

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

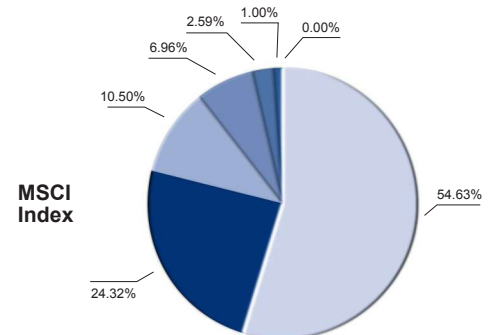
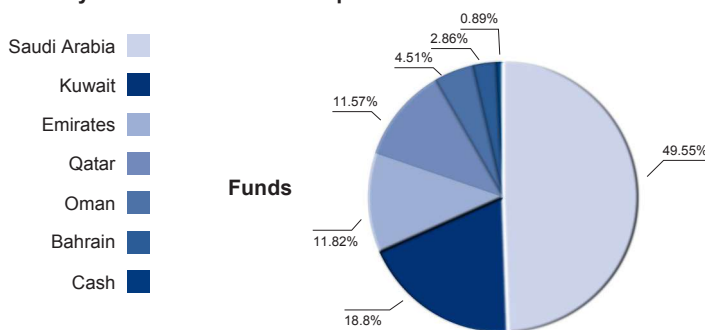
Launch Date	April 12th, 2003
Jurisdiction	Bahrain
Currency	U.S. Dollars
Subscription / Redemptions	Weekly at NAV
Minimum Subscription	US\$ 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5% per annum
Performance Fees	10% of returns above 10% per annum
Subscription Fees	2%

Portfolio Structure

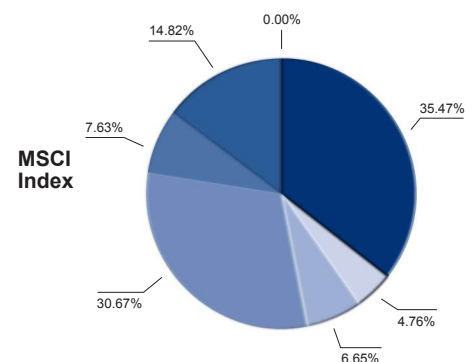
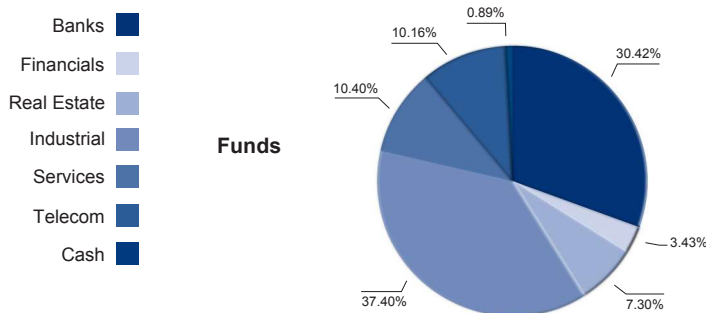
Fund Size : \$79 MM

