Gulf Investment Fund plc

Annual Report

Year ended 30 June 2023

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Management and Administration

Directors	A Whamond (Non-executive Chairman)* N Benedict (Non-executive Director) * D Humbles (Non-executive Director)* all of the registered office below * independent
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
Brokers	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

I present your company's Annual Report and Financial Statements for the 12 months to 30 June 2023.

In the 12 months, Gulf Investment Fund PLC's (GIF) net asset value per share (NAV) rose 20.3% (including dividends) to US$2.3550, outperforming the benchmark (S&P GCC Composite Index) which fell 1.3%, by 21.6%. Over the year the share price increased 18.8% from US$2.02 to US$2.40.

The NAV of the company has grown 171.1% (including dividends) since the investment mandate widened from Qatar-focused to Gulf-wide in December 2017. Since then the company has outperformed its benchmark by 90.6%. $100 invested in the company in December 2017 is now worth $271. If $100 had been invested in the benchmark it would be worth $180.5. This shows the value of active management and effective stock picking.

Over the 12 months to the end of June 2023 the company paid US cents 7.02 of dividends which is a yield 4.0% of the NAV at 30 June 2021. This is in line with the enhanced dividend policy introduced in April 2021.

GCC is a higher growth economic region, mostly overlooked by international investors

GIF is the only London-listed investment company focussed on Gulf Cooperation Council (GCC) countries. These states now represent 7.2 % of the MSCI Emerging index, a big increase from 1.20% in June 2017.

The GCC is now much more than just an oil and gas story. In the 12 months ending June 2023, GIF was overweight in Consumer Discretionary (11.4% of NAV), Industrials (27.9% of NAV) and Healthcare (5.6% of NAV). Detail on the portfolio and investment perspective is in the Managers report which follows.

The GCC region is rapidly becoming more significant in geopolitics, in business, sport and tourism. There are strong reasons that this, the outperformance of the company and the economic performance of the region will attract a wider investor audience, globally.

The Board has worked through the year to encourage interest from a wider range of investors by enhancing the visibility, liquidity, and investor appeal of the company. This includes a revamp of the website to make it easier to use and relevant to retail investors, and the commissioning of research reports. I am encouraged by the fact we were able to take advantage of our share block listing facility and issued 450,000 ordinary shares during the last 12 months. At the end of June 2023 GIF was trading at a small premium to NAV which is a significant rerating over the last 18 months.

Since the publication of the last annual report, the company has undertaken two tender offers. In September 2022, the tender offer resulted in a buy-back and cancellation of 178,064 ordinary shares. Following approval of the 2023 bi-annual tender offers, the company undertook the first 2023 tender offer in March/April, when a further 251,672 ordinary shares were repurchased and cancelled. Taking into account both share issuance and tender offers, the number of shares in issue as at the end of June has risen to 41,125,480 shares.

Following the year end, a further 375,000 ordinary shares have been issued utilising the block listing facility. In addition, we have introduced a sterling market quote in order to maximise the ability for UK investors to invest in the company. The sterling quote can be traded using the ticker GIFS.

Results

Results for the 12 months showed a profit of $16.46m generated from fair value adjustments, realised gains/losses and dividend income. This is equivalent to a basic earnings per share of US cents 40.14 (2022 US cents 34.09c).

Ongoing charges rose to 1.89% from 1.67% in the previous year. The charges were calculated in accordance with the Association of Investment Companies methodology . The increase mostly reflects the cost investment we made in making the company more attractive to a wider range of investors.

Chairman's Statement continued

Outlook

The global economy is still under the overhang of the Russian invasion and war on Ukraine and economic softness from higher interest rates. Meanwhile, changes in oil and gas prices will continue to impact GCC economies, as countries deal with budget challenges.

The Board continues to view the future of GIF with confidence. This is underlined by healthy GDP growth in the region generally, but particularly in non-hydrocarbon sectors which are helping to balance the economies of GCC countries. Drivers of this are the significant social reforms across the region and especially in Saudi Arabia, the region's major economy; tourism, major infrastructure spending projects; and Qatar's North Field gas expansion.

Tender Offer

In September 2023 we will be announcing details of the second tender offer for 2023. As before the tender offer will be subject to the condition that the company would have a minimum of 38,000,000 shares in issue, after the tender.

Board

I would like to take this opportunity to thank Neil Benedict , who has decided to step down at the end of the year for all his efforts over the years on behalf of the company. I have relied on his good counsel since taking over as chairman last year.

We are fortunate to be able to welcome Paddy Grant to the board commencing on 1st October 2023. Paddy brings a wealth of knowledge of the region having worked for both JP Morgan and Schroders in the Middle East for over 20 years.

Investment Adviser

Jubin Jose, portfolio manager at the Investment Adviser, intends to step down at the end of December 2023. He will be replaced as portfolio manager by Bijoy Joy who is currently Assistant Portfolio Manager of GIF, and who has been involved with Jubin in the day-to-day management of the fund for nearly 10 years.

The Board believe that Bijoy is well suited to manage the fund and to continue to deliver the fund's investment objective for shareholders. He will be supported by Robin Thomas , who has been on the team for over 10 years, and the eleven-strong QIC equity research team.

Annual General Meeting

I look forward to welcoming shareholders to our fifteenth Annual General Meeting later in the year at the company's registered office at Exchange House, 54-62 Athol Street, Douglas, Isle of Man.

Anderson Whamond
Chairman
22 September 2023

Business Review

This provides information about the Company's business and results for the year ended 30 June 2023. It should be read in conjunction with the Report of the Investment Manager and the Investment Adviser on pages 7 to 15 which gives a detailed review of the investment activities for the year and an outlook for the future.

Investment objective and strategy

The Company's investment objective is to capture the opportunities for growth offered by the expanding GCC economies by investing, through its wholly owned subsidiary, in listed or soon to be listed companies on one of the GCC exchanges.

The Company applies a top-down screening process to identify those sectors which should most benefit from sector growth trends. Fundamental industry and company analysis, rather than benchmarking, forms the basis for both stock selection and portfolio construction.

The investment policy is on pages 16 to 19.

Performance measurement and key performance indicators

In order to measure the success of the Company in meeting its objectives and to evaluate the performance of the Investment Manager, the Directors take into account the following key performance indicators:

Returns and Net Asset Value

At each quarterly Board meeting the Board reviews the performance of the portfolio versus the S&P GCC Composite Index (local benchmark) as well as the net asset value, income, share price and expense ratio for the Company.

Discount/Premium to Net Asset Value

The Board regularly monitors the discount/premium to net asset value. The Directors renew their authority at the AGM in order to be able to make purchases through the market where they believe they can assist in narrowing the discount to net asset value and where it is accretive to net asset value per share.

Currently there is no live buy-back programme in operation. Buy-backs have been replaced by a programme of bi-annual tender offers launched in March and September each year, in each case for up to 100 per cent. of each Shareholder's holding of Shares as at the relevant Record Date (each a "**Contractual Bi-Annual Tender Offer**"), subject to a minimum size condition. Shareholders on the Register at the relevant Record Date will be invited to either (i) continue their full investment in the Company; or (ii) save for Restricted Shareholders, tender some or all of their Shares held at that date. The Directors believe that the implementation of the Contractual Bi-Annual Tender Offers should provide those Shareholders who want it with the additional liquidity they require going forward.

The Company will seek the requisite authorities required from its Shareholders to undertake the Contractual Bi-Annual Tender Offers at each Annual General Meeting.

On 9 May 2022 the Company made an application to the London Stock Exchange for a block listing of 2,700,000 Ordinary Shares of US$0.01 each ("Shares") to be admitted to trading on the Specialist Fund Segment of the London Stock Exchange's main market for listed securities ("Admission").

The Shares to be issued under the block listing may be issued pursuant to the Company's existing authorities to issue new Shares on a non pre-emptive basis, to satisfy continuing market demand for the Shares and to manage the premium to NAV at which the Shares trade.

Business Review continued

Yield

The Board monitors the dividend income of the portfolio and the amount available for distribution and considers the impact on the Company's annual enhanced dividend policy of future progressive dividend payments, subject to the absence of exceptional market events.

Principal risks and uncertainties

The Board confirms that there is an on-going process for identifying, evaluating and managing or monitoring the key risks to the Company. These key risks have been collated in a risk matrix document which is reviewed and updated on a quarterly basis by the Directors. The risks are identified and graded in this process, together with the policies and procedures for the mitigation of the risks. Apart from the key risks outlined below, the possibility of a tender offer up to 100% of the share capital of the Company and the Company's continuation is identified as an ongoing risk.

In addition to the tender offer noted on page 4 the key risks which have been identified and the steps taken by the Board to mitigate these are as follows:

Market

The Company's underlying investments consist of listed companies. There are no investments in companies soon to be listed. Market risk arises from uncertainty about the future prices of the investments. This is commented on in Notes 1 and 2 on pages 49 to 54.

Investment and strategy

The achievement of the Company's investment objective relative to the market involves risk. An inappropriate asset allocation may result in underperformance against the local index. Monitoring of these risks is carried out by the Board which, at each quarterly Board meeting, considers the asset allocation of the portfolio, the ratio of the larger investments within the portfolio and the management information provided by the Investment Manager and Investment Adviser, who are responsible for actively managing the portfolio in accordance with the Company's investment policy. The net asset value of the Company is published weekly.

Accounting, legal and regulatory

The Company must comply with the provisions of the Isle of Man Companies Acts 1931 to 2004 and since its shares are listed on the London Stock Exchange, the Disclosure Guidance and Transparency Rules and Market Abuse Regulation (MAR) (together the "FCA Rules")'. A breach of company law or FCA Rules could result in the Company and/or the Directors being fined or the subject of criminal proceedings and, in the case of a breach of the FCA Rules, could result in the suspension of the Company's shares. The Board relies on its company secretary and advisers to ensure adherence to company law and FCA Rules. The Board takes legal, accounting or compliance advice, as appropriate, to monitor changes in the regulatory environment affecting the Company.

Operational

Disruption to, or the failure of, the Investment Manager, the Investment Adviser, the Custodian or Administrator's accounting, payment systems or custody records could prevent the accurate reporting or monitoring of the Company's financial position. Details of how the Board monitors the services provided by the Investment Manager and its other suppliers, and the key elements designed to provide effective internal control, are explained further in the internal control section of the Corporate Governance Report on pages 23 to 31.

Financial

The financial risks faced by the Company include market price risk, foreign exchange risk, credit risk, liquidity risk and interest rate risk. Further details are disclosed in Notes 1(c), 2, 6 and 8.

Report of the Investment Manager and Investment Adviser

Regional market overview:

Country / Region	Index	30-Jun-22	31-Dec-22	2H2022	30-Jun-23	1H2023	LTM
Qatar	DSM Index	12,191	10,681	*-12.4%*	10,075	*-5.7%*	*-17.4%*
Saudi Arabia	SASEIDX Index	11,523	10,478	*-9.1%*	11,459	*9.4%*	*-0.6%*
Dubai	DFMGI Index	3,223	3,336	*3.5%*	3,792	*13.7%*	*17.6%*
Abu Dhabi	ADSMI Index	9,375	10,211	*8.9%*	9,550	*-6.5%*	*1.9%*
Kuwait	KWSEAS Index	7,409	7,292	*-1.6%*	7,030	*-3.6%*	*-5.1%*
Oman	MSM30 Index	4,123	4,857	*17.8%*	4,768	*-1.8%*	*15.7%*
Bahrain	BHSEASI Index	1,840	1,895	*3.0%*	1,958	*3.3%*	*6.4%*
S&P GCC (Price Return)	SEMGGCPD Index	150	139	*-7.1%*	143	*2.9%*	*-4.4%*
S&P GCC (Total Return)	SEMGGCTD Index	276	259	-6.3%	273	5.3%	-1.3%
Brent	CO1 Comdty	115	86	-25.2%	75	-12.8%	-34.8%
MSCI EM	MXEF Index	1,001	956	*-4.4%*	989	*3.5%*	*-1.1%*
MSCI World	MXWO Index	2,546	2,603	*2.2%*	2,967	*14.0%*	*16.5%*

Source: Bloomberg; LTM: Last Twelve Months

GCC market fell in 4Q 2022 and 1Q 2023 in tandem with declining trend in oil price as fears of economic slowdown and stubborn inflation ripple across global markets. Nevertheless, GCC market gained some ground in 2Q 2023, up 5.8 per cent, in tandem with global markets as investors anticipate US rate hikes nearing an end and stabilizing oil price on the back of OPEC+ production cut. Over the last twelve months, GCC market fell by 1.3 per cent in tandem with the EM market (down 1.1 per cent) but in contrast to the developed world market (up 16.5 per cent).

The slower pace of interest rate hikes and sustained public and private investments in the GCC region remain the key driver for the GCC economic growth in 2023 and ahead.

Among the GCC markets, performance was mixed during 1H 2023. Dubai gained the most, rising 13.7 per cent followed by Saudi Arabia (up 9.4 per cent), and Bahrain (up 3.3 per cent). Abu Dhabi witnessed the steepest fall of 6.5 per cent followed by Qatar (down 5.7 per cent), Kuwait (down 3.6 per cent), and Oman (down by 1.8 per cent).

Over the last twelve months, Dubai was the best performing market in the GCC region, rising 17.6 per cent followed by Oman (up 15.7 per cent), Bahrain (up 6.4 per cent), and Abu Dhabi (up 1.9 per cent). Elsewhere, Qatar (down 17.4 per cent) and Kuwait (down 5.1 per cent) corrected the most, while Saudi Arabia fell marginally by 0.6 per cent.

GCC: Stabilizing oil price and sustained public and private spending

The IMF in its Regional Economic Outlook has revised the GDP growth rate of GCC countries to 2.9 per cent for 2023, followed by 3.3 per cent in 2024. Economic growth momentum in the Gulf region is expected to remain solid driven primarily by private consumption and the effect of major infrastructure projects in Saudi.

The Gulf region continues to implement social and economic reforms to increase contribution of the non-hydrocarbon share in the economy. The region has already achieved a significant feat in various sectors such as tourism and industrials.

The fiscal position across the GCC countries is expected to moderate from 6.0 per cent to 2.4 per cent of the GDP in tandem with crude oil price decline by 34.8 per cent in the last twelve months.

