

Al Watani Fund 2 (for Non Qatari) - Monthly Report for August 2023

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)

6,371,415

Total Net Asset value per unit (in QAR)

19.74

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	97.41%	-25.25%
Currency	Qatari Riyal	Year 2017	-9.80%	-16.30%
Regulator	Qatar Central Bank	Year 2018	20.60%	15.53%
Fund Manager	QNB Suisse SA	Year 2019	2.18%	-3.27%
Subscription/Redemption	Monthly	Year 2020	7.55%	0.55%
Management Fee	1.5% p.a	Year 2021	16.51%	12.70%
Auditor	KPMG	Year 2022	-9.49%	-10.87%
Custodian	QNB	MTD (August 2023)	-6.20%	-6.55%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2023)	0.32%	-2.73%
		Beta	0.83	1.00
		Standard Deviation*	20.30%	23.43%

Fund Manager Comment

Performance for the Month

The Benchmark index lost 6.55% in August 2023. Qatar Exchange (QE) reversed most of gains accumulated in July losing -7.01% during the reporting month. The QE Islamic index fared slightly better down -6.39%. Upside participation deteriorated, with only 20% of the stocks trading above their respective 10-day moving average. Global equity markets retreated from previous months gains with the MSCI World index losing -2.39% driven by rising US 10-year bonds. S&P 500 index and MSCI EM index lost -1.63% and -6.63% respectively. Bloomberg commodity index shed -1.22% while Brent Crude oil gained +1.67%. Foreign Institutional Investors net sold USD 97 Mn during the month. All regional markets were in the red expect the UAE markets of Abu Dhabi and Dubai. In year to date 2023 the fund's NAV increased by 0.32% vs. the benchmark index declining by 2.73%, outperforming by 3.05%.

Market Review

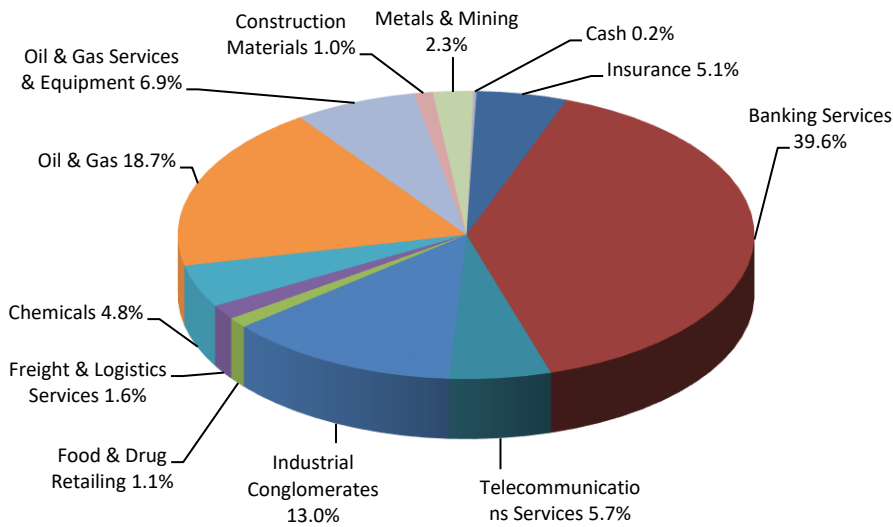
All QSE listed companies have finalised their financial results of the first half of 2023. The results show a net profit of QR24.55bn compared to QR27.66bn for the same period last year, a decrease of 11.22% YoY. In further news, FTSE Russell Global Equity Index Series Semi-Annual Review (effective mid-September 2023) Dukhan Bank (DUBK) was added to FTSE Russell Emerging Market Index. This will lead to an inflow in DUBK while other stocks are likely to experience small passive outflows. Among individual stocks, the only two positive contributors to the QE Index appreciation were GISS and IGRD. Qatar Islamic Bank (QIBK), QNB Group and IQCD contributed negatively to the QE Index. For the QE Islamic Index (QERI), the only two contributors to the index gain were IGRD and QIGD while QIBK, IQCD and MARK dragged the overall index down.

Portfolio Investment Strategy

Valuation is a mixed picture with some large index stocks cheap, and some expensive. Value continues to exist in smaller stocks. Downside risk in the market is low given overall valuations so market support should continue. We continue to expect 2023 to be a volatile year as valuation plays out in individual stocks and sectors. Substantial upside for the market is only likely once large cap stocks become universally cheap.

Sector Allocation

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