

Gulf Investment Fund plc

Interim Report

Six months ended 31 December 2023

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Management and Administration

Directors

A Whamond (Non-executive Chairman)*
D Humbles (Non-executive Director) *
P Grant (Non-executive Director) *
* independent
all of the registered office below

Registered Office

Exchange House
54-62 Athol Street
Douglas
Isle of Man
IM1 1JD

Investment Manager

Epicure Managers Qatar Limited
Trinity Chambers
Road Town
Tortola
British Virgin Islands

Investment Adviser

Qatar Insurance Company S.A.Q.
PO Box 666
Tamin Street
West Bay
Doha
Qatar

Broker

Panmure Gordon (UK) Limited
40 Gracechurch Street
London
EC3V 0BT

Custodian

HSBC Bank Middle East Limited
Qatar Branch
HSBC Security Services
PO Box No. 57
Doha
Qatar

Management and Administration continued

Administrator

Apex Corporate Services (IOM) Limited
Exchange House
54-62 Athol Street
Douglas
Isle of Man
IM1 1JD

Auditors

KPMG Audit LLC
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM1 1LA

Registrar

Link Market Services (Isle of Man) Limited
PO Box 227
Peveril Buildings
Peveril Square
Douglas
Isle of Man
IM99 1RZ

Chairman's Statement

On behalf of the Board, I am pleased to present the interim results for Gulf Investment Fund Plc (which we also refer to as GIF, the Fund or the Company) for the six months from July 2023 to the end of December 2023.

Results

The Fund continues to outperform, this time with a 4.4% gain ahead of the benchmark, the S&P GCC Composite Index, in the six months. In absolute terms GIF Net Asset Value per Share, excluding dividend, was up 7.60% to US\$ 2.54 compared to the index which rose 3.20%.

The share price fell 8.4% from US\$ 2.38 to US\$ 2.18 in the period. This marked disparity between the NAV rising and the share price falling was mainly caused by market worries following the outbreak of hostilities in Israel and Gaza. In June 2023 GIF shares were trading at a 1.1% premium to NAV while in December 2023 the share price was trading close to an historically high discount to NAV of 14.18%. Despite the outbreak of hostilities in the wider region, equity markets ended the second half of 2023 up 3.2%. The manager of the fund goes into more detail about this below.

In the tender process in September 1,397,276 shares (3.37% of the issued share capital) were tendered and cancelled. On a more positive note we issued 375,000 shares to buyers when the share price was trading at a premium to NAV. The board has considered introducing a share buy-back scheme but believe that the twice yearly tenders should mean the discount to NAV narrows over time.

During calendar year 2023 outperformance was 21.40%. Over the past three and five years GIF has outperformed its benchmark by 44.2% and 84.6% in total return terms respectively. Since the investment mandate was made Gulf-wide in 2017 the shares have generated annualised returns of 20.52%.

At the Annual General Meeting on 22nd December 2023 a final dividend of USD 4.05 cents per ordinary share for the year ended 30 June 2023 was approved. This dividend is in line with our enhanced dividend policy and therefore equates to 4% of the NAV of the fund as at the end of June 2022. The dividend will be paid on 22 March 2024 to shareholders on the register on 15 February 2024.

In December the lead manager, Jubin Jose, stepped down and handed the role to his deputy Bijoy Joy. They both worked together for 10 years on the day-to-day management of the Fund. Bijoy Joy is supported by a team of managers and research analysts. Also stepping down at the end of December was non-executive director Neil Benedict. We thank both Jubin Jose and Neil Benedict for their work and contribution over many years and wish them well in the future.

Patrick Grant joined the board at the beginning of October 2023. Patrick has wide experience of the Gulf having spent over twenty years working with Schroders and JP Morgan Asset Management in the region.

Outlook, risks and uncertainties

We continue to see good investment opportunities in the GCC region. The economic diversification policies that have been adopted across the GCC to reduce reliance on oil and gas are progressing. Major infrastructure projects, tourism initiatives and socio-economic reforms all contribute to this positive outlook. Of course there remain risks and uncertainties. Top of these are geopolitical risks as to some extent global macro-tensions seem to play out in the Gulf. These and other risks - market risks, investment and strategy risks, accounting, legal and regulatory risks, operational risks and financial risks – are covered in the Business Review section of our Annual Report each year.

I am pleased to be able to report that at the time of writing the GIF NAV is now higher than before the Hamas incursion into Israel in October, with the share price recovered to that level.

Anderson Whamond

Chairman

21 February 2024

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

- a) the condensed set of financial statements has been prepared in accordance with IAS 34;
- b) the interim management report and Chairman's statement include a fair review of the information required by the Disclosure and Transparency Rule 4.2.7R (indication of important events during the first six months and a description of the principal risks and uncertainties for the remaining six months of the year respectively);
- c) in accordance with Disclosure and Transparency Rule 4.2.8R there have been no related party transactions during the six months to 31 December 2023 and therefore nothing to report on any material effect by such a transaction on the financial position or the performance of the Company during that period; and there have been no changes in this position since the last Annual Report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.
- d) in accordance with Disclosure and Transparency Rule 6.4.2, the Company confirms that its Home State is the United Kingdom.

The interim financial report has not been audited by the Company's Independent Auditor.

Anderson Whamond

Chairman

21 February 2024

Report of the Investment Manager and the Investment Adviser

Regional overview

Country / Region	Index	31-Dec-22	30-Jun-23	1H2023	31-Dec-23	2H2023	FY2023
Qatar	DSM Index	10,681	10,075	-5.7%	10,831	7.5%	1.4%
Saudi Arabia	SASEIDX Index	10,478	11,459	9.4%	11,967	4.4%	14.2%
Dubai	DFMGI Index	3,336	3,792	13.7%	4,060	7.1%	21.7%
Abu Dhabi	ADSMI Index	10,211	9,550	-6.5%	9,578	0.3%	-6.2%
Kuwait	KWSEAS Index	7,292	7,030	-3.6%	6,817	-3.0%	-6.5%
Oman	MSM30 Index	4,857	4,768	-1.8%	4,514	-5.3%	-7.1%
Bahrain	BHSEASI Index	1,895	1,958	3.3%	1,971	0.7%	4.0%
S&P GCC	SEMGGCPD Index	139	143	2.9%	148	3.2%	6.2%
Brent	CO1 Comdty	86	75	-12.8%	77	2.9%	-10.3%
MSCI EM	MXEF Index	956	989	3.5%	1,024	3.5%	7.0%
MSCI World	MXWO Index	2,603	2,967	14.0%	3,169	6.8%	21.8%

Source: Bloomberg

Equity markets in the GCC rose by 3.2 per cent in the second half of 2023. GCC markets rose sharply towards the final two months of the year, tracking global optimism. The Hamas-Israel conflict initially caused GCC markets to fall in October although the region ended up on the six months.

