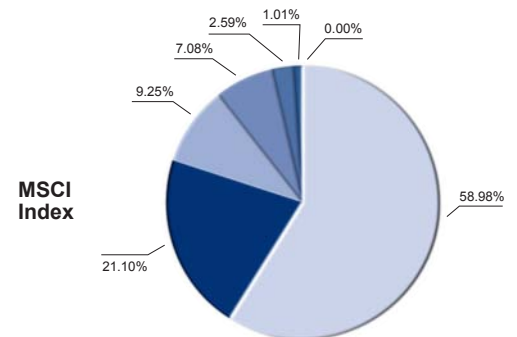
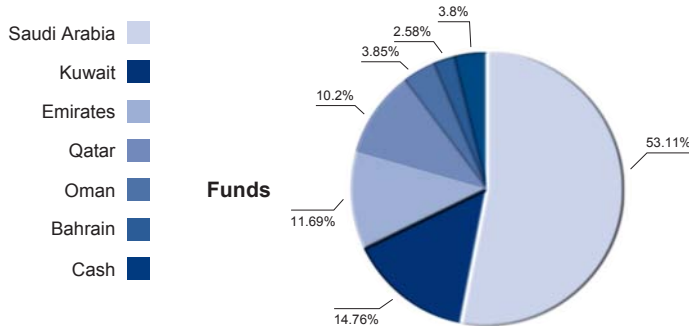
Launch Date	April 12th, 2003
Jurisdiction	Bahrain
Currency	U.S. Dollars
Subscription / Redemptions	Weekly at NAV
Minimum Subscription	US\$ 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5% per annum
Performance Fees	10% of returns above 10% per annum
Subscription Fees	2%

Portfolio Structure

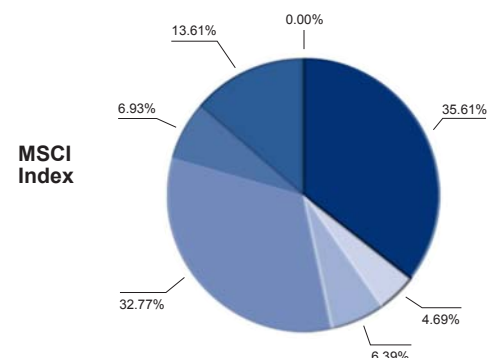
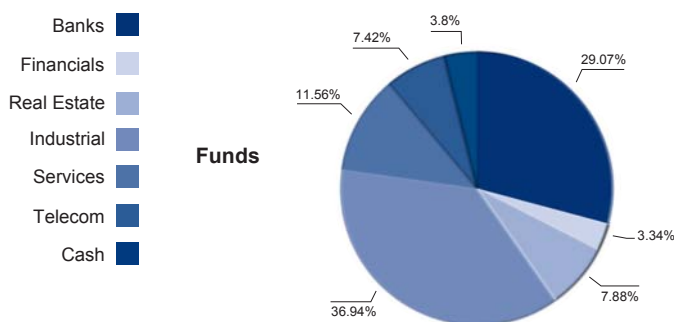
Fund Size : \$74 MM

Number of Holdings : 61

Country Allocation as of 30th November 2009



Sector Allocation as of 30th November 2009

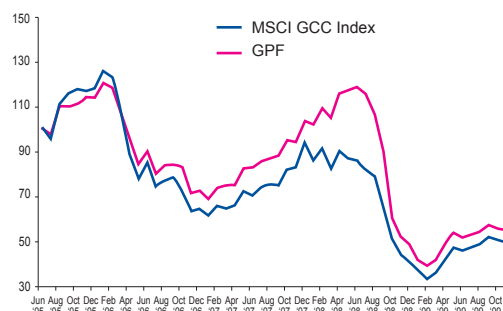


Top Holdings

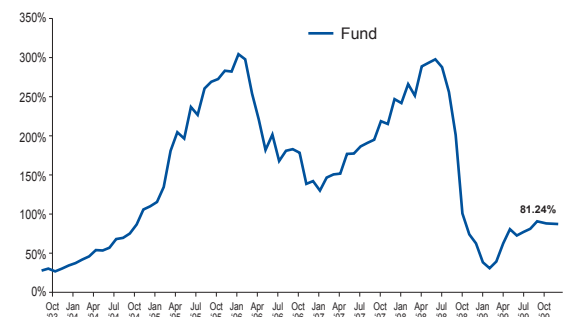
As of 30th November 2009

- 1) Saudi Basic Inds Corp. (SABIC)
- 2) Al Rajhi Bank
- 3) Saudi Fertilizer Co.
- 4) Al Othaim - Abdulla
- 5) Almarai Co.

