

## 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

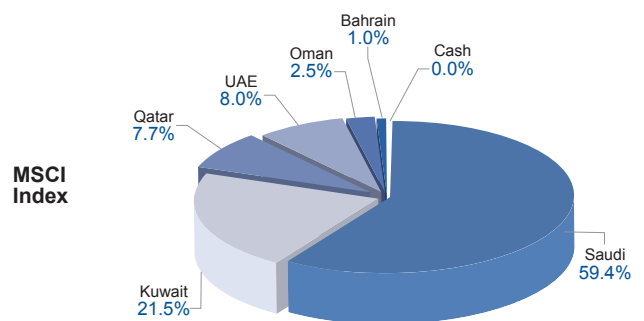
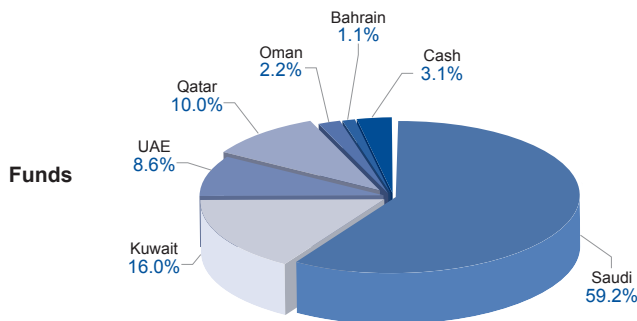
Launch Date	April 12th, 2003
Jurisdiction	Bahrain
Currency	U.S. Dollars
Subscription / Redemptions	Weekly at NAV
Minimum Subscription	US\$ 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5% per annum
Performance Fees	10% of returns above 10% per annum
Subscription Fees	2%

## Portfolio Structure

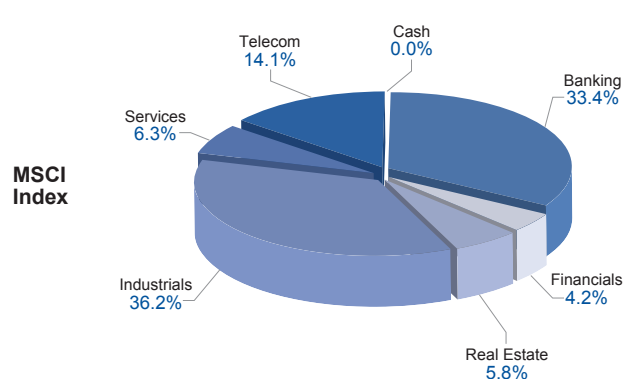
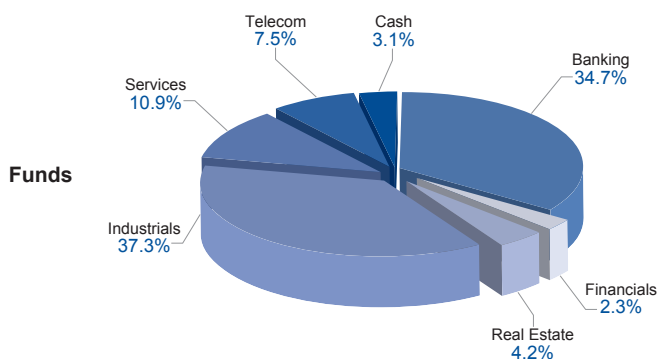
Fund Size : \$79 MM

Number of Holdings : 59

### Country Allocation as of 30th April 2010



### Sector Allocation as of 30th April 2010

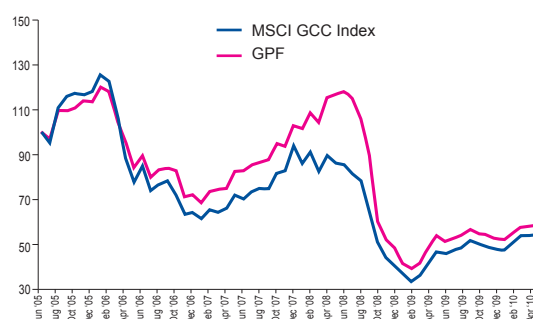


## Top Holdings

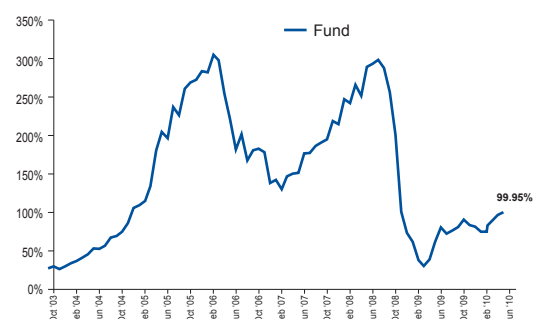
As of 30th April 2010

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

## GPF vs MSCI GCC Index



## GPF since inception



## Monthly Performance

Annualized rate of return : **10.28%**

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	-3.42	8.13
2010	-0.22	4.66	7.68	1.72									14.40

