

QNB Debt Fund - Monthly Report for May 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 May - 21 (in QAR)	Total Net Asset value per unit month of April - 21 (in QAR)
38,275,870	13.054	12.991

	Fund	Benchmark
1 Month	0.48 %	0.05 %
Year to Date	3.46 %	0.26 %
1 year	11.05 %	0.65 %
3 Years	12.10 %	5.94 %
Since Inception	30.54 %	11.96 %

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

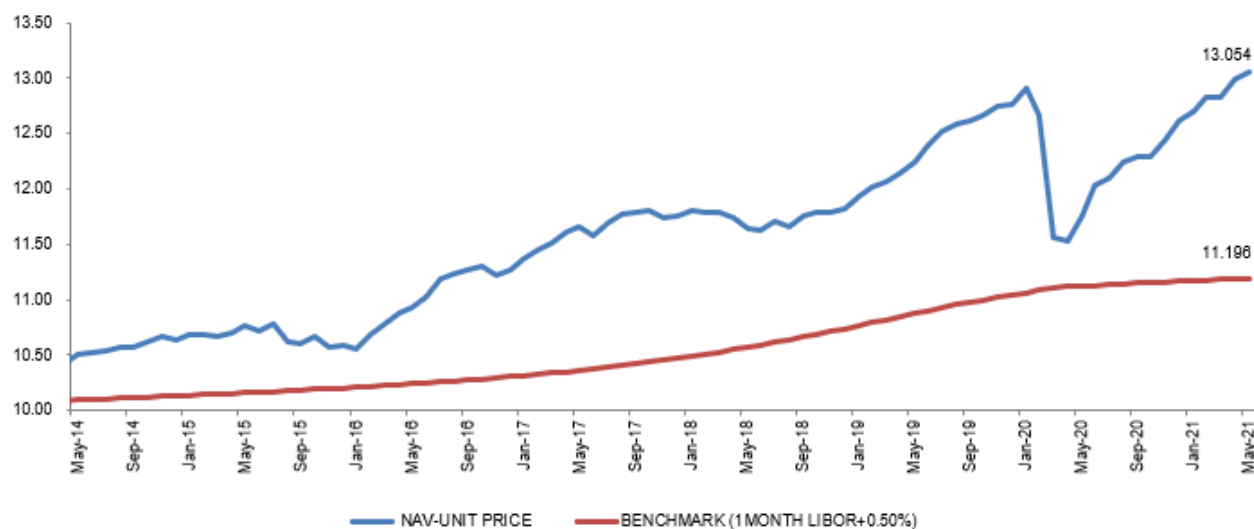
St. Deviation (3 years)	5.85 %	0.29 %
Sharpe (3 years)	0.63	4.99

Fund Information	Particulars	Fund Manager Comment
Fund type	Open-End Fund	<p>Economic data improved in May with many lockdown situations easing in the developed markets along with speedier vaccine rollout globally which has improved the optimism on return to normality. However, caution remains with certain emerging markets being hit hard by the new virus strains. Gradual opening of the economies in line with the vaccine rollout could lead to economic reflation with stronger demand levels.</p> <p>During the month US 10-year treasury rate was almost flat with the rate ending at 1.59% from 1.63 % a month earlier. In general, a higher 10 year is predicted consequent to the expected inflation driven by the continuous US/global money supply that would have an impact beyond reflation. However, this expectation is weight down by the Fed official's negative comments on inflation being just transitory and not sticky. US and other major central banks continue to support the respective economies with ongoing stimulus. It is hard to envisage significant deviation from accommodative policies that prevail in US and elsewhere until a strong recovery is made.</p> <p>Regional credits ended positive during the month with the benchmark rates slightly tightening. Brent ended higher at USD 69.32 from USD 67.25 from the 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.</p> <p>As of May 2021, QNB Debt Fund held 21 holdings with a long-term net yield of c. 2.8% % p.a and duration of c. 2.6 Years. We expect to improve the yield by about 60 bps upon deployment of the cash allocation of c. 20% generated recently from profit taking and maturities.</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	

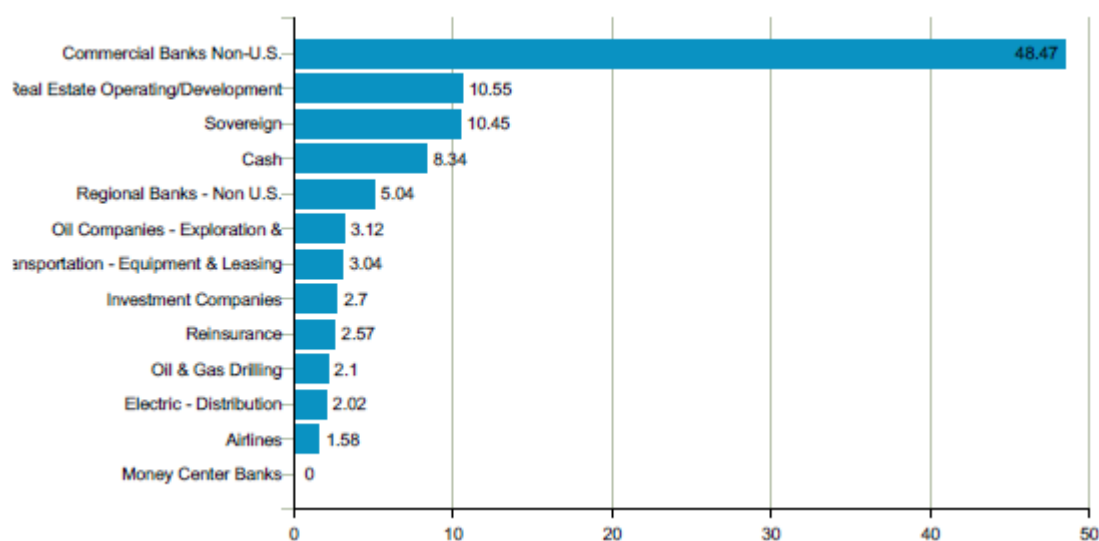
Top 5 Holdings

Issuer Name	Weight (%)
1 Bank Dhofar	8.63 %
2 Majid Al Futtaim Holdings	5.88 %
3 Noor Bank	5.14 %
4 Bank of Bahrain & Kuwait	5.03 %
5 Sharjah Islamic Bank	4.98 %

NAV Movement



Sector Allocation



Contact Details

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Information

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