

## Manager's comments

### GCC Markets - Q1 2026 Update

GCC equity markets delivered a mixed but resilient performance during Q1 2026, supported by strong oil prices, robust banking sector fundamentals, and continued progress in economic diversification across the region. The quarter began with strong investor risk appetite and foreign inflows, before geopolitical tensions toward the end of the period introduced volatility across regional markets.

Elevated hydrocarbon prices remained a key macro tailwind, supporting fiscal balances and government spending across GCC economies. Non-oil sector growth continued to underpin economic momentum, particularly in Saudi Arabia and the UAE. The regional banking sector remained the primary earnings driver, supported by healthy credit growth, stable asset quality, and elevated interest rate environments that sustained net interest margins. Energy and industrial sectors also benefited from firm commodity prices, while real estate and consumer segments showed selective performance.

### Country Highlights (Q1 2026): -

#### Muscat Stock Exchange - Oman (+42%)

Improving domestic liquidity, attractive valuations, and renewed investor interest in smaller GCC markets

#### Qatar Stock Exchange - Qatar (-5.33%)

Higher volatility toward quarter-end as investors reassessed regional risk premiums

#### Tadawul - Saudi Arabia (+7.23%)

Relative resilience supported by banking sector earnings strength and continued oil exports

#### UAE (Dubai -10.73% and Abu Dhabi -4.72%)

Abu Dhabi and Dubai benchmarks were down by 4.72 % and 10.73 % led by fall in real estate and banking names due to risk off and high FII selling

#### Kuwait (Borsa Kuwait) (-5.51%)

Lost all gains of Jan and Feb in March as it was one of the most impacted by geopolitics

### Portfolio Performance

On YTD basis, the Fund was up by 3.15 % while the index gained 1.15%. Outperformance was primarily driven by the overweight in the Tadawul Index and underweight in the UAE market. Alpha was generated through concentrated positions in Oman.

### Outlook - FY26

Market direction is expected to remain linked to oil price stability, global interest rate expectations, and geopolitical developments, while domestic reform momentum and earnings growth continue to provide medium-term support for regional equities.

## Top holdings

Name	Country	Portfolio weight
Al Rajhi Bank	KSA	8.25%
Electrical Industries Co	KSA	4.75%
Al Babbtain Power	KSA	4.05%

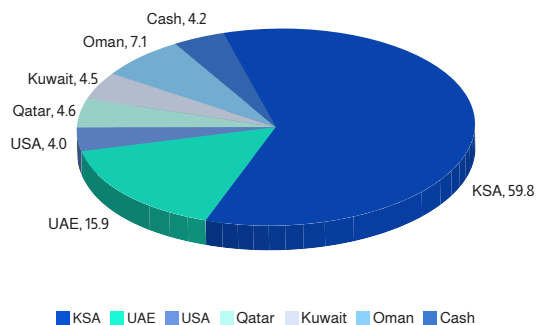
## Key features

Domiciled in	Sultanate of Oman
Denomination	Rial Omani
Fund Structure	Open-Ended (Weekly NAV)
Objective	Dividend income and Capital Growth
Regulated by	Financial Services Authority, Oman
Managed by	National Bank of Oman SAOG
Administrated by	National Bank of Oman SAOG
Audited by	Moore Stephens LLC (Oman)
Legal Advisor	A&Q Law Firm
Management Fee	1.10% p.a.
Performance Fee	10% of return above hurdle rate of 10% p.a.
Dividend for 2014	4%
Dividend for 2015	2%
Dividend for 2018	3%
Dividend for 2019	3%
Dividend for 2023	5%
Dividend for 2024	6%

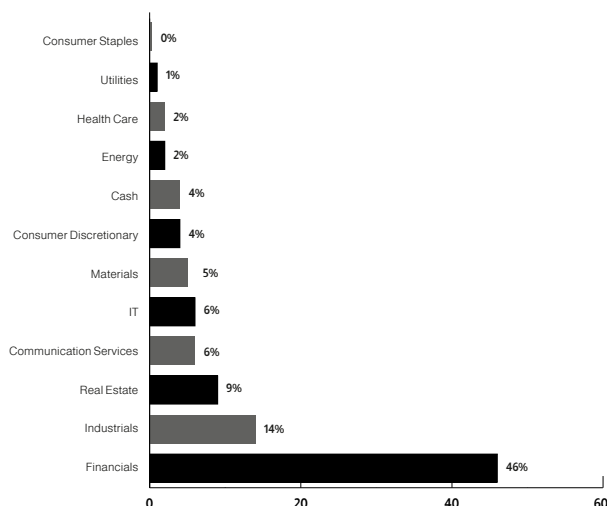
## Fund Characteristics

Ratios	Fund	S&P GCC
Price to Earnings Ratio	13.00	14.21
Price to Book Ratio	2.53	1.84
Dividend Yield (%)	3.63	4.02

