

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

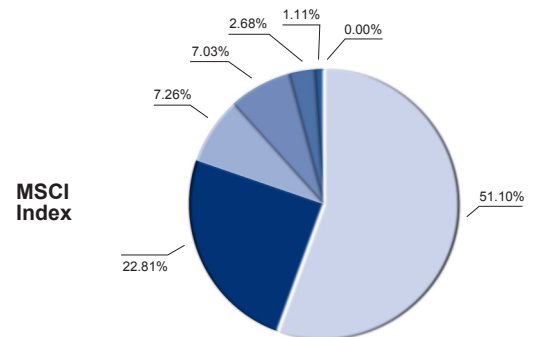
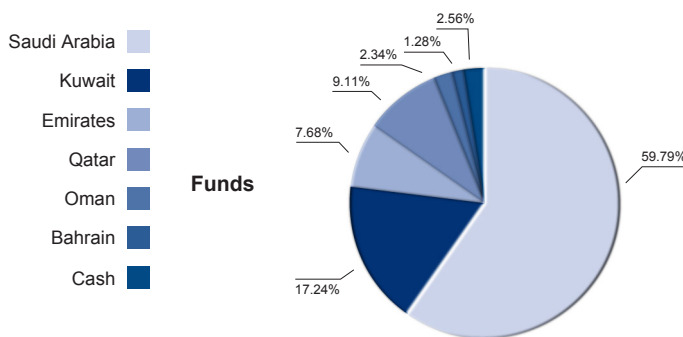
Launch Date	April 12th, 2003
Jurisdiction	Bahrain
Currency	U.S. Dollars
Subscription / Redemptions	Weekly at NAV
Minimum Subscription	US\$ 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5% per annum
Performance Fees	10% of returns above 10% per annum
Subscription Fees	2%

Portfolio Structure

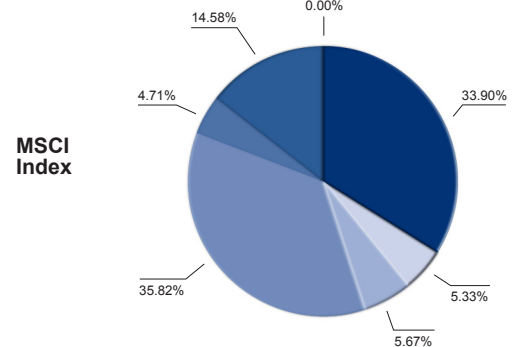
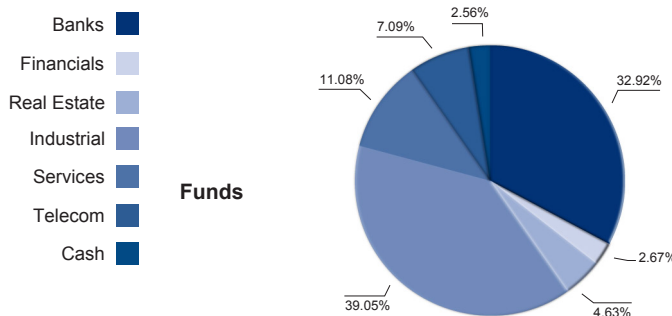
Fund Size : \$72 MM