GPF vs MSCI GCC Index



GPF since inception



Monthly Performance

Annualized rate of return : **9.31%**

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	11.49	-4.48	2.43	2.42	5.34	-3.55	-1.32		11.96

Market Review

The unanticipated debt crisis that developed in Dubai at the end of the month proved to be the watershed event during November, and though the advent of the Eid holidays prevented any of the markets with the exception of the Dubai and Abu Dhabi from reflecting the impact during the month, the ripple effect is likely to be pronounced and sustained across the region.

The announcement of a "standstill" request by the Government-owned Dubai World to its creditors took everyone by surprise, while the timing of the announcement after market hours on the eve of the Eid holidays exacerbated the shock effect. Though this is not to be construed as a default as yet, the vetoing of the long-held belief of implicit support by the Government to related entities, and the willingness to dismantle and restructure a high-profile entity like Dubai World, is likely to have far-reaching implications for the sentiment in regional markets.

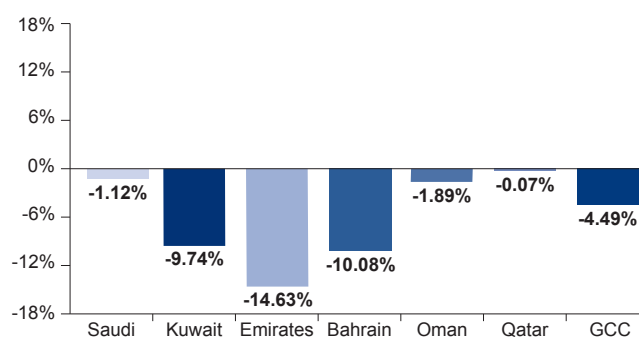
None of the GCC indices managed to close on positive ground for the month, and while the MSCI Qatar Index came close to break-even with a net loss of -0.07%, the MSCI UAE Index was the worst performing with a net of -14.62%. The decline in UAE was spread across the board, though Bank and Real Estate stocks featured prominently. DP World emerged the worst performer with -26.06%, followed by Sorouh Real Estate with -22.01%, and Aabar Investments with -21.22%.

Bahrain too scored sharp declines, even without the impact of the Dubai debt crisis being priced in due to the holidays. The MSCI Bahrain Index shed -10.08% for the month, as Ithmaar Bank and Gulf Finance House clocking declines of -23.91% and -13.95% respectively.

Losses on bank stocks and other large-cap names took its toll on the MSCI Kuwait Index, which shed -9.74% for the month. Agility (-25.60%) and Gulf Cables (-24.47%) edged down the most, while Wataniya (+1.67%), IFA Hotels (+1.36%) and KIPCO (+0.35%) managed modest gains.

In Oman, the direction was mixed, and robust gains on select Bank stocks like Bank Dhofar (+8.71%) and Bank Sohar (+5.64%) was

GIC Country Indices Performance



offset by declines on heavyweights like Bank Muscat (-10.10%) and Galfar (-8.48%), dragging the MSCI Oman Index down by -1.89% on closing.

In Saudi Arabia, the market benefitted from modest gains on large-cap stocks such as Al Rajhi Bank (+3.99%), Maaden (+3.99%), SABIC (+3.43%), alongside others like Saudi National PetChem (+7.64%) and Savola (+6.73%), that helped to offset losses on the Cement, Telecom and select Bank stocks. The MSCI Saudi Index closed with a net loss of -1.12% for the month.

In Qatar, the market bellwether Industries Qatar managed gains of +5.64%, followed by Khaliji Bank (+4.35%) and QIIB (+3.52%). While other Banks like QIB, QNB and Doha Bank also managed modest gains, CBQ remained under pressure and shed -6.53% for the month. Telecom stocks also fared badly, as QTel was the worst-performing in the market with -6.71%, and Vodafone too shed -4.84%.

During the month of November 2009, the GPF over-performed its benchmark with returns of -1.32%, compared to -4.49% on the MSCI GCC Index.



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