

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 S&P 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

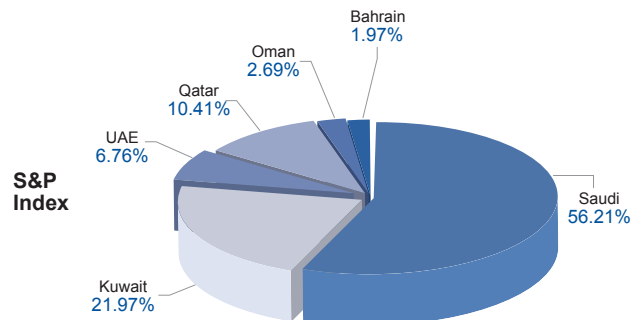
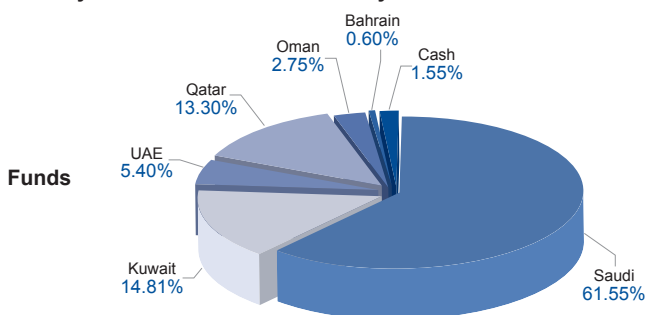
Launch Date	April 12th, 2003
Jurisdiction	Bahrain
Currency	U.S. Dollars
Subscription / Redemptions	Weekly at NAV
Minimum Subscription	US\$ 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5% per annum
Performance Fees	10% of returns above 10% per annum
Subscription Fees	2%

Portfolio Structure

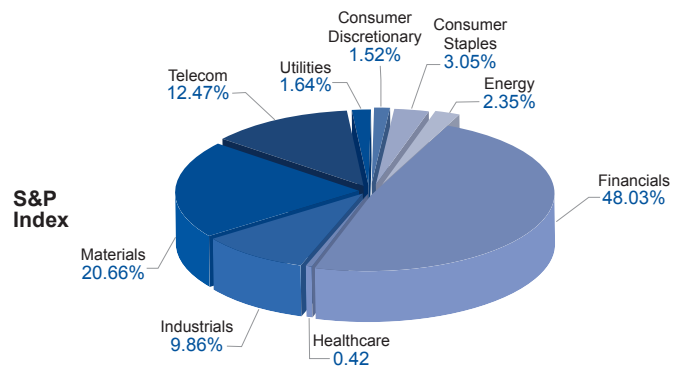
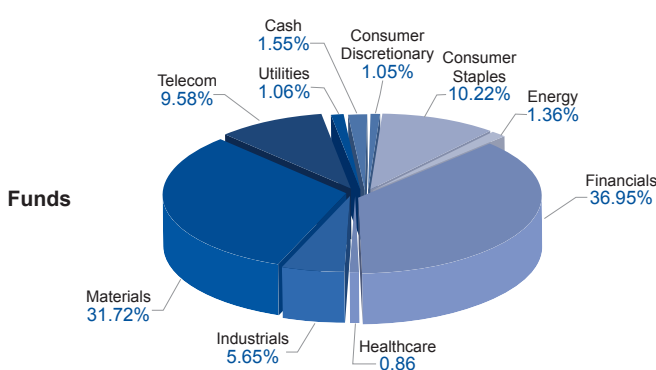
Fund Size : **\$107 MM**