Qatar, Saudi Arabia, Dubai, Abu Dhabi, and Bahrain gained 7.5 per cent, 4.4 per cent, 7.1 per cent, 0.3 per cent and 0.7 per cent respectively. Oman fell 5.3 per cent, and Kuwait was down 3.0 per cent.

Brent crude oil price ended the year at ~US\$77 per barrel, up 2.9 per cent in H2 2023.

GCC becoming more than just oil

The IMF expects overall GCC GDP to grow 1.5 per cent in 2023, non-oil GDP is expected to be 4.3 per cent and 4.0 per cent in 2023 and 2024 respectively.

Non-energy sectors, notably in Saudi Arabia and the UAE, have seen resurgence in travel and tourism surpassing pre-pandemic levels. Saudi Arabia recorded a 156 per cent increase in international arrivals in 2023 compared to 2019. The Saudi government is aiming for tourism to contribute 10 per cent of GDP by 2030.

IMF GDP growth forecast

Real GDP Growth	2019	2020	2021	2022	2023E	2024E
GCC	4.2%	-4.7%	3.6%	7.9%	1.5%	3.7%
GCC oil GDP	2.3%	-5.4%	0.1%	12.1%	-2.8%	3.1%
GCC non-oil GDP	5.9%	-4.1%	5.2%	5.3%	4.3%	4.0%

Source: IMF World Economic Outlook and Regional Economic Outlook October 2023

GCC IPOs

There were 46 IPOs in 2023, with Saudi Arabia being home to 35 of these and UAE raising US\$6.1 bn, 56 per cent of the total IPO proceeds. This contrasts with IPOs globally which were down 8% on 2022.

Report of the Investment Manager and the Investment Adviser continued

GCC Economy

Saudi Arabia

US\$ Billions	2021	2022	2023	2024E
Revenue	257.3	338.1	318.1	312.5
Expenditure	277.1	310.4	340.0	333.6
Surplus/ (Deficit)	(19.8)	27.7	(21.9)	(21.1)
Nominal GDP	833.6	1,108.5	1,102.9	1,136.3
Public Debt	250.1	264.0	273.1	294.1
<i>Surplus/ (Deficit) - % of GDP</i>	<i>-2.4%</i>	<i>2.5%</i>	<i>-2.0%</i>	<i>-1.9%</i>
<i>Public Debt - % of GDP</i>	<i>30.0%</i>	<i>23.8%</i>	<i>24.8%</i>	<i>25.9%</i>

Source: Saudi Arabia MoF; Table contains budgeted numbers for respective year

The Saudi government plans to continue with its expansionary policy with expenditures dedicated to education, healthcare and social development initiatives along with the country's major infrastructure projects.

Saudi Arabia won its bid to host the Expo 2030 which is expected to attract more than 40 million visitors and is expected to be implemented with a planned outlay of SAR 29.3 billion (US\$7.8 billion). The country was the lone bidder to host the FIFA World Cup in 2034. This should lead to more event-driven infrastructure spending.

Saudi Arabia is offering a 30-year tax break to global companies moving regional headquarters to the country, as part of its Vision 2030 agenda to diversify its economy away from oil. The package includes a zero per cent rate for corporate income tax and withholding tax related to approved regional headquarters activities.

Qatar

US\$ Billion	2018	2019	2020	2021	2022	2023E	2024E
Total Revenues	48.1	58.0	58.0	44.0	53.8	62.6	55.5
Total Expenditures	55.8	56.8	57.8	53.5	56.1	54.7	55.2
Surplus / (Deficit)	(7.7)	1.2	0.2	(9.5)	(2.3)	7.9	0.3
Oil Price Assumption (USD/bbl)	45.0	55.0	55.0	40.0	55.0	65.0	60.0

Source: Qatar MoF; Table contains budgeted numbers for respective year

Qatar's 2024 decrease in revenues is largely on the back of a lower average oil price assumption of \$60 per barrel for 2024 (\$65 in 2023). Qatar is set to invest over USD 19 billion in 395 projects spanning water and electricity networks, public services, and road infrastructure.

UAE

The UAE has approved a budget for 2024-2026 with a total estimated expenditure of US\$52.3 billion. The 2024 budget, recently endorsed, expects revenues of US\$17.9 billion and expenses of US\$17.5 billion, resulting in a projected surplus of US\$0.5 billion.

The UAE economy should continue to see strong non-oil GDP growth into 2024. The tourism sector achieved a 19.9 per cent year-on-year increase in visitors to Dubai, totalling 15.4 million during the period of January to November 2023.

Report of the Investment Manager and the Investment Adviser continued

The UAE industrial sector's contribution to gross domestic product reached about AED 197 bn (US\$53.6 bn) in 2023 achieving 30 percent of Operation 300 bn's target since it's 2021 launch.

Kuwait

Has approved US\$5.6 bn in capital spending to enhance crude output capacity and develop gas resources. The initiative aims to increase oil production to 3.5 million barrels per day by 2030 and meet domestic gas demand.

It has unveiled a four-year program encompassing 107 major projects, spanning economic, social, entertainment, and human resources sectors. The ambitious initiative aims to address demographic challenges by revising residence laws for foreigners and reducing the expatriate population, which currently constitutes nearly 70 per cent of Kuwait's 4.5 million residents. Notable projects include participation in the Gulf Railway, the construction of Kuwait Airport Terminal 2, and an increase in flight numbers from 240,000 to 650,000. The program also targets an increase in free natural gas output from 521 million cubic feet to 930 million cubic feet daily at the end of the program.