Number of Holdings : 58

Country Allocation as of 28th February 2010



Sector Allocation as of 28th February 2010

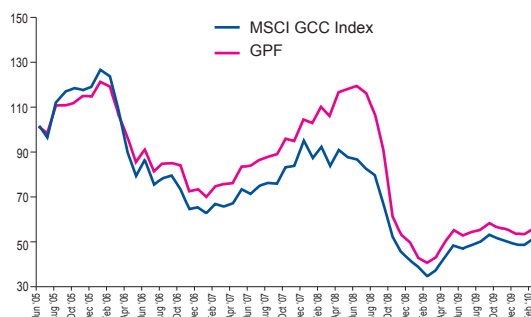


Top Holdings

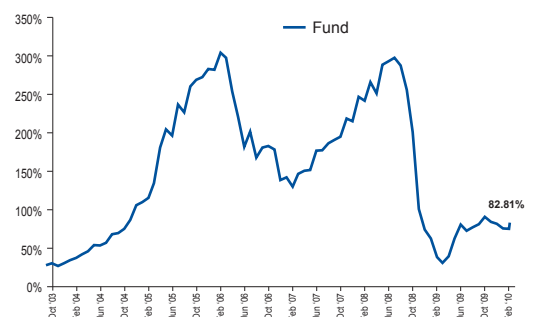
As of 28th February 2010

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

GPF vs MSCI GCC Index



GPF since inception



Monthly Performance

Annualized rate of return : **9.09%**

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											4.44

Market Review

February witnessed positive gains across the GCC, with the exception of the UAE. Kuwait managed to garner the largest share of gains in comparison to its GCC peers. Qatar was the second best performer followed by Oman and Saudi Arabia, respectively. On the other hand Bahrain closed in the neutral territory, whilst the UAE closed in the red for the month. During the period, Oil prices managed to repudiate all the losses engaged during the month of January, returning to December'09 levels.

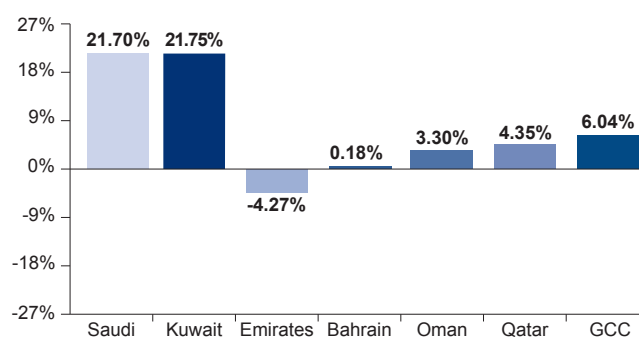
MSCI Kuwait recorded an impressive +21.75% incline for the month partly fueled by Zain's announcement on the sale of its African Operations. This news compounded with the government proposed stimulus package ignited the market's performance alleviating investor concerns. Zain booked a gain of +40.32% for the duration of the month. The best performing sectors were Banking and Industrials, where as, Insurance was the worst performing segment.

In Qatar, Industrial names were the major contributors to the gains witnessed within the market. The MSCI Qatar index exhibited a +4.35% growth. National Leasing (+17.35%) and Barwa Real Estate (13.90%) were amongst the best performing equities. Qatar Banking sector was the worst performing segment even though it closed positively for the month. Doha Bank (-2.35%) was the lowest performer in the said segment.

MSCI Saudi continued previous month's uptrend with a further +2.70% expansion, taking the YTD tally to +5.21%. This month's performance was conducted by both the Cement and Banking sector performances. Saudi Cement (+17.32%) was the best performing stock in its segment, whilst Bank AlBilad (+15.00%) was the top performer in its respectable faction. On the other spectrum, the Insurance securities showed the worst performance mainly due speculative trading.

The Emirates closed in the red dragged mostly by Real Estate related entities. The MSCI UAE shed a further -4.27% taking the

GIC Country Indices Performance



YTD sum to -13.8% in losses. Deyaar Development (-9.8%), AlDar Properties (-9.18%), and Union Properties (-7.84%) were detrimental in the said performance. First Gulf Bank (+10.13%), Dubai Islamic (9.66%), Air Arabia (+8.89%), and Aramex (5.46%) were amongst the best performing firms in the market but failed to have a positive impact on investor sentiments on what they believe is an ailing market.

MSCI Oman amassed further gains this month with +3.30%, totaling +7.74% for the period. The attained boost was mainly attributed to Raysut Cement (+5.93%), Bank Muscat (+5.85%), and Ahli Bank (+4.24%). In Bahrain, a -10% and -9.7% losses on Gulf Finance House and Arab Banking Corp, respectively, were the primary drivers behind the lackluster performance in the MSCI Bahrain (+0.18%).

During the month of February 2010, the GPF under-performed its benchmark with returns of +4.66%, compared to +6.04% on the MSCI GCC Index.