GULF PREMIER FUND

Gulf Investment Corporation

Gulf Premier Fund Newsletter of Gulf Investment Corporation — April 2012

NAV per share : USD 21.7 — **April return : -1.45%**

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

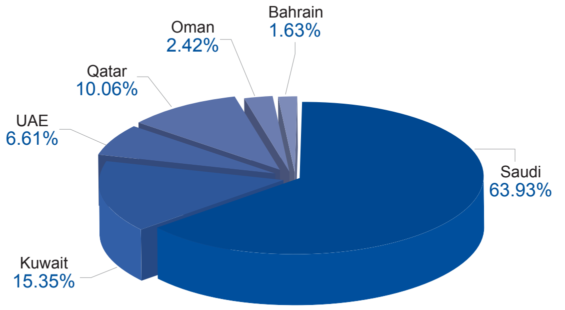
Launch Date	**April 12th, 2003**
Jurisdiction	**Bahrain**
Currency	**U.S. Dollars**
Subscription / Redemptions	**Weekly at NAV**
Minimum Subscription	**US$ 100,000**
Investment Manager	**Gulf Investment Corporation**
Management Fees	**1.5% per annum**
Performance Fees	**10% of returns above 10% per annum**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

Portfolio Structure

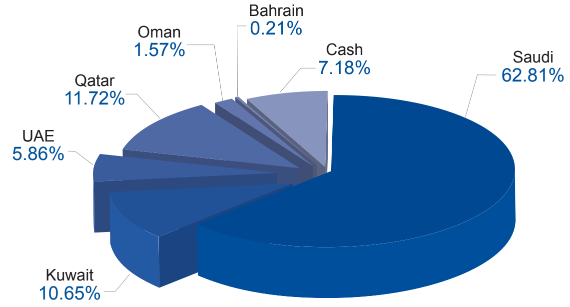
Fund Size : **$103 MM** — Number of Holdings : **60**

Country Allocation as of 30th April 2012

S&P Index

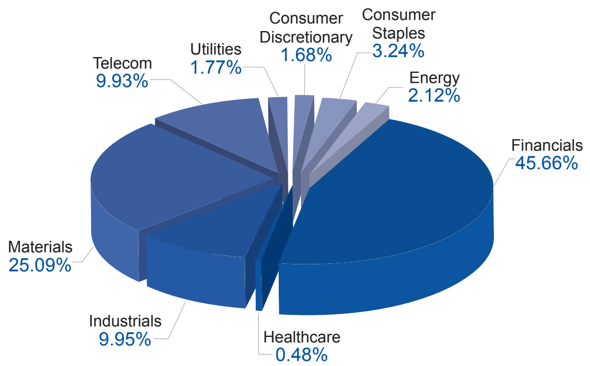


Funds

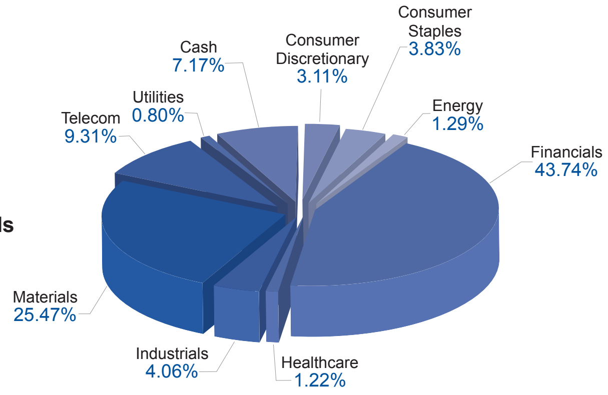


Sector Allocation as of 30th April 2012

S&P Index



Funds



Top Holdings

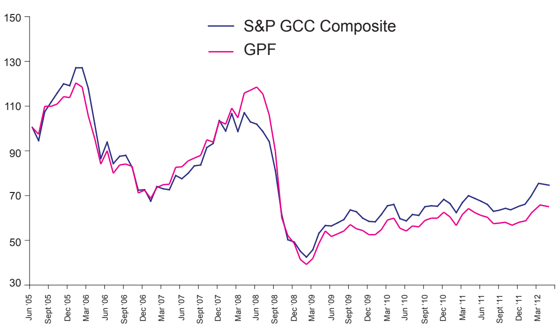
As of 30th April 2012

1) Al Rajhi Bank
2) Saudi Basic Inds Corp. (SABIC)
3) Etihad Etisalat Company
4) National Industrialization Co.
5) Saudi British Bank

