

Quarterly Investment Report

To quarter end June 2024

Q2

Investment Objective

Gulf Investment Fund plc ("the Company" or "GIF") seeks exposure to emerging investment opportunities and positive fundamental factors in the Gulf Cooperation Council ("GCC") region that have not yet been priced in by the market. The Company invests in quoted equities in the region as well as companies soon to be listed. The Investment Adviser invests using a top-down approach monitoring macro trends and identifying promising sectors and companies in GCC countries.

The Gulf Cooperation Council comprises: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

NAV Update

NAV: US\$2.5105

Inception Date: 31 July 2007

Market Price: US\$2.31

The NAV is estimated net of fees and expenses every week and announced through the regulatory news service of the London Stock Exchange.

As at 30 June 2024

Ordinary Shares

ISIN: IM00B1Z40704

SEDOL: B1Z4070

Valoren: 3268997

Bloomberg Ticker: GIF LN

Exchange Rate: US\$1.00 = QAR3.64

Key Features

Domicile: Isle of Man

Shares in Issue: 38,946,044

Maturity: Continuation vote in 2023

Year End: 30-June

Management Fee: 0.8 per cent of NAV

Performance Fee: Nil

Investment Manager: Epicure Managers Qatar Limited

Investment Adviser: Qatar Insurance Company S.A.Q.

Administrator: Mainstream Fund Services (IOM) Limited

Custodian: HSBC Doha

Financial Adviser & Broker: Panmure Gordon (UK) Limited

Financial Public Relations: The Maitland Consultancy Limited

Auditor & Tax Adviser: KPMG Audit PLC, IOM.

Quarterly Report: 3 months to 30th June 2024

Highlights

- Net asset value (NAV) down 3.6 per cent (GIF's benchmark, S&P GCC Index down 3.9 per cent)
- GCC's 2024 economic outlook good with oil sector recovery, government spending and ongoing reforms amid global challenges.

Performance in the quarter

GIF NAV was down 3.6 per cent for the quarter, although this outperformed the benchmark S&P GCC Index which was down 3.9 per cent.

Positive performance came from Qatar Navigation (up 8.9 per cent), The Mediterranean and Gulf Insurance Reinsurance Group (up 10.7 per cent), Qatar National Bank (up 3.0 per cent) and Qatar Gas Transport (up 16.9 per cent). Negative performers were Saudi National Bank (down 9.8 per cent) and Commercial Bank of Qatar (down 10.9 per cent).

On 30th June 2024, the GIF share price was trading at an 8.0 per cent discount to NAV.

Changes to portfolio

GIF increased exposure to the Materials and Communication Services sector as valuations look undemanding with an attractive growth profile.

Weighting of the fund in Materials increased to 16.6 per cent of NAV in 2Q 2024 from 11.1 per cent, with new holdings in the Saudi cement sector. These companies are well-positioned for increase in demand given their utilization capacity potential.

The fund added a new holding in Communication services taking its weight to 4.6 per cent of NAV, mainly from the addition of Mobile Telecommunication Company, Kuwait. It is among the largest mobile operators in the wider region, with operations in 15 African countries and 7 in the Middle East. GIF's exposure to industrials and energy rose from 23.0 per cent to 25.6 per cent and from 0.0 per cent to 1.0 per cent, respectively.

The fund's weighting in the Consumer and Real Estate sectors decreased from 12.0 per cent to 5.1 per cent and from 5.4 per cent to 2.6 per cent, respectively. The fund divested entirely from the health care sector (weighting of 2.2 per cent on 31 March 2024) in pursuit of more favorable investment opportunities elsewhere.

In country terms and relative to the benchmark, GIF remains overweight in Qatar (23.8 per cent vs. benchmark weight of 9.4 per cent) and Oman (2.1 per cent vs 1.0 per cent). The fund also has an overweight to Kuwait (10.4 per cent vs 9.6 per cent) and is further underweight UAE (4.4 per cent, down from 8.4 per cent at end of March, vs benchmark weight of 17.5 per cent) as we reduced our UAE banking exposure. GIF's weighting in Saudi Arabia, GCC's biggest market, is 59.2 per cent vs benchmark weight of 61.8 per cent.

Qatar remains an overweight as its macroeconomic resilience and Qatari stocks' defensive characteristics make the country attractive.

GIF ended the quarter with 34 holdings: 21 in Saudi Arabia, 6 in Qatar, 3 in the UAE, 3 in Kuwait and 1 in Oman.

Outlook

The GCC region has a positive economic outlook, with real GDP growth projected to rebound to 2.4 per cent in 2024 and rise to 4.9 per cent in 2025. This forecast is driven by substantial GDP increases in the UAE and Saudi Arabia, supported by expected increase in oil production in the latter half of 2024 and a global economic recovery. GCC growth is not solely dependent on oil since non-oil sectors are expected to sustain robust growth in the medium term. GCC infrastructure project awards for H1 2024 now stand at \$104.6 bn.

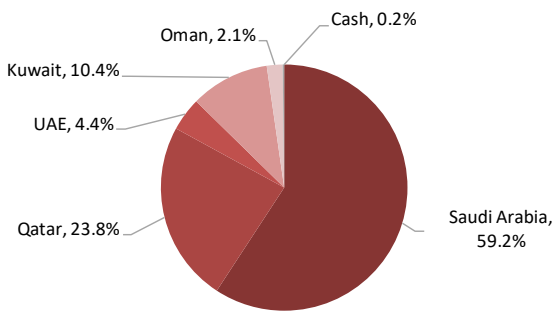
The IMF expects UAE and Saudi Arabia to enjoy real Non-Oil GDP growth of 4.1 per cent and 3.9 per cent, respectively, in 2024; and 4.2 per cent and 5.3 per cent in 2025.

GCC inflation continues to trend downwards, with the IMF forecasting consumer price inflation to fall from 2.2 per cent in 2024 to 2.1 per cent in 2025.

GCC visitor numbers continue to rise. In Q1 2024, Qatar saw a 40 per cent increase in visitors over the last year, reaching 1.6 million. Saudi Arabia's inbound visitor spending grew by 22.9 per cent to over \$12 billion during the first quarter of the year.

The GCC continues to look attractive on the back of increasing benefits of the socio-economic reforms being rolled out in the region and the large infrastructure project awards.

GIF Country Allocation as of 30th June 2024



Source: QIC; as of 30th June 2024.

Top 5 Holdings

Company	Country	Sector
Saudi National Bank	Saudi Arabia	Financials
Qatar National Bank	Qatar	Financials
Qatar Navigation	Qatar	Industrials
Integrated Holding	Kuwait	Industrials
Yamama Cement	Saudi Arabia	Materials



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