Number of Holdings : **63**

Country Allocation as of 31st January 2011



Sector Allocation as of 31st January 2011

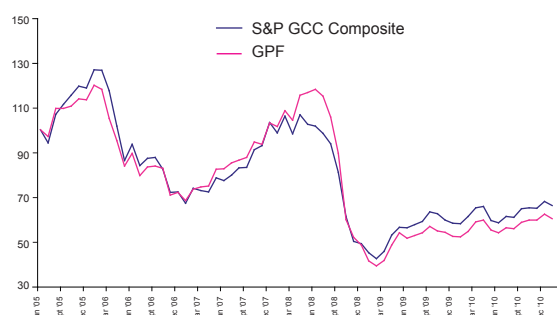


Top Holdings

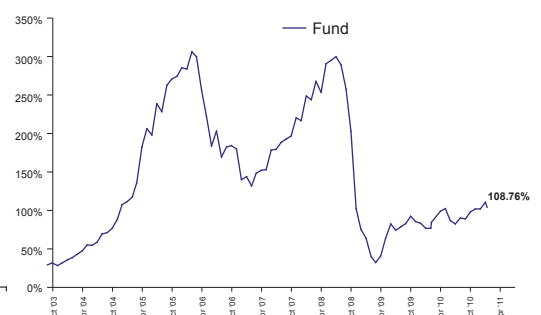
As of 31st January 2011

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

GPF vs S&P GCC Index



GPF since inception



Monthly Performance

Annualized rate of return : **9.37%**

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	-7.82	-2.19	4.23	-0.60	4.88	1.87	0.11	4.35	19.27
2011	-3.22												-3.22

Market Review

Trading across the GCC markets appeared mixed during January, as three of the six S&P country indices closed with gains. Nevertheless, sharp losses in UAE and Saudi took their toll on the benchmark S&P GCC index, which closed down by a net -2.57% for the month.

Most of the markets exhibited positive sentiment during the initial part of the month, with modest gains seen on the indices. However, the escalating political tension in the region, sparked off by developments in Tunisia, and their fallout in Egypt, rocked markets in the wider MENA region, with markets like UAE and Saudi facing most of the brunt.

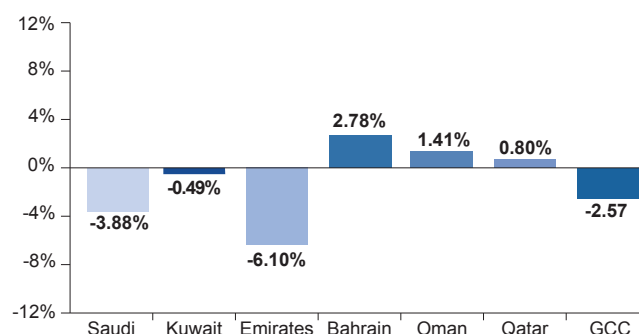
The S&P Bahrain index started the year on a good note, adding a net +2.78%, with support from the Banking and Insurance sectors that helped to reverse the overtly negative sentiment seen during December. Momentum from the earnings season in Oman helped to push gains across all three sectors in the market, and led the S&P Oman index to add +1.41% for the month.

The S&P Qatar index could not hold on to its gains during the latter part of the month, and closed with a marginal gain of +0.80%, as the Industries and Services sectors edged down during the month. Gains in the banking and Insurance sectors could not sustain the positive momentum seen during most of the last quarter of 2010 in Qatar.

The S&P UAE index was the worst-performing index during January, declining a net -6.10% for the month as the Real Estate sectors in Dubai and Abu Dhabi edged down sharply. Losses in the Construction and Energy sectors in Abu Dhabi, alongside those in the Utilities sector in Dubai stretched the impact of the decline.

Losses across the board in Saudi Arabia dragged the S&P Saudi index down by -3.88%. Though the Media and Insurance

GIC Country Indices Performance



sectors were the worst-performing, the heavyweight PetChem and Banking sectors also recorded sizeable declines. The S&P Kuwait index rounded up the laggards, and edged down by -0.49%, as modest gains in the Banking sector were overshadowed by losses in the Food and Real Estate sectors.

The GCC financial markets are currently caught between the opposing directions in the West and the Middle East. Even as the U.S. and European markets are slowly recovering from the effects of the financial meltdown and credit contagion, the Middle East political crisis has had a significant impact on sentiment in the GCC markets, and has the potential of being a game-changer. Though Oil prices have found renewed support because of the crisis, the larger fallout for the region has been negative so far.

During the month of January 2011, the Gulf Premier Fund under performed its benchmark with returns of -3.22% compared to -2.57% on the S&P GCC Index.



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