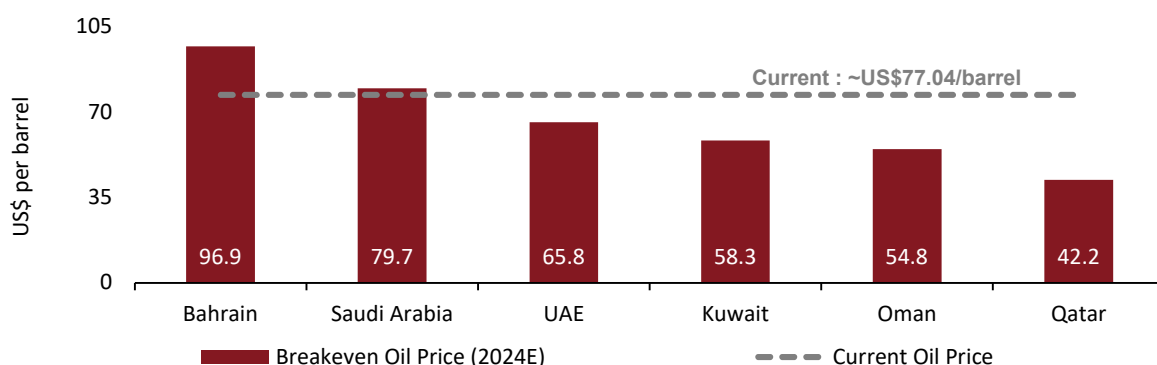
Oman

Has set a budget for 2024 with total projected revenue of US\$28.6 bn, based on an oil price of US\$60/barrel, expenditure of US\$30.3 bn, resulting in a deficit of US\$1.7 bn or 1.5 per cent of GDP in 2024. Oil revenues in the 2024 budget constitute 54 per cent of total revenues, while the gas sector's contribution amounts to 14 per cent and non-oil revenues represent 32 per cent of total public revenues. The 2024 state budget is geared towards enhancing the business environment and increasing private sector involvement in economic development.

Non-hydrocarbon growth accelerated from 1.2 per cent in 2022 to 2.7 per cent in the January-June period of 2023. This acceleration was attributed to the recovery of Oman's agricultural and construction activities, along with a resilient services sector.

Oman is strategically investing over US\$30 bn in the hydrogen economy, aiming to become one of the world's leading hydrogen producers by 2030.

GCC countries fiscal breakeven oil price (2024E)



Source: IMF Regional Economic Outlook October 2023, Current Oil Price as on 31 Dec 2023

Report of the Investment Manager and the Investment Adviser continued

Other developments

Saudi minister expects US\$600 bn in petrochemical investments by 2030

Saudi Investment Minister Khaled Al Falih announced 14 agreements and memorandums of understanding between Saudi Arabia and Japan covering various sectors, including water, telecommunications, information technology, energy, financial services, and healthcare. 45 major Japanese companies are participating, offering opportunities for large-scale projects in the Kingdom.

UAE financial sector slated to grow 13 per cent in 2023

The UAE's financial sector grew 30 per cent in Q2 2023, supporting economic diversification, and is expected to grow by 13 per cent in 2023. The non-oil sector, comprising 54 per cent of total GDP, increased 12 per cent in Q2.

Qatar PMI

Qatar's non-energy sector experienced improved business conditions towards the end of 2023, according to the latest Purchasing Managers' Index (PMI) survey data from the Qatar Financial Centre. The PMI registered 51.5 in November 2023, marking a tenth consecutive month-on-month improvement in business conditions and the first acceleration in growth since July 2023.

Oman rating upgrade

S&P Global Ratings has raised Oman's long-term foreign and local currency sovereign credit ratings to "BB+" from "BB" with a stable outlook on "favourable" oil sector dynamics, along with higher output in the non-hydrocarbon sector. Moody's has upgraded the credit rating of Oman to 'Ba1', with a stable outlook.

Bahrain rating

S&P Global Ratings has reduced Bahrain's outlook from "positive" to "stable," citing concerns over spending pressures. S&P maintained its "B+/B" ratings on the country.

GIF portfolio

Country allocation

Compared to the benchmark, GIF is overweight in Qatar (24.8 per cent vs. S&P GCC weighting of 10.0 per cent) and Oman (2.2 per cent vs 1.0 per cent). GIF is underweight Saudi Arabia (59.3 per cent vs benchmark weight of 61.4 per cent), UAE (7.1 per cent vs 17.7 per cent), Kuwait (6.5 per cent vs 9.3 per cent). The fund's cash weighting was 0.1 per cent on 31 December 2023.

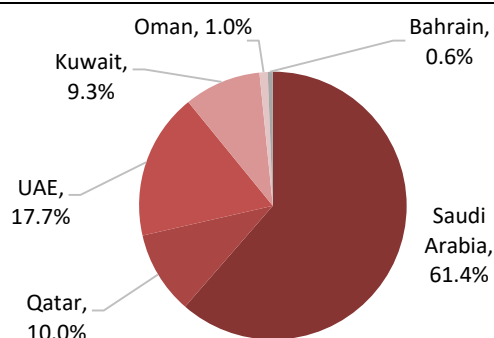
During H2 2023, exposure to Kuwait increased by 1.7 percentage points taking it to 6.5 per cent. A 2.2 per cent allocation to Oman was made during this period..

The fund's overweight in Qatar arises from Qatar's macroeconomic resilience, growth prospects and attractive valuations. As of 31st December 2023, Qatar was trading on P/E multiple of 12.9 times (MSCI EM trades on 15.4 times).

GIF ended the quarter with 28 holdings: 16 in Saudi Arabia, 7 in Qatar, 2 in the UAE, 2 in Kuwait and 1 in Oman.

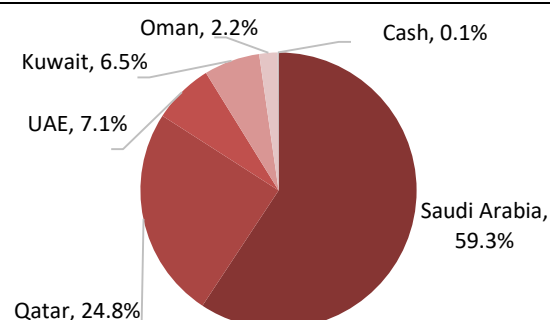
Report of the Investment Manager and the Investment Adviser continued

S&P Country Allocation as of 31 December 2023



Source: QIC, S&P GCC Factsheet

GIF Country Allocation as of 31 December 2023

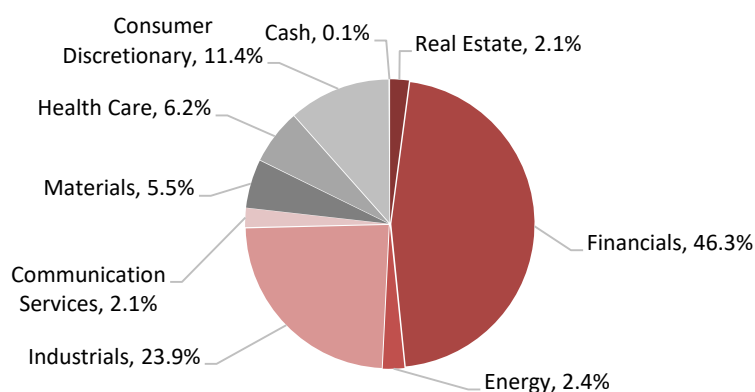


Top 10 Holdings

Company	Country	Sector	% NAV Weighting
Saudi National Bank	Saudi Arabia	Financials	9.5%
Middle East Healthcare	Saudi Arabia	Health Care	6.2%
Saudi Awwal Bank	Saudi Arabia	Financials	6.1%
Qatar Navigation	Qatar	Industrials	5.4%
Integrated Holding Company	Kuwait	Industrials	5.0%
Qatar Insurance Company	Qatar	Financials	4.7%
Qatar Islamic Bank	Qatar	Financials	4.4%
Banque Saudi Fransi	Saudi Arabia	Financials	4.3%
United Electronics Company	Saudi Arabia	Consumer Discretionary	4.0%
Dubai Islamic Bank (DIB)	UAE	Financials	4.0%

Source: QIC

Sector exposure



Source: QIC as of 31st December 2023

GIF expanded its exposure to the Financials, Materials and Healthcare sector taking advantage of companies with attractive valuations and strong earnings growth potential.

