

QNB Commodity Fund – Monthly report for December 2021

Investment Objective

To provide investors with competitive investment returns from selected commodities.

Total Net Asset value (in QAR)

3,501,198

Total Net Asset value per unit (in QAR)

8.116

Fund Information	Particulars	Performance Summary	
Fund Type	Open-End Fund	MTD (December 2021)	7.14%
Currency	Qatari Riyal	YTD (2021)	38.12%
Regulator	Qatar Central Bank	Since Inception (June 2014)	-18.84%
Fund Manager	QNB Suisse SA	Indicative Benchmark	
Subscription/Redemption Fee	2.00 % / 0.50%	S&P GSCI INDEX	
Management Fee	.4%	MTD (December 2021)	7.59%
Auditor	E&Y	YTD (2021)	40.35%
Custodian	QNB	Since Inception (June 2014)	-44.50%

Fund Manager Comment

As per World Bank,

“Energy prices fell 3.1% in December, adding to the 6.2% decline in November. Non-energy prices, on the other hand, jumped 1.3%. Among key subgroups, agriculture commodities rose 0.8%, fertilizers 1.7%, and metals and minerals 2.4%. Precious metals fell 2.6%.”

“Energy prices continued to surge in the third quarter of 2021 while most non-energy prices plateaued following steep increases earlier in the year. After reaching all-time highs, natural gas and coal prices are expected to decline in 2022 as demand growth slows and supply constraints ease. Crude oil prices are forecast to average \$74/bbl in 2022, up from a projected \$70/bbl in 2021. After rising more than 48 percent this year, metal prices are projected to decline 5 percent in 2022. Agricultural prices are expected to broadly stabilize in 2022, following a 22 percent increase in 2021. High commodity prices, if sustained, could slow growth in energy importing countries and exacerbate food insecurity in low-income countries. Risks to the forecast include adverse weather, further supply constraints, and new outbreaks of COVID-19. The fluctuations in commodity prices this year highlight some of the challenges in transitioning to a zero-carbon economy. Cities have a key role to play, given they account for around two-thirds of energy demand and greenhouse gas emissions. A special focus documents that urbanization is associated with increased commodity demand, but high-density cities can have lower per-capita commodity demand than low-density cities. This reinforces the need for strategic urban planning to minimize the impact of future urbanization on commodity demand.”

Fund Management Team

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