

### Fund Overview

The Fund is shaped to procure long-term capital gains through investment in a concentrated Islamic compliant portfolio of GCC equities.

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 competently supported by a team of dedicated GCC research analysts.

The Fund is tailored to provide un-benchmarked absolute return.

### Fund Information

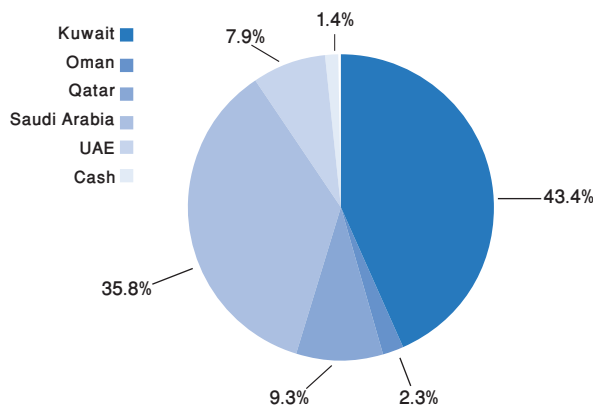
Launch Date	January, 2008
Jurisdiction	Bahrain
Currency	US Dollars
Subscriptions & Redemption	USD 100,000
Minimum Subscription	Weekly at NAV
Investment Manager	Gulf Investment Corporation
Management Fees	1.5 % per annum
Incentive Fees	10% over 10% performance per annum
Subscription Fees	2%

### Portfolio Structure

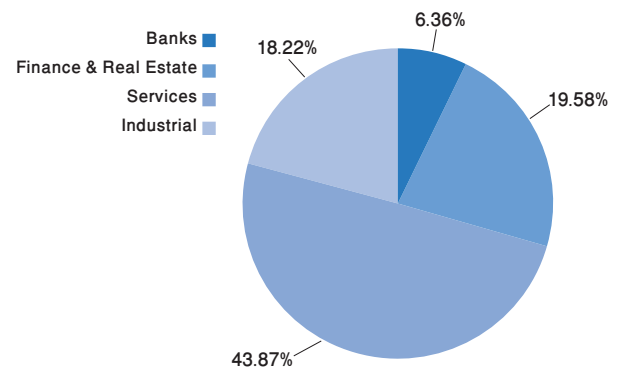
Fund Size : \$ 6.5 MM

Number of Holdings : 16

### Country Allocation as of 31st December 2008



### Sector Allocation as of 31st December 2008



### Market Review

In complete contrast to the beginning of the year, 2008 drew to a close with investors grappling with the total disarray behind them, and the complete lack of visibility in direction ahead of them. The destabilisation of the global financial system and a sharp tumble in oil prices took a heavy toll on the GCC bourses, wiping off ca. US\$ 493bn (47%) from the cumulative market cap of the local market indices for the GCC countries. Similarly, the cumulative market cap of the individual MSCI country indices for the GCC region was eroded by ca. US\$ 391bn (51%).

The Kuwaiti market was the worst performing during December, with the MSCI Kuwait Index shedding 20.3%, while the Bahrain market fared only marginally better as the MSCI Bahrain Index closed with losses of 18.3% for the month, and the MSCI Oman Index managed to curtail losses to 14.5%, following a brief recovery at the fag end of the month. The Real Estate and associated sectors continued to exact their toll on the MSCI UAE Index, dragging it down by 11.7% for December. The Saudi market managed to save some grace at the end of the year, thanks to robust gains on key stocks that left the MSCI Saudi Index on the brink with losses of 0.03%. The MSCI Qatar Index was the only one to close in the positive for the month of December, as it closed with gains of 12.9%, buoyed by a robust year-end advance on frontline Banking and Industry stocks.

During December '08, the GIF managed returns of -8.02%, bringing returns for the year-to-date to -49.66%.