Report of the Investment Manager and the Investment Adviser continued

Exposure to Financials was increased to 46.3 per cent of NAV in Q4 2023 from 35.0 per cent in Q2 2023, with Gulf Bank of Kuwait, Arab National Bank – Shamal, Dubai Islamic Bank and Bank Muscat added as new holdings to capitalize on the growth potential and stability offered by these prominent financial institutions.

Materials exposure increased to 5.5 per cent of NAV in Q4 2023 from 3.0 per cent in Q2 2023, mainly due to adding new positions in Advanced Petrochemicals, City Cement and Yamama Cement. With their strategic proximity and substantial capacity, Yamama and City Cement are poised to capitalize on demand stemming from major projects.

Exposure to Energy, Real Estate, Utilities, Communication Services and Industrials sector were reduced to capture better opportunities elsewhere.

Top holdings:

Saudi National Bank (9.5 per cent of NAV)

The Saudi National Bank (SNB) is Saudi Arabia's largest financial institution and one of its most powerful institutions. SNB will play a vital role in catalysing the delivery of Vision 2030 of Saudi Arabia and supporting economic transformation. SNB seeks to leverage the expanded scale and digital capabilities to provide enhanced products and deliver unparalleled customer experience. SNB's robust balance sheet, resilient business model, and healthy liquidity position enhance the bank's capability to compete locally and regionally.

Middle East Healthcare (6.2 per cent of NAV)

Middle East Healthcare Co (Saudi German Hospitals) (MEH) is one of the largest hospital chains in Saudi Arabia with nearly 1,300 beds in operation. MEH is geographically diversified within KSA with growth expected from increasing utilization rate of new hospitals in Dammam and Makkah, and over 300 beds expansions upcoming in Riyadh and Jeddah. In FY23, the revenue per patient from government clients is also expected to improve with continued accreditations of the facilities while volume flows will increase due to measures taken for improved patient experience and insurance policy changes.

Saudi Awwal Bank (6.1 per cent of NAV)

Saudi Awwal Bank (SAB) offers integrated financial and banking services, including corporate banking, investment, private banking, and treasury. SAB is fifth largest bank in Saudi Arabia with total loans market share of around 10 per cent. SAB is 31 per cent owned by HSBC group and effectively uses the HSBC backing to capture domestic and international corporate growth. We expect SAB's EPS expansion will be faster vs other GCC peers mainly driven by strong margins, elevated loan growth and benign asset quality.

Qatar Navigation (5.4 per cent of NAV)

Qatar Navigation (Milaha) (QNNS) is one of the largest and most diversified maritime and logistics companies in the Middle East with a focus on providing marine transport and services, as well as supply chain solutions. Higher shipping rates and volumes should drive revenue from container shipping and logistic business. In Logistic business, new global network partnerships and work related to NFE project should bring uplift in warehousing and freight forwarding activities. Ports management (QTerminals) business should also benefit from volume uptick/phase II expansion at the Hamad Port and growth associated with the NFE project.

Integrated Holding Company (5.0 per cent of NAV)

Integrated Holding Kuwait is the fourth largest crane rental and leasing company in the world. It provides services for logistics, heavy lift, engineering and equipment requirements to MENA region.

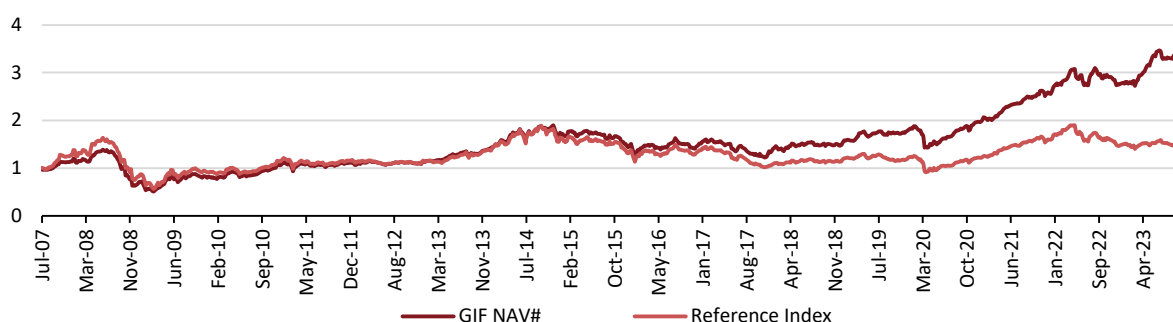
GIF Performance

In calendar 2023 GIF NAV grew 32.1 per cent, 22.1 per cent ahead of the index.

Report of the Investment Manager and the Investment Adviser continued

Over the past six months, the stock markets in Qatar, Saudi Arabia, and Dubai rose 7.5 per cent, 4.4 per cent, and 7.1 per cent, respectively. This was fuelled by economic indicators, government initiatives, and increased investor confidence. Kuwait and Oman declined 3.0 per cent and 5.3 per cent, respectively, caused by economic challenges, geopolitical factors, and specific domestic issues.

Since the investment mandate widened from a Qatari-focus to GCC in December 2017, NAV has risen 197.1 per cent (dividend included), as against the 88.5 per cent returns recorded by S&P GCC total return index. On 31 December 2023, the GIF share price was trading at a 13.2 per cent discount to NAV, below the five-year average discount of 6.3 per cent.



