

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

6,534,464

Total Net Asset value per unit (in QAR)

20.25

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	102.46%	-27.10%
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	KPMG	Year 2023	8.83%	3.27%
Custodian	QNB	MTD (March 2024)	-3.13%	-5.49%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2024)	-5.07%	-8.14%
		Beta	0.78	1.00
		Standard Deviation*	20.26%	23.63%

Fund Manager Comment

Performance for the Month

Qatar Exchange (QE) shed 5.99% in March 2024 as investor sentiment soured resulting in the bears reclaiming the initiative. The QE total return index lost 3.77% performing better due to the dividends paid out during the reporting period. QE Islamic index QERI shed 2.57%. Market breath deteriorated significantly as number of stocks trading above their 50-day moving average decreased from above 80% at the beginning of the month to close at below 40%. Global equity markets matched higher on improved risk appetite; developed market equities represented by the S&P 500 gained 2.95% while Emerging market equities presented by MSCI EM index gained 2.50% driven by recovery in Chinese equities. Bloomberg commodity index gained 2.89% on renewed bullishness on the commodity sector. Brent crude oil gained 6.80%. Foreign Institutional Investors net bought USD 51 Mn during the month. Regional markets had mixed performance with Saudi Arabia, Kuwait and Qatar down while Oman, Abu Dhabi and Dubai were up.

Market Review

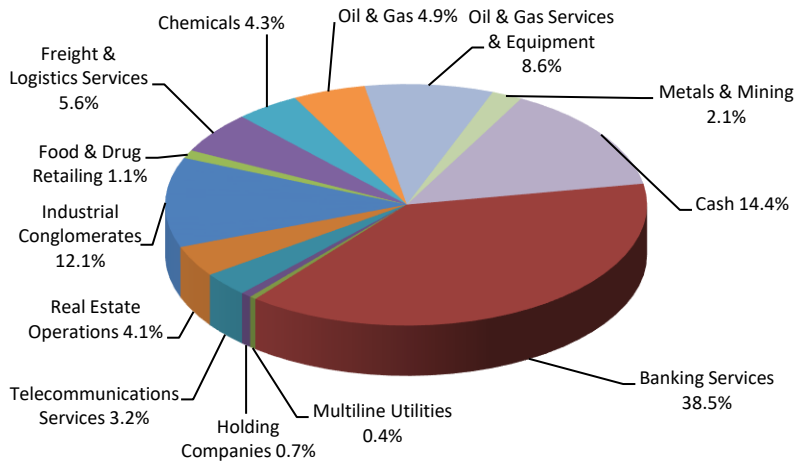
Mesaieed Petrochemical Holding (MPHC) and Vodafone (VFQS) for the largest contributors to the QE Index Total Return in March 2024. MPHC rose on the back of rising oil prices that should translate into higher petrochemical prices. Vodafone rose after it re-entered the QE Index. Qatar National Bank (QNBK), Qatar Islamic Bank (QIBK) and Doha Bank (DHBK) were the worst performing stocks in the index in March ahead of the Basel 4 changes to capital expected in 1H 2024. For the Islamic index, United Development (UDCD) was the best performing stock on the back of index inclusion into the QE Index. Ezdan (ERES) was one of the worst performing stocks after it was ejected from both the QE and QERI indices.

Portfolio Investment Strategy

Large cap valuations appear cheap in some areas though the majority of valuation support continues to exist in smaller stocks. It is likely that October 2023 low was a significant low and the market has more upside risk than down risk over the next few months. Whether October was the absolute bottom for the market will depend on a sustainably better earnings trajectory in late 2024 and 2025.

Sector Allocation

Fund Management Team



QNB Suisse SA
Quai du Mont-Blanc 1,
1201 Geneva
Switzerland

Management Team:

Fund Manager: Amna Al-Kuwari
Tel: (974) 4496 3833
QNB Asset Management
Musherib P 11 - 1st floor
P.O. Box 1000 Doha, Qatar

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