Number of Holdings : 59

Country Allocation as of 30th September 2009



Sector Allocation as of 30th September 2009

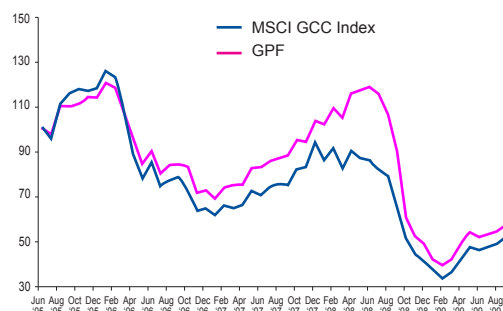


Top Holdings

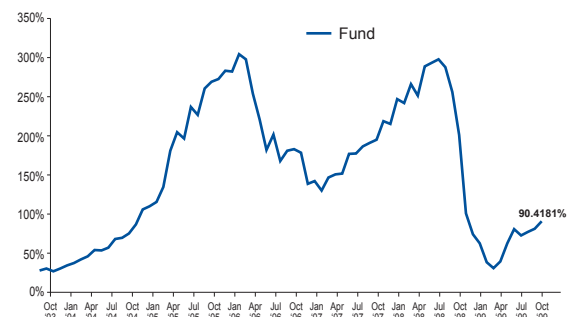
As of 30th September 2009

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

GPF vs MSCI GCC Index



GPF since inception



Monthly Performance

Annualized rate of return : **10.39%**

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				17.63

Market Review

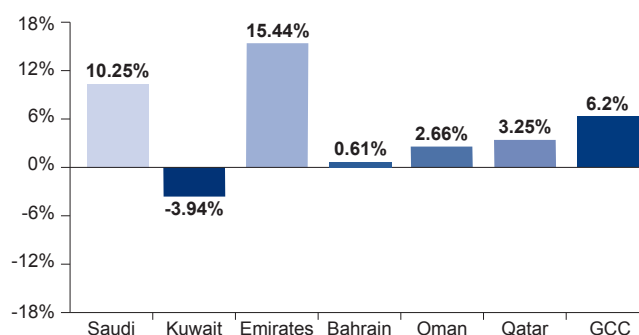
The uptrend in the GCC region continued for the third consecutive month as the MSCI GCC Index added a net of 6.2% during September, bringing cumulative gains during the third quarter of the year to 13.2%, and YTD gains to 27.5%. All the GCC country indices posted gains, with the exception of the MSCI Kuwaiti index, while the MSCI UAE Index was the best performing for the month, with a net gain of 15.4%. While global cues lent general direction to the GCC markets, regional catalysts were the primary drivers. A partial resolution of the Saad/Gosaidi crisis with respect to Saudi Banks gave a much-needed fillip to the Saudi bourse, while a robust rally in the Property stocks and select Banks in the UAE padded returns on the MSCI UAE Index.

Among constituents of the MSCI UAE Index, DP World and DFM were the best-performing with 33.3% and 30.0% respectively. The rally in UAE banks was led by UNB and ADCB, while NBAD and FGB proved to be laggards. Elsewhere, Sorouh, Aldar, Emaar and Arabtec benefitted from the shift in perception towards the Property segment. The MSCI UAE Index is the best-performing amongst the GCC indices YTD, with aggregated gains of 60.2% for the year.

Resurgence in PetChem and Bank stocks in Saudi was evident during the month, led by Saudi Mining with 19.8%, followed by Yanbu PetChem with 17.8%, and SABIC with 16.8%. Amongst Banks, Bank Al Bilad (+15.9%) and Arab National Bank (+11.7%) were the front-runners, while Al Rajhi notched up 11.6%. With gains of 10.3% for the month, and 14.2% during the quarter, the MSCI Saudi Index is also the second-best performing GCC index YTD (+34.8%).

Qatar and Oman managed relatively modest gains for the month, of 3.3% and 2.7% on the respective MSCI indices. Banks were the major movers in Qatar, with Doha Bank (+20.5%) and CBQ (+9.5%) emerging the prime beneficiaries. Index heavyweight Industries Qatar

GIC Country Indices Performance



notched up gains of 5.6%. In Oman, losses on Bank Dhofar (-2.9%) and Galfar (-1.5%) were offset by robust gains on Bank Muscat (+11.2%) and Bank Sohar (+6.9%). While Qatar continues to be a YTD laggard, Oman occupies third place in the YTD rankings for regional indices with a net gain of 23.9%.

Modest gains of 6.8% on Ithmaar Bank and 3.9% on Bahrain Islamic, helped the MSCI Bahrain Index to offset a sharp loss on GFH (-10.1%) and scrape through with a net of 2.3% for the month. Nevertheless, Bahrain remains the only regional index with a cumulative net loss for the year, with returns of -25.7% YTD. In Kuwait, sharp losses on key stocks like Zain (-14.3%), KIPCO (-7.8%) and NIG (-3.9%) dragged the MSCI Kuwait Index into the red for the month, with a net loss of 3.9%.

During the month of September 2009, the GPF under-performed its benchmark with returns of +5.34%, compared to +6.20% on the MSCI GCC Index.



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