

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

6,096,269.36

Total Net Asset value per unit (in QAR)

21.0273

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	110.27%	-23.88%
Currency	Qatari Riyal	Year 2019	2.18%	-3.27%
Regulator	Qatar Central Bank	Year 2020	7.55%	0.55%
Fund Manager	QNB Suisse SA	Year 2021	16.51%	12.70%
Subscription/Redemption	Monthly	Year 2022	-9.49%	-10.87%
Management Fee	1.5% p.a	Year 2023	8.83%	3.27%
Auditor	Deloitte & Touche	Year 2024	-1.41%	-4.09%
Custodian	QNB	MTD (December 2024)	1.02%	1.54%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2024)	-1.41%	-4.09%
		Beta	0.74	1.00
		Standard Deviation*	20.00%	23.91%

Fund Manager Comment

Performance for the Month

Both the Qatar Exchange (QE) and Islamic QE Al Rayan indices rebounded in December gaining 1.47% and 0.91% respectively. All sector indices were in the green except the Real Estate and Telecoms; telcos index was the worst performing sector losing 2.00%. Market breadth improved with the number of stocks trading above their 50-day moving average rose to 50% at the close of the month from 30% from the previous month. Global equity markets pulled back in December following strong upward trajectory in prior months; MSCI World index fell 2.61%; developed market equities represented by the S&P 500 down 2.73% while emerging market equities presented by MSCI EM index fell 3.85%. Bloomberg commodity index was marginally up 0.63%. Brent crude oil gained 3.90%. Foreign Institutional Investors net bought USD 21 Mn during the month.

Market Review

FY2024 started on a weak note with the QE Index going below 10,000 points in early February. The market quickly market bounced back by late February and recovered some of the lost ground. However, relatively high interest rate environment, lower output prices for commodity/chemicals related stock, lower expected yields on real estate stocks post-world cup and overall weak market sentiment kept the market under pressure and the QE index was under pressure from March 2024 to May 2024 making a low of 9,165.64 on May 30, 2024. Support from local institutions and expectations of lower interest rates in the second half of 2024 provided the much-needed support to the market and QE and QERI Indices gradually recovered in the next seven months to close near the 2023 levels with both QETR and QERI Indices closing positive for the year. For the QE Index, GISS, QGTS and QNNS were the top three positive contributors for the year 2024. On the other hand, CBQK, IGRD and MPHIC were the primary laggards for the QE Index. For the QERI Index, ERES, QNNS and BLDN were the top three positive contributors to the QERI Index. However, MCGS, MPHIC and IGRD dragged the QERI Index down over 12 months

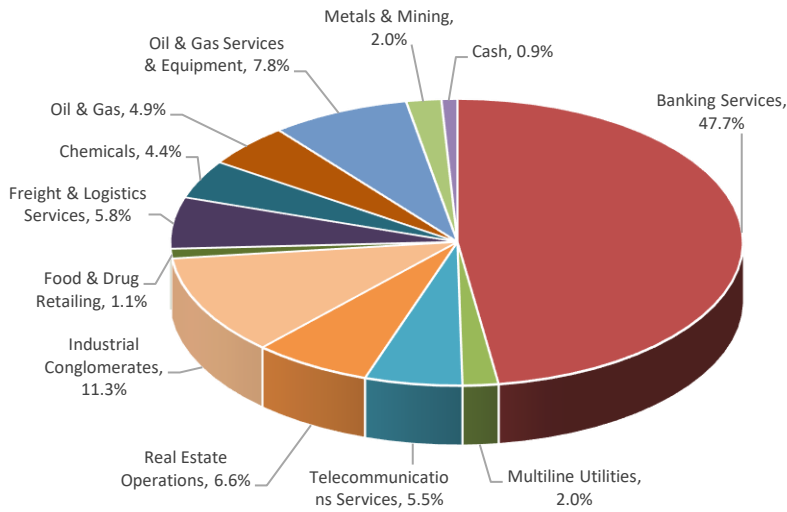
Portfolio Investment Strategy

The market is still facing headwinds after a seasonally negative period so it is unlikely the index will make any positive headway in the short term but the fundamental outlook is improving in the largest index sectors, which should continue to limit any correction in large banks and large Industrials. Many small cap stocks are looking cheap again so a switch back to smaller companies outperforming large caps is also possible in the short term.

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Sector Allocation

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