



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

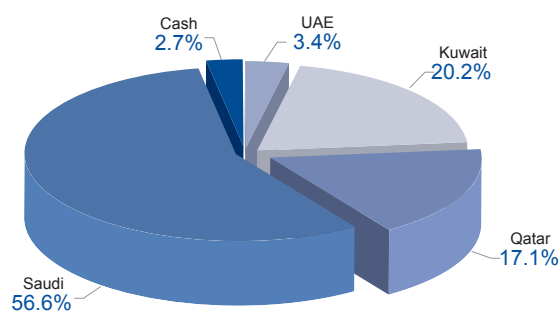
Launch Date	January, 2008
Jurisdiction	Bahrain
Currency	US Dollars
Subscriptions & Redemption	Weekly at NAV
Minimum Subscription	USD 100,000
Investment Manager	Gulf Investment Corporation
Management Fees	1.5 % per annum
Incentive Fees	10% over 10% performance per annum
Subscription Fees	2%

Portfolio Structure

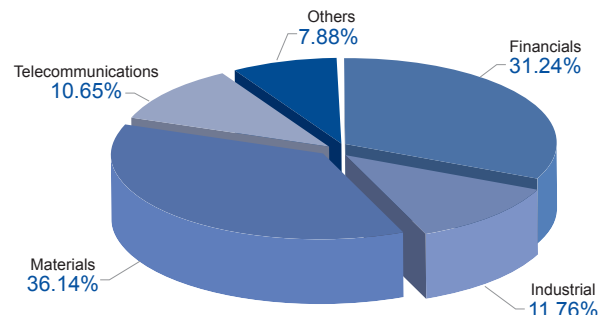
Fund Size : \$ 9.6 MM

Number of Holdings : 21

Country Allocation as of 31st January 2011



Sector Allocation as of 31st January 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												-4.70

Market Review

Trading across the GCC markets appeared mixed during January, as three of the six S&P country indices closed with gains. Nevertheless, sharp losses in UAE and Saudi took their toll on the benchmark S&P GCC index, which closed down by a net -2.57% for the month.

Most of the markets exhibited positive sentiment during the initial part of the month, with modest gains seen on the indices. However, the escalating political tension in the region, sparked off by developments in Tunisia, and their fallout in Egypt, rocked markets in the wider MENA region, with markets like UAE and Saudi facing most of the brunt.

The S&P Bahrain index started the year on a good note, adding a net +2.78%, while the S&P Oman index added +1.41%, and the S&P Qatar index could not hold on to its gains during the latter part of the month, as it closed with a marginal gain of +0.80%.

The S&P UAE index was the worst-performing index during January, declining a net -6.10% for the month. The S&P Saudi index declined by -3.88%, as all sectors recorded net declines for the month, and the S&P Kuwait index rounded up the laggards, as it edged down by -0.49%.

The GCC financial markets are currently caught between the opposing directions in the West and the Middle East. Even as the U.S. and European markets are slowly recovering from the effects of the financial meltdown and credit contagion, the Middle East political crisis has had a significant impact on sentiment in the GCC markets, and has the potential of being a game-changer. Though Oil prices have found renewed support because of the crisis, the larger fallout for the region has been negative so far.

During the month of January 2011, the Gulf Islamic Fund under performed its benchmark with returns of -4.70% compared to -2.57% on the S&P GCC Index.

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