## Market Review

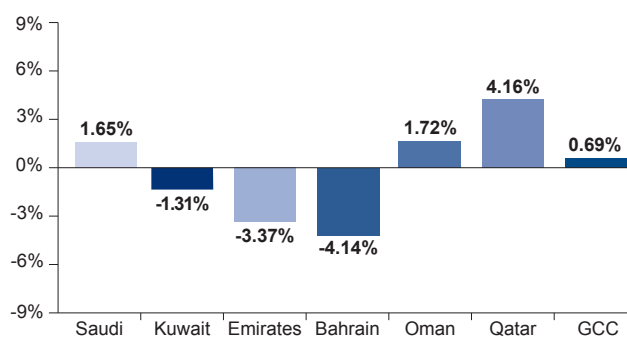
The month of April concluded amidst mixed returns from the GCC markets. While the MSCI indices representing Qatar, Oman and Saudi closed in positive territory, the other indices netted losses for the month, with the MSCI GCC Index gaining a marginal +0.69%. Despite some initial turbulence, Oil prices staged a good recovery during the second half of the month, and served as a positive driver for the markets. Nymex Crude gained a net of 2.85% for April.

The first quarter results were a mixed bag across the region, and investors were being country and sector specific during the results season. PetChem, Bank and Retail stocks in Saudi recorded modest gains, spurring a positive reaction from investors. In Qatar, the Banks recorded aggregate growth ahead of expectations, while those in Oman were largely in line with the modest expectations. In Kuwait, aggregate earnings were better than the previous year, but concerns regarding forward earnings growth weighed down heavily.

The MSCI Qatar Index was the best-performing during April, gaining +4.16%, with robust gains seen across the board. Masraf Al Rayyan (+12.6%) and Q-Tel (+11.8%) were in the lead, while Khaliji Comm Bank (-2.7%) and Qatar Islamic Bank (-2.3%) rounded up the laggards. Losses on heavyweight stocks like QIIB (-1.7%) and Nakilat (-2.2%), also dragged the broad index. The MSCI Oman Index edged up by +1.72%, buoyed by gains on blue-chips like Galfar (+9.9%) and Nat Bank of Oman (+8.4%), even as losses on Oman Int Bank (-9.4%) and Raysut Cement (-5.0%), acted as a counter-balance.

In Saudi Arabia, the MSCI Index scored a net gain of +1.65%, with PetChem companies ahead of the rest of the market by a large margin. Yanbu PetChem(+25.2%) was at the lead, followed by Saudi Nat PetChem (+21.1%), Sahara PetChem (+18.1%) and Saudi Kayan (+15.1%), amongst others, relegating market-heavyweights like SABIC (+6.8%) to the sidelines. None of the Banks could maintain their initial momentum, and all ceded net losses, albeit marginal, for the month.

### GIC Country Indices Performance



The MSCI Kuwait Index shed -1.31% for the month, pushed down by losses on Real Estate and Investment companies. IFA Hotels (-21.4%) and Comm Real Estate (-14.2%) were the biggest laggards. Following a strong rally in March, the MSCI UAE Index witnessed a correction that erased -3.37%. Abu Dhabi-based ADCB (-18.1%) and Aldar Properties (-13.2%) witnessed sharp dips following a robust ride during most of the first quarter. Modest gains by DP World (+5.4%), FGB (+1.9%) and UNB (+1.5%) could not stem the tide.

The MSCI Bahrain Index was the worst performing during April, and remained the only one with YTD losses amongst the MSCI GCC indices. A loss of -4.14% for the month brought its YTD net to -7.84%, largely on account of Gulf Fin House (-19.2%), even as other Islamic Banks continued to post declines.

During the month of April 2010, the GPF over-performed its benchmark with returns of +1.72%, compared to +1.35% on the MSCI GCC Index.



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