

QNB Debt Fund - Monthly Report for November 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 November - 2024 (in QAR)	Total Net Asset Value per unit month of October - 2024 (in QAR)
38,260,202.79	13.931	13.903

	Fund	Benchmark
1 Month	0.20 %	0.44 %
Year to Date	5.51 %	5.56 %
1 Year	7.58 %	6.10 %
3 Years	6.42 %	14.32 %
Since Inception	39.31 %	28.38 %
Annualized Returns (%)	0.20%	
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

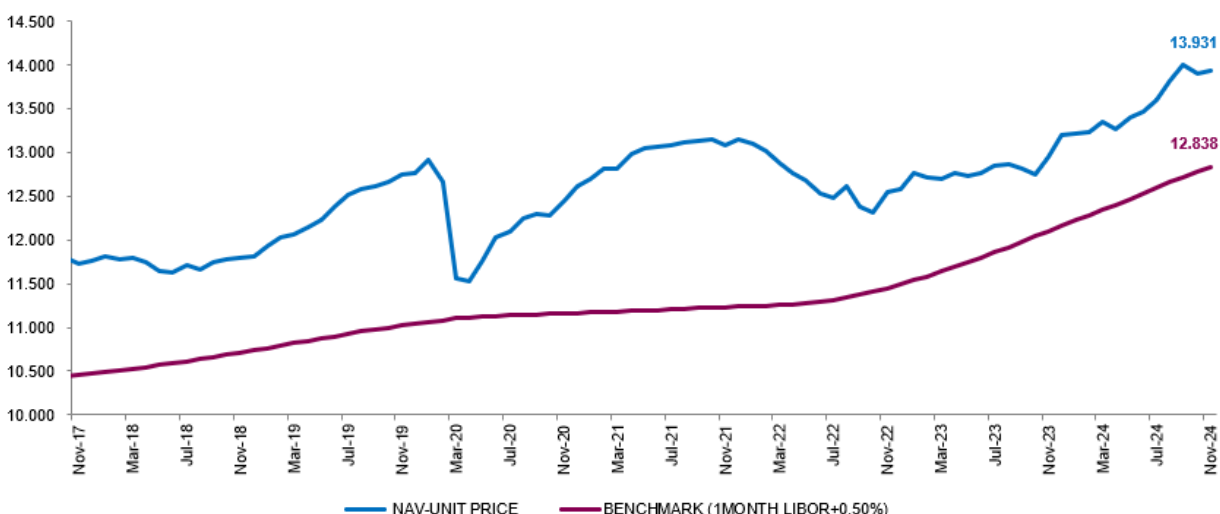
St. Deviation (3 years)	3.11 %	0.57 %
Sharpe (3 years)	-0.42	-3.87

Fund Information	Particulars	Fund Manager Comment	
Fund type	Open-End Fund	All asset classes in November were affected by the US election results that had a sweeping victory for Trump and his republican party. During the month, long-term rates moved higher, with proposed new Tariff policies expected to be inflationary in general, along with excess treasury supply that may come through if there is to be a fiscal expansion from now on. However, we had a 25 bps Fed rate cut in November, but post-election, the path to reductions appears to have softened somewhat.	
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	During the month, the US 10-year decreased from 4.28% to 4.16%. However, it moved as high as 4.44% during the month soon after Trump's election win. The Fed rate cut resulted from the disinflation path and solid employment data supporting the argument for a neutral policy rate level. As of November's end, the probability of a further rate cut on Dec 24 remained balanced, while the number of rate cuts for 2025 was reduced to 3. The overall curve from 2Y to 30Y flattened by about 15-25 bps during the month. However, many expect gradual re-steepening of the curve soon.	
Fund Currency	Qatari Riyal		
Auditor	Deloitte & Touche		
Regulator Founder	QCB – Qatar Central Bank		
Founder	QNB		
Investment Manager	QNB Suisse SA		
Custodian	HSBC		
Top 5 Holdings			Many variables are in play, as the US budget deficit is expected to widen with the new US administration in power and a possible reversal in the inflation trend, as explained earlier. Therefore, there is a remote possibility of a rate hike and a further elevation of the yield curve from current levels that may lead to a bear steepening. During the month, Brent ended marginally lower at c. USD 72.94 from c. USD 73.16, with the weight of expected lower global demand pulling lower more than the impact created by the geopolitical tensions. The regional IG and HY space remain favorable to their international counterparts and will continue attracting flows from yield-seeking investors.
Issuer Name	Weight (%)		
1 Public Investment Fund	6.84 %		
2 QNB Finansbank	5.47 %		
3 Government of Bahrain	4.86 %		

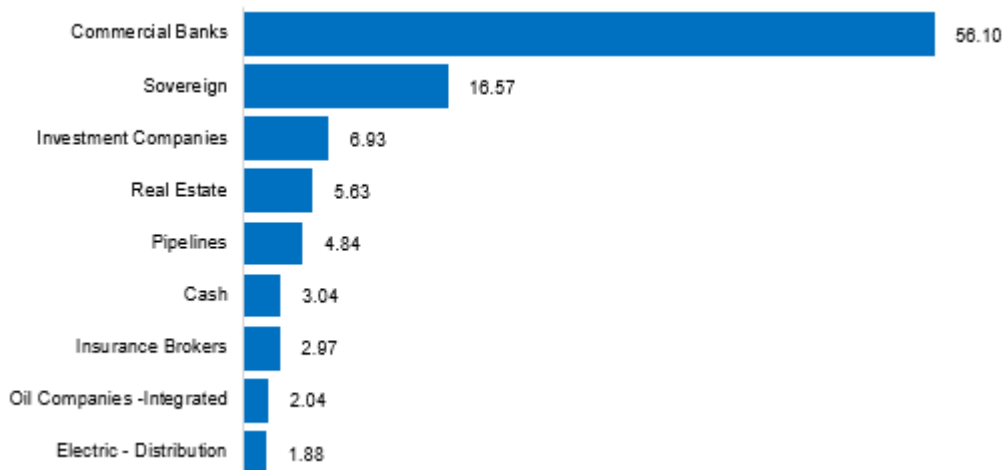
4	Sharjah Islamic Bank	4.70 %
5	Ahli Bank Qatar	4.57 %

As of November 2024, QNB Debt Fund held 31 holdings with a long-term gross yield of c. 6.1 % p.a and a duration of c. 3.6 Years.

NAV Movement



Sector Allocation



Contact Details

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Information

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

Disclaimer: The information herein is for illustrative purposes only and reflects current market practices and is not intended to constitute legal, tax, accounting, or financial advice; investors should consult their own advisers on such matters. At all times prospective investors considering an investment in the Fund should carefully read the Articles of Association, the Prospects and the Terms & Conditions of the Subscription form d. Investors are reminded that past performance of any investment is not a guide to future returns. QNB is regulated by Qatar Central Bank. All performance changes figures are net of performance fees.