Report of the Investment Manager and Investment Adviser continued

Table: IMF real GDP growth forecast 2023 and 2024

Real GDP growth	2020	2021	2022	2023e	2024e
GCC	**-4.7%**	**3.5%**	**7.7%**	**2.9%**	**3.3%**
GCC oil GDP	**-5.4%**	**0.0%**	**12.4%**	**1.0%**	**2.2%**
GCC non-oil GDP	**-4.1%**	**5.2%**	**4.9%**	**4.2%**	**3.9%**

Source: IMF Regional Economic Outlook, May 2023

Table: Government fiscal balances

% of GDP	2020	2021	2022	2023e	2024e
Saudi Arabia	-10.7	-2.3	2.5	-1.1	-1.2
UAE	-2.5	4.0	9.0	4.3	3.7
Qatar	1.3	4.4	14.2	14.7	11.1
Kuwait	-11.4	2.3	11.6	7.0	4.2
Bahrain	-16.3	-11.6	-5.6	-8.2	-9.0
Oman	-16.1	-3.2	6.3	0.3	0.9
GCC	**-8.0**	**0.0**	**6.0**	**2.4**	**1.6**

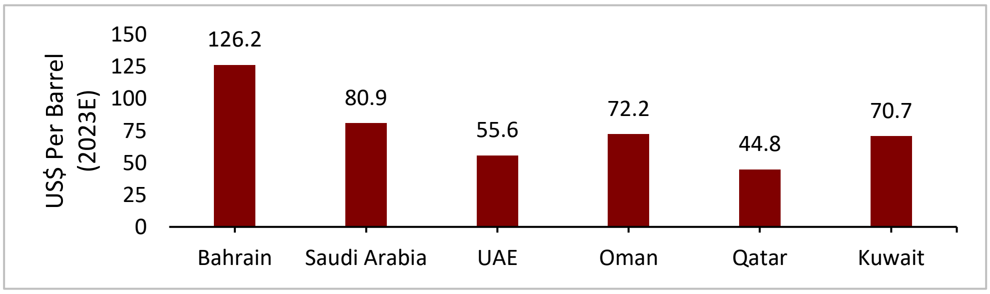
Source: IMF Regional Economic Outlook, May 2023

OPEC+ lower production quota to further tighten supply

In April 2023, OPEC+ announced a production cut of 1.66 million barrels per day, adding to the previous production cut of 2 million barrels per day in October 2022. Total production cut stands at 3.66 million barrels per day which equals to 3.6% of global demand. Even with the announcement of production cuts in April 2023, oil price remained range bound amid global economic uncertainty and slower economic recovery in China.

In a more recent meeting in June 2023, OPEC+ agreed to continue the April production cut until the end of 2024. On top of that, Saudi Arabia committed to an additional voluntary 1 million barrel per day cut in July 2023, which can be extended.

GCC countries fiscal breakeven oil price (2023E)



Source: IMF Regional Economic Outlook, May 2023

Report of the Investment Manager and Investment Adviser continued

The IMF estimates from May 2023 show fiscal oil price breakeven for Saudi, Bahrain and Oman remain within the range of previous estimates. Oil price breakeven for UAE and Qatar was lowered as both the countries continue to benefit from non-oil economic activities.

Key developments in GCC countries

Saudi government initiatives boost tourism

Saudi Arabia plans to invest US$800 billion in the tourism sector over the next 10 years. Saudi Arabia has already achieved s significant leap in the tourism sector as GDP contribution increased from 3 per cent in 2019 to 4.5 per cent in 2022. The target is to receive as much as 100 million visits per year from both domestic and international tourists and contribute 10 per cent to GDP by 2030. The number of hotel keys in Saudi Arabia is expected to increase by 60 per cent from 129,000 keys to 212,000 keys by 2030. Saudi also announced a measures to boost tourism such as 4-day free stop-over visa, instant e-visa for UK, US, and Schengen visa holders.

Saudi Arabia launches 4 special economic zones in a bid to boost industrial activities

As part of National Industrial Strategy to boost industrial activities in the country, Saudi Arabia launched 4 special economic zones. The new zones will focus on growth sectors of advanced manufacturing, cloud computing, medical technology and maritime. The special economic zones will offer investors financial and non-financial incentives such as competitive corporate tax rates, duty-free imports of machinery and raw materials, 100 per cent foreign ownership, easier set-up procedures and simpler rules around employment of foreign workers.

Qatar contracts for North Field expansion

QatarEnergy secured its second significant natural gas supply agreement with China in less than a year. QatarEnergy and China National Petroleum Corporation (CNPC) have signed a 27-year deal for the delivery of 4 million tonnes of LNG annually. As part of the agreement, CNPC will also acquire a 5% stake in the eastern expansion of Qatar's North Field LNG project, which has a capacity of 8 million tonnes per year.

QatarEnergy also signed a long-term LNG supply agreement with Bangladesh's state-owned gas company, Petrobangla. The 15-year agreement entails the supply of 2 million tonnes of LNG annually, with deliveries expected to commence in January 2026.

Thailand's state-controlled energy company, PTT, is in discussion with Qatar for a 15-year LNG supply agreement regarding a potential supply of 1 or 2 million tonnes per annum of LNG.

Kuwait: $27.6bn infrastructure projects

Kuwait's Vision 2035 has made infrastructure a focus, leading to an upgrades of the country's infrastructure. KPMG highlights that Kuwait has a pipeline of infrastructure projects worth approximately $27.6 billion in the bidding stage.

Kuwait is undertaking a significant environmental project to restore and re-vegetate 42 square kilometers of land, making it the largest such initiative globally. The Kuwait Oil Company is set to participate in four major contracts for land regreening in the north and south of the country.

Report of the Investment Manager and Investment Adviser continued

Oman to stimulate non-hydrocarbon sector

Oman has announced the establishment of a $5.2 billion investment fund, Oman Future Fund. The fund is to stimulate the country's economy, promote private sector participation, and finance profitable investment projects that contribute to economic diversification. The fund will dedicate a portion of its capital to support investments in small and medium enterprises in Oman.

Bahrain plans 50 mega projects

Bahrain plans to launch over 50 mega projects in sectors such as housing, education, health, digitalization, and artificial intelligence. These projects, outlined in the draft national budget for 2023-2024, are to enhance the country's development and infrastructure. The cost of the projects is estimated at BD1.123 billion, with BD608.6 million allocated for this year and BD514.1 million for the following year.

GCC central banks slows interest rate hikes following Fed

The Fed raised interest rates by 25 bps in the months of February, March and May in 2023. In lockstep, Saudi Central Bank increased its repo rate and reverse repo rates by 25 bps each to 5.75 per cent and 5.25 per cent, respectively in May. The Qatar Central Bank hiked its deposit rate by 25 bps to 5.50 per cent, its lending rate by an equal amount to 6.0 per cent and its repo rate to 5.75 per cent. The Central Bank of the United Arab Emirates increased the base rate of its overnight deposit facility by 25 bps to 5.15 per cent from 4.90 per cent.

Robust GCC IPO pipeline

GCC saw 20 listings in 1H 2023, raising $5.1 Bn. Saudi had 16 IPOs, raising $1.1 Bn and UAE had 3 IPOs raising around $3.7 Bn.

In the region, UAE’s ADNOC gas became the largest IPO (proceeds of $2.5 Bn) with an oversubscription of 50x. Recently listed Saudi-based pharma company, Jamjoom was the second largest IPO in the region raising around $336 Mn followed by Abraj Energy from Oman, raising $244 Mn (oversubscribed 8.7x).

IPOs in the pipeline for 2H 2023 remain robust, 29 IPOs are expected to list taking the total to 49 IPOs for the full year 2023, surpassing the number of IPOs (46) for 2022.

Aramco and TotalEnergies to build $11 Bn petrochemical complex in Saudi Arabia

The petrochemical complex will house the largest mixed-load steam cracker in the GCC capable of producing 1.65 million tons per annum of ethylene, the first in the region to be integrated with a refinery. It will also include two state-of-the-art polyethylene units using Advanced Dual Loop technology, a butadiene extraction unit, and other associated derivatives units.

Moody’s upgrades Saudi banks outlook from stable to positive

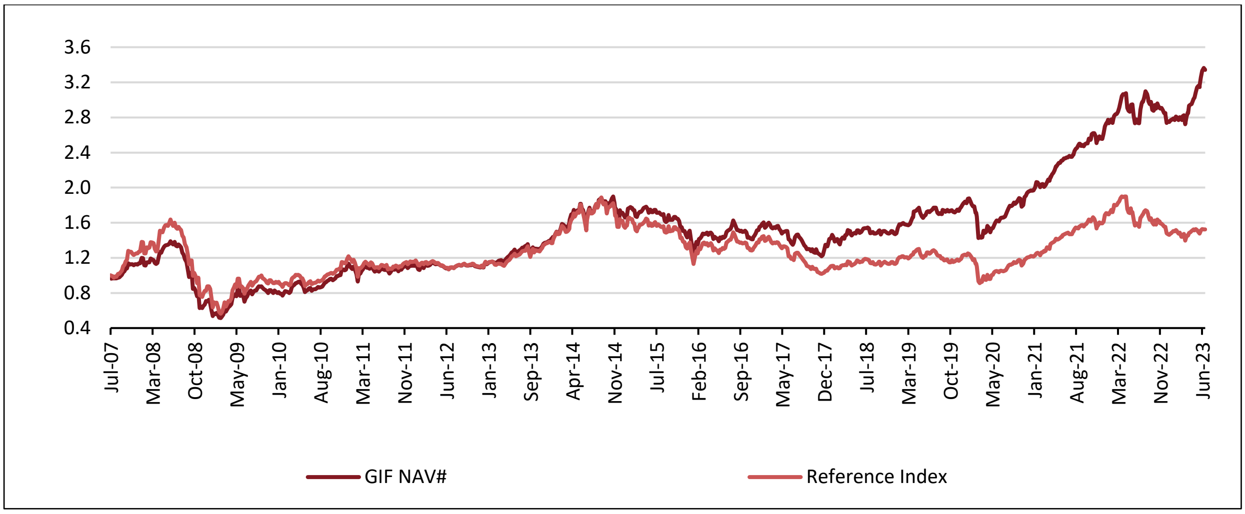
Outlook upgrade is mainly driven by sustained momentum in non-hydrocarbon sectors of the economy where the banks do most of their business. Demand for credit is high and loan performance is improving, and this is likely to translate into robust profits for banks.

Report of the Investment Manager and Investment Adviser continued

GIF Performance:

During the last 12 months, GIF NAV rose 20.3 per cent against that of S&P GCC Total Return Index which fell 1.3 per cent. Since the investment mandate widened from Qatari-focused to Gulf-wide in December 2017, NAV has risen 171.1 per cent, against the 80.5 per cent return recorded by S&P GCC total return index. On 30 June 2023, GIF share price was trading at a 1.9 per cent premium to NAV vs. five-year average discount of 7.3 per cent.

GIF recorded a solid performance in 1H 2023, rising 20.6 per cent vs S&P GCC (up 5.3 per cent), outperforming the benchmark by 15.2 per cent. GIF annualized performance since December 2017 (when the investment mandate changed from Qatar-focused to Gulf-wide) was 19.6 per cent vs S&P GCC 11.2 per cent annualized and MSCI EM Index down 1.9 per cent annualized.



Source: QIC, Bloomberg as of 30 June 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

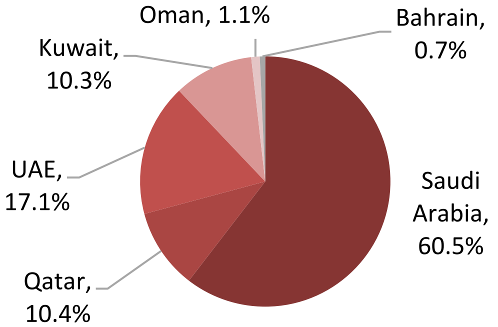
Report of the Investment Manager and Investment Adviser continued

Portfolio structure

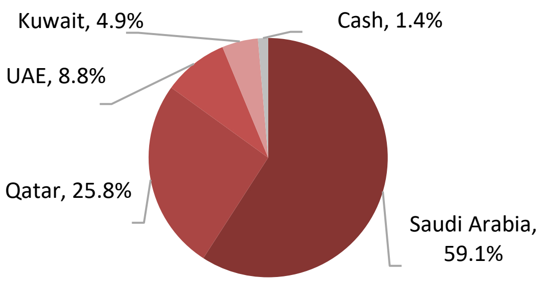
Compared to the benchmark, GIF is overweight Qatar (25.8 per cent vs an index weighting of 10.4 per cent), underweight UAE (8.8 per cent vs benchmark weight of 17.1 per cent) and Kuwait (4.9 per cent vs benchmark weight of 10.3 per cent). GIF has a market exposure to Saudi Arabia (59.1 per cent vs benchmark weight of 60.5 per cent). Qatar macroeconomic resilience and the stocks' defensive characteristics makes the country attractive. And it trades at a discount to its GCC peers.

GIF ended the 2Q 2023 with 30 holdings: 21 in Saudi Arabia, 6 in Qatar, 2 in the UAE, and 1 in Kuwait; maintaining its concentrated portfolio approach. The cash position was 1.4 per cent as of 30 June 2023.

S&P Country Allocation as of 30 June 2023



GIF Country Allocation as of 30 June 2023



Source: QIC, S&P GCC Factsheet

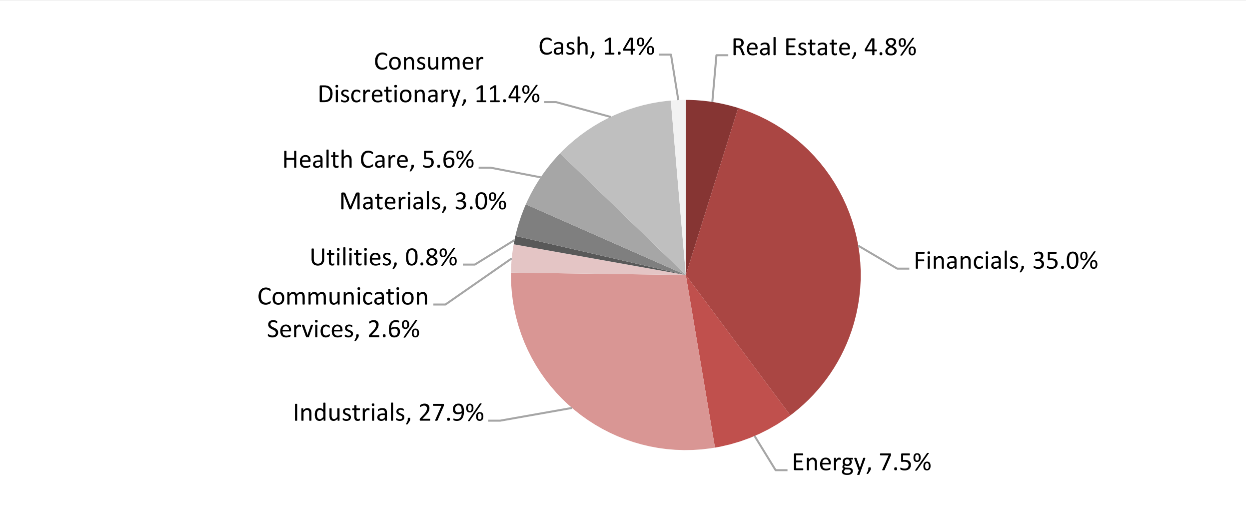
Top 10 holdings

Company	Country	Sector	% share of GIF NAV
Qatar Gas Transport	Qatar	Energy	7.5%
Qatar Navigation	Qatar	Industrials	7.4%
Saudi National Bank	Saudi Arabia	Financials	6.4%
Middle East Healthcare	Saudi Arabia	Health Care	5.6%
Integrated Holding Co.	Kuwait	Industrials	4.9%
Emaar Properties	UAE	Real Estate	4.8%
Seera Group	Saudi Arabia	Consumer Discretionary	4.6%
United International Transportation Co.	Saudi Arabia	Industrials	4.5%
Maharah Human Resources	Saudi Arabia	Industrials	4.1%
Company for Co-op Insurance	Saudi Arabia	Financials	4.1%

Source: QIC

Report of the Investment Manager and Investment Adviser continued

Sector Allocation



Source: QIC; as of 30 June 2023

Over the last twelve months, GIF increased its exposure to financials, healthcare, consumer discretionary, industrial and material sectors on the back of attractive valuation and growth prospects.

