

Al Watani Fund 2 (for Non Qatari) - Monthly Report for January 2025

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)

6,143,963.12

Total Net Asset value per unit (in QAR)

21.1918

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	111.92%	-22.82%
Currency	Qatari Riyal	Year 2019	2.18%	-3.27%
Regulator	Qatar Central Bank	Year 2020	7.55%	0.55%
Fund Manager	QNB Suisse SA	Year 2021	16.51%	12.70%
Subscription/Redemption	Monthly	Year 2022	-9.49%	-10.87%
Management Fee	1.5% p.a	Year 2023	8.83%	3.27%
Auditor	Deloitte & Touche	Year 2024	-1.41%	-4.09%
Custodian	QNB	MTD (January 2025)	0.78%	1.40%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2025)	0.78%	1.40%
		Beta	0.73	1.00
		Standard Deviation*	19.91%	23.86%

Fund Manager Comment

Performance for the Month

Both the Qatar Exchange (QE) and Islamic (QERI) indices extended gains in January 2025 by 0.9% and 1.56% respectively. All sector indices were in the green expect the Banking sector index; telecoms index was the best performing sector gaining 12%. Market breadth improved with the number of stocks trading above their 50-day moving average rose to 75% at the close of the month from 50% from the previous month. Global equity markets began the year on a positive note following the pullback in December 2024; MSCI World index gained 3.47%; developed market equities represented by the S&P 500 gained 2.69% while emerging market equities presented by MSCI EM index gained 1.47%. Bloomberg commodity index up 3.58%. Brent crude oil gained 2.84%. Foreign Institutional Investors net bought USD 9 Mn during the month.

Market Review

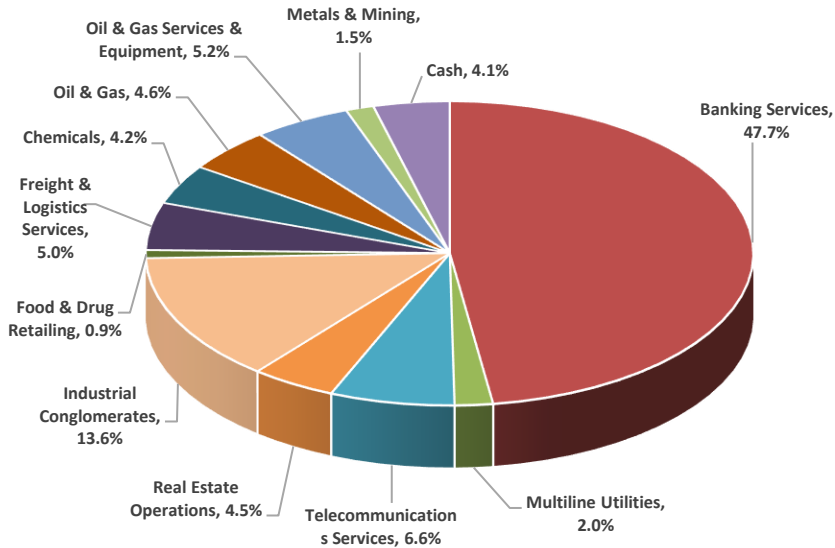
FY2024 result season started on a mixed note. In the banking sector results, most of the banks posting single digit earnings growth YoY, primarily aided by lower provisions. In the banking sector CBQK was the big outperformer primarily on the announcement of higher dividend QR0.30 (dividend yield of 6.5%) as final dividend for 2024. On the other hand in the industrial sector, Industries Qatar's (IQCD) net profit declined 5% YoY QR4421.9mn in 2024. EPS for the FY2024 amounted to QR0.74 vs QR0.78 in FY2023. Milaha (QNNS) net profit rose 13.4% YoY to QR1221.4mn in FY2024. EPS amounted to QR0.99 vs. QR0.91 in FY2023. Similarly, Nakilat (QGTS) full year EPS was QR0.30 in FY2024 as compared to QR0.28 in FY2023.

Portfolio Investment Strategy

The market is consolidating above the moving averages, shrugging off the anticipated seasonal weakness. The fundamental outlook is improving for banks through lower provisions, and Industrials through rising commodity prices, specifically urea which appears to have entered a cyclical upturn driven by rising food and natural gas prices. Companies with the ability to increase returns to shareholders should continue to be in focus as we move through results and dividend season.

Sector Allocation

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