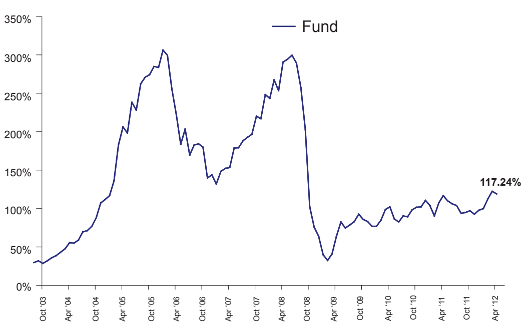
Fund Rating

STANDARD & POOR'S — A — FUND MANAGEMENT RATING

GPF vs S&P GCC Index



GPF since inception



Monthly Performance

Annualized rate of return : **+8.90%**

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	-6.64	8.83	4.55	-3.03	-1.86	-1.29	-4.80	0.46	1.15	-2.19	2.70	-6.16
2012	1.02	6.40	4.71	-1.45									10.90

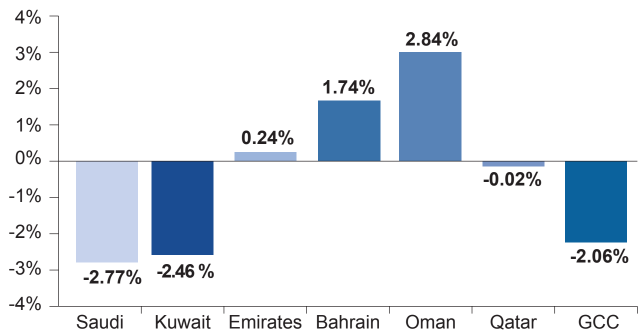
Market Review

GCC markets experienced their first dip since the start of 2012 as markets cooled off from their exuberant rally. Disappointing economic data emanating from the US fell below analyst expectations, causing markets to slide during the month of April. The US failed to create as many jobs as in previous months, and housing data continues to frustrate investors. Regardless of tepid economic data being released from the world's largest economy, the IMF increased its growth forecast for the global economy for 2012. Across the Atlantic, European counterparts have struggled as the debt crisis continues to resurface with recurring issues. Spain has now become the hot topic in the region, as borrowing costs in Spain shot back up due to renewed concern over the state of the nation's finances. Moreover, the UK has officially fallen back into recession as GDP growth shrank for a second quarter in what looks like an increasingly worrying phase for the EU.

Despite its sluggish economic data, the US continues to recover from the financial crisis and leads the way in the global economic recovery. In spite of the nation failing to create as many jobs as in previous months, corporate earnings for the first quarter were very encouraging with many of the blue-chip firms posting solid numbers. Europe continues to remain a drag on global markets, especially with the recent developments in Spain. The fourth largest economy in the Euro-Zone has seen its unemployment number reach 25%, a staggering indicator of the state of its economy. Yields continue to rise on Spanish debt as investors fear it is turning into the next Greece, something that the EU cannot afford. Fears of a hard landing in China have been allayed as the nation takes measures to stem inflation and overheating of its economy.

Money has continued to flow into US treasuries as the safe haven investment draws more money from investors in the wake of equities dropping. Commodities experienced differing fortunes, as the safe haven metal gold slid a marginal -0.22% for the month to close at USD 1664.8/oz. Brent crude slid -2.14% to close at USD 119.5/bbl while WTI crude gained

GIC Country Indices Performance



+1.28% to close at USD 104.9/bbl. Oil prices continue to remain at very strong levels, remaining a threat to the recovery of the global economy.

GCC markets had mixed results, as the S&P GCC index slid -2.06% for the month of April.

S&P Kuwait and S&P Saudi Arabia were the worst performing markets for the month as they slid -2.46% and -2.77% respectively. S&P UAE the market remained flat by 0.24%. S&P Qatar declined -0.02% and that was mainly from the Utilities sector that slid -1.8% and the Financial sector -1.81%. S&P Bahrain and S&P Oman both gained during the month by +1.74% and +2.84% respectively. In Bahrain, excellent performance by the Consumer Discretionary sector, which was up +5.45% contributed to the performance of the index. In Oman, the Material sector rallied to edge up +22.2% to boost the index.

During the month of April 2012, the Gulf Premier Fund managed to outperform its benchmark with returns of -1.45% compared to -2.06% for the S&P GCC Index.

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Gulf Investment Corporation
Sharq, Jaber Al Mubarak Street
P.O. Box 3402, Safat 13035, Kuwait
Tel: (+965) 2222 5000 Fax: (+965) 2222 5128
Website: www.gic.com.kw

Contact Person:
Talal Al-Tawari
Acting Head of Sales, Products and Marketing Div.
E-mail: taltawari@gic.com.kw
Tel: (+965) 2222 5343