

QNB Debt Fund - Monthly Report for August 2021

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 August - 21 (in QAR)	Total Net Asset value per unit month of July - 21 (in QAR)
38,482,049	13.124	13.084

	Fund	Benchmark
1 Month	0.31 %	0.05 %
Year to Date	4.02 %	0.41 %
1 year	7.22 %	0.63 %
3 Years	12.59 %	5.41 %
Since Inception	31.24 %	12.13 %

Annualised Returns (%)

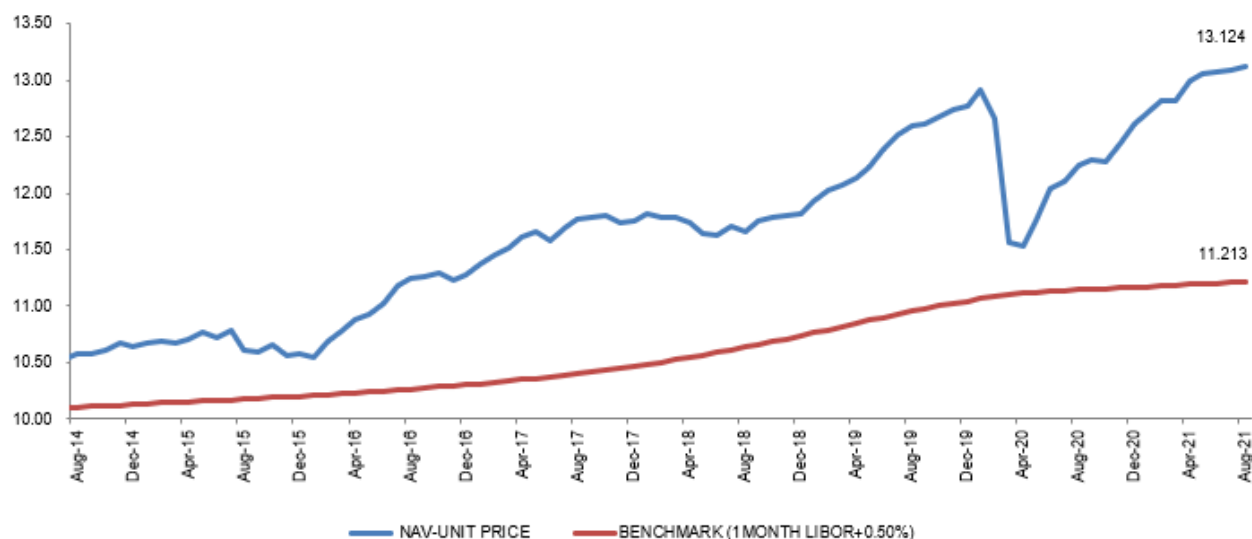
2020	-1.19 %	1.13 %
2019	8.04 %	2.83 %
2018	0.48 %	2.55 %
2017	4.32 %	1.61 %
2016	6.52 %	1.01 %
2015	-0.48 %	0.70 %
2014	4.39 %	0.66 %
2013	1.89 %	0.64 %

Risk Indicators

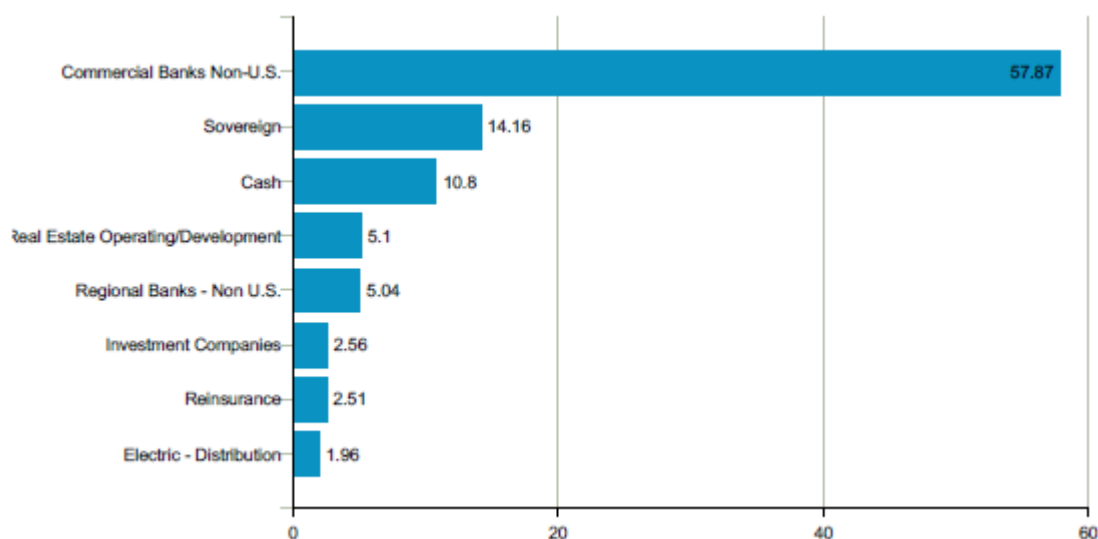
St. Deviation (3 years)	5.82 %	0.30 %
Sharpe (3 years)	0.62	4.63

Fund Information	Particulars	Fund Manager Comment
Fund type	Open-End Fund	Global economic recovery continued in August with lockdowns continuing to ease in developed markets along with speedier vaccine rollouts globally which has improved the optimism on return to normality compared to the beginning of the year. However, caution remains with the rapid spread of the delta variant that may delay the overall recovery timeline. Gradual opening of the economies in line with the vaccine rollout could lead to economic deflation with stronger demand levels. However, supply chain disruptions may have an effect on the overall global growth levels with emergence of the delta variant threat.
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	During the month US 10-year treasury rate ended higher at 1.30% from 1.22% in July despite the concerns of peak growth being behind us. In general, a higher 10-year US Treasury level is predicted as a consequence of the expected inflation driven by the continuous US/global money supply that would have an impact beyond deflation. However, this expectation is weighed down by the Fed official's negative comments on inflation being transitory. US and other major central banks continue to support the respective economies with ongoing stimulus. However as of late a hawkish view has emerged from the US Fed with regards to tapering of the ongoing asset purchases by end of this year that would elevation of US benchmark yields
Fund Currency	Qatari Riyal	
Auditor	Ernst & Young	
Regulator Founder	QCB – Qatar Central Bank	
Founder	QNB	
Investment Manager	QNB Suisse SA	Regional credits ended positive during the month with the benchmark rates rallying. Brent ended lower at USD 72.99 from USD 76.33 as of previous month. Elevation of energy price levels is mainly driven by the expected increase in activity following the vaccine rollout. Regional IG and HY space still appear favorable compared to the global counterparts and will attract flows from yield seeking investors.
Custodian	HSBC	
Top 5 Holdings		As of August 2021, QNB Debt Fund held 26 holdings with a long term net yield of c. 3.3 % p.a and duration of c. 3.4 Years. We expect the yield to improve upon deployment of the current 10.8% cash allocation on new issuances.
Issuer Name	Weight (%)	
1 National Bank of Oman	4.97 %	
2 Bank of Bahrain & Kuwait	4.95 %	
3 Sultanate of Oman	4.91 %	
4 Sharjah Islamic Bank	4.87 %	
5 Emirates NBD Bank	4.86 %	

NAV Movement



Sector Allocation



Contact Details

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Information

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