



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

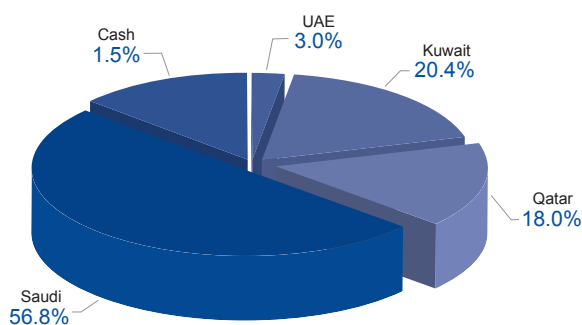
Launch Date	January, 2008
Jurisdiction	Bahrain
Currency	US Dollars
Subscriptions & Redemption	Weekly at NAV
Minimum Subscription	USD 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5 % per annum
Incentive Fees	10% over 10% performance per annum
Subscription Fees	2%

Portfolio Structure

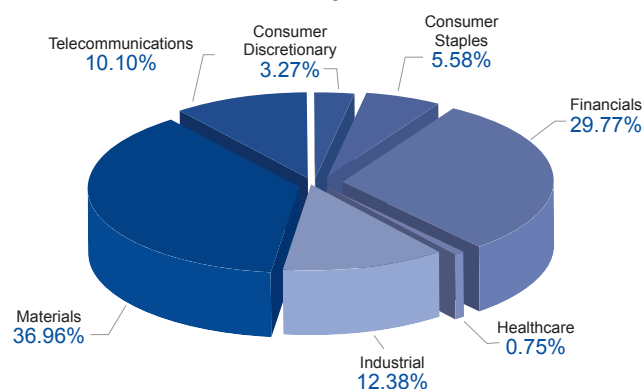
Fund Size : \$ 9.1 MM

Number of Holdings : 22

Country Allocation as of 28th February 2011



Sector Allocation as of 28th February 2011



Monthly Performance

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2008		3.31	0.28	7.92	3.49	2.69	3.38	-10.32	-14.20	-31.11	-10.03	-8.02	-49.67
2009	-9.39	-0.94	3.73	21.27	18.98	-3.44	-0.02*	2.04	4.22	-2.10	-3.51	-2.70	24.57
2010	-1.25	1.40	9.44	0.13	-8.33	-2.17	2.55	-2.04	5.00	1.30	0.06	3.40	8.77
2011	-4.70	-5.01											-9.48

Market Review

Sustained geo-political tensions across the region exacted a heavy toll on the GCC markets during the last few days of the month, causing substantial losses on all indices. Most markets started the month on a positive note, and maintained some momentum before the selloff that began during the second-half following the escalation of tensions in Libya, was stretched further during the last few days owing to adverse developments in Oman.

The S&P GCC index closed with a net loss of -6.28%, extending its YTD loss to -8.68%, while the Oman and Saudi country indices were the worst affected for the month. The S&P Oman index shed a net -11.61% during February, as stocks across the board recorded declines. The index recorded a drop of -7.68% on 28 February alone, as an unprecedented wave of protests engulfed the strategic port and industrial city of Sohar. With an YTD loss of -10.36%, the S&P Oman index has fared just marginally better than the S&P UAE index which is down by -13.28% for the year, with February's -7.65% weighing down on the index.

The S&P Qatar index could not hold on to its gains during early-February, and closed with a net loss of -7.18%, while the S&P Saudi index has performed only marginally better with a net change of -6.22. The S&P Kuwait index shed -5.26% for the month, as the continuing uncertainty over the cross-border acquisition of Zain by Etisalat, also weighed down on the market sentiment. The late-month crisis in Oman was not reflected in the Kuwaiti market which remained closed for local holidays. Meanwhile, the S&P Bahrain index ended the month with a net loss of -2.89%.

Crude prices have risen by +5.18% during February, to close at \$96.97, largely stoked by escalating tensions in the wider MENA region, and Libya in particular.

During the month of February 2011, the Gulf Islamic Fund over-performed its benchmark with returns of -5.01%, compared to -6.28% on the S&P GCC Index.

* A dividend distribution of 5% was paid in July 2009.