The fund's exposure to the financial sector increased from 32.7 per cent to 35.0 per cent. Notably, in the insurance sub-sector, the fund added Bupa, Tawuniya and Gulf Insurance Group to capture the solid premium growth momentum driven by a combination of increasing insured lives and favorable pricing environment. The insurance names contributed positively to the portfolio performance.

Healthcare sector increased from 5.2 per cent to 5.6 per cent, attributed to further addition in Middle East Healthcare in 1Q 2023. The company's stock price was up 112.3 per cent since February 2023, following its recent earnings beat on the back of strong outpatient and inpatient growth as well as greater efficiency on ramping up of new and existing facilities.

Consumer discretionary increased from 1.8 per cent of NAV to 11.4 per cent of NAV as the sector is well-positioned to benefit from robust domestic growth in Saudi underpinned by favorable demographics. The Fund added Seera, Leejam and Alamar Foods into the portfolio over the last twelve months. Seera is poised to gain from tourism growth prospects as part of Saudi Vision 2030 program, which aims to increase inbound tourism numbers to 100 million and to raise the tourism sector contribution to GDP 10%.

Leejam was added tactically in 4Q 2022 to capture margin recovery, led by membership growth and better operational leverage. The company's announcement of a joint venture with UAE-based Burjeel provided platform for further growth potential. Elsewhere, the fund participated in Alamar Foods IPO in July 2022, riding on the company's sales and store count expansion.

Exposure to the industrials sector also increased from 23.5 percent of NAV to 27.9 per cent of NAV as the Fund introduced Saudi Ground Services and Riyadh Cables Group into the portfolio. Saudi Ground Services will be a key beneficiary of the tourism boom while Riyadh Cables is well-placed to benefit from the offtake of mega and giga projects in Saudi Arabia. Additionally, the Fund has also increased exposure in holdings such as Qatar Navigation, Budget, and Integrated Holding Co. Fund's exposure to the materials sector increased from nil to 3.0 per cent of NAV, mainly driven by the addition of Yanbu Cement into the portfolio.

Report of the Investment Manager and Investment Adviser continued

On the other hand, the fund exposure in energy sector was reduced from 12.7 per cent of NAV to 7.5 per cent of NAV on lower exposure to Nakilat and the exit of Aldrees Petroleum. Meanwhile, exposure to the communication services sector was reduced from 5.6 per cent of NAV to 2.6 of NAV as it exited Vodafone Qatar and Saudi Telecom.

Profile of Top Five Holdings:

Qatar Gas Transport (7.5 per cent of NAV)

Qatar Gas Transport Company (Nakilat) is a leader in energy transportation, with the world's largest LNG shipping fleet of 74 vessels. It is responsible for transporting the country's LNG production to its global customers and is integral to the state's LNG supply chain. Transition of fleet management in house has enhanced profitability. In addition, major ship building capacity agreements are to be signed to build 100+ vessels and Nakilat is well placed to be a major beneficiary of this LNG expansion which will provide further growth tailwinds.

Qatar Navigation (7.4 per cent of NAV)

Qatar Navigation (Milaha) 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. Qatar's North Field Expansion (NFE) plan which is expected to boost LNG production capacity from 77 MTPA to 126 MTPA will create demand for transportation and offshore vessels in the medium to long term. Additionally, stake in Nakilat (36.3%) is expected to boost bottom-line. Warehousing and freight forwarding activities could see an uplift due to new global partnership as well as work related to NFE.

Saudi National Bank (6.4 per cent of NAV)

Saudi National Bank (SNB) is Saudi Arabia's largest financial institution and one of its most powerful institutions. It provides a range of conventional and Shariah-compliant personal, business, and private banking solutions to individuals, corporate and institutional customers. SNB will play a vital role in catalysing the delivery of Vision 2030 of Saudi Arabia and supporting economic transformation. SNB robust balance sheet, resilient business model, and healthy liquidity position enhance the bank's capability to compete locally and regionally, as well as to enable trade and capital movements between the Kingdom and regional and global markets.

Middle East Healthcare Company (5.6 per cent of NAV)

Middle East Healthcare Co (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.

Integrated Holding Company (4.9 per cent of NAV)

Integrated Holding Company is headquartered in Kuwait City, engages in the provision of engineering solutions to the logistics industry. It specializes in total logistics solutions, equipment hiring and leasing, heavy lift services, oil, gas and power (energy) solutions. IHC has significant and increasing presence in Qatar and Saudi Arabia. In Qatar, IHC is an indirect beneficiary of North Field Expansion project due to equipment leasing contracts through the projects' direct contractors. In KSA, IHC will attain growth through the several planned giga-projects.

Report of the Investment Manager and Investment Adviser continued

GCC Outlook:

The outlook for the GCC in 2023 remains positive, driven by benign inflation, giga & mega infrastructural projects, and continuous reforms across social and economic policies. The IMF projects GCC to grow by 2.9 per cent and 3.3 per cent in 2023 and 2024, respectively; after growing at 7.7 per cent in 2022 from a lower base. This compares to World GDP growing at 2.8 per cent in 2023 and 3.0 per cent in 2024.

The IMF expects CPI inflation in the GCC to be 2.9 per cent and 2.3 per cent in 2023 and 2024 vs 4.7 per cent and 2.6 per cent for the advanced economies, respectively. The lower inflation in the GCC economies gives the necessary bandwidth to the GCC governments to continue and/or increase their fiscal spending at a time when the contribution from oil is expected to decline driven by production cuts by Opec+ and a slowdown in global economy.

The pace of structural reforms in the GCC was maintained during the covid period of 2020-2022 due to which growth in the non-oil GDP is expected from fixed investments, private consumption, and high government spending ensuring diversification and unabating increase of the non-oil share in the economy.

The global economy is under an overhang of an ongoing invasion of Ukraine by Russia, and an economic softness due to high-interest rates. Against such a backdrop, the GCC is a bright spot on the global map where the above-mentioned headwinds are positively offset by domestic public and private spending.

Valuation:

Market	Market Cap.	PE (x)		PB (x)		Dividend Yield (%)	
	US$ Bn	2023E	2024E	2023E	2024E	2023E	2024E
Qatar	141	11.53	10.45	1.31	1.24	4.87	5.31
Saudi Arabia	2,904	16.91	14.69	2.22	2.07	3.57	4.09
Dubai	146	8.65	9.15	0.99	0.92	4.59	4.78
Abu Dhabi	728	22.24	22.24	2.99	2.99	2.69	2.69
Kuwait	147	15.15	12.72	0.56	N/A	4.75	5.28
S&P GCC	3,535	15.06	13.73	1.59	1.48	3.74	4.24
MSCI EM	19,825	13.16	11.10	1.52	1.19	3.02	3.23
MSCI World	63,116	17.68	16.29	2.81	2.61	2.12	2.27

Source: Bloomberg, Market Cap. as of 30 June 2023

Epicure Managers Qatar Limited
22 September 2023

Qatar Insurance Company S.A.Q.
22 September 2023

Investment Policy

Investment objective

The Company's investment objective is to capture the opportunities for growth offered by the expanding GCC economies by investing, through its wholly owned subsidiary, in listed companies on one of the GCC exchanges or companies soon to be listed on one of the GCC exchanges.

The Company applies a top-down screening process to identify those sectors which should most benefit from sector growth trends. Fundamental industry and company analysis, rather than benchmarking, forms the basis of both stock selection and portfolio construction.

Assets or companies in which the Company can invest

The Company invests in listed companies on any GCC Exchanges in addition to companies soon to be listed. The Company may also invest in listed companies, or pre-IPO companies, in other GCC countries. The Company will also be permitted to invest in companies listed on stock markets not located in the GCC which will have a significant economic exposure to and/or derive a significant amount of their revenues from GCC countries.

Whether investments will be active or passive investments

In the ordinary course of events, the Company is not an activist investor, although the Investment Adviser will seek to engage with investee company management where appropriate.

Holding period for investments

In the normal course of events, the Company expects to be fully invested, although the Company may hold cash reserves pending new IPOs or when it is deemed financially prudent. Although the Company is a long-term financial investor, it will actively manage its portfolio.

Spread of investments and maximum exposure limits

The Company will invest in a portfolio of investee companies. The following investment restrictions are in place to ensure a spread of investments and to ensure that there are maximum exposure limits in place (see investment guidelines under Investing Restrictions).

Policy in relation to gearing and derivatives

Borrowings will be limited, as at the date on which the borrowings are incurred, to 5% of NAV. Borrowings will include any financing element of a swap. The Company will not make use of hedging mechanisms.

The Company may utilise derivative instruments in pursuit of its investment policy subject to:

- such derivative instruments being designed to offer the holder a return linked to the performance of a particular underlying listed equity security;
- a maximum underlying equity exposure limit of 15 per cent of NAV (calculated at the time of investment); and
- a policy of entering into derivative instruments with more than one counterparty in relation to an investment, where possible, to minimise counterparty risk.

Policy in relation to cross-holdings

Cross-holdings in other listed or unlisted investment funds or ETFs that invest in Qatar or other countries in the GCC region will be limited to 10 per cent. of Net Asset Value at any time (calculated at the time of investment).

Investment Policy continued

Investing restrictions
The investing restrictions for the Company are as follows:

(i) Foreign ownership restrictions

Investments in most GCC listed companies by persons other than citizens of that specific GCC country have an ownership restriction wherein the law precludes persons other than citizens of that specific GCC country from acquiring a certain proportion of a company's issued share capital. It is possible that the Company may have problems acquiring stock if the foreign ownership interest in one or more stocks reaches the allocated upper limit. This may adversely impact the ability of the Company to invest in certain companies listed on the GCC exchanges.

(ii) Investment guidelines

The Company has established certain investment guidelines. These are as follows (all of which calculated at the time of investment):

- No single investment position in the S&P GCC Composite constituent may exceed the greater of: (i) 15 per cent. of the Net Asset Value of the Company; or (ii) 125 per cent. of the constituent company's index capitalisation divided by the index capitalisation of the S&P GCC Composite Index, as calculated by Bloomberg (or such other source as the Directors and Investment Manager may agree):
- No single investment position in a company which is not a S&P GCC Composite Index constituent may at the time of investment exceed 15 per cent. of the NAV of the Company; and
- No holding may exceed 5 per cent. of the outstanding shares in any one company (including investment in Saudi Arabian listed companies by way of derivative investment in P-Note or Swap structured financial products); and

(iii) Conflicts management

The Investment Manager, the Investment Adviser, their officers and other personnel are involved in other financial, investment or professional activities, which may on occasion give rise to conflicts of interest with the Company. The Investment Manager will have regard to its obligations under the Investment Management Agreement to act in the best interests of the Company, and the Investment Adviser will have regard to its obligations under the Investment Adviser Agreement to act in the best interests of the Company, so far as is practicable having regard to their obligations to other clients, where potential conflicts of interest arise. The Investment Manager and the Investment Adviser will use all reasonable efforts to ensure that the Company has the opportunity to participate in potential investments that each identifies that fall within the investment objective and strategies of the Company. Other than these restrictions set out above, and the requirement to invest in accordance with its investing policy, there are no other investing restrictions.

Returns and distribution policy

The Company's primary investment objective is to achieve capital growth. However, the Company has instituted an annual dividend policy to return to shareholders distributions at least equal to reported income for each reporting period. shareholders should note that this cannot be guaranteed and the level of distributions for any period remains a matter to be determined at the discretion of the Board.

Life of the Company

The Company currently does not have a fixed life but the Board considers it desirable that shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, at the annual general meeting of the Company in 2023, a resolution will be proposed that the Company continues in existence. More than 50 per cent. of shareholders voting must vote in favour for this resolution to be passed. If the resolution is passed, a similar resolution will be proposed at every third annual general meeting thereafter. If the resolution is not passed, the Directors will be required to formulate proposals to be put to shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up.

Investment Policy continued

Environmental, social and governance standards

The adoption of environmental, social, and governance (ESG) standards and principles by governments and regulators in the GCC will play a key role in the sustainable economic recovery of the region. It is the ambition of the Fund's Manager to identify and mitigate key risk factors that could violate various ESG related criteria.

The Board and the Manager believe that integrating these considerations into our Investment Policy is in line with the Fund's aim of delivering long-term capital growth to investors. We have always placed a strong importance on corporate governance in our process and are now integrating further social and environmental considerations into our investment process.

As part of the screening, we commit to not invest in companies that have exposures to the following areas:

Countries facing UN sanctions
Conventional Weapons and firearms (producer)
Conventional Weapons and firearms (other)
Controversial weapons
Tobacco (producer)
Adult Entertainment (producer)
Adult Entertainment (other)
Gambling (operator)
Animal Testing
Thermal Coal

We source the ESG scores from 3rd party providers on a half yearly basis for our investment universe and further screen them by rejecting or minimizing exposures to companies with low scores.

Currently, a challenge facing ESG-concerned GCC investors is the lack of consistent disclosures from corporates on top of the varying regulations and standards in operation globally. The Manager expects that governments in the GCC will seek to improve and standardise disclosures and ESG-related obligations in the coming years. The official multi-year economic and strategic 'visions' in Saudi Arabia, Qatar, Kuwait and the UAE include focus on sustainability, diversification and environmentally friendly practices. We are encouraged to see improvements in corporate sustainability reporting standards with an increased focus of generating annual sustainability reports by companies in the region.

We are already seeing the setting up of national sustainability goals, revamping water security programs, launching diversity initiatives, introducing ESG financial disclosure standards and publishing of ESG guidelines for exchange listings. There has been a shift towards investing in renewable energies, launching green bonds and other green financing initiatives, with a view to facilitating green solutions across a range of sectors. Developments such as these will further assist the Manager to integrate ESG considerations into our investment process.

State of ESG in GCC

Various targets set by the GCC countries are as below **(details from APCO-GCC BDI 2022 report)**:

Saudi Arabia
Saudi plans to reach net zero by 2060. The country is expected to invest heavily in carbon capture and clean hydrogen. It targets to reach net zero through a "Carbon Circular Economy" approach, which advocates "reduce, reuse, recycle and remove"

Investment Policy continued

Environmental, social and governance standards continued

State of ESG in GCC continued

UAE
The UAE committed to achieve net zero by 2050, making it the first nation in the region to do so. The UAE invested in renewable energy ventures worth around USD 16.8 billion in 70 countries with a focus on developing nations. It has also provided more than USD 400 million in aid and soft loans for clean energy projects.

Qatar
Qatar calls for a reduction in carbon emissions to net zero by 2050. It is the world's largest producer of Liquefied Natural Gas (LNG) and aims to expand production to 127 million tonnes annually by 2027. LNG helps tackle climate change globally in weaning off high-polluting fuels like oil and coal.

Kuwait
Kuwait does not have a documented net zero commitment. The country aims to reduce its greenhouse gas emissions by 7.4% by 2035.

