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Gulf Investment Fund manager steps down from oil-powered fund

Gulf Investment manager Jubin Jose is resigning after four years of strong performance from the heavily Saudi-weighted fund.

BY **MICHELLE MCGAGH**

Gulf Investment Fund (GIF) manager Jubin Jose is stepping down after four years of strong performance fuelled by high demand for the region's oil reserves.

Doha-based Qatar Insurance Company manager Jose has confirmed he plans to resign at the end of the year having started his tenure in 2019. He will be replaced by Bijoy Joy, who is currently assistant portfolio manager of the £78m investment company and has been involved in the day-to-day management of the fund for nearly 10 years.

In a stock market statement, the board said Joy was '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 11-strong Qatar Insurance Company equity research team,' it said.

The small Isle of Man investment company but has benefited from the surge in the price of crude oil following Russia's invasion of Ukraine. As a result, the underlying net asset value (NAV) of the portfolio has increased 229.4% over 10 years, by 124.9% over five years, and 93% over three years.

Demand for the shares has seen their price trade consistently above NAV, leaving the fund trading at a slight premium of 1%, although it has been as high as 6.9% over the past year.

The dollar-denominated fund started as a Qatari-focused strategy but expanded to invest in the Gulf Corporation Council (GCC) region, with a major focus on Saudi Arabia, which makes up over half of the portfolio.

The fund does have liquidity constraints given its small size and the fact that two major shareholders own over two-thirds of the shares, but it has benefited from the rising price of oil, with Citywire's David Stevenson reporting earlier this month that the GIF share price has been largely correlated to the oil price.

In the latest quarterly report from the fund, Jose said the outlook for the GCC remained positive given 'comparatively benign inflation, fiscal surpluses, giga and mega infrastructure projects, and social and economic reforms'.

The International Monetary Fund predicted the GCC economt will grow 2.9% in 2023 and 3.3% next year, having grown 7.7% in 2022 but from a low base. Comparatively lower inflation means GCC economies still have room to implement fiscal stimulus measures.

The contribution from oil to these economies is expected to decline, and GCC economies have instigated a number of 'structural reforms' to combat this decline.

'As a result, non-oil GDP is flowing through from fixed investments, private consumption and high government spending,' said Jose.

'This helps diversification and non-oil activities to take a greater share in the economy.'

He maintained that the GCC is 'a bright spot' where the headwinds caused by the Ukraine-Russia war, constrained government spending, high inflation, and recessionary pressure from high interest rates, are not as prevalent.