

QNB Debt Fund - Monthly Report for July 2022

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 July - 22 (in QAR)	Total Net Asset value per unit month of June - 22 (in QAR)
35,999,439.81	12.490	12.529

	Fund	Benchmark
1 Month	-0.31 %	0.20 %
Year to Date	-5.01 %	0.69 %
1 year	-4.54 %	0.94 %
3 Years	-0.21 %	3.53 %
Since Inception	24.90 %	13.13 %

Annualised Returns (%)

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

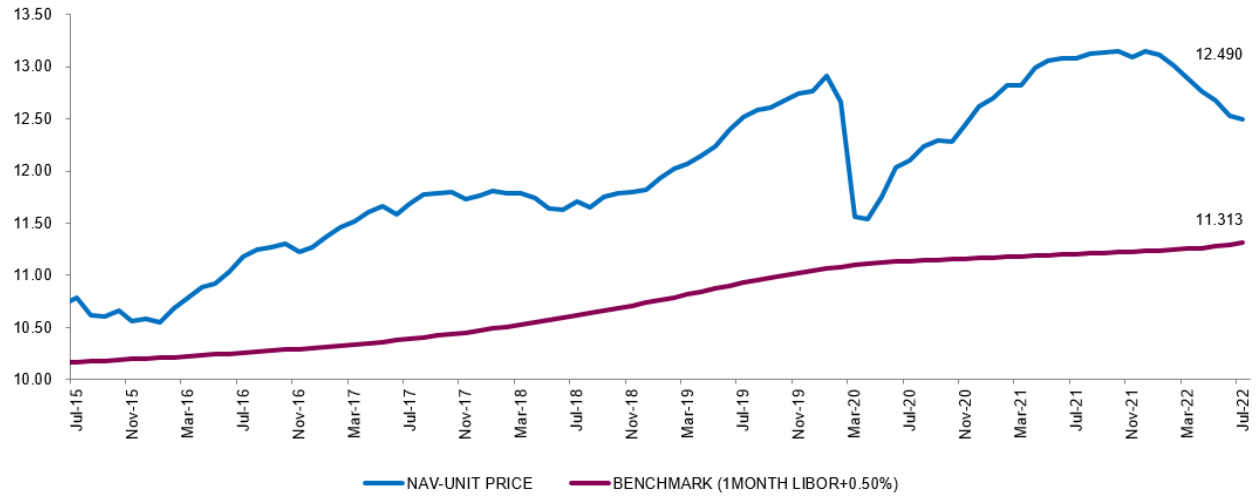
St. Deviation (3 years)	5.91 %	0.22 %
Sharpe (3 years)	0.08	-3.52

Fund Information	Particulars	Fund Manager Comment
Fund type	Open-End Fund	<p>During July with data points released it was confirmed that the US and global economies are slowing down. Inflation appeared to be sticky with the US print being at 9.1% with a tighter labor market. Hence as expected Fed remained hawkish with a 75 bps hike during the month that raised fears over an impending recession in the US economy. US QoQ growth came at -0.9% indicating a technical recession subsequent to the previous QoQ growth rate of -1.6%. The Russia-Ukraine war continued during the month without much resolution and China continues to grapple with Covid inducing much of the supply side inflation.</p> <p>US 10-year treasury rate ended lower at 2.64 % from the 3.01 % of previous month with lower intermonth volatility than the previous month. The reduction was mainly from the heightened safe haven flows to the longer end of the curve. Consensus view subsequent to the growth figures is that Fed may soften from the aggressive path starting from the next meeting. This led to performance recovery in the riskier asset classes towards end of the month. We continue to maintain lower duration as the impact of rate elevation is higher compared to the shorter end elevation.</p> <p>Brent ended marginally lower at c.USD 110.01 from USD 114.81 as of the previous month. The elevated price levels have impacted GCC Sovereign financial strength materially with improved outlook and increased reserve levels. Consequently, spread levels of regional credits remain low despite being marginally higher from June levels. Regional IG and HY space still appear favorable compared to the global counterparts and will continue to attract flows from yield seeking investors.</p> <p>As of June 2022, QNB Debt Fund held 28 holdings with a long-term gross yield of c. 6.2 % p.a and a duration of c. 3.1 Years</p>
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	Ernst & Young	
Regulator Founder	QCB – Qatar Central Bank	
Founder	QNB	
Investment Manager	QNB Suisse SA	
Custodian	HSBC	

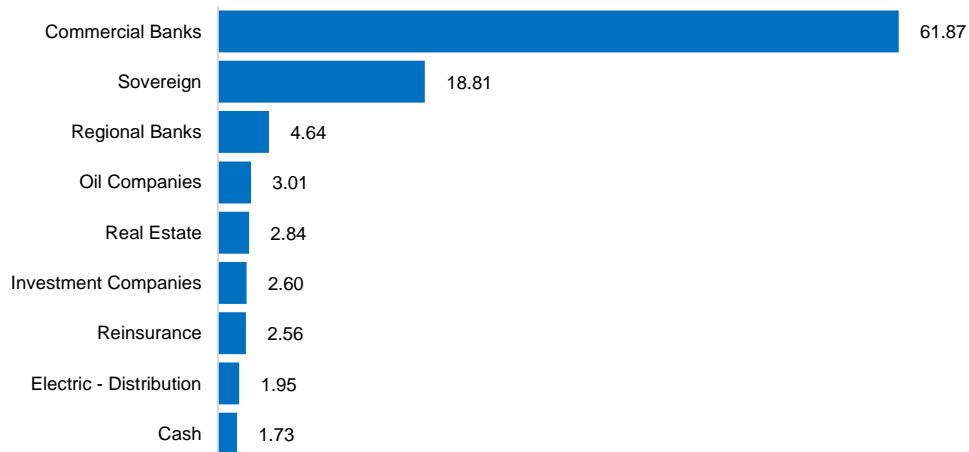
Top 5 Holdings

Issuer Name	Weight (%)
1 National Bank of Oman	5.04 %
2 QNB Finansbank	5.02 %
3 Government of Oman	4.99 %
4 Bank of Bahrain & Kuwait	4.96 %
5 Sharjah Islamic Bank	4.96 %

NAV Movement



Sector Allocation



Contact Details

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Information

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