

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

6,440,718.24

Total Net Asset value per unit (in QAR)

20.79

| Fund Information | Particulars | Performance Summary | WF2 | Index |
|-------------------------|---|----------------------------|---------|---------|
| Fund Type | Open-End Fund | Since Inception (Oct'2005) | 107.89% | -25.72% |
| 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 (August 2024) | -0.17% | -0.08% |
| Benchmark Index: | Standard & Poor's Qatar Domestic Index (Custom) | YTD (2024) | -2.53% | -6.40% |
| | | Beta | 0.74 | 1.00 |
| | | Standard Deviation* | 20.11% | 23.96% |

Fund Manager Comment

Performance for the Month

Qatar Exchange (QE) consolidated the gains achieved in the previous two month closing August up 0.48%. The Islamic QERI index gained 0.80% outperformed by its conventional peer, the QE total return index, which gained 1.03%. Market breadth remained robust as number of stocks trading above their 50-day moving average improved to 70% at the close of the month. Global equity markets extended the upward trajectory during the reporting month with the MSCI World index gaining 2.64%; developed market equities represented by the S&P 500 gained 2.34% followed by the emerging market equities presented by MSCI EM index gaining 0.96%. Bloomberg commodity index fell 0.38% on broad weakness across the commodity space. Brent crude oil lost 2.52%. Foreign Institutional Investors net sold USD 3 Mn during the month.

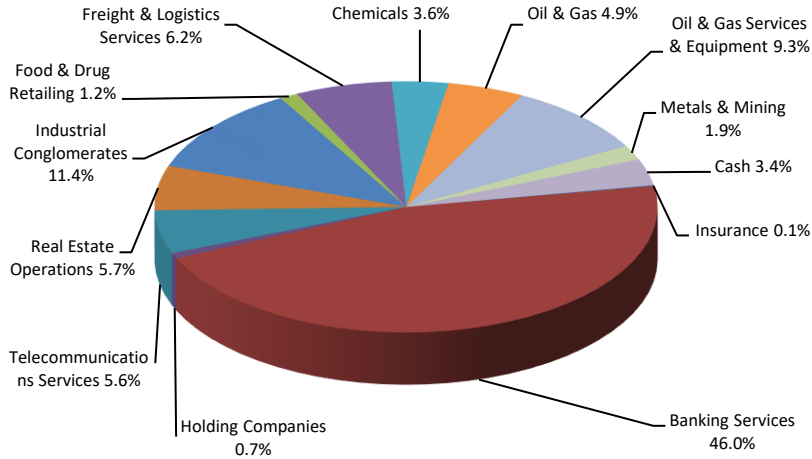
Market Review

All of QSE listed companies have disclosed their financial results of the first half of 2024 for the period ended June 30, 2024. The listed companies on the Qatar Stock Exchange reported a 5.2% YoY profit growth in aggregate earnings to reach QR12.6bn during 2Q2024, compared to QR12.0bn achieved during 2Q2023. Furthermore, for the first time some companies announced interim dividends. This helped boost overall market confidence. However, overall profit declined by 3.6% QoQ. For 1H2024, listed companies' net profit grew by 5.5% to reach QR25.7bn, compared to QR24.4bn achieved during the first half of 2023. Aggregate top-line increased 2.5% YoY but showed a marginal 0.4% sequential decline to QR46.0bn.

Portfolio Investment Strategy

Seasonality is still firmly negative for the next few months so it is unlikely the index will make any positive headway in the short term. The sector outlook is balanced; falling oil, petrochemical and urea prices together with recessions fears should weigh on the Industrials sector whereas banks and real estate stocks could be supported by the falling interest rates. Many small cap stocks are looking cheap again so a switch back to smaller companies outperforming large caps is also possible.

Sector Allocation



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