Source: QIC, Bloomberg as of 31 December 2023; Note: #Div. Adj. NAV; Investment Strategy widened to GCC starting 07-Dec-2017, subsequently benchmark changed to S&P GCC Index from QE Index

GCC Outlook

Gulf Cooperation Council (GCC) is a region with a widespread economic diversification plans to reduce reliance on oil. Major infrastructure projects, tourism initiatives and socio-economic reforms all contribute to a positive outlook for the region. The IMF expects GCC real GDP growth to be 1.5 per cent and 3.7 per cent in 2023 and 2024 respectively. Non-oil GDP growth is expected to be 4.3 per cent and 4.0 per cent in 2023 and 2024.

Tourism-related industries are a driver of non-energy growth. Qatar saw the strongest growth, globally, of international tourist arrivals in 2023 compared to 2019. The country set a visitor record by welcoming 4 million visitors in 2023. Saudi Arabia was second with a 156 per cent increase on 2019. Visitors to Dubai increased by 19.9 per cent in the Jan-Nov 2023 period, with 15.4 million visitors, surpassing pre-pandemic levels. The Middle East is the only world region to surpass 2019 levels in this period.

OPEC predicts year-on-year growth of oil demand of 2.5 million bpd in 2023 and 2.2 million bpd in 2024. The IMF projects GCC inflation at 2.6 per cent and 2.3 per cent in 2023 and 2024, providing governments in the region with the room to increase fiscal spending.

The GCC countries are actively engaged in transformative socio-economic reforms. Post-pandemic, there's notable progress in social and business-friendly reforms, fiscal sustainability, and strategic investments in digital and green infrastructure.

While global investors generally are underweight Qatar, Kuwait, and Saudi, the weighting of the GCC in EM indexes is expected to increase as more IPOs are listed, governments sell stakes, and foreign ownership limits increase.

Report of the Investment Manager and the Investment Adviser continued

Valuation:

Market	Market Cap. US\$ billion	PE (x)		PB (x)		Dividend Yield (%)	
		2024E	2025E	2024E	2025E	2024E	2025E
Qatar	153.2	11.16	10.62	1.46	1.39	4.33	4.83
Saudi Arabia	2,998.7	20.11	17.53	2.52	2.37	3.38	3.72
Dubai	156.4	8.76	8.16	1.12	1.04	4.92	5.11
Abu Dhabi	744.8	17.96	17.96	2.34	2.34	3.33	3.33
Kuwait	142.7	14.61	12.33	0.54	N/A	4.28	4.50
S&P GCC	3,809.9	12.60	9.86	1.95	1.82	3.72	4.14
MSCI EM	20,360.3	14.08	11.84	1.60	1.44	3.06	3.09
MSCI World	66,789.4	19.26	17.61	3.06	2.83	1.99	2.10

Source: Bloomberg, as of 28 Dec 2023; Market Cap. as of 31 Dec 2023 for Qatar, Saudi Arabia, S&P GCC; 29 Dec 2023 for Dubai and Abu Dhabi; 28 Dec 2023 for Kuwait, MSCI EM and MSCI World.

Epicure Managers Qatar Limited
21 February 2024

Qatar Insurance Company S.A.Q.
21 February 2024

Income Statement

	Note	(Unaudited) For the period from 1 July 2023 to 31 December 2023 US\$'000	(Unaudited) For the period from 1 July 2022 to 31 December 2022 US\$'000
Income			
Net (loss)/income in investment at fair value through profit or loss		(1,151)	203
Distribution received from subsidiary		10,000	-
Interest income on loan		192	131
Total net income		9,041	334
Expenses			
Expenses	5	336	384
Total operating expenses		336	384
Profit/(loss) before tax		8,705	(50)
Income tax expense		-	-
Retained profit/(loss) for the period		8,705	(50)
Basic and diluted profit/(loss) per share (cents)	3	21.26	(0.12)

The accompanying notes form an integral part of these accounts

Statement of Comprehensive Income

	(Unaudited) For the period from 1 July 2023 to 31 December 2023 US\$'000	(Unaudited) For the period from 1 July 2022 to 31 December 2022 US\$'000
Loss/(profit) for the period	8,705	(50)
Other comprehensive income	-	-
Total comprehensive income/(expense) for the period	8,705	(50)

The accompanying notes form an integral part of these accounts

Statement of Financial Position

	Note	(Unaudited) At 31 December 2023 US\$'000	(Audited) At 30 June 2023 US\$'000
Assets			
Investment at fair value through profit or loss – comprising:	1(a)		
- equity interest in subsidiary		92,616	93,766
- loan to subsidiary		<u>8,747</u>	<u>2,320</u>
		101,363	96,086
Other receivables and prepayments		170	60
Cash and cash equivalents	11	215	881
Total assets		101,748	97,027
Equity			
Issued share capital		401	411
Share premium		-	1,008
Reserves		101,269	95,457
Total equity		101,670	96,876
Current liabilities			
Other payables and accrued expenses	4	78	151
Total current liabilities		78	151
Total equity and liabilities		101,748	97,027

The financial statements were approved by the Directors on 21 February 2024 and signed on their behalf by:

Anderson Whamond
Chairman

David Humbles
Director

The accompanying notes form an integral part of these accounts

Statement of Changes in Equity

	Share capital	Share premium	Reserves	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 July 2022	411	-	82,853	83,264
Total comprehensive income for the period				
Loss for the period	-	-	(50)	(50)
Total comprehensive loss for the period	-	-	(50)	(50)
Contributions by and distributions to owners				
Dividends paid	-	-	(1,443)	(1,443)
Shares subject to tender offer	(2)	-	(345)	(347)
Tender offer expenses	-	-	(41)	(41)
Proceeds from shares issued	1	150	-	151
Total contributions by and distributions to owners	(1)	150	(1,829)	(1,680)
Balance at 31 December 2022	410	150	80,974	81,534
	Share capital	Share premium	Reserves	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 July 2023	411	1,008	95,457	96,876
Total comprehensive income for the period				
Profit for the period	-	-	8,705	8,705
Total comprehensive income for the period	-	-	8,705	8,705
Contributions by and distributions to owners				
Dividends paid	-	-	(1,681)	(1,681)
Shares subject to tender offer	(14)	(1,914)	(1,169)	(3,097)
Tender offer expenses	-	-	(43)	(43)
Proceeds from shares issued	4	906	-	910
Total contributions by and distributions to owners	(10)	(1,008)	(2,893)	(3,911)
Balance at 31 December 2023	401	-	101,269	101,670