Oman
Oman's upstream oil and gas sector is evaluating a target of zero emissions by 2050, according to its Second Nationally Determined Contribution (NDC) report, which was recently submitted to the United Nations Framework Convention on climate change.

Bahrain
Bahrain pledges to reach net zero emissions by 2060. It will adopt a circular carbon economy strengthened by various offsetting schemes including carbon-capture technology and afforestation.

Report of the Directors

The Directors hereby submit their annual report together with the audited financial statements of Gulf Investment Fund plc (the "Company") for the year ended 30 June 2023.

The Company

The Company is incorporated in the Isle of Man and has been established to invest primarily in quoted equities of Qatar and other Gulf Co-operation Council (GCC) countries. The Company's investment policy is detailed on pages 16 to 19.

Results and Dividends

The results of the Company for the year and its financial position at the year- end are set out on pages 44 to 48 of the financial statements.

The Directors manage the Company's affairs to achieve capital growth and the Company has instituted a twice yearly dividend policy.

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 and pursuant to the above stated policy the directors recommend a dividend of 8.10 cents per share in respect of the year ended 30 June 2023 to be paid in two tranches. For the year ended 30 June 2022, the Directors declared a dividend of 7.02 cents per share which was paid in two tranches with US$1,442,793 (3.51 cents per share) being paid on 21 October 2022 to shareholders on the register as at 9 September 2022 (the "Record Date") and US$1,439,176 (3.51 cents per share) being paid on 17 March 2023 to shareholders on the register as at 10 February 2023 (the "Record Date").

Directors

Details of Board members at the date of this report, together with their biographical details, are set out on page 32.

Director independence and Directors' and other interests have been detailed in the Directors' Remuneration Report on pages 36 and 37.

Creditor payment policy

It is the Company's policy to adhere to the payment terms agreed with individual suppliers and to pay in accordance with its contractual and other legal obligations.

Gearing policy

Borrowings will be limited, as at the date on which the borrowings are incurred, to 5% of NAV (or such other limit as may be approved by the shareholders in general meeting). The Company will not make use of any hedging mechanisms.
There were no borrowings during the year (2023: US$ nil).

Donations

The Company has not made any political or charitable donations during the year (2023: US$ nil).

Adequacy of the Information supplied to the auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as each is aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Report of the Directors continued

Statement of going concern

The Directors are satisfied that the Company has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis, however shareholders have been given the opportunity to participate in 100% bi-annual tenders. They will also vote for the continued existence of the Company at the annual general meeting (AGM) in 2023 and every third AGM thereafter. Which could lead to a change in the future outlook during the going concern assessment.

Independent Auditors

KPMG Audit LLC has expressed its willingness to continue in office in accordance with Section 12 (2) of the Companies Act 1931 to 2004.

Annual general meeting

The Annual General Meeting of the Company will be held later in the year at the Company's registered office.

A copy of the notice of Annual General Meeting is contained within this Annual Report. As well as the business normally conducted at such a meeting, Shareholders will be asked to renew the authority to allow the Company to continue with share buy-backs.

The notice of the Annual General Meeting and the Annual Report are also available at www.gulfinvestmentfundplc.com.

Corporate governance

Full details are given in the Corporate Governance Report on pages 23 to 31 which forms part of the Report of the Directors.

Substantial shareholdings

As at the date of publication of this annual report, the Company had been notified, or the Company is aware of the following significant holdings in its Share Capital.

	Ordinary Shares
Name	%
Qatar Insurance Company S.A.Q.	42.11
City of London Investment Management Co (London)	40.96
Hargreaves Lansdown Asset Management (Bristol)	3.91
Interactive Investor (Manchester)	3.17
Union Bancaire Privee (Geneva)	3.15
A J Bell Securities (Tunbridge Wells)	1.10

Report of the Directors continued

Substantial shareholdings continued

The above percentages are calculated by applying the shareholdings as notified to the Company or the Company's awareness to the issued Ordinary Share Capital as at 30 June 2023.

On behalf of the Board

Anderson Whamond
Chairman
22 September 2023
Exchange House
54-62 Athol Street
Douglas
Isle of Man
IM1 1JD

Corporate Governance Report

Compliance with Companies Acts

As an Isle of Man incorporated company, the Company's primary obligation is to comply with the Isle of Man Companies Acts 1931 to 2004. The Board confirms that the Company is in compliance with the relevant provisions of the Companies Acts.

Compliance with the Association of Investment Companies (AIC) Code of Corporate Governance

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company applies the principles identified in the UK Corporate Governance Code which is available on the Financial Reporting Council's website: www.frc.org.uk. The Board confirms that the Company has complied throughout the accounting period with the relevant provisions contained within the UK Code – via examining compliance against the AIC Code of Corporate Governance.

The Board of the Company has considered the principles and provisions AIC Code of Corporate Governance as published in February 2019 (the AIC Code). The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The AIC Code is available on the AIC's website: www.theaic.co.uk.

The Board considers that reporting against the principles and recommendations of the AIC Code, which has been endorsed by the FRC, will provide better information to shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code.

The UK Corporate Governance Code includes provisions relating to:
• the role of the chief executive
• executive directors' remuneration
• the need for an internal audit function
• Interaction with the workforce

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions, with the exception of portfolio management, risk management and service provider performance management, are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The Board has considered principal and emerging risks and in doing so has identified no emerging risks to be identified.

Directors

The Directors are responsible for the determination of the Company's investment policy and strategy and have overall responsibility for the Company's activities including the review of the investment activity and performance.

All of the Directors are non-executive. The Board considers each of the Directors to be independent of, and free of any material relationship with, the Investment Manager and Investment Adviser.

The Board of Directors delegates to the Investment Manager through the Investment Management Agreement the responsibility for the management of the Company's assets in GCC securities in accordance with the company's investment policy and for retaining the services of the Investment Adviser. The Company has no executives or employees.

The Articles of Association require that all Directors submit themselves for election by shareholders at the first opportunity following their appointment and shall not remain in office longer than three years since their last election or re-election without submitting themselves for re-election.

Corporate Governance Report continued

The Board meets formally at least 4 times a year and between these meetings there is regular contact with the Investment Manager. Other meetings are arranged as necessary. The Board considers that it meets regularly enough to discharge its duties effectively. The Board ensures that at all times it conducts its business with the interests of all shareholders in mind and in accordance with Directors' duties. Directors receive the relevant briefing papers in advance of Board and Board Committee meetings, so that should they be unable to attend a meeting they are able to provide their comments to the Chairman of the Board or Committee as appropriate. The Board meeting papers are the key source of regular information for the Board, the contents of which are determined by the Board and contain sufficient information on the financial condition of the Company. Key representatives of the Investment Manager attend each Board meeting. All Board and Board Committee meetings are formally minuted.

Board composition and succession plan

Objectives of Plan

- To ensure that the Board is composed of persons who collectively are fit and proper to direct the Company's business with prudence, integrity and professional skills.

- To define the Board Composition and Succession Policy, which guides the size, shape and constitution of the Board and the identification of suitable candidates for appointment to the Board.

Methodology
The Board is conscious of the need to ensure that proper processes are in place to deal with succession issues and the Nomination Committee assists the Board in the Board selection process, which involves the use of a Board skills matrix.

The matrix incorporates the following elements: finance, accounting and operations; familiarity with the regions into which the Company invests; diversity (gender, residency, cultural background); Shareholder perspectives; investment management; multijurisdictional compliance and risk management. In adopting the matrix, the Nomination Committee acknowledges that it is an iterative document and will be reviewed and revised periodically to meet the Company's on-going needs.

The Nomination Committee monitors the composition of the Board and makes recommendations to the Board about appointments to the Board and its Committees.

Directors may be appointed by the Board, in which case they are required to seek election at the first AGM following their appointment and triennially thereafter. Directors who are not regarded as independent are required to seek re-election annually. In making an appointment the Board shall have regard to the Board skills matrix.

A Director's formal letter of appointment sets out, amongst other things, the following requirements:

- bringing independent judgment to bear on issues of strategy, performance, resources, key appointments and standards of conduct and the importance of remaining free from any business or other relationship that could materially interfere with independent judgement;

- having an understanding of the Company's affairs and its position in the industry in which it operates;

- keeping abreast of and complying with the legislative and broader responsibilities of a Director of a company whose shares are traded on the London Stock Exchange;

- allocating sufficient time to meet the requirements of the role, including preparation for Board meetings; and

- disclosing to the Board as soon as possible any potential conflicts of interest.

Corporate Governance Report continued

Board composition and succession plan continued
Methodology continued

The Board authorises the Nomination Committee to:

- recommend to the Board, from time to time, changes that the Committee believes to be desirable to the size and composition of the Board;

- recommend individuals for nomination as members of the Board;

- review and recommend the process for the election of the Chairman of the Board, when appropriate; and

- review on an on-going basis succession planning for the Chairman of the Board and make recommendations to the Board as appropriate.

The Plan will be reviewed by the Board annually and at such other times as circumstances may require (e.g. a major corporate development or an unexpected resignation from the Board). The Plan may be amended or varied in relation to individual circumstances at the Board's discretion.

Board Committees
The Board has established the following committees to oversee important issues of policy and maintain oversight outside the main Board meetings:

- Audit Committee
- Remuneration Committee
- Nomination Committee
- Management Engagement Committee

Throughout the year the Chairman of each committee provided the Board with a summary of the key issues considered at the meeting of the committees and the minutes of the meetings were circulated to the Board.

The committees operate within defined terms of reference. They are authorised to engage the services of external advisers as they deem necessary in the furtherance of their duties, at the Company's expense.

Audit Committee
The Board has established an Audit Committee made up of at least two members and comprises, Anderson Whamond, Neil Benedict and David Humbles. The Audit Committee is responsible for, inter alia, ensuring that the financial performance of the Company is properly reported on and monitored. The Audit Committee is chaired by David Humbles. The Audit Committee normally meets at least twice a year when the Company's interim and final reports to shareholders are to be considered by the Board but meetings can be held more frequently if the Audit Committee members deem it necessary or if requested by the Company's auditors. The Audit Committee will, amongst other things, review the annual and interim accounts, results announcements, internal control systems and procedures, preparing a note in respect of related party transactions and reviewing any declarations of interest notified to the Committee by the Board each on six monthly basis, review and make recommendations on the appointment, resignation or dismissal of the Company's auditors and accounting policies of the Company. The Company's auditors are advised of the timing of the meetings to consider the annual and interim accounts and the auditors shall be asked to attend the Audit Committee meeting where the annual audited accounts are to be considered. The Audit Committee Chairman shall report formally to the Board on its proceedings after each meeting and compile a report to shareholders on its activities to be included in the Company's annual report. At least once a year, the Audit Committee will review its performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Corporate Governance Report continued

Audit Committee continued
The terms of reference for the Audit Committee are available on the Company's website www.gulfinvestmentfundplc.com.

Significant Issues
During its review of the Company's financial statements for the year ended 30 June 2023, the Audit Committee considered the following significant issue as communicated by the auditor during their reporting:

Valuation and existence of investment in subsidiary
The valuation of the investment in subsidiary, including valuation and existence of the portfolio of investments held by the subsidiary, is undertaken in accordance with the accounting policies, disclosed in Notes 1(a) and 1(b) to the financial statements. All underlying investments are considered liquid and priced based on quoted prices in active markets and have been categorised as Level 1 or level 2 within the IFRS 13 fair value hierarchy. The underlying portfolio is reviewed and verified by the Manager on a regular basis and management accounts including a full portfolio listing are prepared each month and circulated to the Board. An independent custodian, HSBC Bank Middle East Limited, are used to hold the assets of the underlying investment portfolio. The underlying investment portfolio is reconciled regularly by the Manager and a reconciliation is also reviewed by the Auditor.

Remuneration Committee
The Company has established a Remuneration Committee. The Remuneration Committee is made up of at least two non-executive Directors who are identified by the Board as being independent. Its members are Neil Benedict (Chairman), Anderson Whamond, and David Humbles. The Remuneration Committee normally meets at least once a year and at such other times as the Chairman of the Remuneration Committee shall require. The Remuneration Committee reviews the performance of the Directors and sets the scale and structure of their remuneration and the basis of their letters of appointment with due regard to the interests of shareholders. In determining the remuneration of Directors, the Remuneration Committee seeks to enable the Company to attract and retain Directors of the highest calibre. No Director is permitted to participate in any discussion of decisions concerning their own remuneration. The Remuneration Committee reviews at least once a year its own performance, constitutions and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

The terms of reference for the Remuneration Committee are available on the Company's website www.gulfinvestmentfundplc.com.

Nomination Committee
The Company has established a Nomination Committee which shall be made up of at least two members and which shall comprise all independent non-executive Directors. The Nomination Committee comprises Anderson Whamond (Chairman), Neil Benedict, and David Humbles. The Nomination Committee meets at least once a year prior to the first quarterly Board meeting and at such other times as the Chairman of the committee shall require. The Nomination Committee is responsible for ensuring that the Board members have the range of skills and qualities to meet its principal responsibilities in a way which ensures that the interests of shareholders are protected and promoted and regularly review the structure, size and composition of the Board. The Nomination Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Corporate Governance Report continued

Nomination Committee continued

The Nomination Committee will assess potential candidates on merit against a range of criteria including experience, knowledge, professional skills and personal qualities as well as independence, if this is required for the role.

Candidates' ability to commit sufficient time to the business of the Company is also key, particularly in respect of the appointment of the Chairman. The Chairman of the Nomination Committee is primarily responsible for interviewing suitable candidates and a recommendation will be made to the Board for final approval.

Management Engagement Committee

The Company has established a Management Engagement Committee which is made up of at least two members who are independent non-executive Directors. The Management Engagement Committee members are Neil Benedict (Chairman), Anderson Whamond and David Humbles. The Management Engagement Committee will meet at least quarterly and is responsible for reviewing the performance of the Investment Manager and other service providers, to ensure that the Company's management contract is competitive and reasonable for the shareholders and to review and make recommendations to the Board on any proposed amendment to or material breach of the management contract and contracts with other service providers.

Board Attendance

The number of formal meetings during the year of the Board, and its Committees, and the attendance of the individual Directors at those meetings, is shown in the following table:

	Board	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Management Engagement Committee**
Total number of meetings in year	**9**	**6**	**2**	**1**	**4**
	Meetings Attended (entitled to attend)				
Anderson Whamond (Chairman and Chairman of Nomination Committee)	9 (9)	6 (6)	2 (2)	1 (1)	4 (4)
Neil Benedict (Chairman of Remuneration Committee and Chairman of Management Engagement Committee)	9 (9)	6 (6)	2 (2)	1 (1)	4 (4)
David Humbles (chairman of Audit Committee)	9 (9)	6 (6)	2 (2)	1 (1)	4(4)

The Annual General Meeting was held on 22 December 2022.

Internal Control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. Its review takes place at least once a year. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board also determines the nature and extent of any risks it is willing to take in order to achieve its strategic objectives.

Corporate Governance Report continued

Internal Control continued

The Board, assisted by the Investment Manager and Investment Adviser, has undertaken regular risk and controls assessments. The business risks have been analysed and recorded in a risk and internal controls report which is regularly reviewed. The Board has reviewed the need for an internal audit function. The Board has decided that the systems and procedures employed by the Investment Manager and Investment Adviser, including its internal audit function provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investments and the Company's assets, is maintained. An internal audit function, specific to the Company, is therefore considered unnecessary.

