

## QNB Debt Fund - Monthly Report for August 2024

### Investment Objective

To provide investors with competitive, investment returns from selected bonds issued by reputable companies located in Qatar and the other member nations of the Gulf Cooperation Council and their entities in any region with a fund's maximum average portfolio duration of four years.

Total Net Asset value (in QAR)	Total Net Asset value per unit month of August - 2024 (in QAR)	Total Net Asset value per unit month of July - 2024 (in QAR)
38,385,450.62	13.826	13.607

	Fund	Benchmark
1 Month	1.61 %	0.51 %
Year to Date	4.71 %	4.10 %
1 year	7.49 %	6.21 %
3 Years	5.35 %	12.91 %
Since Inception	38.26 %	26.61 %

### Annualised Returns (%)

2023	4.95 %	5.83 %
2022	-4.32 %	2.28 %
2021	4.22 %	0.61 %
2020	-1.19 %	1.13 %
2019	8.04 %	2.83 %
2018	0.48 %	2.55 %
2017	4.32 %	1.61 %
2016	6.52 %	1.01 %
2015	-0.48 %	0.70 %
2014	4.39 %	0.66 %
2013	1.89 %	0.64 %

### Risk Indicators

St. Deviation (3 years)	3.03 %	0.64 %
Sharpe (3 years)	-0.65	-4.64

### Fund Information

#### Particulars

#### Fund Manager Comment

Fund type	Open-End Fund
Category	Fixed Income
Style	Active
Geography	Qatar
Subscription/Redemption	Monthly
Minimum	QR 20,000
Investment Management Fee	0.75 % p.a
Subscription / Redemption Fee	Nil
Benchmark	Libor + 50 bps
Performance Fee	n/a
Inception	January 2013
Fund Currency	Qatari Riyal
Auditor	Deloitte & Touche
Regulator Founder	QCB – Qatar Central Bank
Founder	QNB
Investment Manager	QNB Suisse SA
Custodian	HSBC

August saw the fixed-income asset class maintain its positive performance momentum despite moderating GDP, a softer labor market, and weakening manufacturing data that sparked recessionary fears. This fear strengthened the rate cut expectation in September, resulting in the performance above. Despite regional bond spreads widening earlier in the month due to negative news about regional conflicts, the market settled towards the end of the month, providing a sense of stability.

In August, the US 10-year treasury yield ended lower at 3.90% from 4.02%. The front end of the curve moved sharper between 20-35 bps as it reacted swiftly to the rate cut expectations. Importantly, it seems the curve is on a dis-inversion trend and is expected to continue. As of August, the US treasury 2-10 gap ended at -1.7 bps from c.-23 bps. Compared to July, certainty over rate cuts has increased, and we are expected to have the first rate cut for the year in September and probably another couple to follow before the end of the year. The disinflation trend appears stable, but service inflation has been stickier than expected.

