

QNB Debt Fund - Monthly Report for October 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 October - 22 (in QAR)	Total Net Asset value per unit month of September - 22 (in QAR)
35,455,946.00	12.319	12.386

	Fund	Benchmark
1 Month	-0.54 %	0.31 %
Year to Date	-6.31 %	1.51 %
1 year	-6.33 %	1.61 %
3 Years	-2.79 %	3.68 %
Since Inception	23.19 %	14.05 %

Annualized 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)	6.01 %	0.25 %
Sharpe (3 years)	-0.21	-8.69

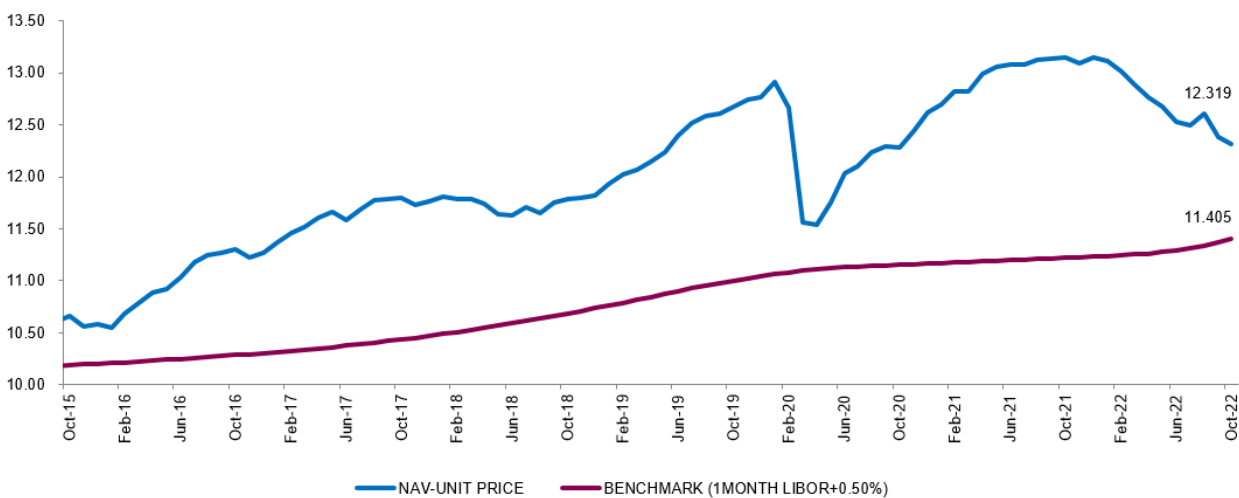
Fund Information	Particulars	Fund Manager Comment
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Fund type	Open-End Fund	<p>During October, US and global economies continued to slow down with stronger inflation and low growth trajectory. This has led to most of the global central banks taking a hawkish view on respective monetary policies. US Inflation came lower at 8.2% lower than the previous print and yet the level appears to be elevated to keep the Fed officials uneasy. It is evident that inflation on MoM basis is affected to some extent by the monetary tightening in US but it will take a bit more time to reflect on YoY basis due to a stronger base effect. The Russia-Ukraine war continued - crossing the eight-month period without much of a resolution.</p> <p>US 10-year treasury rate ended higher at 4.01 % from 3.82 % in the previous month. Overall, the yield curve elevated and further steepened with 1-3 year US treasury curve segment remaining within 4.4% - 4.6%. This was due to expectation over the successive 75 bps hike by the Fed in November. Many expect this to be peak of the hiking cycle and expect a kind of slowdown in hikes beyond this point by ending the year with another hike of 50 bps in December. We continue to maintain lower duration as the impact of rate elevation is lower on shorter end compared to the longer end.</p> <p>Brent ended higher at c. USD 95.77 from USD 96.49 of the previous month amid supply cuts from Opec+. The elevated price levels have impacted GCC Sovereign financial strength materially with improved outlook and increased reserve levels. GCC spread levels of regional credits widened marginally though they remain low historically. 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 October 2022, QNB Debt Fund held 28 holdings with a long-term gross yield of c. 6.7 % 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	

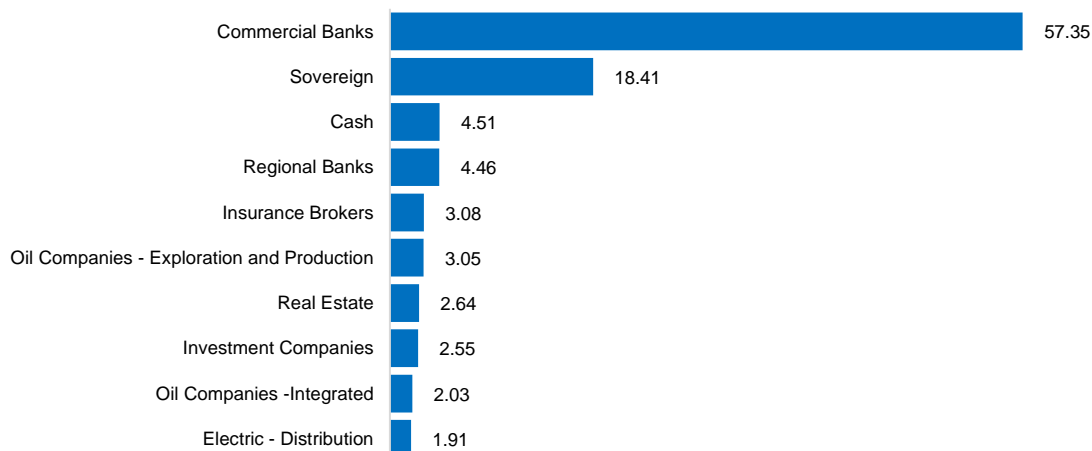
Top 5 Holdings

Issuer Name	Weight (%)
1 QNB Finansbank	5.12 %
2 National Bank of Oman	5.08 %
3 Government of Oman	5.01 %
4 Sharjah Islamic Bank	4.97 %
5 Bank of Bahrain & Kuwait	4.97 %

NAV Movement



Sector Allocation



Contact Details

Investment Manager	QNB Suisse SA
Fund Manager	Chanaka Dassanayaka CFA
Address	Quai du Mont-Blanc 1, 1201 Geneva
Telephone in Qatar	+974 4440 7339

Information

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