The Board confirms that there is an on-going process for identifying, evaluating and managing the Company's principal business and operational risks that have been in place for the year ended 30 June 2023 and up to the date of approval of the annual report and financial statements.

Accountability and Relationship with the Investment Manager, the Custodian and the Administrator
The Statement of Directors' Responsibilities is set out on page 33.

The Board has delegated contractually to external third parties, including the Investment Manager, the Investment Adviser, the Custodian and the Administrator, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the day-to-day accounting, company secretarial and administration requirements. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services provided, including the control systems in operation in so far as they relate to the affairs of the Company.

The Investment Manager, the Investment Adviser and the Administrator ensure that all Directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of the Investment Manager and the Administrator attend each Board meeting enabling the Directors to probe further on matters of concern.

Continued Appointment of the Investment Manager
The Board considers the arrangements for the provision of investment management and other services to the Company on an on-going basis. The Board reviews investment performance at each Board meeting and a formal review of the Investment Manager (and Investment Adviser) is conducted annually. As a result of their annual review, NAV performance has been found to be satisfactory and it is the opinion of the Directors that the continued appointment of the current Investment Manager (and Investment Adviser) on the terms agreed is in the interests of the Company's shareholders as a whole.

Relations with shareholders
The Chairman is responsible for ensuring that all Directors are made aware of shareholders' concerns. The shareholder profile of the Company is regularly monitored and the Board liaises with the Investment Manager to canvass shareholder opinion and communicate views to shareholders. The Company is concerned to provide the maximum opportunity for dialogue between the Company and shareholders. It is believed that shareholders have proper access to the Investment Manager at any time and to the Board if they so wish. All shareholders are encouraged to attend annual general meetings. Together with the Investment Manager and Investment Adviser, regular investor presentations are held to promote a wider following for the Company.

Viability statement
The Board makes an assessment of the longer term prospects of the Company beyond the timeframe envisaged under the going concern basis of accounting having regard to the Company's current position and the principal risks it faces.

Corporate Governance Report continued

Viability statement continued

The Board does this by performing robust risk assessments using a detailed risk matrix at each of its scheduled audit committee meetings.

The Company is a long-term investment vehicle and the Directors, therefore, believe that it is appropriate to assess its viability over a long-term horizon. The Board considers that assessing the Company's prospects over a period of five years is appropriate given the nature of the Company and the inherent uncertainties of looking out over a longer time period. The Directors believe that a five year period appropriately reflects the long term strategy of the Company and over which, in the absence of any adverse change to the regulatory environment, they do not expect there to be any significant change to the current principal risks and to the adequacy of the mitigating controls in place.

Notwithstanding the above the Company's shareholders will have the opportunity to vote for the cessation of the Company at the annual general meeting in 2023 which will be proposed as an ordinary resolution. In the event that the continuation vote is not passed the Directors will be required to put forward proposals to shareholders to the effect that the Company be wound up, liquidated, reorganised or unitised. If the continuation vote is passed, a further continuation vote will be proposed at every third annual general meeting thereafter. In addition, the Directors are committed to bi-annual tenders, subject to shareholder approval. The directors have a reasonable expectation that the company will continue after the tender offers. However, until the shareholders both vote and tender, the outcome of the tenders is impossible to predict.

Promoting the Company's Success

In accordance with corporate governance best practice, the Board is now required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year following the guidelines set out in the UK under section 172 (1) of the Companies Act 2006 (the "s172 Statement"). This Statement, from 'Promoting the Success of the Company' to "Long Term Investment" on page 30 provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long-term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

The purpose of the Company is to act as a vehicle to provide, over time, financial returns (both income and capital) to its shareholders.

The Company's Investment Objective is disclosed on page 5. The activities of the Company are overseen by the Board of Directors of the Company. The Board's philosophy is that the Company should operate in a transparent culture where all parties are treated with respect and provided with the opportunity to offer practical challenge and participate in positive debate which is focused on the aim of achieving the expectations of shareholders and other stakeholders alike. The Board reviews the culture and manner in which the Investment Adviser operates at its regular meetings and receives regular reporting and feedback from the other key service providers.

The Company is a long-term investment vehicle, with a recommended holding period of five or more years. It is externally managed, has no employees, and is overseen by an independent non-executive board of directors. Your Company's Board of Directors sets the investment mandate, monitors the performance of all service providers (including the Investment Adviser) and is responsible for reviewing strategy on a regular basis. All this is done with the aim of preserving and, indeed, enhancing shareholder value over the longer term.

Corporate Governance Report continued

Shareholder Engagement
The following table describes some of the ways we engage with our shareholders:

AGM	The AGM provides an opportunity for the Directors to engage with shareholders, answer their questions and meet them informally. The next AGM will take place later in the year in the Isle of Man. We encourage shareholders to lodge their vote by proxy on all the resolutions put forward.
Annual report	We publish a full annual report each year that contains a strategic report, governance section, financial statements and additional information. The report is available online and in paper format.
Company announcement	We issue announcements for all substantive news relating to the Company. You can find these announcements on the website.
Results announcement	We release a full set of financial results at the half year and full year stage. Updated net asset value figures are announced on a weekly basis.
Website	Our website contains a range of information on the Company and includes a full monthly portfolio listing of our investments as well as podcasts by the Investment Manager. Details of financial results, the investment process and Investment Manager together with Company announcements and contact details can be found here: www.gulfinvestmentfundplc.com
Investor relations	The Management Engagement Committee evaluates the level and effectiveness of the handling of investor relations.
Quarterly reports	The investment manager produces in depth quarterly investment reports to the market – these can also be found on the Company's website.

Other Service Providers
The other key stakeholder group is that of the Company's third party service providers. The Board is responsible for selecting the most appropriate outsourced service providers and monitoring the relationships with these suppliers regularly in order to ensure a constructive working relationship. Our service providers look to the Company to provide them with a clear understanding of the Company's needs in order that those requirements can be delivered efficiently and fairly. The Board, via the Management Engagement Committee, ensures that the arrangements with service providers are reviewed at least annually in detail. The aim is to ensure that contractual arrangements remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Manager, Investment Manager and other relevant stakeholders. Reviews include those of the Company's custodian, share registrar, broker and auditor.

Principal Decisions
Pursuant to the Board's aim of promoting the long term success of the Company, the following principal decisions have been taken during the year:

Portfolio The report of the Investment Manager and Investment Adviser on pages 7 to 15 details the key investment decisions taken during the year and subsequently. The Investment Manager has continued to monitor the investment portfolio throughout the year under the supervision of the Board.

Corporate Governance Report continued

ESG As highlighted on page 18, the Board is responsible for overseeing the work of the Investment Manager and this is not limited solely to the investment performance of the portfolio companies. The Board also has regard for environmental, social and governance matters that subsist within the portfolio companies.

Audit KPMG Audit LLC was re-appointed as auditor at the last AGM on 31 December 2021.

Long Term Investment
The Investment Manager's investment process seeks to outperform over the longer term. The Board has in place the necessary procedures and processes to continue to promote the long term success of the Company. The Board will continue to monitor, evaluate and seek to improve these processes as the Company continues to grow over time, to ensure that the investment proposition is delivered to shareholders and other stakeholders in line with their expectations.

Communities and the environment
The Board expects the Manager, supported by its governance function, to engage with investee companies at the appropriate time on ESG matters in line with good stewardship practices.

The Board is also conscious of the importance of providing an investment product which meets the needs of its investors, including retail investors and pensioners.

The Board is conscious of the need to take appropriate account of broader ESG concerns and to act as a good corporate citizen.

On behalf of the Board

Anderson Whamond
Chairman
22 September 2023

Board of Directors

Anderson Whamond (Non-Executive Chairman)
Anderson has over 35 years' experience in the banking and financial services sector. He is a non-executive director of The International Stock Exchange Group Limited, and a non-executive director of the Irish domiciled Magna Umbrella Fund and the OAKS Emerging & Frontier Umbrella Fund. Previously, he was a non-executive director of Cayman Islands-domiciled OCCO Eastern European Fund.

Neil Benedict (Non-Executive Director)
Neil Benedict is based in the USA with over thirty years' experience of financial markets. He was formerly a Managing Director at Salomon Brothers, where he was Head of International Capital Markets, and, prior to that, the founder and head of the worldwide Currency Swaps group. Neil was also a Managing Director at Dillon Read and helped establish their Tokyo office. He is currently a Senior Managing Director at Sonenshine Partners a New York private investment bank. Neil is a fellow member of the Institute of Chartered Accountants in England and Wales.

David Humbles (Non-Executive Director)
David Humbles was born in 1960 and is British. He worked in the downstream oil industry for 25 years and relocated to the Isle of Man in 1998 as Director of Total. In 2003, David purchased Abbey Properties Ltd which owns and manages a property complex in the north of the island. David owns Westminster Properties Ltd which manages a large portfolio of residential and commercial properties on the island. David was Managing Director of Oakmayne, a residential developer in London. He has previously served on the board of two AIM listed companies.

Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare company financial statements for each financial year. Under the law they have elected to prepare the company financial statements in accordance with International Financial Reporting Standards (IFRSs) and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing each of the Company's financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts 1931 to 2004. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

Disclosure Guidance and Transparency Rules responsibility statement
We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- that in the opinion of the Directors, the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's position, performance, business model and strategy; and
- the Business Review, Report of the Investment Manager and Investment Adviser and the Report of the Directors include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board
Anderson Whamond
Chairman
22 September 2023

Audit Committee Report

An Audit Committee has been established in compliance with the FCA's Disclosure Guidance and Transparency Rule 7.1, the UK Corporate Governance Code and the AIC Code of Corporate Governance consisting of independent Directors. Its authority and duties are clearly defined within its written terms of reference. David Humbles is Chairman of the Audit Committee, which also comprises Mr Anderson Whamond and Mr Neil Benedict.

The Committee meets at least two times a year.

The Committee's responsibilities, which were discharged during the year, include:

- monitoring and reviewing the integrity of the interim and annual financial statements and the internal financial controls;
- reviewing the appropriateness of the Company's accounting policies;
- making recommendations to the Board in relation to the appointment of the external auditors and approving their remuneration and terms of their engagement;
- reviewing the external Auditor's plan for the audit of the Company's financial statements;
- developing and implementing policy on the engagement of the external auditors to supply non-audit services;
- reviewing and monitoring the independence, objectivity and effectiveness of the external auditors;
- reviewing the arrangements in place within the Administrator and Investment Manager/Adviser whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters insofar as they may affect the Company;
- performing the annual review of the effectiveness of the internal control systems of the Company;
- reviewing the terms of the Investment Management Agreement;
- considering annually whether there is a need for the Company to have its own internal audit function; and
- review the relationship with and the performance of the Custodian, the Administrator and the Registrar.

The Audit Committee does not award any non-audit work. The full Board has to approve any non-audit work and this includes confirmation that in all such work auditor objectivity and independence is safeguarded.

Owing to the nature of the fund's business, with all major functions being outsourced and the absence of employees, the Audit Committee do not feel it is necessary for the Company to have its own internal audit function. This situation is re-evaluated annually.

KPMG Audit LLC was re-appointed as auditor at the last AGM on 31 December 2021. The Audit Committee considered the experience and tenure of the audit partner and staff and the nature and level of services provided. The Audit Committee receives confirmation from the auditor that they have complied with the relevant UK professional and regulatory requirements on independence. The Company's Audit Committee meets representatives of the Administrator, who report as to the proper conduct of the business in accordance with the regulatory environment in which the Company, the Administrator, and the Investment Manager/Adviser operate. The Company's external auditor also attends this Audit Committee meeting at its request and reports if the Company has not kept proper accounting records, or if it has not received all the information and explanations required for its audit. The Audit Committee also approves a policy regarding non-audit services provided by the auditor.

The Audit Committee also monitors the risks to which the Company is exposed, provide policy re: non-audit services from the auditor and makes recommendations as to the mitigation of these risks. This task is facilitated by using an extensive risk matrix that enables the Committee to make a quantitative analysis of the individual risks and to highlight those areas where risk is high or increasing.

This report was reviewed and approved by the Board on 22 September 2023.

David Humbles
Chairman of the Audit Committee
22 September 2023

Management Engagement Committee Report

A Management Engagement Committee has been established in accordance with good corporate governance. Neil Benedict is Chairman of the Committee, which also comprises Anderson Whamond and David Humbles.

The function of the Management Engagement Committee is to monitor the performance of all the Company's service providers and in the particular the performance of the Investment Manager/Investment Adviser.

The performance of the Investment Manager/Investment Adviser is formally reviewed annually at the end of the Company's financial year. The Management Engagement Committee meets quarterly prior to the quarterly Board meetings and the Chairman of the Management Engagement Committee monitors the performance periodically during the intervening periods.

As regards the Investment Manager/Investment Adviser, the Committee:

- monitors and evaluates the investment performance both in absolute terms and also by reference to peer group analysis prepared by the Investment Manager/Adviser and by the Company's broker;
- reviews the performance fee structure to ensure that it does not encourage excessive risk and that it rewards demonstrable superior performance;
- investigates any breaches of agreed investment limits and any deviation from the agreed investment policy and strategy;
- reviews the standard of any other services provided by the Investment Manager;
- evaluates the level and effectiveness of any marketing support provided by the Investment Manager, including but not limited to, their input into quarterly reports, handling investor relations and website monitoring and development;
- assesses the level of fees charged by the Investment Manager and how these fees compare with those charged to peer group companies;
- compares the notice period on the Investment Management Agreement with industry norms;
- considers any other issues on the appointment of the Investment Manager.

As regards the other service providers to the Company, the Committee:

- monitors the terms on which they are retained and compares them to market rates;
- examines the effectiveness of the services provided;
- makes recommendations to the Board where changes are warranted.

At its most recent meeting, the Management Engagement Committee concluded that the performance of the Investment Manager/Investment Adviser had been satisfactory. The Investment Manager had adhered to the investment policy and policy limits.

The Committee was satisfied with the current performance of the Company's other service providers.

Neil Benedict
Chairman of the Management Engagement Committee
22 September 2023

Directors' Remuneration Report

This report meets the relevant rules of the Financial Conduct Authority and describes how the Board has applied the principles relating to Directors' remuneration. An ordinary resolution to receive and approve this report will be put to the shareholders at the forthcoming Annual General Meeting.

Role of the Remuneration Committee

The role and make-up of the Remuneration Committee is more fully discussed on page 26.

The committee held two formal meetings during the year, during which it addressed all the matters under its remit.

Consideration by the Directors of Matters relating to the Directors' remuneration

As the Board is comprised entirely of non-executive Directors the Board as a whole consider the Directors' remuneration but it has appointed its Remuneration Committee to consider matters relating thereto.

Remuneration policy

The Company's Articles of Association limit the basic fees payable to the Directors to £200,000 per annum in aggregate. Subject to this overall limit it is the Company's policy that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to enable candidates of high calibre to be recruited. The Directors are also entitled to receive reimbursement of any expenses incurred in relation to their appointment.

The policy is for the Chairman of the Board and Chairman of the Audit Committee to be paid a higher fee than the other Directors in recognition of their more onerous roles and more time spent.

