

Al Watani Fund 2 (for Non Qatari) - Monthly Report for July 2021

Investment Objective

The primary aim of Al Watani Fund is to outperform the benchmark S&P Index while seeking to reduce the risks associated with the investment

Total Net Asset value (in QAR)

8,277,10

Total Net Asset value per unit (in QAR)

19.92

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	99.20%	-20.37%
Currency	Qatari Riyal	Year 2015	-11.60%	-15.11%
Regulator	Qatar Central Bank	Year 2016	-0.57%	-2.93%
Fund Manager	QNB Suisse SA	Year 2017	-9.80%	-16.30%
Subscription/Redemption	Monthly	Year 2018	20.60%	15.53%
Management Fee	1.5% p.a	Year 2019	2.18%	-3.27%
Auditor	KPMG	Year 2020	7.55%	0.55%
Custodian	QNB	MTD (July 2021)	0.15%	0.30%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2021)	6.75%	4.08%
		Beta	0.83	1.00
		Standard Deviation*	20.90%	23.98%

Fund Manager Comment

Performance for the Month

The benchmark gained 0.30% in July while the Qatar Exchange Index (QE) gained 0.21% in July and the QE Al Rayyan (QERI) lost 0.93%. The market continued to be range bound during the month as investors sat on the side lines waiting for the next catalyst. Market sentiment remained subdued with little appetite for risk taking. Global equity market maintained the upward trajectory in July, MSCI World powered another 2.47%; Developed world markets fared better than emerging markets supported by strong corporate earnings from large cap stocks. MSCI EM shed 5.45% on the back of Chinese regulatory risk while the S&P 500 gained 2.92%. Global commodities extended their winning streak with another strong month, gaining 1.83% as indicated by the Bloomberg Commodity Index. Brent Crude oil benchmark gain 2.29% during the month. Foreign Institutional Investors net bought USD 26.4 Mn. Regional markets were mostly in the green; Abu Dhabi market was the best outperformer gaining 7.06%. In year to date 2021 the fund's NAV increased by 6.75% vs. 4.08% increase in the benchmark index, outperforming by 2.67%.

Market Review

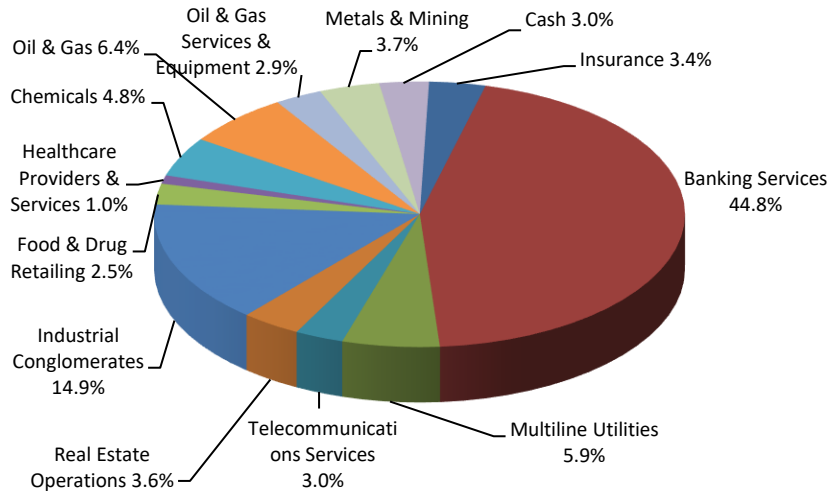
Q2 results dominated the market in a month shortened by the Eid holiday. The Transport Sector was the best performing sector in Qatar during July. Qatar Navigation (QNNS) beat expectations as prior year provisions in ship valuations rolled off the P&L. Nakilat (QGTS) produced a solid though slightly disappointing result in Q2. The telecoms sector was the worst performing sector due to Ooredoo's (ORDS) Q2 loss; it wrote down the value of its Myanmar subsidiary. On a stock level, Commercial Bank (CBQK) was the best performing stock +4% after Q2 results beat expectations. Ezdan Holdings (ERES) was the worst performing stock in anticipation of continued poor results and an extremely weak balance sheet.

Portfolio Investment Strategy

Longer term fundamentals for Qatar are positive. In the short term, strong momentum is proving more important than valuations which will continue as long as economic and monetary conditions remain supportive. The overbought conditions have now eased with a sideways correction so another move up could occur from here. Any major correction in the index will be an opportunity to buy Qatari equities.

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Sector Allocation



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