



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.

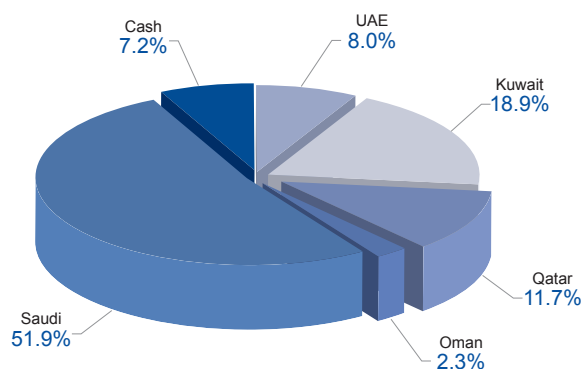
The Fund is tailored to provide un-benchmarked absolute return.

Portfolio Structure

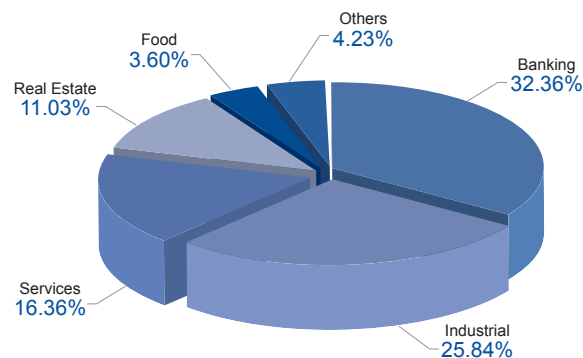
Fund Size : \$ 9.58 MM

Number of Holdings : 20

Country Allocation as of 30th September 2010



Sector Allocation as of 30th September 2010



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				3.79

Market Review

After the mixed performance witnessed during August, the GCC markets exhibited a positive trend during September, with the MSCI GCC recording a net gain of +6.24% for the month, compared to the decline of -0.44% for August. The GCC momentum was driven largely by Oil prices, with WTI Crude futures registering a gain of +11.19%. However, the GCC aggregate under-performed global indicators, as the MSCI EM and World indices added +10.87% and +9.11% respectively.

The MSCI UAE index emerged the best-performing with a net gain of +12.61%, while the MSCI Bahrain index featured at the opposite end of the list with +0.02%, as none of the indices recorded losses for the month. Kuwait followed the UAE, with the MSCI Kuwait index registering gains of +10.92%, while the MSCI Qatar Index added +5.92%. Meanwhile the MSCI Saudi index managed only a modest +2.57% for the month, while the Bahrain market disappointed again, as it added only +0.02%.

The GCC markets are likely to trade sideways in the near term with moderate volatility, though favourable global indicators could reflect positively on the GCC indices. A recovery, if any, could still be weighed down by tight credit conditions that could constrain corporate expansion and profitability, and is unlikely to be broad based.

During the month of September 2010, the Gulf Islamic Fund recorded returns of 5.0% compared to +6.24% on the MSCI GCC Index.

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