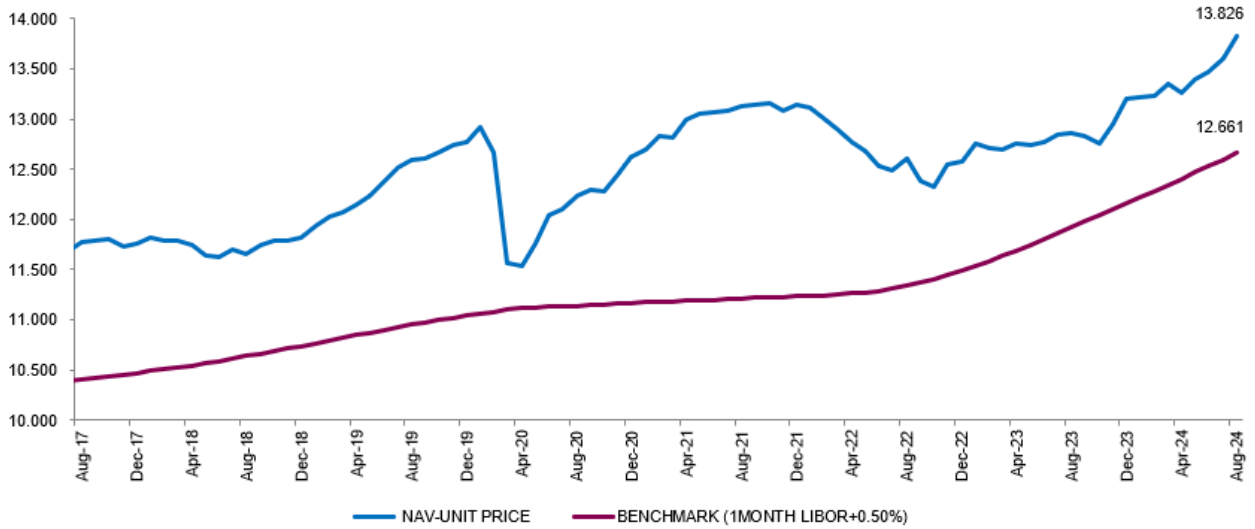
However, many variables are in play, as the US budget deficit is expected to widen with either of the US administrations in power and a possible reversal in the inflation trend in the case of a Trump administration in power. Therefore, there is a remote possibility of a rate hike and an elevation of the yield curve from current levels. During the month, Brent ended lower at c. USD 78.80 from c. USD 80.72, with expected lower global demand, especially with weakness in the Chinese economy. The regional IG and HY space remain favorable to their global counterparts and will continue attracting flows from yield-seeking investors.

As of August 2024, QNB Debt Fund held 30 holdings with a long-term gross yield of c. 5.8 % p.a and a duration of c. 3.6 Years.

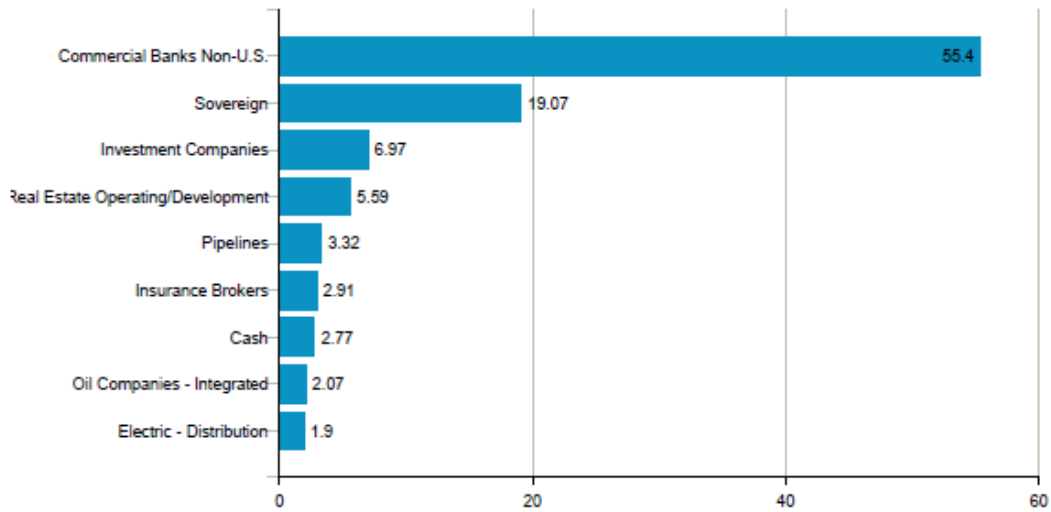
### Top 5 Holdings

Issuer Name	Weight (%)
1 Public Investment Fund	6.96 %
2 QNB Finansbank	5.36 %
3 Government of Bahrain	4.94 %
4 Sharjah Islamic Bank	4.69 %
5 Ahli Bank Qatar	4.50 %

## NAV Movement



## Sector Allocation



## Contact Details

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## Information

**Bloomberg Ticker:** QNBDEBT QD Equity  
**Reuters Ticker:** LP68186853  
**Morningstar Ticker:** F00000PXPQ