

QNB Debt Fund - Monthly Report for June 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 June - 24 (in QAR)	Total Net Asset value per unit month of May - 24 (in QAR)
37,613,156.92	13.465	13.395

	Fund	Benchmark
1 Month	0.52 %	0.50 %
Year to Date	1.98 %	3.04 %
1 year	5.42 %	6.19 %
3 Years	2.98 %	11.87 %
Since Inception	34.65 %	25.32 %

Annualised Returns (%)

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

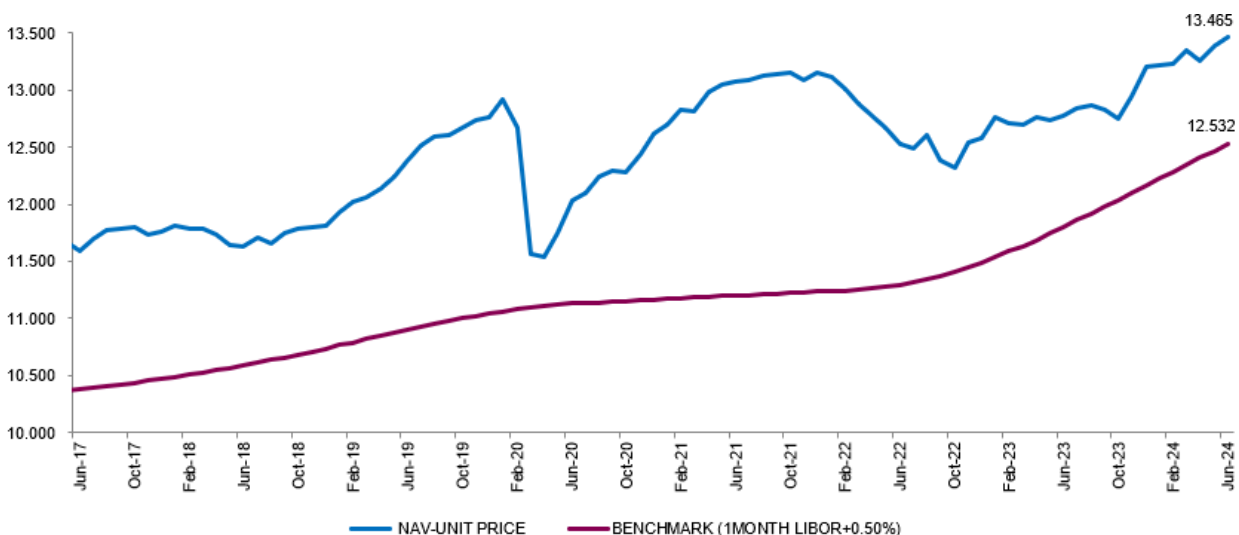
St. Deviation (3 years)	2.85 %	0.66 %
Sharpe (3 years)	-0.80	-4.70

Fund Information	Particulars	Fund Manager Comment
Fund type	Open-End Fund	<p>The second quarter of 2024 was not as positive for Fixed Income as expected, with rate cut expectations diminishing and being pushed towards the latter part of 2024. The main catalyst is the evident soft-landing scenario, with growth staying positive yet slowing, together with inflation. Rates are expected to stay higher for longer, and hence, returns will predominantly be generated by carry during the second half of 2024 for fixed income space.</p> <p>In Q2, the US 10-year treasury yields ended higher at 4.40% from 4.20%. The entire curve was moved higher by 10-20 points during this period. The economic data on US growth, while showing signs of moderation, remains strong and stable. On the inflation side, the disinflation trend doesn't appear to be strengthening enough for the Fed to make bold decisions. The issue is mainly the service inflation that has been stickier than expected. This has been the case during 2024, with rate cut expectations continuously being pushed towards the latter part of the year and has been reduced to a max of two rate cuts from the seven cuts at the beginning of the year.</p> <p>However, many variables are in play as the US budget deficit is expected to widen with either of the US administrations in power and a possible reversal in the inflation trend in case of a trump administration in power. Therefore, there is a remote possibility of a rate hike and an elevation of the yield curve from current levels.</p> <p>During the quarter, Brent ended lower at c. USD 86.41 from c. USD 87.48. Despite the drop, elevated levels are expected to remain due to global demand and ongoing conflicts within the Middle East. The regional IG and HY space remain favorable to their global counterparts and will continue attracting flows from yield-seeking investors as the current yields reflect decade-long highs.</p> <p>As of May 2024, QNB Debt Fund held 30 holdings with a long-term gross yield of c. 6.5 % p.a and a duration of c. 3.5 Years.</p>
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	
Fund Currency	Qatari Riyal	
Auditor	Deloitte & Touche	
Regulator Founder	QCB – Qatar Central Bank	
Founder	QNB	
Investment Manager	QNB Suisse SA	
Custodian	HSBC	

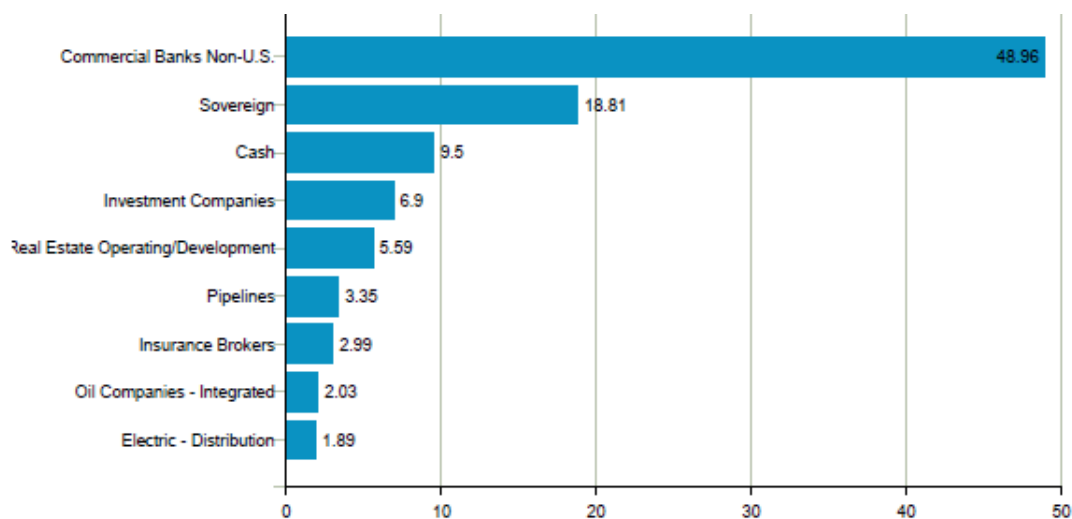
Top 5 Holdings

Issuer Name	Weight (%)
1 Public Investment Fund	6.81 %
2 Government of Bahrain	4.89 %
3 Bank of Bahrain & Kuwait	4.84 %
4 QNB Finansbank	4.80 %
5 Sharjah Islamic Bank	4.71 %

NAV Movement



Sector Allocation



Contact Details

Investment Manager QNB Suisse SA
Fund Manager Chanaka Dassanayaka CFA
Address Quai du Mont-Blanc 1, 1201 Geneva
Telephone in Qatar +974 4440 7339

Information

Bloomberg Ticker: QNBDEBT QD Equity
Reuters Ticker: LP68186853
Morningstar Ticker: F0000PXPQ