

Al Watani Fund (for Qatari) - Monthly Report for January 2024

Investment Objective

The primary aim of Al Watani Fund is to outperform the benchmark S&P Index while seeking to reduce the risks associated with the investment

Total Net Asset value (in QAR)

13,594,574

Total Net Asset value per unit (in QAR)

21.43

Fund Information	Particulars	Performance Summary	WF	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	114.28%	-26.00%
Currency	Qatari Riyal	Year 2018	20.57%	15.53%
Regulator	Qatar Central Bank	Year 2019	2.25%	-3.27%
Fund Manager	QNB Suisse SA	Year 2020	7.71%	0.55%
Subscription/Redemption	Monthly	Year 2021	17.41%	12.70%
Management Fee	1.5% p.a	Year 2022	-8.17%	-10.87%
Auditor	KPMG	Year 2023	8.49%	3.27%
Custodian	QNB	MTD (January 2024)	-6.35%	-6.75%
Benchmark Index:	Standard & Poor's	YTD (2024)	-6.35%	-6.75%
	Qatar Domestic Index (Custom)	Beta	0.83	1.00
		Standard Deviation*	20.15%	23.60%

Fund Manager Comment

Performance for the Month

The Benchmark Index appreciated by 6.75% in January 2024. Qatar Exchange (QE) lost 6.85% in January 2024 reversing most of the gains accumulated in November and December last year. QE Islamic index QERI fared slightly better losing 5.86%. Bearish sentiment permeated across with the market indicated by more than 60% of the stocks in the QE index trading below their respective 200-day moving average indicator. Global equity markets were mixed; developed market equities represented by the S&P 500 gained 1.30% while Emerging market equities presented by MSCI EM index shed 4.12% driven by weakness in Chinese equities. Bloomberg commodity index lost 1.01% supported by Brent crude oil gaining 2.91%. Foreign Institutional Investors net sold USD 4 Mn during the month. Regional markets mixed with Kuwait registering the biggest gains during the month +6.45%. In year to date 2024, the fund's NAV decreased by 6.35% vs. the benchmark index declining by 6.75%, outperforming by 0.40%.

Market Review

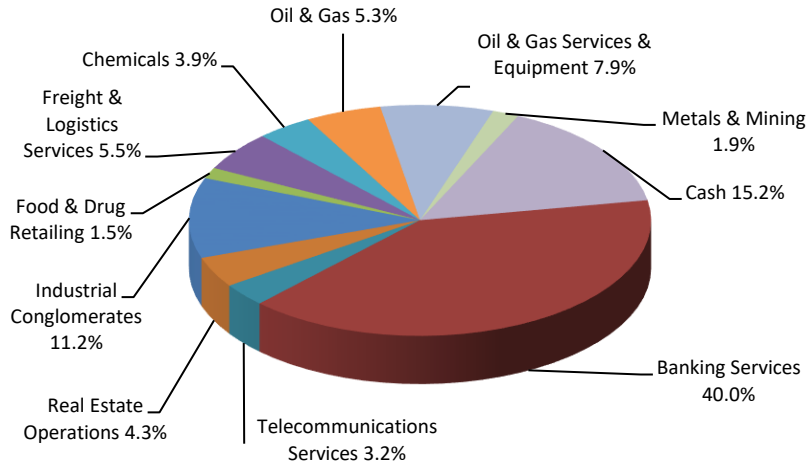
FY2023 result season started on a mixed note. So far, mostly banking sector results are out while industrials and other sectors will follow in February. In the banking sector results, most of the banks posted single digit earnings growth YoY, primarily aided by lower provisions. However, the dividend yield for most banks is around 4%, which is lower than market expectations. The below market expectations dividend yield and the rally at the end of 2023 affected the market and the QE Index remained under pressure throughout the month of January 2024. On the price performance front for QE Index, Milaha (QNS) and GISS were the only two positive contributors to the QE Index performance for the month of January 2024. On the other hand, QIBK, CBQK and IQCD were the biggest drag on index performance.

Portfolio Investment Strategy

Large cap valuations appear cheap in some areas though the majority of valuation support continues to exist in smaller stocks. It is likely that October 2023 low was a significant low and the market has more upside risk than down risk over the next few months. Whether October was, the absolute bottom for the market will depend on a sustainably better earnings trajectory in late 2024 and 2025.

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Sector Allocation



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