

## QNB Debt Fund - Monthly Report for July 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 July - 24 (in QAR)	Total Net Asset value per unit month of June - 24 (in QAR)
37,778,380.99	13.607	13.465

	Fund	Benchmark
1 Month	1.05 %	0.51 %
Year to Date	3.05 %	3.57 %
1 year	5.92 %	6.21 %
3 Years	4.00 %	12.39 %
Since Inception	36.07 %	25.96 %

### 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)	2.91 %	0.65 %
Sharpe (3 years)	-0.77	-4.78

### 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

July was a favorable month for the Fixed-Income space. This was due to softer inflation data and weaker labor market data, which improved the certainty of US Fed rate cuts later in the year. This resulted in the contraction of US treasury rates. Even though a soft-landing scenario is built in as the consensus view, weak labor market and growth data points in the future may intensify rate-cut expectations further.

In July, the US 10-year treasury yield ended lower at 4.03% from 4.40%. During this period, the entire curve moved lower by 35-50 points. Importantly, it seems the curve is on a disinversion trend, and whether it will be sustained will depend on further upcoming data points. The economic data on US growth, while showing signs of moderation, remained stable and above expectations for the June print. On the inflation side, the disinflation trend appears to be strengthening somewhat, and pressure has been exerted on the US Fed to make bold decisions. The issue is mainly service inflation, which has been stickier than expected. Compared to June, certainty over rate cuts has increased, and we are expected to have the first rate cut for the year in September and probably another one to follow before the end of the year.

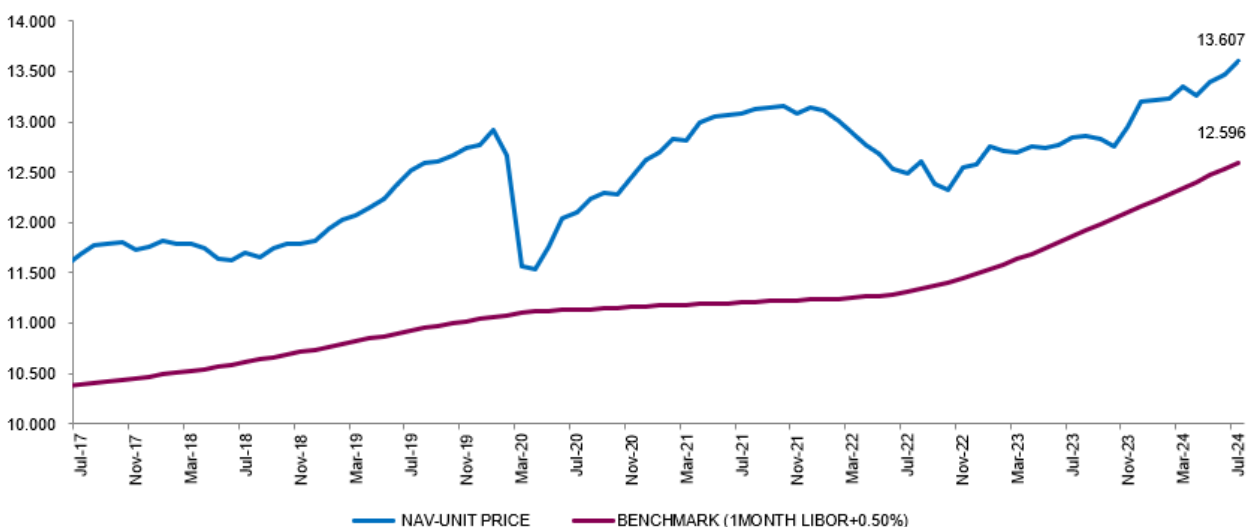
However, many variables are in play, as the US budget deficit is expected to widen with either of the US administrations in power and a possible reversal in the inflation trend in the case of a Trump administration in power. Therefore, there is a remote possibility of a rate hike and an elevation of the yield curve from current levels. During the month, Brent ended lower at c. USD 80.72 from c. USD 86.41. Despite the drop, elevated levels are expected to remain due to global demand and ongoing conflicts within the Middle East. The regional IG and HY space remain favorable to their global counterparts and will continue attracting flows from yield-seeking investors as the current yields reflect decade-long highs.

As of June 2024, QNB Debt Fund held 30 holdings with a long-term gross yield of c. 6.2 % p.a and a duration of c. 3.6 Years.

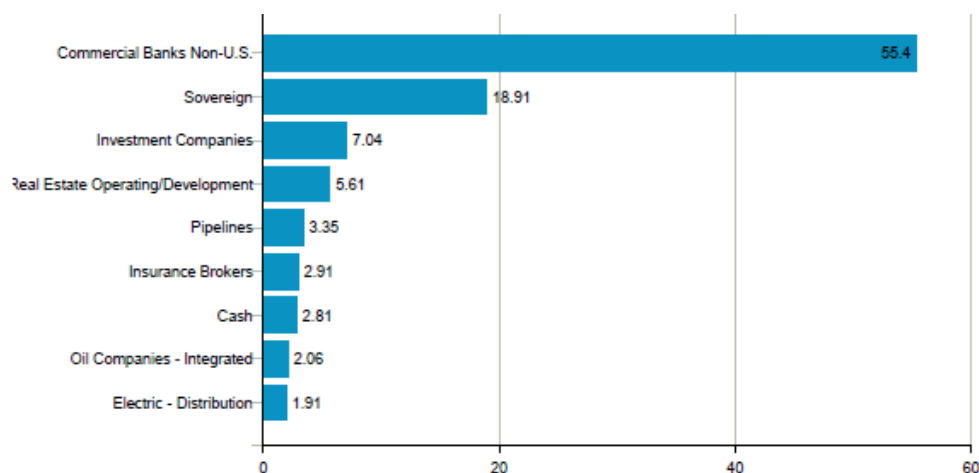
### Top 5 Holdings

Issuer Name	Weight (%)
1 Public Investment Fund	6.90 %
2 Government of Bahrain	4.92 %
3 QNB Finansbank	4.88 %
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