In the year under review the Directors' fees were paid at the following annual rates: the Chairman £35,000, the Chairman of the Audit Committee £26,250, the other Director £24,500.

Directors' and officers' liability insurance cover is in place in respect of the Directors.

Reappointment

It is the Board's policy that non-independent Directors stand for re-election every year and independent Directors stand for re-election every three years.

Directors' fees

The fees expensed (including additional payments) by the Company in respect of each of the Directors who served during the year, and in the previous year, were as follows:

	30 June 2023 £	30 June 2022 £
Nicholas Wilson (Chairman)*	-	21,875
Anderson Whamond (Chairman)**	35,000	27,020
David Humbles (Chairman of Audit Committee)	26,250	26,250
Neil Benedict (Chairman of Remuneration Committee and Management Engagement Committee)	24,500	24,500
	85,750	99,645
US$ charge reflected in the financial statements	**103,283**	**130,055**

*Resigned 30 December 2021

**Appointed 1 January 2022

Expenses totalling US$35,498 (2022: US$20,518) were incurred by the Directors and reimbursed during the year.

Directors' Remuneration Report continued

Directors' fees continued

No other remuneration or compensation was paid or payable by the Company during the period to any of the Directors.

Directors' and other interests

None of the Directors had any interest during the year in any material contract for the provision of services which was significant to the business of the Company.

Director holdings in the Company:

	30 June 2023	30 June 2022
Director	Shares	Shares
Anderson Whamond	50,000	-

For and on behalf of the Board

Neil Benedict
Chairman of the Remuneration Committee
22 September 2023

Report of the Independent Auditors, KPMG Audit LLC, to the members of Gulf Investment Fund plc

Our opinion is unmodified

We have audited the financial statements of Gulf Investment Fund plc (the "Company"), which comprise the statement of financial position as at 30 June 2023, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the Company's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1931 to 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty relating to going concern

	The risk	Our response
Going Concern: Refer to Audit Committee Report on page 34. We draw attention to note 13.1 to the financial statements which indicates that the Company is subject to 100% bi- annual tender offers in March and September each year. As indicated in that note, should the amount tendered result in the remaining outstanding shares being below a set minimum size, a process would commence that may lead to the winding up or liquidation of the Company. This condition constitutes a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect.	**Disclosure quality:** The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Company. That judgement is based on an evaluation of the inherent risks to the Company's business model and how those risks might affect the Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements, in particular in relation to the 100% bi-annual tender offers each year. The risk for our audit is whether or not those risks are such that they amounted to a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. If so, that fact is required to be disclosed (as has been done) and, along with a description of the circumstances, is a key financial statement disclosure	**Our procedures included:** We obtained and inspected a Board approved written assessment of going concern on the Company and corroborated the assessment with our knowledge of the business. We considered the risk that the outcome of the 100% bi-annual tender offers in March and September each year could effect the Company for at least a year from the date of approval of the financial statements (the "going concern period") by inspecting minutes of meetings held by the directors and inquiring with management as to their assessment of the likelihood of uptake of the tender offers. **Assessing Transparency:** We considered whether the going concern disclosure in note 13.1 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks and dependencies.

Report of the Independent Auditors, KPMG Audit LLC, to the members of Gulf Investment Fund plc continued

Other key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. Going concern is a significant key audit matter and is described in the 'Material uncertainty relating to going concern' section of our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the other key audit matter was as follows (unchanged from 2022):

	The risk	Our response
Valuation and existence of the investment at fair value through profit or loss (comprising investment in subsidiary) (US$96m,2022: US$83.2m) Refer to page 26 (Significant Issues identified by the Audit Committee) and note 1(a) (note relating to investment in subsidiary) and note 1(b) (note relating to investments held by the subsidiary).	**Incorrect valuation and existence** The investment in subsidiary is stated at fair value of US$96m (2022: US$83.2m), based on its net asset value, representing 99% (2022: 99.8%) of total assets. The underlying portfolio of investments held by the subsidiary is stated at fair value of US$94.6m (2022: US$73.9m), representing 97.7% (2022: 88.7%) of the Company's net assets on a look-through basis (by value) and is considered to be the key driver of the results of the Company. Regarding the underlying portfolio of investments held by the subsidiary, incorrect asset pricing or a failure to maintain proper title of assets could have a significant impact on the investment portfolio valuation and the return generated for shareholders of the Company. Of the investments held by the subsidiary, a total of US$52.4m (2022: US$28.3m) was held via P-Notes; held to obtain exposure to Saudi Arabia, where direct investment in equities is not possible for foreign investors. Additional risks arise regarding the P-Notes as follows: - they are issued by counterparty financial institutions and therefore are subject to counterparty risk; and	**Our procedures included:** **Control design:** · Documenting and assessing the processes in place to record investment transactions and to value the portfolio; **Tests of detail:** · Auditing the accounts of the subsidiary as part of the audit of the Company; · Assessing the accounting policies adopted by the subsidiary to ensure these are consistent with the Company's accounting policies. In particular, ensuring that the portfolio of investments held by the subsidiary is stated at fair value and ensuring net asset value of the subsidiary represents fair value; · Agreeing the valuation of 100 per cent of investments in the subsidiary's portfolio to externally quoted prices (in the case of P-Notes this represents the quoted price of the underlying equity); · Assessing the credit worthiness of the P-Note issuers by examining their credit ratings or financial statements in the absence of a credit rating and inspecting the P-Note legal instruments to assess whether they provide the full return of the underlying share;

Report of the Independent Auditors, KPMG Audit LLC, to the members of Gulf Investment Fund plc continued

	The risk	Our response
	- they are classified as level 2 in the fair value hierarchy as there is no quoted price in an active market for the P-Note instrument itself – instead they are priced based on the quoted price of the underlying equity to which they relate.	· Agreeing 100 per cent of investment holdings in the subsidiary's portfolio to independently received third party confirmations from investment custodians. **Assessing transparency** · Consideration of the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of the P-Notes, including their level in the fair value hierarchy.

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at US$950,000, determined with reference to a benchmark of total assets of US$97,027,090, of which it represents approximately 1.0% (2022: 1.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2022: 75%) of materiality for the financial statements as a whole, which equates to US$712,000. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding US$47,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic for at least a year from the date of approval of the financial statements (the "going concern period"). As stated above, they have also concluded that there is a material uncertainty related to going concern.

An explanation of how we evaluated the directors' assessment is set out in the 'material uncertainty relating to going concern' section of our report.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have nothing material to add in relation to the directors' statement in the notes to the financial statements on the use of the going concern basis of accounting and their identification therein of a material uncertainity over the Company's use of that basis for the going concern period and we found the going concern disclosure in note 13.1 to be acceptable.

Report of the Independent Auditors, KPMG Audit LLC, to the members of Gulf Investment Fund plc continued

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

Report of the Independent Auditors, KPMG Audit LLC, to the members of Gulf Investment Fund plc continued

Context of the ability of the audit to detect fraud or breaches of law or regulation continued
In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Disclosures of emerging and principal risks and longer term viability
We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. We have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability statement (page 28) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Viability statement (page 28) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Corporate governance disclosures
We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

Report of the Independent Auditors, KPMG Audit LLC, to the members of Gulf Investment Fund plc continued

We have nothing to report on other matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Acts 1931 to 2004 require us to report to you if, in our opinion:

- proper books of account have not been kept and proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the books of account and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities

Directors' responsibilities
As explained more fully in their statement set out on page 33, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body
This report is made solely to the Company's members, as a body, in accordance with section 15 of the Companies Act 1982. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Edward Houghton
Responsible Individual
For and on behalf of KPMG Audit LLC
Chartered Accountants and Recognised Auditors
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM1 1LA

22 September 2023

Income Statement

	Note	Year ended 30 June 2023	Year ended 30 June 2022
		US$'000	US$'000
Income			
Net income/(loss) in investment at fair value through profit or loss		17,060	(11,947)
Dividend received from subsidiary		-	28,570
Interest income on loan		206	212
Other income		-	1
Total net income		**17,266**	**16,836**
Expenses			
Expenses	7	810	653
Total operating expenses		**810**	**653**
Profit before tax		**16,456**	**16,183**
Income tax expense		-	-
Profit for the year		**16,456**	**16,183**
Basic earnings per share (cents)	4	**40.14**	**34.09**
Diluted earnings per share (cents)	4	**40.14**	**34.09**

The Directors consider that all results derive from continuing activities.

The accompanying notes on pages 49 to 63 form an integral part of these financial statements

Statement of Comprehensive Income

	Year ended 30 June 2023	Year ended 30 June 2022
	US$'000	US$'000
Profit for the year	**16,456**	**16,183**
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 for the year	**-**	-
Total comprehensive income for the year	**16,456**	**16,183**

The accompanying notes on pages 49 to 63 form an integral part of these financial statements

Statement of Financial Position

	Note	At 30 June 2023		At 30 June 2022	
		US$'000	US$'000	US$'000	US$'000
Assets					
Investment at fair value through profit or loss – comprising:	1(a)				
- equity interest in subsidiary		93,766		76,705	
- loan to subsidiary		2,320		6,500	
			96,086		83,205
Other receivables and prepayments			60		65
Cash and cash equivalents			881		67
Total assets			**97,027**		**83,337**
Equity					
Issued share capital	5		411		411
Reserves			96,465		82,853
Total equity			**96,876**		**83,264**
Current liabilities					
Other payables and accrued expenses	6		151		73
Total current liabilities			**151**		**73**
Total equity and liabilities			**97,027**		**83,337**

The financial statements were approved by the Directors on 22 September 2023 and signed on their behalf by:

Anderson Whamond
Chairman

David Humbles
Director

The accompanying notes on pages 49 to 63 form an integral part of these financial statements

Statement of Changes in Equity

	Share capital US$'000	Share premium US$'000	Reserves US$'000	Total US$'000
Balance at 1 July 2021	576	-	90,375	90,951
Total comprehensive income for the year				
Profit for the year	-	-	16,183	16,183
Total comprehensive income for the year	-	-	16,183	16,183
Contributions by and distributions to owners				
Dividends paid	-	-	(2,418)	(2,418)
Shares subject to tender offer	(165)		(20,947)	(21,112)
Tender offer expenses	-	-	(340)	(340)
Total contributions by and distributions to owners	(165)	-	(23,705)	(23,870)
Balance at 30 June 2022	**411**	**-**	**82,853**	**83,264**

	Share capital US$'000	Share premium US$'000	Reserves US$'000	Total US$'000
Balance at 1 July 2022	411	-	82,853	83,264
Total comprehensive income for the year				
Profit for the year	-	-	16,456	16,456
Total comprehensive income for the year	-	-	16,456	16,456
Contributions by and distributions to owners				
Dividends paid	-	-	(2,882)	(2,882)
Shares subject to tender offer	(4)	-	(835)	(839)
Tender offer expenses	-	-	(135)	(135)
Proceeds from shares issued	4	1,008	-	1,012
Total contributions by and distributions to owners	-	1,008	(3,852)	(2,844)
Balance at 30 June 2023	**411**	**1,008**	**95,457**	**96,876**

The accompanying notes on pages 49 to 63 form an integral part of these financial statements

Statement of Cash Flows

	Year ended 30 June 2023 US$'000	Year ended 30 June 2022 US$'000
Cash flows from operating activities		
Dividend received from subsidiary	-	28,570
Interest income from loan to subsidiary	212	197
Loan to subsidiary	4,180	(4,566)
Operating expenses paid	(737)	(391)
Net cash generated from operating activities	**3,655**	**23,810**
Financing activities		
Dividends paid	(2,882)	(2,418)
Cash used in tender offer	(835)	(21,112)
Tender expenses	(136)	(340)
Proceeds from issue of shares	1,012	-
Net cash used in financing activities	**(2,841)**	**(23,870)**
Net decrease in cash and cash equivalents	814	(60)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	67	127
Cash and cash equivalents at end of the year	**881**	**67**

The accompanying notes on pages 49 to 63 form an integral part of these financial statements

Notes to the Financial Statements

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

	30 June 2023 US$'000	30 June 2022 US$'000
Equity interest in subsidiary	93,766	76,705
Loan to subsidiary	2,320	6,500
Total investment in subsidiary	**96,086**	**83,205**

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$2,320,179 (2022: US$6,500,000), 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 year-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 30 June 2023 the Subsidiary held 23 P-Notes (2022: 17) with a value of US$52,441,930 (2022: US$28,259,031), held to obtain exposure to Saudi Arabia where direct investment in equities is not possible for foreign investors.
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.

Investments held by the Subsidiary

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

Security name	Number	US$'000
Qatar Gas Transport (QGTS QD)	6,445,120	7,197
Qatar Navigation (QNNS QD)	2,477,030	7,040
National Commercial Bank	626,357	6,140
Middle East Healthcare*	285,754	5,389
Integrated Holding Company	3,297,916	4,648
Seera Group Holdings*	624,400	4,422
United International Transportation Co*	222,799	4,338
Maharah Human Resources*	263,618	3,952
Company for Co-op Insurance*	105,000	3,882
Emaar Properties Company (EMAAR UH)	2,182,000	3,807
Qatar Islamic Bank (QIBK QD)	770,000	3,745

Notes to the Financial Statements continued

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

Investments held by the Subsidiary continued

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

Security name	Number	US$'000
Saudi Ground Services*	384,395	3,512
Emirates National Bank of Dubai (ENBD UH)	827,000	3,332
Yanbu Cement*	255,506	2,917
Saudi British Bank B12LSY7*	279,000	2,828
Gulf Insurance*	299,099	2,521
Arabian Contracting Services*	52,655	2,497
Banque Saudi Fransi - SHAMAL 05.06.19*	225,000	2,497
Qatar National Bank (QNBK QD)	563,000	2,384
United Electronics Company*	116,000	2,268
Qatar Insurance (QATI QD)	3,742,999	2,230
Bawan Company*	195,354	1,881
Leejam Sports Co*	54,628	1,874
Commercial Bank of Qatar (CBQK QD)	1,040,462	1,655
Alamar Foods*	41,450	1,446
Bupa Arabia Co*	27,927	1,375
Riyadh Cables*	76,240	1,328
Jahez International*	5,689	956
Emaar Properties Company USD*	485,000	861
Alkhorayef Water and Power Tech*	17,500	742
Qatar Insurance USD*	750,000	474
Emirates NBD USD Stock*	115,000	463
Jamjoom Pharmaceuticals Factory Company*	867	21
		94,622

*P-notes

Investments held by Subsidiary

30 June 2022: Financial assets at fair value through profit or loss; all quoted equity securities or P-Notes:

Security name	Number	US$'000
Commercial Bank of Qatar (CBQK QD)	4,376,921	8,226
Qatar Gas Transport (QGTS QD)	6,896,794	7,084
Qatar Navigation (QNNS QD)*	2,133,250	4,900
Emaar Properties Company (EMAAR UH)*	3,018,122	4,272
National Commercial Bank**	239,000	4,197
Air Arabia*	6,400,182	3,606
Saudi Telecom*	130,500	3,377
Qatar National Bank (QNBK QD)	552,152	3,022
Dubai Islamic Bank (DIB UH)	1,924,164	3,012
Middle East Healthcare*	345,000	2,947
United International Transportation Co*	230,304	2,759
Emirates NBD USD Stock*	748,978	2,671
Emirates National Bank of Dubai (ENBD UH)	715,000	2,550
Integrated Holding Co	1,850,000	2,398
Maharah Human Resources*	128,963	2,093
Mannai Corporation (MCCS)	893,705	2,044
Alinma Bank*	191,000	1,700
Almarai Co Ltd*	120,000	1,676
Gulf International Services (GISS QD)	2,850,000	1,629
Saudi Airlines Catering Co*	71,000	1,343
Al Hammadi Company*	132,000	1,263
Aldrees Petroleum and Transport Serv Co*	69,000	1,217
Vodaphone Qatar	2,758,493	1,205
Barwa Real Estate (BRES QD)	960,000	872
Saudi International Petrochemical*	60,000	801
Fawaz Abdulaziz Al*	260,000	788
Qatar International Islamic Bank (QIIK)	263,401	771
Qatar Gas Transport USD*	402,256	413
Abdullah Al Othaim Markets Co	15,000	413

Notes to the Financial Statements continued

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

Investments held by Subsidiary continued

30 June 2022: Financial assets at fair value through profit or loss; all quoted equity securities or P-Notes (continued):

Security name	Number	US$'000
Banque Saudi Fransi – SHAMAL*	24,000	303
Arab National Bank = Shamal*	38,000	299
		73,851

***P-Notes.**

1(c) Risks relating to financial instruments

Risks relating to financial instruments comprise market price risk, credit risk, interest rate risk, liquidity risk and foreign currency risk. These are detailed below and in notes 2, 6 and 8.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the statement of financial position date. This relates also to financial assets carried at amortised cost.