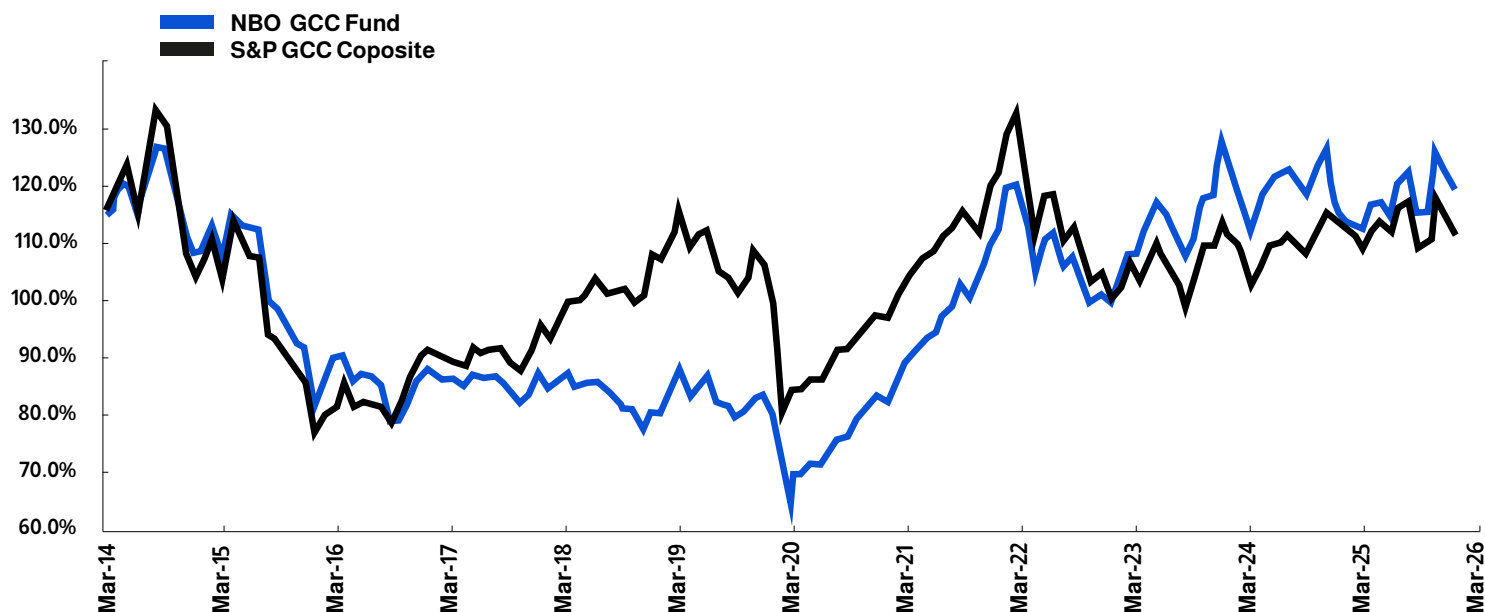
## Geographic Allocation



## Sector Allocation



## NAV since inception



## Year wise performance

	NBO GCC Fund	S&P GCC Composite Index
FY21	26.70%	31.45%
FY22	-4.79%	-7.16%
FY23	18.81%	6.19%
FY24	8.99%	2.02%
FY25	-0.57%	-1.47%
FY26 – YTD	3.24%	1.15%

## Return comparison

	NBO GCC Fund	S&P GCC Composite Index
1 Month	-1.55%	-2.31%
3 Month	3.24%	1.15%
YTD	3.24%	1.15%
2 Year(Annualized)	3.31%	0.35%
3 Year(Annualized)	8.11%	3.21%
5 Year(Annualized)	8.87%	3.32%

A FUND ADMINISTERED AND MANAGED BY



For Subscription email us @ GCCFund@nbo.co.om

The Fund's registered address is:  
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