

Quarterly Investment Report

To quarter end March 2024

Q1

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\$2.6054

Inception Date: 31 July 2007

Market Price: US\$2.59

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 31 March 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: 40,103,204

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 31st March 2024

Highlights

- Net Asset Value (NAV) +4.4 per cent (GIF's benchmark, S&P GCC Index +2.3 per cent)
- 2024 outlook supported by firmer oil price, expansionary fiscal policies, continuing institutional reforms and comparatively low inflation, tempered by wider geopolitical risks.

Performance in the quarter

GIF NAV rose 4.4 per cent for the quarter, outperforming the benchmark S&P GCC Index which was up 2.3 per cent.

Positive performance came from Saudi Ground Services (up 43.3 per cent), Arabian Centres Limited (up 19.8 per cent) and Arab National Bank (up 15.4 per cent). Negative performance came from Commercial Bank of Qatar (down 22.2 per cent), and Qatar National Bank (down 13.9 per cent).

On 31st March 2024, the GIF share price was trading at a 0.6 per cent discount to NAV (five-year average discount 6.2 per cent).

Changes to portfolio

GIF increased exposure to materials and real estate sectors as valuations look undemanding given their growth prospects.

Weighting of the fund in the materials sector doubled to 11.0 per cent of NAV from 5.5 per cent in 1Q, with new holdings in Yanbu Cement and Saudi Cement. Both have proximity to major projects in KSA, good market shares, and available plant capacity.

Exposure to real estate rose to 5.4 per cent from 2.1 per cent, mainly due to a new holding in Arabian Centers Company, a leading mall operator in Saudi Arabia.

The fund's allocation to the financial sector was reduced to 44.4 per cent from 46.3 per cent. New holdings were added in Malath Cooperative Insurance Company and The Mediterranean & Gulf Insurance & Reinsurance Company.

Exposure to healthcare reduced from 6.2 per cent to 2.2 per cent given its relatively full valuation. The fund divested from the communications sector (2.2 per cent of NAV, as of December 2023), as the money can be better deployed elsewhere.

In country terms GIF remains overweight Qatar (21.3 per cent vs. an index weighting of 9.1 per cent) and Oman (2.1 per cent vs 1.0 per cent) GIF is underweight UAE (8.7 per cent vs 16.9 per cent) and Kuwait (5.0 per cent vs 9.9 per cent).

Exposure to Saudi Arabia is in line (61.0 per cent vs benchmark weight of 62.4 per cent).

Qatar remains an overweight due to its macroeconomic resilience and Qatari companies' defensive characteristics make the country attractive. GIF is overweight Oman because the outlook for Oman is now positive.

1.9 per cent of the fund was in cash on 31st March 2024.

GIF ended the quarter with 30 holdings: 20 in Saudi Arabia, 6 in Qatar, 2 in the UAE, 1 in Kuwait and 1 in Oman .

Outlook

The long-term positive factors for the GCC remain the ongoing reforms, tourism growth and expansion of the non-oil economy. Shorter term moderating inflation and central banks gradual easing of monetary policy will provide further support. Inflation in the GCC has largely normalized.

The IMF expects GCC economies GDP to grow 3.7 per cent in 2024 in real terms, with Saudi Arabia and Qatar to grow 4.0 per cent and 2.2 per cent, in real terms respectively.

The purchasing managers index (PMI) is still firmly positive across the Gulf, led by Saudi Arabia. All the underlying readings were strong, including output and new orders, which increased from an already high base.

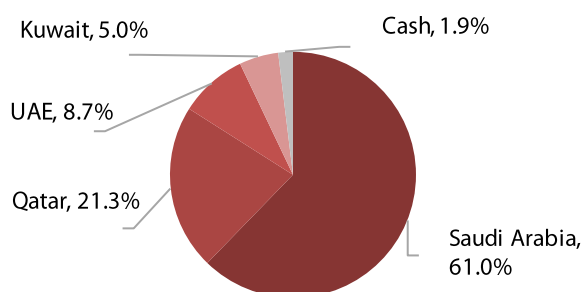
New project awards in the GCC reached new levels in 2023, valued at over \$200 bn in total, led by Saudi and UAE. Looking back, project awards previously peaked in 2014 when oil was trading close to \$100 per barrel. Given the spending on KSA projects we expect contract awards to maintain an upward trend over the coming years.

Saudi Arabia welcomed 100 million tourists in 2023. It has now upped its 2030 tourism target to 150 million.

GCC Countries are increasingly investing in clean energy to reduce reliance on fossil fuels and create opportunities for exporting renewable energy. Outside energy, sizeable investments are being made in transportation, social infrastructure, and digitalization.

Despite the generally positive outlook, risks such as regional conflicts and pressure on Red Sea shipping traffic pose short term

GIF Country Allocation as of 31st March 2024



Source: QIC; as of 31st March 2024.

Top 5 Holdings

Company	Country	Sector	% NAV
Saudi National Bank	Saudi Arabia	Financials	7.8%
Dubai Islamic Bank	UAE	Financials	5.5%
Integrated Holding Co.	Kuwait	Industrials	5.0%
Saudi British Bank	Saudi Arabia	Financials	5.0%
Qatar Navigation	Qatar	Financials	4.9%



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