The accompanying notes form an integral part of these accounts

Statement of Cash Flows

	Note	(Unaudited) For the period from 1 July 2023 to 31 December 2023 US\$'000	(Unaudited) For the period from 1 July 2022 to 31 December 2022 US\$'000
Cash flows from operating activities			
Received from investment at fair value through profit or loss		3,765	2,344
Operating expenses paid		(408)	(470)
Increase in trade and other receivables		(110)	(150)
Net cash generated from operating activities		3,247	1,724
Financing activities			
Proceeds from shares issued		910	151
Dividends paid		(1,681)	(1,443)
Cash used in tender offer		(3,097)	(347)
Tender expenses		(43)	(41)
Net cash used in financing activities		(3,911)	(1,680)
Net (decrease)/increase in cash and cash equivalents		(664)	44
Effects of exchange rate changes on cash and cash equivalents		(2)	3
Cash and cash equivalents at beginning of period		881	67
Cash and cash equivalents at end of period	11	215	114

The accompanying notes form an integral part of these accounts

Notes to the Interim Financial Statements

1(a) Investment at fair value through profit or loss

	31 December 2023 US\$'000	30 June 2023 US\$'000
Equity interest in subsidiary	92,616	93,766
Loan to subsidiary	8,747	2,320
Total investment in subsidiary	101,363	96,086

The Company has one subsidiary, Epicure Qatar Opportunities Holdings Limited (“the Subsidiary”), which holds the portfolio of investments and has the investment management and custodian agreements. The investment in subsidiary is stated at fair value through profit or loss in accordance with the IFRS 10 Investment Entity Consolidation Exception. The fair value of the investment in Subsidiary is based on the year-end net asset value of the Subsidiary as reported by the Administrator. The loan to Subsidiary, with an aggregate principal amount of US\$8,746,777 (30 June 2023: US\$2,320,179), is included within this balance. The loan is subject to interest on the aggregate principal amount drawn down from 1 January 2011, at the US prime rate per annum. All loan repayments made by the Subsidiary will first be deducted from the outstanding loan interest before being applied to the principal balance. The loan is secured by fixed and floating charges over the assets of the Subsidiary and is repayable on demand. Additions and disposals regarding the investment in subsidiary are recognised on trade date.

1(b) Financial assets at fair value through profit or loss held by the Subsidiary

The Subsidiary holds a portfolio of quoted equities and P-Notes which are classified as fair value through profit or loss. The fair value for quoted equities is based on the current bid price ruling at the year-end without regard to selling prices. The fair value of P-Notes is based on the quoted period-end bid price of the underlying equity to which they relate. P-Notes are promissory notes issued by certain counterparty banks that are designed to offer the holder a return linked to the performance of a particular underlying equity security or market and used where direct investment in the relevant underlying equity security or market is not possible for regulatory or other reasons. To the extent dividends are received on the securities to which the P-Notes are linked, these are taken to investment income.

At 31 December 2023 the Subsidiary held 20 P-Notes with a value of US\$66,498,511, (June 2023 23 P-Notes US\$52,441,930) held to obtain exposure to Saudi Arabia.

Purchases and sales of investments are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recorded at fair value, and transaction costs for all financial assets and financial liabilities carried at fair value through profit and loss are expensed as incurred.

Gains and losses (realised and unrealised) arising from changes in the fair value of the financial assets are included in the income statement in the year in which they arise.

Notes to the Interim Financial Statements continued

Investments held by the Subsidiary

31 December 2023: Financial assets at fair value through profit or loss; all quoted equity securities or P-Notes:

Security	Shares	US\$'000
Saudi National Bank*	937,079	9,645
Middle East Healthcare*	268,499	6,322
Saudi Awwal Bank B12LSY7*	610,669	6,163
Qatar Navigation (QNNS QD)	2,065,757	5,503
Integrated Holding Company	3,070,928	5,085
Banque Saudi Fransi - SHAMAL 05.06.19*	413,512	4,406
Qatar Islamic Bank (QIBK QD)	753,000	4,301
United Electronics Company*	171,500	4,098
Arab National Bank - Shamal*	577,800	3,899
Saudi Ground Services*	384,395	3,701
Qatar Insurance (QATI QD)	5,131,406	3,607
Saudi Airlines Catering Co*	104,803	3,600
Maharah Human Resources*	151,336	3,209
Commercial Bank of Qatar (CBQK QD)	1,797,814	2,948
Seera Group Holdings*	390,400	2,811
Qatar National Bank (QNBK QD)	624,949	2,796
Dubai Islamic Bank USD*	1,700,000	2,643
Jarir Marketing Co*	599,417	2,491
Qatar Gas Transport (QGTS QD)	2,511,933	2,414
Fawaz Abdulaziz Al*	480,816	2,259
Yamama Cement*	243,475	2,214
Arabian Contracting Services*	34,050	2,188
Bank Muscat	3,224,909	2,176
Advanced Petrochemicals*	204,302	2,128
Aramex Co USD*	2,700,000	1,654
Gulf Bank of Kuwait	1,727,272	1,576
Aramex (ARMX)	2,366,616	1,450
Dubai Islamic Bank (DIB)	910,590	1,416
Barwa Real Estate (BRES QD)	1,710,963	1,351
City Cement*	224,000	1,239
Qatar Insurance USD*	1,500,000	1,055
Barwa Real Estate USD*	978,416	772
Total		101,120

P-Notes*2 Net Asset Value per Share**

The net asset value per share as at 31 December 2023 is US\$2.5352 per share based on 40,103,204 ordinary shares in issue as at that date (30 June 2023: US\$2.3556 based on 41,125,480 ordinary shares in issue).

Notes to the Interim Financial Statements continued

3 Profit per Share

Basic and diluted profit/(loss) per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period:

	31 December 2023	31 December 2022
Profit/(loss) attributable to equity holders of the Company (US\$'000)	8,705	(50)
Weighted average number of ordinary shares in issue (thousands)	40,941	41,034
Basic profit/(loss) per share (cents per share)	21.26	(0.12)

4 Other payables and accrued expenses

	31 December 2023 US\$'000	30 June 2023 US\$'000
Administration fee payable	40	40
Accruals and sundry creditors	38	111
	78	151

5 Charges and Fees

	31 December 2023 US\$'000	31 December 2022 US\$'000
Administrator and Registrar's fees (see below)	81	81
Audit fees	23	44
Custodian fees (see below)	2	2
Directors' fees and expenses	71	68
Directors' insurance cover	19	22
Broker fees	27	22
Other	113	145
Other expenses	336	384

Investment management fees and custodian fees borne by the Subsidiary were US\$387,869 and US\$36,427 respectively (2022: US\$346,166 and US\$45,546 respectively).

Investment Manager's fees*Annual fees*

The Investment Manager is entitled to an annual fee of 0.80% of the net asset value of the Company.

Management fees for the period ended 31 December 2023 amounted to US\$387,869 (31 December 2022: US\$346,166) and the amount accrued but not paid at the period-end was US\$198,170 (31 December 2022: US\$170,108). This fee is borne by the Subsidiary.

