

## QNB Debt Fund - Monthly Report for May 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 May - 24 (in QAR)	Total Net Asset value per unit month of April - 24 (in QAR)
37,551,399	13.395	13.265

	Fund	Benchmark
1 Month	0.98 %	0.51 %
Year to Date	1.45 %	2.54 %
1 year	5.18 %	6.17 %
3 Years	2.61 %	11.38 %
Since Inception	33.95 %	24.70 %

### 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)	2.84 %	0.67 %
Sharpe (3 years)	-0.83	-4.75

### Fund Information

Particulars	
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

### Fund Manager Comment

The losing tide was turned in May for Fixed income as US Treasury rates lowered during the month due to increased optimism over rate cuts by the second half of the year. However, such optimism remains volatile, with growth, labor, and inflation data not ideally aligned with Fed expectations.

In May, the US 10-year treasury yield ended lower at 4.49% from 4.67% in April. The entire curve was almost lower by a similar margin. The economic data on US growth, while showing signs of moderation, remain strong and stable. On the inflation side, the disinflation trend doesn't appear to be strengthening enough for the Fed to make bold decisions. This has been the case during 2024, with rate cut expectations continuously being pushed towards the latter part of the year.

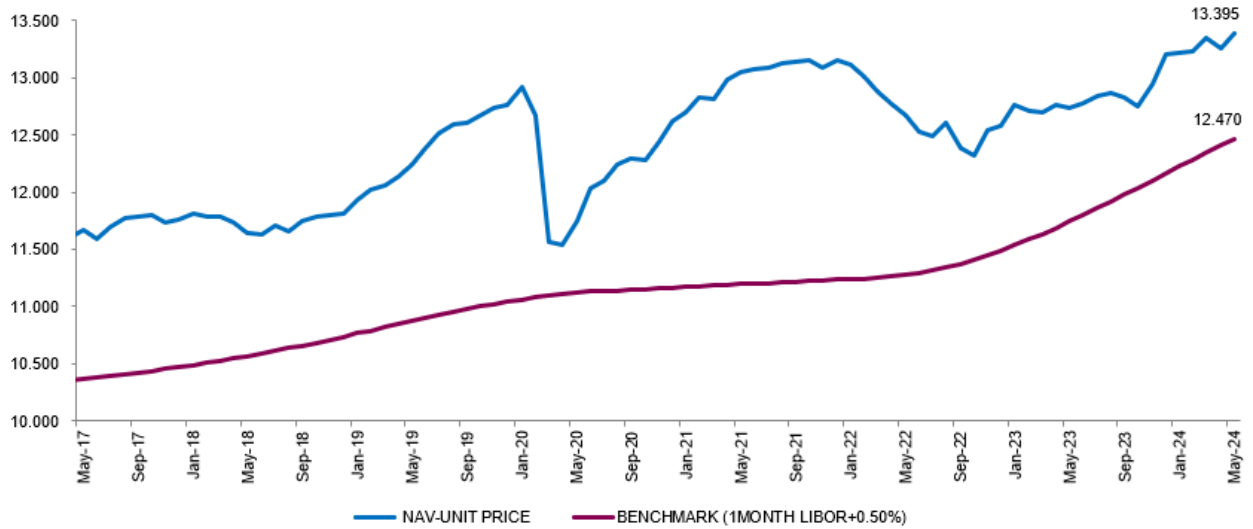
During the month, Brent ended lower at c. USD 81.6 from c. USD 87.8. Despite the drop, elevated levels are expected to remain due to global demand and ongoing conflicts within the Middle East. The regional IG and HY space remain favorable to their global counterparts and will continue attracting flows from yield-seeking investors as the current yields reflect decade-long highs.

### Top 5 Holdings

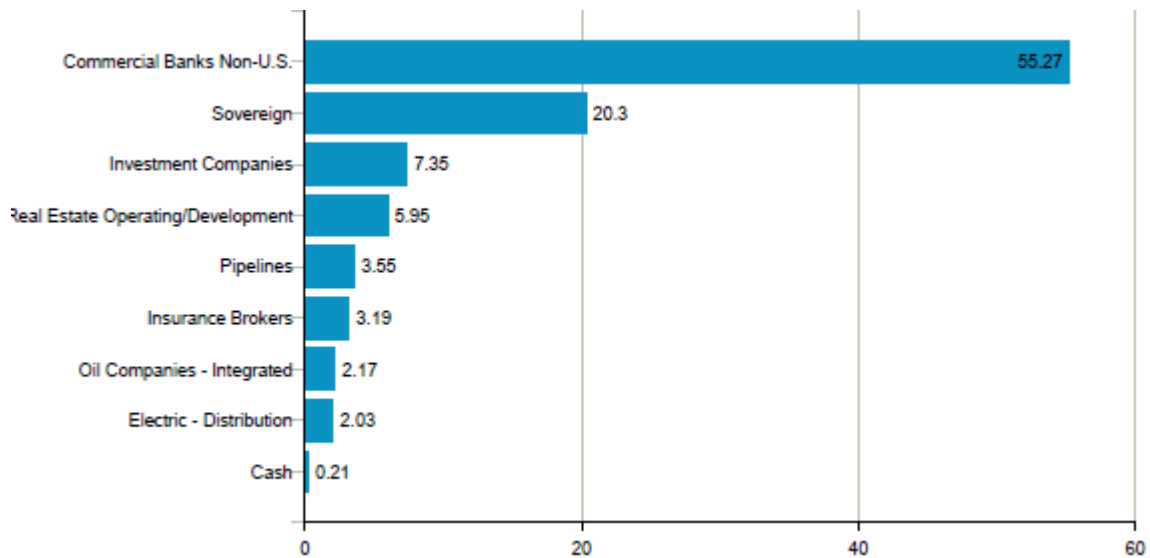
Issuer Name	Weight (%)
1 Government of Oman	6.77 %
2 Public Investment Fund	6.76 %
3 Government of Bahrain	4.90 %
4 Bank of Bahrain & Kuwait	4.83 %
5 Sharjah Islamic Bank	4.71 %

As of May 2024, QNB Debt Fund held 30 holdings with a long-term gross yield of c. 6.5 % p.a and a duration of c. 3.4 Years.

## NAV Movement



## Sector Allocation



## Contact Details

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## Information

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