At the reporting date, the financial assets exposed to credit risk comprised the following:

	30 June 2023 US$'000	30 June 2022 US$'000
Loan to subsidiary	2,320	6,500
Cash and cash equivalents	881	67
Other receivables	22	28
	3,223	6,595

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Management does not expect any counterparty to fail to meet its obligations and there are no debts past their due dates as at the year-end. All amounts are due within one month of the year end.

Investments held by the subsidiary are held by the Custodian, HSBC Bank (Middle East) Ltd.

P-Notes held by the Company's subsidiary are issued by counterparty financial institutions and therefore the Company is exposed to credit risk in relation to these financial institutions. The value of P-Notes held at the year-end is disclosed in note 1(a). The counterparties are Merrill Lynch International & Co C.V. (guaranteed by Bank of America Corporation), EFG-Hermes MENA Securities Limited (guaranteed by EFG-Hermes Holding S.A.E.) and HSBC Bank Middle East (guaranteed by HSBC Bank plc).

The credit ratings of the financial institutions are as follows:

Merrill Lynch international	A+
Bank of America Corporation	A-
HSBC Bank plc	A+

The ratings for Merrill Lynch and Bank of America are from Standard and Poors and the rating for HSBC is from Fitch.

Notes to the Financial Statements continued

1(c) Risks relating to financial instruments continued

Credit risk continued
EFG Hermes MENA Securities Limited and EFG Hermes Holding S.A.E. do not have a credit rating. However, the Board and Investment Advisor have reviewed their credit worthiness and consider it to be acceptable.

The investments in P-Notes, which are over-the-counter equity linked instruments, expose the Company to the risk that the counterparties to the instruments might default on their obligations to the Company. The Directors consider the risk to be insignificant.

The Subsidiary uses the banking services of HSBC Bank (Middle East) Ltd and Barclays (Isle of Man) PLC. HSBC has a credit rating of A2 assigned by Moody and Barclays has a credit rating of A- from Standard and Poors.

Other receivables principally relate to loan interest receivable from the Subsidiary.

Interest rate risk
The Company's loan to subsidiary bears interest and is stated at fair value, which is considered to be equivalent to cost as the loan is repayable on demand, bears interest at floating rate and there is negligible credit risk. The underlying portfolio held by the Subsidiary comprises equities or equity linked securities. Cash held is invested at short-term market interest rates. As a result, the Company is not subject to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. However, it is subject to cash flow risk arising from changes in market interest rates with respect to cash balances held by the Company and the Subsidiary.

The table below summarises the Company's exposure to interest rate risks. It includes the Company's financial assets and liabilities at the earlier of contractual re-pricing or maturity date, measured by the carrying value of assets and liabilities:

30 June 2023	Less than 1month US$'000	1-3 months US$'000	3 months to 1 year US$'000	1-5 years US$'000	Over 5 years US$'000	Non-interest bearing US$'000	Total US$'000
Financial assets							
Equity interest in subsidiary						93,683	93,683
Loan to subsidiary	2,320	-	-	-	-	-	2,320
Other receivables and prepayments	-	-	-	-	-	22	22
Cash	881	-	-	-	-	-	881
Total financial assets	3,201	-	-	-	-	93,705	96,906
Financial liabilities							
Other payables and accrued expenses	-	-	-	-	-	151	151
Total financial liabilities	-	-	-	-	-	151	151
Total interest rate sensitivity gap	**3,201**	**-**	**-**	**-**	**-**		

Notes to the Financial Statements continued

1(c) Risks relating to financial instruments continued

Interest rate risk continued

30 June 2022	Less than 1month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	Non-interest bearing	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Financial assets							
Equity interest in subsidiary	-	-	-	-	-	76,705	76,705
Loan to subsidiary	6,500	-	-	-	-	-	6,500
Other receivables and prepayments	-	-	-	-	-	28	28
Cash	67	-	-	-	-	-	67
Total financial assets	6,567	-	-	-	-	76,733	83,300
Financial liabilities							
Other payables and accrued expenses	-	-	-	-	-	73	73
Total financial liabilities	-	-	-	-	-	73	73
Total interest rate sensitivity gap	**6,567**	**-**	**-**	**-**	**-**		

All interest received on cash balances are at variable rates. A sensitivity analysis for changes in interest rates on cash balances has not been provided as it is not deemed significant.

2 Fair value hierarchy

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The investment in subsidiary held by the Company is classified as level 2 in the fair value hierarchy – being based on the net asset value of the Subsidiary.

All the underlying listed equity investments held by the Subsidiary are classed as level 1 investments. The P-Notes held by the Subsidiary are classed as level 2. The analysis of investments held by the Subsidiary between level 1 and level 2 is as follows:

Financial assets at fair value through profit or loss at 30 June 2023	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Assets:				
Equity investments	42,180	-	-	42,180
P-Notes	-	52,442	-	52,442
	42,180	**52,442**	**-**	**94,622**

Notes to the Financial Statements continued

2 Fair value hierarchy continued

Financial assets at fair value through profit or loss at 30 June 2022	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Assets:				
Equity investments	45,591	-	-	45,591
P-Notes	-	28,260	-	28,260
	45,591	**28,260**	**-**	**73,851**

The fair value of other financial instruments both held by the Company and the Subsidiary, including cash and short-term receivables and payables is a reasonable approximation of fair value.

Market price risk
The Company's strategy for the management of investment risk is driven by the Company's investment objective. The main objective of the Company is to capture the opportunities for growth offered by the Gulf Cooperation Council region ("GCC") by investing in GCC countries.

All investments present a risk of loss of capital through movements in market prices. The Investment Manager and Investment Adviser moderate this risk through a careful selection of securities within specified limits. The Investment Manager and the Investment Adviser review the position on a day-to-day basis and the Directors review the position at Board meetings.

The Company's market price risk is managed through the diversification of the underlying investment portfolio held by the Subsidiary. Approximately 97% (2022: 89%) of the net assets attributable to holders of Ordinary Shares is invested in equity securities and P-Notes held by the Subsidiary, on a look through basis.

At 30 June 2023, if the market value of the investment portfolio held by the Subsidiary had increased/decreased by 1.5% (as per the movement in the SEMGGCPD Index post year-end measured at 6 July 2023) with all other variables held constant, this would have increased/decreased net assets attributable to shareholders by approximately US$1.42 million (30 June 2022 : 5.10% : US$3.77 million). Market price volatility is expected to increase due to geo-political uncertainty and global inflationary pressures.

3 Net asset value per share

The net asset value per share as at 30 June 2023 is US$2.3556 per share (30 June 2022: US$2.0256) based on 41,125,480 (30 June 2022: 41,105,216) Ordinary shares in issue as at that date.

4 Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Ordinary shares in issue during the year.

	30 June 2023	30 June 2022
Profit attributable to equity holders of the Company (US$'000)	16,456	16,183
Weighted average number of Ordinary shares in issue (thousands)	40,993	47,474
Basic and diluted earnings per share (cents per share)	40.14	34.09

Notes to the Financial Statements continued

5 Share capital

	30 June 2023 US$'000	30 June 2022 US$'000
Authorised 500,000,000 Ordinary shares of US$0.01 each	5,000,000	5,000,000
Issued, called-up and fully-paid: 41,125,480 (2022:41,105,216) Ordinary shares of US$0.01 each in issue, with full voting rights	411	411
Nil (2022: Nil) Ordinary shares of US$0.01 each held in treasury	-	-
Issued share capital	**411**	**411**

On 14 October 2022 the Company completed the purchase of 178,064 Tendered Shares and on 21 April 2023 the Company completed the purchase of 251,672 Tendered Shares. This was in accordance with the Tender Offer launched on 23 November 2020. These Tendered Shares were cancelled. In addition on 20 December 2022 the Company issued 75,000 ordinary shares, on 1 June 2023 the Company issued 50,000 ordinary shares, on 2 June 2023 the Company issued 100,000 ordinary shares, on 6 June 2023 the Company issued 50,000 ordinary shares, on 13 June the Company issued 125,000 ordinary shares and on 16 June 2023 the Company issued 50,000 ordinary shares. This was in accordance with the block listing application which became effective on 10 May 2022. The issued share capital is now 41,125,480 shares with no shares held in treasury. As a result, the total number of shares with voting rights is 41,125,480.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Company. The Board manages the Company's affairs to achieve Shareholder returns.

through capital growth rather than income and monitors the achievement of this through growth in net asset value per share.

Capital comprises share capital and reserves. Neither the Company nor the Subsidiary is subject to externally imposed capital requirements.

6 Other payables and accrued expenses

	30 June 2023 US$'000	30 June 2022 US$'000
Administration fee payable	40	39
Accruals and sundry creditors	111	34
	151	**73**

Liquidity risk

The Company manages its liquidity risk by maintaining sufficient cash for operations and the ability to realise market positions. The Company's liquidity position is monitored by the Investment Manager and the Board of Directors.

Notes to the Financial Statements continued

6 Other payables and accrued expenses continued

Liquidity risk continued

The residual undiscounted contractual maturities of financial liabilities are in the table below:

30 June 2023	Less than 1 month US$'000	1-3 months US$'000	3 months to 1 year US$'000	1-5 years US$'000	Over 5 years US$'000	No stated maturity US$'000
Financial liabilities						
Other creditors and accrued expenses	151	-	-	-	-	-
	151	-	-	-	-	-

30 June 2022	Less than 1 month US$'000	1-3 months US$'000	3 months to 1 year US$'000	1-5 years US$'000	Over 5 years US$'000	No stated maturity US$'000
Financial liabilities						
Other creditors and accrued expenses	73	-	-	-	-	-
	73	-	-	-	-	-

7 Expenses

	30 June 2023 US$'000	30 June 2022 US$'000
Administrator and Registrar's fees (see below)	160	161
Audit fees	83	35
Custodian fees (see below)	3	3
Directors' fees and expenses*	139	151
Directors' insurance cover	38	51
Broker fees	46	58
Other expenses	341	194
	810	653

*Directors fees amounted to US$103,374 and Directors expenses were US$35,108.

Investment management fees and custodian fees borne by the Subsidiary were US$691,179 and US$90,904 respectively (2022: US$752,984 and US$87,304 respectively).

Investment manager's fees

Annual fees

The Investment Manager was entitled to an annual management fee of 1.25% of the Net Asset Value of the Company, calculated monthly and payable quarterly in arrears. The Investment Management Agreement was subject to termination on 31 October 2013 with a revised agreement coming into effect from 1 November 2013. Under the revised agreement the annual fee reduced to 1.05% of the net asset value of the Company and further reduced to an annual fee of 0.90% of the net asset value of the Company from 1 November 2016. This was due for termination on 31 October 2019 but was rescinded and the fee continues at a rate of 0.80% which was effective from 1 January 2021.

Annual management fees for the year ended 30 June 2023 amounted to US$691,179 (30 June 2022: US$752,984) and the amount accrued but not paid at the year-end was US$185,131 (30 June 2022: US$180,013). This fee is borne by the Subsidiary.

Notes to the Financial Statements continued

7 Expenses

Administrator and Registrar fees
The Administrator is entitled to receive a fee of 12.5 basis points per annum of the net asset value of the Company between US$0 and US$100 million, 10 basis points of the net asset value of the Company above US$100 million.

This is subject to a minimum 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.

The Administrator may utilise the services of a CREST accredited registrar for the purposes of settling share transactions through CREST. The cost of this service will be borne by the Company. It is anticipated that the cost will be in the region of £12,000 per annum subject to the number of CREST settled transactions undertaken.

Administration fees paid for the year ended 30 June 2023 amounted to US$159,975 and US$17,047 for additional services (30 June 2022: US$161,493 and US$17,047 respectively). Outstanding Administration fees at the year-end amounted to US$39,996 (30 June 2022: US$39,600).

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). From 1 March 2013 the custodian agreed to a 25% reduction in custodian fees relating to the Qatari market.

Custodian and sub-custodian fees for the year ended 30 June 2023 amounted to US$94,054 (30 June 2022: US$90,254) and the amount accrued but not paid at the year-end was US$9,091 (30 June 2022: US$7,173). This fee is borne by the Subsidiary.

8 Foreign currency translation

The US Dollar is the currency in which the financial statements are presented (“the presentational currency”) as reporting to shareholders is in US Dollars and the shares are quoted in US Dollars. The US Dollar is also the functional currency.

Monetary assets and liabilities denominated in foreign currencies as at the date of these financial statements are translated to US Dollar at exchange rates prevailing on that date. Income and expenses are translated into US Dollar based on exchange rates on the date of the transaction. All resulting exchange differences are recognised in the income statement at the exchange rate prevailing on the statement of financial position date. Items of income and expense are translated at exchange rates on the date of the relevant transactions or an average rate.

Foreign exchange risk
The Company’s operations, via the Subsidiary, are conducted in jurisdictions which generate revenue, expenses, assets and liabilities in currencies other than US Dollar. As a result, the Company is subject to the effects of exchange rate fluctuations with respect to these currencies. The Company’s policy is not to enter into any currency hedging transactions.