Notes to the Interim Financial Statements continued

5 Charges and Fees continued

Custodian fees

The Custodian is entitled to receive fees of US\$7,200 per annum and US\$25 per processed transaction.

In addition the Custodian is entitled to receive fees of 8 basis points per annum in respect of Qatari securities held by the Subsidiary and 10 basis points per annum in respect of non-Qatari, GCC securities held by the Subsidiary and \$45 per settled transaction (Qatar)/\$50 per settled transaction (GCC excluding Qatar).

Custodian and sub-custodian fees for the period ending 31 December 2023 amounted to US\$38,027 (31 December 2022: US\$45,546). This fee is borne by the Subsidiary

Administrator and Registrar fees

The Administrator is entitled to receive a monthly fee of US\$12,000, payable quarterly in arrears. The Administrator receives an additional fee of US\$1,200 per month for providing monthly valuation data to the Association of Investment Companies.

The Administrator assists in the preparation of the financial statements of the Company and provides general secretarial services.

Administration fees paid for the period ending 31 December 2023 amounted to US\$1,245 and US\$8,594 for additional services (31 December 2022: US\$80,555 and US\$8,594 respectively).

Directors' Remuneration

The maximum amount of remuneration payable to the Directors permitted under the Articles of Association is £200,000 per annum.

Anderson Whamond as non-executive chairman was entitled to receive an annual fee of £35,000.

David Humbles as non-executive chairman of the Audit Committee is entitled to receive an annual fee of £26,250.

Neil Benedict as non-executive director received £24,500 per annum and retired at the AGM on 22 December 2023.

Patrick Grant as non-executive director, with effect from 1 October 2023, receives £24,500 per annum.

The Directors are each entitled to receive reimbursement of any expenses incurred in relation to their appointment. Total fees and expenses paid to the Directors for the period ended 31 December 2023 amounted to US\$71,391 (31 December 2022: US\$67,892).

6 Taxation

Isle of Man taxation

The Company is resident for taxation purposes in the Isle of Man by virtue of being incorporated in the Isle of Man and is subject to taxation at the rate of 0% in the Isle of Man.

7 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions.

Notes to the Interim Financial Statements continued

7 Related Party Transactions continued

The Investment Adviser is Qatar Insurance Company S.A.Q. The Company holds shares in Qatar Insurance Company S.A.Q. (see note 1(a)). The Investment Adviser's fees are paid by the Investment Manager.

The Investment Manager, Epicure Managers Qatar Limited, is a related party by virtue of its ability to make operational decisions for the Company (via the Subsidiary) and through common Directors. Fees paid and payable to the Investment Manager are disclosed in note 5.

Epicure Managers Qatar Limited is a wholly owned subsidiary of the Investment Adviser, Qatar Insurance Company S.A.Q.

8 The Company

Gulf Investment Fund plc was incorporated and registered in the Isle of Man under the Isle of Man Companies Acts 1931-2004 on 26 June 2007 as a public company with registered number 120108C.

In the Circular published by the Company on 25 March 2021 the Board announced the implementation of an enhanced dividend policy targeting an annual dividend equivalent to 4 per cent. of Net Asset Value at the end of the preceding year, to be paid in semi-annual instalments.

The Net Asset Value per Share at 30 June 2022 was US\$2.0256 per share and pursuant to the above stated policy, the directors declared a first interim dividend for the year ended 30 June 2022 of 4.05 cents per ordinary share.

The dividend was paid on 20 October 2023 to ordinary shareholders on the register as at 15 September 2023 (the "Record Date").

The shareholders also approved a dividend of 4.05 cents per share on 22 December 2023. This will be paid to shareholders in March 2024.

The Company's agents and the Manager perform all significant functions. Accordingly, the Company itself has no employees.

9 The Subsidiary

The Company has the following subsidiary company:

	Country of incorporation	Percentage of shares held
Epicure Qatar Opportunities Holdings Limited	British Virgin Islands	100%

Epicure Qatar Opportunities Holdings Limited is a wholly owned subsidiary of the Company and was incorporated in the British Virgin Islands on 4 July 2007 under the provisions of the BVI Companies Act 2001, as a limited liability company with registration number 1415393. The principal activity of the Subsidiary is holding investments on behalf of the Company.

10 Significant Accounting Policies

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its financial statements for the year ended 30 June 2023.

Notes to the Interim Financial Statements continued

10 Significant Accounting Policies continued

10.1 Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standard (“IFRS”) IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2023.

In accordance with IFRS 10, ‘Consolidated financial statements’, the Directors have concluded that the Company falls under the definition of an investment entity because the Company has the following characteristics:

- the Company has obtained funds for the purpose of providing investors with investment management services;
- the Company’s investing policy, which was communicated directly to investors, is investment solely for returns from capital appreciation and investment income; and
- the performance of investments is measured and evaluated on a fair value basis.

As a result, the Company does not consolidate its subsidiaries, instead it is required to account for these subsidiaries at fair value through profit or loss in accordance with IFRS 9, ‘Financial instruments’ and prepares separate company financial statements only.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company’s accounting policies. The financial statements do not contain any critical accounting estimates.

10.2 Segment reporting

The Company is organised into one operating segment, comprising the investment in a portfolio of equity securities in the GCC region via the wholly owned subsidiary. The financial performance of this portfolio is presented to and monitored by the Board of Directors, being the chief operating decision makers as defined under IFRS 8. All of the Company’s activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

11 Cash and Cash Equivalents

	31 December 2023 US\$'000	30 June 2023 US\$'000
Bank balances	215	881
Cash and cash equivalents	215	881

12 Post Balance Sheet Events

There were no post balance sheet events.

Appendix

Unaudited consolidated financial information

Consolidated Income Statement

	(Unaudited) For the period from 1 July 2023 to 31 December 2023	(Unaudited) For the period from 1 July 2022 to 31 December 2022
	US\$'000	US\$'000
Income		
Dividend income on quoted equity investments	561	1,175
Realised gain on sale of financial assets at fair value through profit or loss	9,196	1,108
Net changes in fair value on financial assets at fair value through profit or loss	(239)	(1,593)
Commission	-	-
Interest income	11	68
Net foreign exchange loss	(12)	-
Total net income	9,517	758
Expenses		
Investment manager's fees	386	346
Other expenses	426	462
Total operating expenses	812	808
Profit/(loss) before tax	8,705	(50)
Income tax expense		-
Profit/(loss) for the year	8,705	(50)
Basic profit/(loss) per share (cents)	21.26	(0.12)
Diluted profit/(loss) per share (cents)	21.26	(0.12)

Notes:

- 1) Consolidated information has been presented to assist the user in interpreting the results of the Company and to be consistent with previous years. This information consolidates the results of the Subsidiary with the Company. It is based on IFRS requirements that would apply if the IFRS 10 consolidation exception for investment entities did not apply to the Company.
- 2) Where relevant to understanding the risks of financial instruments held by the Company certain disclosures relating to the subsidiary's assets and liabilities have been given in the notes to the Financial Statements and would be relevant to understanding the consolidated position presented in this appendix.

