

Al Watani Fund 2 (for Non Qatari) - Monthly Report for April 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)

6,540,300

Total Net Asset value per unit (in QAR)

20.26

| Fund Information | Particulars | Performance Summary | WF2 | Index |
|-------------------------|---|----------------------------|---------|---------|
| Fund Type | Open-End Fund | Since Inception (Oct'2005) | 102.64% | -27.86% |
| Currency | Qatari Riyal | Year 2018 | 20.60% | 15.53% |
| Regulator | Qatar Central Bank | Year 2019 | 2.18% | -3.27% |
| Fund Manager | QNB Suisse SA | Year 2020 | 7.55% | 0.55% |
| Subscription/Redemption | Monthly | Year 2021 | 16.51% | 12.70% |
| Management Fee | 1.5% p.a | Year 2022 | -9.49% | -10.87% |
| Auditor | Deloitte & Touche | Year 2023 | 8.83% | 3.27% |
| Custodian | QNB | MTD (April 2024) | 0.09% | -1.04% |
| Benchmark Index: | Standard & Poor's Qatar Domestic Index (Custom) | YTD (2024) | -4.99% | -9.10% |
| | | Beta | 0.77 | 1.00 |
| | | Standard Deviation* | 20.26% | 23.63% |

Fund Manager Comment

Performance for the Month

The Qatar Exchange (QE) price index extended its bearish run losing 1.22% in April 2024 as investor sentiment soured even further despite decent Q1 2024 earnings. The QE total return index lost 0.60%; performing better due to the dividends paid out during the month. QE Islamic index QERI gained 0.98% outperforming its conventional peers. Market breath deteriorated further as number of stocks trading above their 50-day moving average decreased to 35% at the close of the month. Global equity markets retreated in the reporting month as the MSCI World index lost 3.35%; developed market equities represented by the S&P 500 lost 3.86% while Emerging market equities presented by MSCI EM index shed 0.08% driven by recovery in Chinese equities. The Bloomberg Commodity index gained 1.77% on renewed bullishness in the commodity sector. Brent crude oil gained 0.50%. Foreign Institutional Investors net sold USD 26 Mn during the month. Regional markets were all negative in April.

Market Review

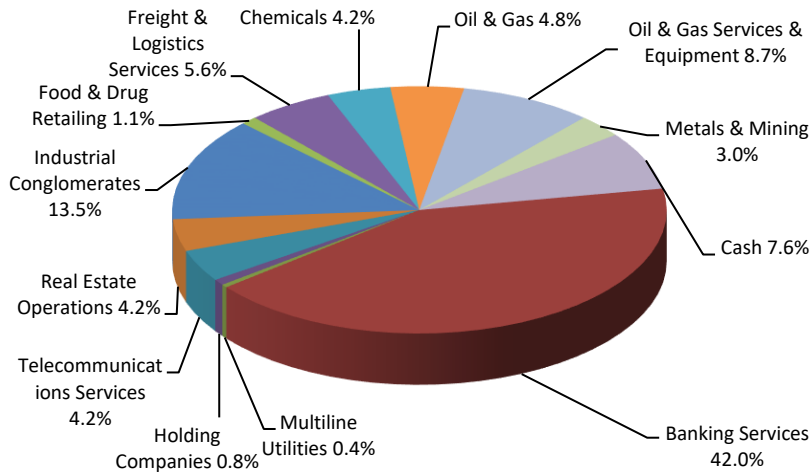
All companies listed on the Qatar Stock Exchange (excluding Al-Faleh Educational Holding Company) have disclosed their financial results for the period ending 31 March 2024 and recorded a net profit of QR13.10bn compared with QR12.38bn for the same period last year 2023, an increase of 5.83%. Banking sector results were in line with expectations but results from industrials and other segment were a mixed bag. On the LNG expansion front, Qatar Energy has awarded another contract of \$6bn for 18 LNG carriers to China State Shipbuilding Corporation. The contract for QC-Max size vessels is the biggest single shipbuilding order. This reiterates the sustained progress by Qatar Energy to fulfill the commitment to increase the LNG capacity to 142mn tonnes per year (MTPY) before the end of this decade, representing an increase of almost 85% from current production levels.

Portfolio Investment Strategy

Large cap valuations appear cheap, especially the large banks. LNG expansion is a medium term story with the potential to drive the market up. The market still appears to have more upside risk than down risk over the next few months, driven by the cheaper cyclical areas of the market.

Sector Allocation

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