

## 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

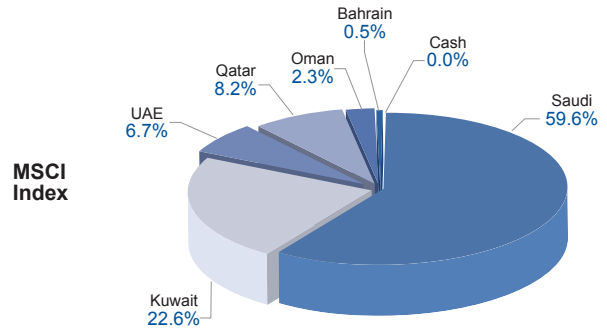
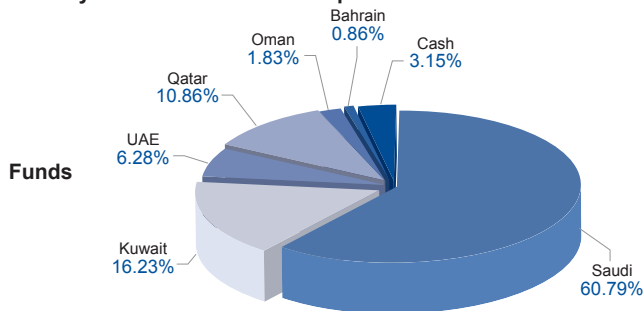
Launch Date	April 12th, 2003
Jurisdiction	Bahrain
Currency	U.S. Dollars
Subscription / Redemptions	Weekly at NAV
Minimum Subscription	US\$ 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5% per annum
Performance Fees	10% of returns above 10% per annum
Subscription Fees	2%

## Portfolio Structure

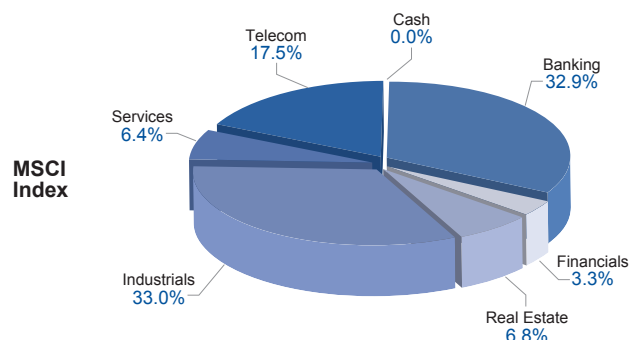
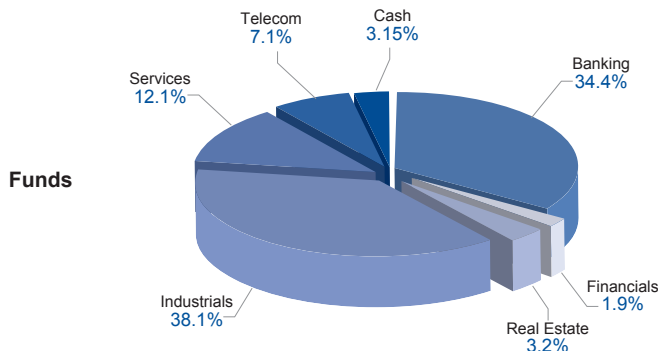
Fund Size : \$88 MM

Number of Holdings : 63

### Country Allocation as of 30th September 2010



### Sector Allocation as of 30th September 2010



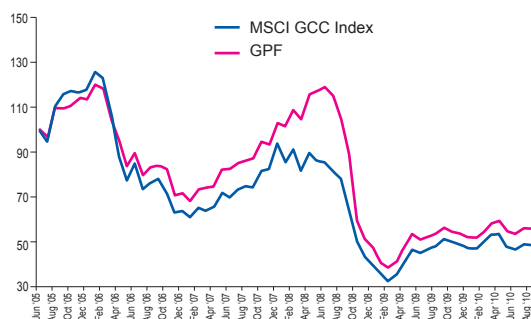
The MSCI GCC has been discontinued as of Sept 2010. MSCI weightings are quoted from most recent available month end.