Appendix

Unaudited consolidated financial information

Consolidated Statement of Comprehensive Income

	(Unaudited) For the period from 1 July 2023 to 31 December 2023 US\$'000	(Unaudited) For the period from 1 July 2022 to 31 December 2022 US\$'000
Profit/(loss) for the year	8,705	(50)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Currency translation differences	-	-
Total items that are or may be reclassified subsequently to profit or loss	-	-
Other comprehensive income/(expense) for the year (net of tax)	-	-
Total comprehensive income/(expense) for the year	8,705	(50)

Appendix

Unaudited consolidated financial information

Consolidated Statement of Financial Position

	At 31 December 2023	At 30 June 2023
	US\$'000	US\$'000
Assets		
Financial assets at fair value through profit or loss	101,120	94,622
Other receivables and prepayments	238	328
Cash and cash equivalents	1,053	2,512
Total assets	102,411	97,462
Equity		
Issued share capital	401	411
Share premium	-	1,008
Reserves	101,269	95,457
Total equity	101,670	96,876
Current liabilities		
Other payables and accrued expenses	741	586
Total current liabilities	741	586
Total equity and liabilities	102,411	97,462

Appendix

Unaudited consolidated financial information

Consolidated Statement of Changes in Equity

	Share capital	Distributable reserves	Reserves	Share premium	Other reserves	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 July 2023	411	(7,330)	100,940	1,008	1,847	96,876
Total comprehensive income for the period						
Profit for the period	-	-	8,705	-	-	8,705
Other comprehensive income						
Foreign exchange translation differences	-	-	-	-	-	-
Total comprehensive income for the period	-	-	8,705	-	-	8,705
Contributions by and distributions to owners						
Dividends paid	-	-	(1,681)	-	-	(1,681)
Shares subject to tender offer	(14)	(1,183)	-	(1,914)	14	(3,097)
Tender offer expenses	-	(43)	-	-	-	(43)
Proceeds from shares issued	4	-	-	906	-	910
Total contributions by and distributions to owners	(10)	(1,226)	(1,681)	(1,008)	14	(3,911)
Balance at 31 December 2023	401	(8,556)	107,964	-	1,861	101,670
Balance at 1 July 2022	411	(6,356)	87,366	-	1,843	83,264
Total comprehensive income for the period						
Loss for the period	-	-	(50)	-	-	(50)
Other comprehensive income						
Foreign exchange translation differences	-	-	-	-	-	-
Total other comprehensive expense	-	-	(50)	-	-	(50)
Contributions by and distributions to owners						
Dividends paid	-	-	(1,443)	-	-	(1,443)
Shares subject to tender offer	(2)	(347)	-	-	2	(347)
Tender offer expenses	-	(41)	-	-	-	(41)
Proceeds from shares issued	1	-	-	150	-	151
Total contributions by and distributions to owners	(1)	(388)	(1,443)	150	2	(1,680)
Balance at 31 December 2022	410	(6,744)	85,873	150	1,845	81,534

Appendix

Unaudited consolidated financial information

Consolidated Statement of Cash Flows

	(Unaudited) For the period from 1 July 2023 to 31 December 2023 US\$'000	(Unaudited) For the period from 1 July 2022 to 31 December 2022 US\$'000
Cash flows from operating activities		
Purchase of investments	(65,147)	(143,023)
Proceeds from sale of investments	67,852	142,662
Dividends received	744	958
Operating expenses paid	(878)	(904)
Interest received	36	68
Increase in trade and other receivables	(110)	(149)
Net cash generated from/(used in) operating activities	2,497	(388)
Financing activities		
Proceeds from share issue	910	151
Dividends paid	(1,681)	(1,443)
Cash used in tender offer	(3,097)	(347)
Tender expenses	(43)	(41)
Net cash used in financing activities	(3,911)	(1,680)
Net decrease in cash and cash equivalents	(1,414)	(2,068)
Effects of exchange rate changes on cash and cash equivalents	(45)	55
Cash and cash equivalents at beginning of the period	2,512	6,951
Cash and cash equivalents at end of the period	1,053	4,918

Glossary

Alternative performance measures (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements. The Company's APMs are set out below and are cross-referenced where relevant to the financial inputs used to derive them as contained in other sections of the Interim Financial report.

Ongoing charges ratio

Ongoing charges (%) = Annualised ongoing charges divided by Average undiluted net asset value in the period

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund. Ongoing charges are based on costs incurred in the period as being the best estimate of future costs and include the annual management charge. As recommended by the AIC in its guidance, ongoing charges are calculated using the Company's annualised revenue and capital expenses (excluding finance costs, direct transaction costs, custody transaction charges, non-recurring charges and taxation) expressed as a percentage of the average daily net assets of the Company during the period. The inputs that have been used to calculate the ongoing charges percentage are set out in the following table:

Ongoing charges calculation*	31 December 2023 US\$'000	31 December 2022 US\$'000	
Management fee (note 5)	386	346	
Other operating expenses	426	462	
Total management fee and other operating expenses for the period	812	808	
Total annualised expenses	1,624	1,603	a
Average net assets in the period	95,894	85,784	b
Ongoing charges (c=a/b)	1.69%	1.87%	c

*Including expenses of the Subsidiary.

Discount and premium

Shares can frequently trade at a discount to net asset value (NAV). This occurs when the share price (based on the mid-market share price) is less than the NAV and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. As at 31 December 2023, the share price was US\$ 2.2000 and the unaudited NAV per share was US\$ 2.5353, giving a discount of 13.2%. A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets.

Period to date net asset value

This is the fall or rise, calculated as a percentage, in value of the Company's assets attributable to one ordinary share since 30 June 2023. The net asset value per share is calculated by dividing 'equity shareholders' funds' by the total number of ordinary shares in issue (excluding treasury shares). The fall in period to date NAV is set out in the table below:

Date	Equity	Number of ordinary shares in issue	Net asset value per share	
30 June 2023	96,875,500	41,125,480	2.3556	a
31 December 2023	101,672,265	40,103,204	2.5353	b
PTD Change in NAV (c=(b-a)/a)				7.63% c