

QNB Debt Fund - Monthly Report for September 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 September - 24 (in QAR)	Total Net Asset value per unit month of August - 24 (in QAR)
38,599,348.97	14.003	13.826

	Fund	Benchmark
1 Month	1.28 %	0.48 %
Year to Date	6.05 %	4.61 %
1 year	9.19 %	6.20 %
3 Years	6.59 %	13.40 %
Since Inception	40.03 %	27.22 %

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)	3.09 %	0.62 %
Sharpe (3 years)	-0.45	-4.00

Fund Information

Particulars

Fund Manager Comment

Fund type	Open-End Fund
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

The third quarter of 2024 was positive for fixed income in general, with the expectation of lower rates appearing to be more of a certainty than an expectation. During this quarter, the Fed ended a 14-month wait for the first rate cut of 50 bps that benefitted pretty much all asset classes, including Fixed Income. This came amid a lower unemployment rate and moderating inflation that prompted the Fed to initiate a more accommodative monetary policy to ensure the soft-landing scenario remains intact.

During the third quarter, US 10 Year moved lower from 4.39% to 3.78% with rate cut expectations going forward. We are expected to have 2 to 3 rate cuts before the end of 2025 within the next two Fed meetings scheduled. On the Spread front, despite the escalation of the regional conflict, spreads have remained tighter yet volatile. Also, it was witnessed that the US yield curve from 2Y plus steepened during this period, with the 2-10 gap being at 13.7 bps as of the end of the month.

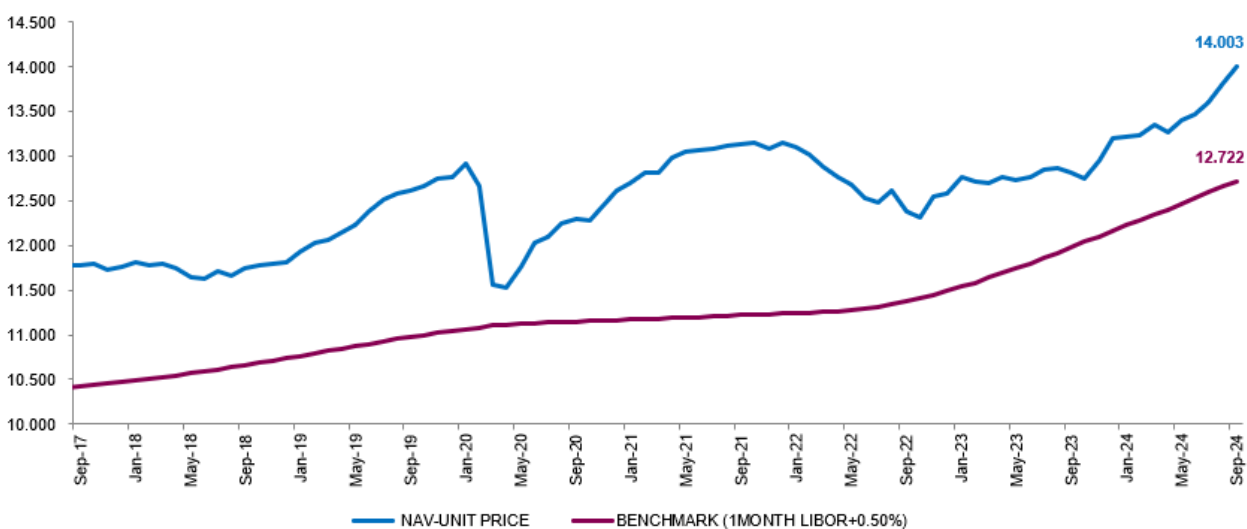
However, many variables are in play, as the US budget deficit is expected to widen with either of the US administrations in power and a possible reversal in the inflation trend. Therefore, there is a remote possibility of a rate hike and an elevation of the yield curve from current levels. During the month, Brent ended lower at c. USD 71.77 from c. USD 78.80, with expected lower global demand, especially with weakness in the Chinese economy. The regional IG and HY space remain favorable to their global counterparts and will continue attracting flows from yield-seeking investors.

As of September 2024, QNB Debt Fund held 31 holdings with a long-term gross yield of c. 5.7 % p.a and a duration of c. 3.6 Years.

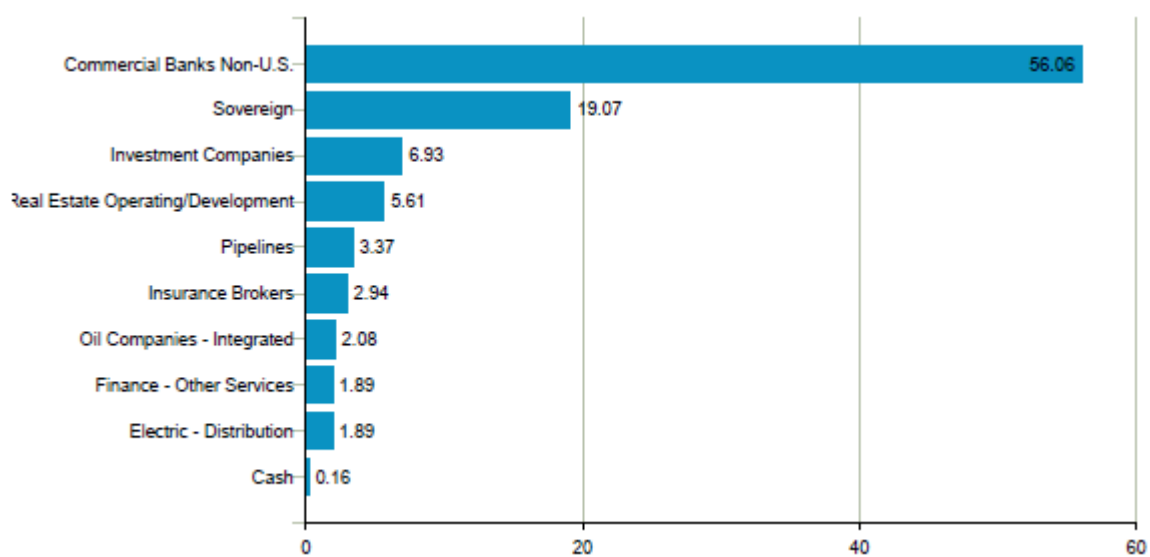
Top 5 Holdings

Issuer Name	Weight (%)
1 Public Investment Fund	6.89 %
2 QNB Finansbank	5.45 %
3 Government of Bahrain	4.99 %
4 Sharjah Islamic Bank	4.68 %
5 Ahli Bank Qatar	4.53 %

NAV Movement



Sector Allocation



Contact Details

Investment Manager

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Fund Manager

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Information

Bloomberg Ticker: QNBDEBT QD Equity

Reuters Ticker: LP68186853

Morningstar Ticker: F00000PXPQ