## Top Holdings

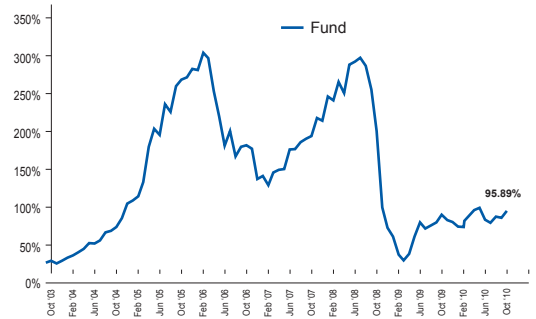
As of 30th September 2010

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

## GPF vs MSCI GCC Index



## GPF since inception



## Monthly Performance

Annualized rate of return : **9.38%**

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				12.08

## Market Review

After the mixed performance witnessed during August, the GCC markets exhibited a positive trend during September, with the MSCI GCC recording a net gain of +6.24% for the month, compared to the decline of -0.44% for August. The MSCI UAE index emerged the best-performing with a net gain of +12.61%, while the MSCI Bahrain index featured at the opposite end of the list with +0.02%, as none of the indices recorded losses for the month.

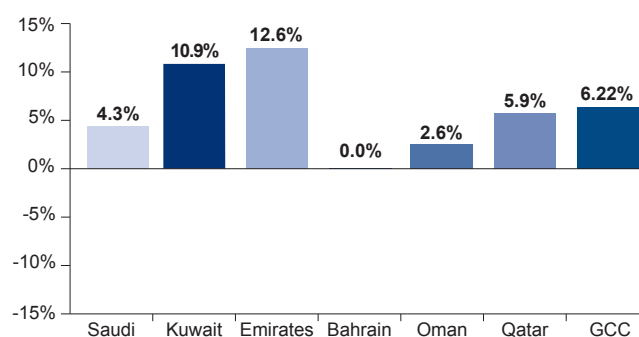
The GCC momentum was driven largely by Oil prices, with WTI Crude futures registering a gain of +11.19%. However, the GCC aggregate under-performed global indicators, as the MSCI EM and World indices added +10.87% and +9.11% respectively.

The MSCI UAE index was the best performing GCC index, as it climbed +12.61% for the month, driven largely by gains in the Telecom and Investment sectors in Dubai, and the Real Estate and Construction sectors in Abu Dhabi. However, the MSCI UAE index still has not been able to salvage previous losses, with YTD losses still aggregating to -2.91%.

Kuwait followed the UAE, with the MSCI Kuwait index registering gains of +10.92%, riding on gains in the Insurance and Industrial sectors. Most of the large-cap stocks managed gains for the month. The late-month rally by Zain, following the announcement of a possible stake sale to UAE's Etisalat helped in boosting sentiment further.

The MSCI Qatar Index added +5.92%, with all sectors recording gains, though the primary beneficiaries were the Insurance and Banking sectors. Meanwhile the MSCI Saudi index remained out of the limelight, and managed only a modest +2.57% for the month, as Retail, Cement and Telecom stocks under-performed. The net gains were buoyed largely by the PetChem sector with some key stocks recording notable gains.

### GIC Country Indices Performance



The Bahrain market disappointed again, despite being the best-performing market in the previous month, as none of the key sectors managed to record gains. The MSCI Bahrain index added only +0.02%, and remained the worst-performing market in the GCC, with YTD losses of -18.92% on the MSCI Bahrain index.

The GCC markets are likely to trade sideways in the near-'5f term with moderate volatility, though favourable global indicators could reflect positively on the GCC indices. A recovery, if any, could still be weighed down by tight credit conditions that could constrain corporate expansion and profitability, and is unlikely to be broad-'5f based.

During the month of September 2010, the Gulf Premier Fund under-performed its benchmark with returns of 4.88% compared to +6.24% on the MSCI GCC Index.