

## QNB Debt Fund - Monthly Report for January 2025

### 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 January - 25 (in QAR)	Total Net Asset value per unit month of December - 24 (in QAR)
38,347,834.05	13.970	13.871

	Fund	Benchmark
1 Month	0.71 %	0.43 %
Year to Date	0.71 %	0.43 %
1 year	5.68 %	5.95 %
3 Years	6.56 %	15.21 %
Since Inception	39.70 %	29.52 %

### Annualised Returns (%)

2024	5.05 %	6.04 %
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)	3.13 %	0.51 %
Sharpe (3 years)	-0.32	-3.65

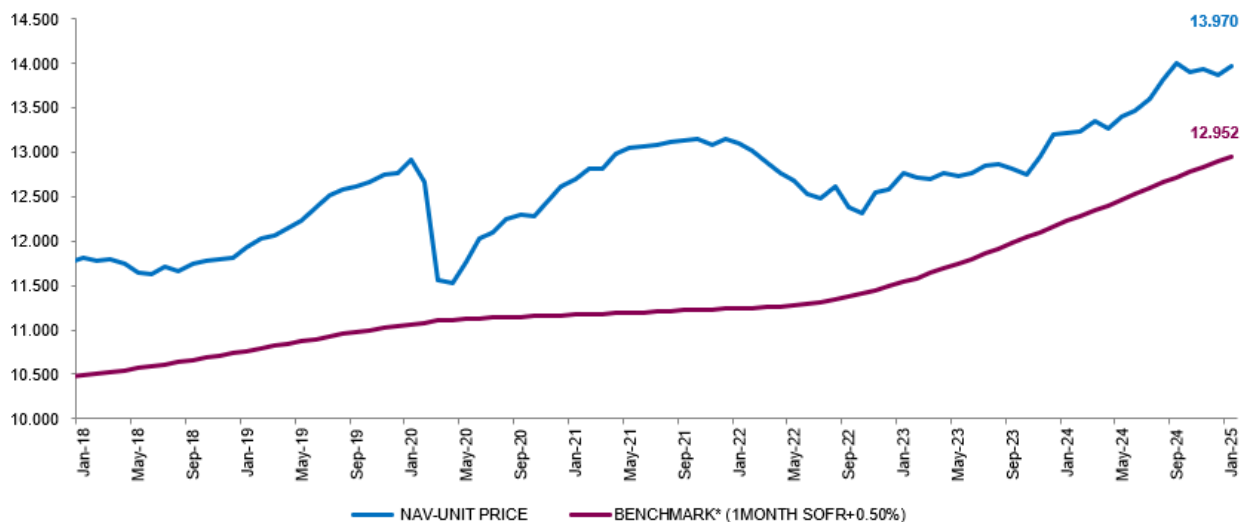
### Fund Information

Fund Information	Particulars	Fund Manager Comment
Fund type	Open-End Fund	January was a volatile month for fixed income but ended positively towards the end of the month. Volatility was initially driven by Trumps words regarding tariffs that were expected to elevate inflation in addition to fiscal expansion. The increase of about 20 bps in 10-year treasuries was erased by the lower-than-expected inflation numbers later in the month. The number of rate cuts edged towards 2 from the single cut expectation that prevailed at the beginning of the month.
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*	SOFR + 50 bps	
Performance Fee	n/a	
Inception	January 2013	The US 10-year treasury rate moved from 4.57% to 4.54% during the month despite moving to 4.79% during the month soon after trumps inauguration speech. We expect volatility of the yields levels given the continuous volatile rhetoric emerging especially with respect to tariffs and consequent impacts globally. Our plan is to be vigilant about these moves to generate alpha for the fund against the benchmark. As of now we expect the curve to flatten in the interim while moving back to the long-term expectation of a steeper yield curve.
Fund Currency	Qatari Riyal	
Auditor	Deloitte & Touche	
Regulator Founder	QCB – Qatar Central Bank	
Founder	QNB	
Investment Manager	QNB Suisse SA	
Custodian	HSBC	
		Given that rates are elevated in general, we expect a moderately good year for fixed income space, provided no significant demons emerge during the year that may lead to widening spreads. Currently, the Bloomberg MENA index has a gross yield of 5.4% with a duration of 6.3 years, which should be a decent entry level for fixed-income investors, given the downward trajectory of short-term rates. The Fund was operating at a gross yield close to 6.4% as of January end.

### Top 5 Holdings

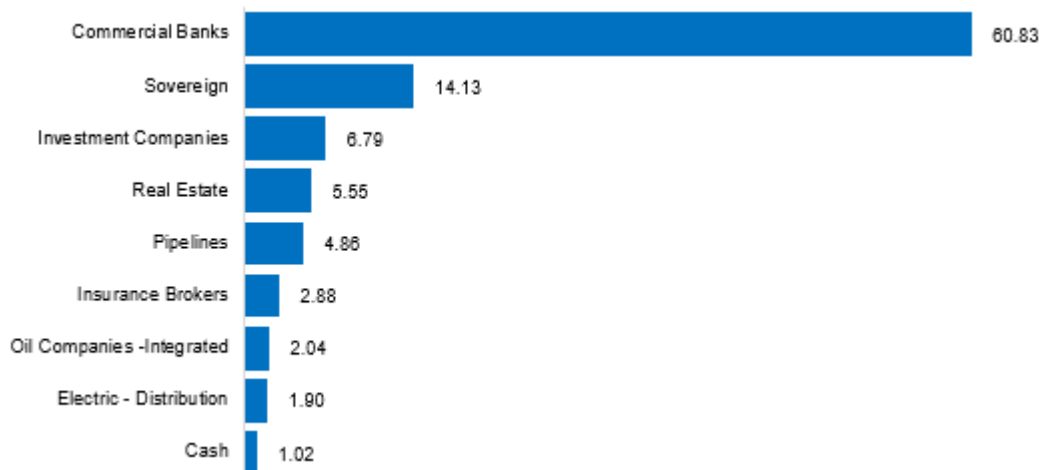
Issuer Name	Weight (%)	
1 Public Investment Fund	6.67 %	During the month, Brent moved marginally higher to c. USD 76.76 from c. USD 74.64 driven mainly by the expected sanctions on Russia together with heightened seasonal consumption. The regional IG and HY space remain favorable to their global counterparts and will continue attracting flows from yield-seeking investor.As of January 2025 QNB Debt Fund held 31 holdings with a long-term gross yield of c. 6.1 % p.a and a duration of c. 3.5 Years
2 QNB Finansbank	5.42 %	
3 Government of Bahrain	4.84 %	
4 Sharjah Islamic Bank	4.72 %	
5 Ahli Bank Qatar	4.58 %	

## NAV Movement



\*Benchmark – Replacement rate SOFRRATE Index used after the cessation of US0001M Index from November 2024, in line with guidance set by the International Swaps and Derivatives Association (ISDA)

## Sector Allocation



## Contact Details

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## Information

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