Notes to the Financial Statements continued

8 Foreign currency translation continued

Foreign exchange risk continued

At the reporting date the Company had the following exposure, including assets and liabilities held by the Subsidiary:

Currency	30 June 2023	30 June 2022
	%	%
Qatari Riyal	25.89	38.91
US Dollar	61.64	35.42
UAE Dirham	7.40	20.02
Kuwaiti Dinar	4.80	5.44
Saudi Arabia Riyal	0.25	0.14
British Pound	0.02	0.07

The following table sets out the Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities, including those held by the Subsidiary:

30 June 2023	Assets	Liabilities	Net exposure
	US$'000	US$'000	US$'000
US Dollar	60,026	(316)	59,710
Qatari Riyal	25,084	-	25,085
UAE Dirham	7,174	-	7,174
Kuwait Dinar	4,649	-	4,649
British Pound	57	(39)	18
Saudi Arabia Riyal	239	-	239
Omani Riyal	1	-	1
	97,230	(355)	96,876
30 June 2022	Assets	Liabilities	Net exposure
	US$'000	US$'000	US$'000
US Dollar	32,644	(3,156)	29,488
Qatari Riyal	32,394	-	32,394
UAE Dirham	16,670	-	16,670
Kuwait Dinar	4,797	(265)	4,532
British Pound	62	-	62
Saudi Arabian Riyal	118	-	118
	86,685	(3,421)	83,264

Foreign currency sensitivity risk (Company)

At 30 June 2023 had the US Dollar weakened/strengthened by 1% (2022 : weakened/strengthened 1%) in relation to all currencies, with all other variables held constant, net assets attributable to equity holders of the Company would have increased/decreased by the amounts shown below:

Foreign currency sensitivity risk on a look through basis, including the Subsidiary.

30 June 2023	US$'000
British Pound	-
Kuwaiti Dinar	46
UAE Dirham	72
Saudi Arabia Riyal	2
Effect on net assets	120

Notes to the Financial Statements continued

8 Foreign currency translation continued

Foreign currency sensitivity risk on a look through basis, including the Subsidiary continued

30 June 2022	US$'000
British Pound	-
Kuwaiti Dinar	45
UAE Dirham	167
Saudi Arabia Riyal	-
Effect on net assets	212

The Qatari Riyal is pegged to the US Dollar.

9 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.

10 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.

The Investment Adviser is Qatar Insurance Company S.A.Q. The Subsidiary holds shares in Qatar Insurance Company S.A.Q. (see note 1(b)). 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 notes 6 and 7.

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

11 The Company

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

Pursuant to an Admission Document dated 25 July 2007 there was an original placing of up to 171,355,000 Ordinary Shares, with Warrants attached on the basis of 1 Warrant to every 5 Ordinary Shares. Following the placing on 31 July 2007, 171,355,000 Ordinary Shares and 34,271,000 Warrants were issued. The warrants expired on 16 November 2012.

The shares of the Company were admitted to trading on the AIM market of the London Stock Exchange ("AIM") on 31 July 2007, when dealings also commenced.

As a result of a further fund raising in December 2007, a further 76,172,523 Ordinary Shares were issued, which were admitted for trading on AIM on 13 December 2007.

On 4 December 2008, the Share premium arising from the placing of shares was cancelled and the amount of the Share Premium account transferred to Retained earnings.

The shares of the Company were admitted to trading on the Main Market of the London Stock Exchange on 13 May 2011. On 19 May 2021 the Company transferred to the Specialist Fund Section of the Main Market of the London Stock Exchange.

Notes to the Financial Statements continued

11 The Company continued

On 30 September 2022, the Company concluded a tender offer for 178,064 shares at a price of US$1.9498 per share. These shares were purchased by the Company and the funds paid to tendering shareholders on 14 October 2022.

On 11 April 2023, the Company concluded a tender offer for 251,672 shares at a price of US$1.9555 per share. These shares were purchased by the Company and the funds paid to tendering shareholders on 21 April 2023.

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 2021 was US$1.7552 per share and pursuant to the above stated policy, the directors declared dividends for the year ended 30 June 2022 of 3.51 cents per ordinary share.

The first dividend was paid on 21 October 2022 to ordinary shareholders on the register as at 9 September 2022 (the "Record Date").

The final dividend was paid to shareholders on 17 March 2023 to ordinary shareholders on the register as at 10 February 2023 (the “Record Date”).

The Company applied to the London Stock Exchange for a block listing of 2,700,000 ordinary shares of US$0.01 each to be admitted on the Specialist Fund Segment of the Exchange. This admission became effective on 10 May 2022. Since then: 20 December 75,000 shares were issued; 1 June 2023 50,000 shares were issued; 2 June 2023 100,000 shares were issued; 6 June 2023 50,000 shares were issued; 13 June 2023 125,000 shares were issued and 16 June 2023 50,000 shares were issued.

The Company’s agents and the Investment manager perform all significant functions. Accordingly, the Company itself has no employees.

Duration
The Company currently does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, it was resolved that shareholders are able to participate in bi-annual tender offers for up to 100% of the share capital.

12 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.

13 Significant accounting policies
Accounting policies for certain items have been included in the relevant note.

13.1 Basis of preparation

Principal activities
The Company’s principal activities, investment objective and strategy and principal risks and uncertainties and the planned tender offers in 2022 are described in the Chairman’s Statement, Business Review, Investment Policy and Corporate Governance Report.

Notes to the Financial Statements continued

13 Significant accounting policies continued

13.1 Basis of preparation continued

Statement of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Isle of Man Companies Act 1931 to 2004.

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.

Basis of measurement
The financial statements have been prepared under the historic cost convention, as modified by the revaluation of financial assets held at fair value through profit or loss, which are stated at fair value.

Use of judgements and estimates
In preparing these financial statements the Company has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Going concern
These financial statements have been prepared on the going concern basis, as the Board of Directors has a reasonable expectation that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including the 100% bi-annual tender offers.

The Company has implemented a programme of bi-annual tender offers in March and September each year, in each case for up to 100 per cent. of each Shareholder's holding of Shares as at the relevant Record Date (each a **"Contractual Bi-Annual Tender Offer"**), subject to a minimum size condition that the post Tender Offer share capital is not less than 38 million shares. In the event the Minimum Size Condition is not met in respect of any Tender Offer, that Tender Offer will not proceed. The Directors will instead put forward proposals to Shareholders for the Company to be wound up with a view to returning cash to Shareholders or to enter into formal liquidation.

Shareholders on the Register at the relevant Record Date will be invited to either (i) continue their full investment in the Company; or (ii) save for Restricted Shareholders, tender some or all of their Shares held at that date. The Directors believe that the implementation of the Contractual Bi-Annual Tender Offers should provide those Shareholders who want it with the additional liquidity they require going forward.

Subject to the result of the Tender Offer, the Company would not be able to continue in operation if the Shareholders approve the proposal to wind up or liquidate the Company. This represents a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities

Notes to the Financial Statements continued

13.1 Basis of preparation continued

Going concern continued
in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

It is also noted that there is a planned continuation vote at the annual general meeting in 2023 and every third year thereafter.

Functional and presentation currency
These financial statements are presented in USD Dollar, which is the Company's presentational and functional currency. All financial information presented in USD Dollar has been rounded to the nearest thousand dollar.

Disclosure on changes in significant accounting policies
The accounting policies applied in the Company financial statements are the same as those applied in the Company financial statements for the year ended 30 June 2022.

Disclosure on changes in significant accounting policies continued
There were no new and revised IFRSs, which become effective for annual periods beginning on or after 1 January 2023, that have been adopted in these financial statements.

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.

13.2 Consolidated financial statements

Consolidated financial statements have not been presented in order to comply with the requirements of the IFRS 10 Investment Entity Consolidation Exception. The Directors have also applied the exemption from the preparation of consolidated accounts available under the Isle of Man Companies Act 1982, section 4(2)(i), on the grounds that they would be of no real value to members of the Company, in view of the insignificant amounts involved. This is on the basis that the profit and net asset value reported in the consolidated accounts would be the same as they are reported in the Company accounts.

13.3 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.

13.4 Investment in and loan to subsidiary

Investment in subsidiary is stated at fair value through profit and loss based on the net asset value of the Subsidiary as reported by the Administrator. The loan to subsidiary is included within this valuation. Interest income on the loan to subsidiary is recognised in the Income Statement using the effective interest method.

13.5 Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not cancelled are held as treasury shares and have no voting rights and do not receive dividends. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within reserves.

13.6 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Notes to the Financial Statements continued

13 Significant accounting policies continued

13.7 Future changes in accounting policies

New and amended IFRSs in issue but not yet effective and not early adopted

The following new standards, amendments and interpretations are in issue but not yet effective for these financial statements and have not been early adopted by the Company. The following amended standards are not expected to have a material impact on the Company's results:

- IFRS 17 insurance contracts – effective from January 2023.
- Amendments to IFRS 17 – effective from January 2023.
- Disclosure of accounting policies (amendments to IAS1 and IFRS practice statement 2) – effective from January 2023.
- Definition of accounting estimate (amendments to IAS 8).
- Deferred tax related asset and liabilities arising from a single transaction – amendments to IAS 12 income taxes – effective 1 January 2023.
- Sale or contribution of assets between an investor and its associate or joint ventures (amendments to IFRS 10 and IAS 28).
- Classification of liabilities as current or non-current (amendments to IAS S1) – effective from January 2024.
- Lease liability in a sale and leaseback amendments to IFRS 16.
- Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28).

There are no other standards, amendments or interpretations to existing standards that are not yet effective, that would have a material impact on the Company's reported results.

14 Post balance sheet events

Jubin Jose, portfolio manager at the Investment Adviser, intends to step down at the end of December 2023. He will be replaced as portfolio manager by Bijoy Joy who is currently Assistant Portfolio Manager of GIF, and who has been involved with Jubin in the day-to-day management of the fund for nearly 10 years.

The Board believe that Bijoy is well suited to manage the fund and to continue to deliver the fund's investment objective for shareholders. He will be supported by Robin Thomas , who has been on the team for over 10 years, and the eleven-strong QIC equity research team.

The first interim dividend of 4.05 cents per share, for the year ended 30 June 2023, was announced on 7 September 2023 with a payment date of 20 October 2023.

The Company issued a further 375,000 ordinary shares after the year end.

In order the maximise the ability for UK investors to invest in the Company, on 13 September 2023 the Board introduced an additional market quote in Sterling (the "Sterling Quote") for the Company's existing ordinary shares on the London Stock Exchange.

Appendix

Unaudited consolidated financial information

Consolidated Income Statement

	Year ended 30 June 2023 US$'000	Year ended 30 June 2022 US$'000
Income		
Dividend income on quoted equity investments	2,895	3,487
Realised gain on sale of financial assets at fair value through profit or loss	4,453	26,906
Net changes in fair value on financial assets at fair value through profit or loss	10,816	(12,607)
Interest income	29	13
Net foreign exchange loss	(55)	(67)
Total net income	**18,138**	**17,732**
Expenses		
Investment manager's fees	691	752
Other expenses	940	771
Total operating expenses	**1,631**	**1,523**
Profit before tax	**16,507**	**16,209**
Income tax expense	51	26
Profit for the year	**16,456**	**16,183**
Basic earnings per share (cents)	**40.14**	**34.09**
Diluted earnings per share (cents)	**40.14**	**34.09**

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

	Year ended 30 June 2023 US$'000	Year ended 30 June 2022 US$'000
Profit for the year	**16,456**	**16,183**
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 for the year	**-**	**-**
Total comprehensive income for the year	**16,456**	**16,183**

Appendix

Unaudited consolidated financial information

Consolidated Statement of Financial Position

	At 30 June 2023 US$'000	At 30 June 2022 US$'000
Assets		
Financial assets at fair value through profit or loss	94,622	73,851
Other receivables and prepayments	328	2,731
Cash and cash equivalents	2,512	6,951
Total assets	**97,462**	**83,533**
Equity		
Issued share capital	411	411
Reserves	96,465	82,853
Total equity	**96,876**	**83,264**
Current liabilities		
Other payables and accrued expenses	586	269
Total current liabilities	**586**	**269**
Total equity and liabilities	**97,462**	**83,533**

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 2022	411	(6,356)	87,366	-	1,843	83,264
Total comprehensive income for the year						
Profit for the year	-	-	16,456	-	-	16,456
Other comprehensive income						
Foreign exchange translation differences	-	-	-	-	-	-
Total other comprehensive expense	-	-	-	-	-	-
Total comprehensive income for the year	-	-	16,456	-	-	16,456
Contributions by and distributions to owners						
Dividends paid	-	-	(2,882)	-	-	(2,882)
Shares subject to tender offer	(4)	(839)	-	-	4	(839)
Tender offer expenses	-	(135)	-	-	-	(135)
Proceeds from shares issued	4	-	-	1,008	-	1012
Total contributions by and distributions to owners	-	(974)	(2,882)	1,008	4	(2,844)
Balance at 30 June 2023	**411**	**(7,330)**	**100,940**	**1,008**	**1,847**	**96,876**
Balance at 1 July 2021	576	15,096	73,601	-	1,678	90,951
Total comprehensive income for the year						
Profit for the year	-	-	16,183	-	-	16,183
Other comprehensive income						
Foreign exchange translation differences	-	-	-	-	-	-
Total other comprehensive expense	-	-	-	-	-	-
Total comprehensive income for the year	-	-	16,183	-	-	16,183
Contributions by and distributions to owners						
Dividends paid	-	-	(2,418)	-	-	(2,418)
Shares subject to tender offer	(165)	(21,112)	-	-	165	(21,112)
Tender offer expenses	-	(340)	-	-	-	(340)
Total contributions by and distributions to owners	(165)	(21,452)	(2,418)	-	165	(23,870)
Balance at 30 June 2022	**411**	**(6,356)**	**87,366**	**-**	**1,843**	**83,264**

Appendix

Unaudited consolidated financial information

Consolidated Statement of Cash Flows

	Year ended 30 June 2023 US$'000	Year ended 30 June 2022 US$'000
Cash flows from operating activities		
Purchase of investments	(214,990)	(227,246)
Proceeds from sale of investments	212,223	254,051
Dividends received	2,746	3,394
Operating expenses paid	(1,599)	(1,283)
Interest received	30	13
Net cash generated from/(used in) operating activities	**(1,590)**	**28,929**
Financing activities		
Dividends paid	(2,882)	(2,418)
Cash used in tender offer	(835)	(21,112)
Tender expenses	(135)	(340)
Proceeds from shares issued	1,012	
Net cash used in financing activities	**(2,840)**	**(23,870)**
Net (decrease)/increase in cash and cash equivalents	(4,430)	5,059
Effects of exchange rate changes on cash and cash equivalents	(9)	90
Cash and cash equivalents at beginning of the year	6,951	1,802
Cash and cash equivalents at end of the year	**2,512**	**6,951**

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 Annual 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 year 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 year. The inputs that have been used to calculate the ongoing charges percentage are set out in the following table:

Ongoing charges calculation*	30 June 2023 US$'000	30 June 2022 US$'000	
Management fee	691	752	
Other operating expenses	940	793	
Total management fee and other operating expenses	1,631	1,545	a
Average net assets in the year	86,063	92,533	b
Ongoing charges (c=a/b)	**1.89%**	**1.67%**	**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 30 June 2023, the share price was USD2.4000 and the audited NAV per share was 2.3536, giving a premium of 1.97%. 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.

Year 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 31 December 2022. 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 rise in year-to-date NAV is set out in the table below:

Date	Equity	Number of ordinary shares in issue	Net asset value per share		
31 December 2022	81,534,639	41,002,152	1.9885		a
30 June 2023	96,875,500	41,125,480	2.3556		b
YTD Change in NAV (c=(b-a)/a)				**18.46%**	**c**