

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

6,600,046

Total Net Asset value per unit (in QAR)

20.51

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	105.12%	-26.69%
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 (June 2024)	5.90%	6.31%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2024)	-3.83%	-7.62%
		Beta	0.75	1.00
		Standard Deviation*	20.19%	23.93%

Fund Manager Comment

Performance for the Month

The Qatar Exchange (QE) Index reversed prior month's declines gaining 6.96% in June 2024. The QE Islamic index (QERI) gained 4.18% underperforming its conventional peer during the month. Market breath improved significantly as number of stocks trading above their 50-day moving average increased to 65% from prior month's 15% at the close of the month. Global equity markets extended the upward trajectory during the reporting month with the MSCI World index gaining 2.03%; developed market equities represented by the S&P 500 gained 3.53% followed by the MSCI Emerging Market index gaining 2.77%. Bloomberg commodity index fell 1.94% on weaker base metal prices. Brent crude oil gained 6.53%. Foreign Institutional Investors net sold USD 159 Mn during the month. Regional markets mostly up except Kuwait, which was down.

Market Review

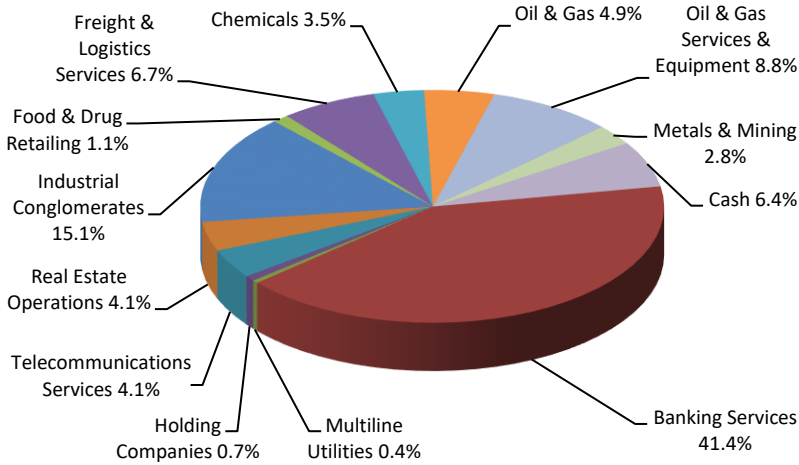
Local institutional buying drove the market during June 2024 with index heavyweights the primary drivers of the indices. Hence, the top three contributors to the monthly QE Index appreciation were Industries Qatar (IQCD) followed by QNB Group (QNBK) and Qatar Islamic Bank (QIBK). On the other hand, Mesaieed Holding (MPHC), Barwa Real Estate and UDCD were the only top three stocks that dragged the QE Index down month on month (MoM) among the QE Index stocks. For QERI Index, IQCD, QIBK and ORDS were the primary contributors while MPHC, UDCD and BRES were the top three laggards for the QERI Index. On the LNG expansion front, things are moving in the right direction with 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. In further development, Qatar Energy subsidiaries are open to the idea of semi-annual dividends to spread dividends out over two phases during the calendar year.

Portfolio Investment Strategy

Large cap valuations appear cheap, especially the largest banks and LNG expansion is a medium term story with the potential to drive the market up. Despite the June rally, 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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