

QNB Debt Fund - Monthly Report for March 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 March - 24 (in QAR)	Total Net Asset value per unit month of February - 24 (in QAR)
37,540,083	13.35	13.23

	Fund	Benchmark
1 Month	0.85 %	0.51 %
Year to Date	1.08 %	1.51 %
1 year	5.08 %	6.08 %
3 Years	4.09 %	10.38 %
Since Inception	33.46 %	23.46 %

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)	2.86 %	0.67 %
Sharpe (3 years)	-0.83	-4.86

Fund Information

Particulars	
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

Fund Manager Comment

Q1 '24 was not a favorable quarter for Fixed Income in general, with rate cut expectations dropping from seven to almost three within the quarter. This was due to stickier inflation print, resilient economic activity, and the US Fed being softer on the extra dovish tone they had in late 2023.

During Q1 24, the US 10-year Treasury yield elevated to 4.20% from 3.88% due to robust economic data, higher inflation print, and a resilient labor market. The overall yield curve remained inverted as of Q1 24. As per Bloomberg, a meaningful probability for a rate cut is in September. Overall, a soft landing scenario has been growing in probability during the year so far, and macro data suggest so.

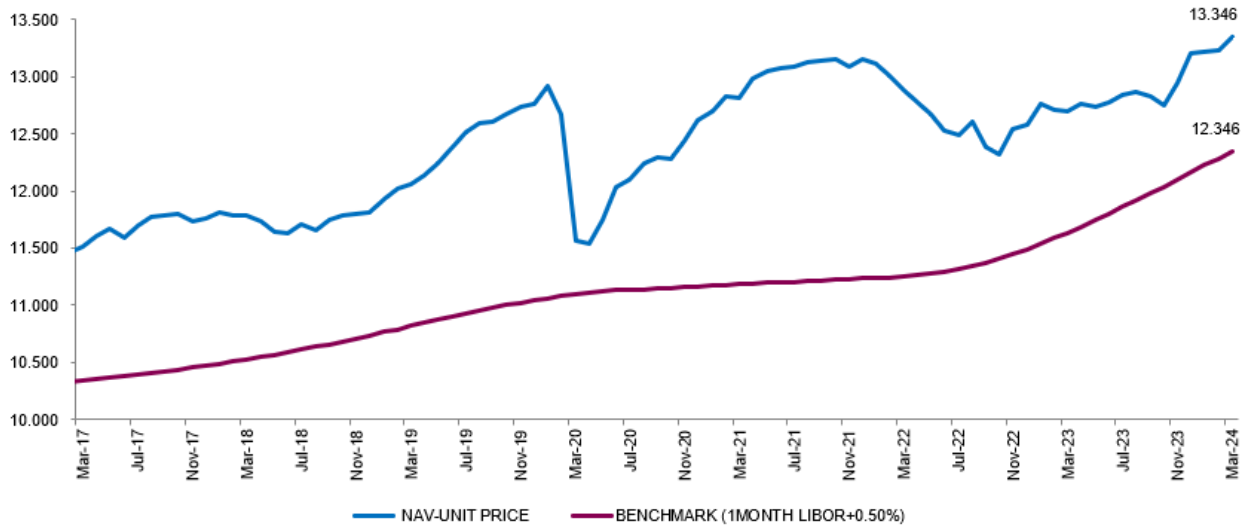
During the month, Brent ended higher at c. USD 87.5 from c. USD 83.6. The increase came amid growing conflicts in the Middle East and Russia, along with ongoing supply cuts. However, the regional IG and HY space remains favorable to their global counterparts and will continue attracting flows from yield-seeking investors.

As of March 2024, QNB Debt Fund held 30 holdings with a long-term gross yield of c. 6.7 % p.a and a duration of c. 3.5 Years.

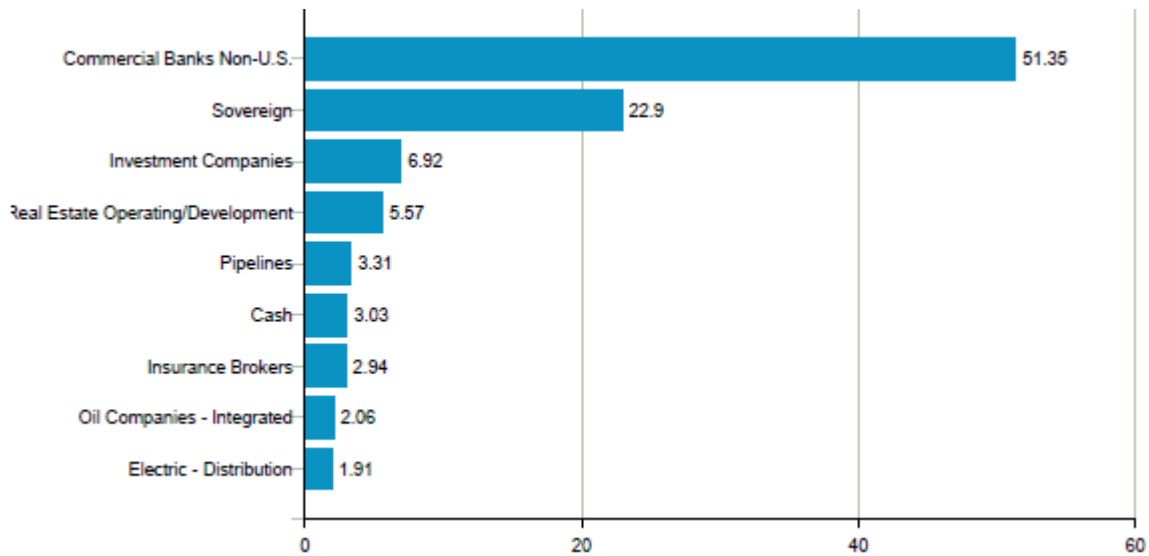
Top 5 Holdings

Issuer Name	Weight (%)
1 Public Investment Fund	6.89 %
2 Government of Oman	6.76 %
3 Government of Bahrain	4.87 %
4 Bank of Bahrain & Kuwait	4.82 %
5 Sharjah Islamic Bank	4.71 %

NAV Movement



Sector Allocation



Contact Details

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Information

Bloomberg Ticker: QNBDEBT QD Equity
 Reuters Ticker: LP68186853
 Morningstar Ticker: F00000PXPQ