

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

8,461,025

Total Net Asset value per unit (in QAR)

21.74

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	117.40%	-13.79%
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 (December 2021)	3.23%	2.08%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2021)	16.51%	12.70%
		Beta	0.83	1.00
		Standard Deviation*	20.66%	23.67%

Fund Manager Comment

Performance for the Month

The benchmark gained 2.08% in December 2021. The Qatar Exchange index reversed the November decline with the market gaining 2.10% in December. The QE Islamic Index underperformed the main index during the month gaining +0.61%. The correction from the overbought market conditions in November gave investors a chance to buy at lower levels. Global equity market firmed up during the month, as more information became known regarding the new Covid variant. MSCI World gained +4.44%; Developed world markets represented by the S&P 500 index gained +4.75% and MSCI EM index gained +1.11%. Global commodity indices gained 3.79% (indicated by the Bloomberg commodity index). Brent Crude oil benchmark bounced back strongly erasing most of the November losses resulting in +14.57% gain in December. Foreign Institutional Investors continued buying with net inflows of USD133 Mn. Regional markets were mostly positive expect Abu Dhabi market; Saudi Arabia and Kuwait markets were the best performers gaining +4.83% and +4.00% respectively. In year to date 2021 the fund's NAV increased by 16.51% vs. 12.70% increase in the benchmark index, outperforming by 3.81%.

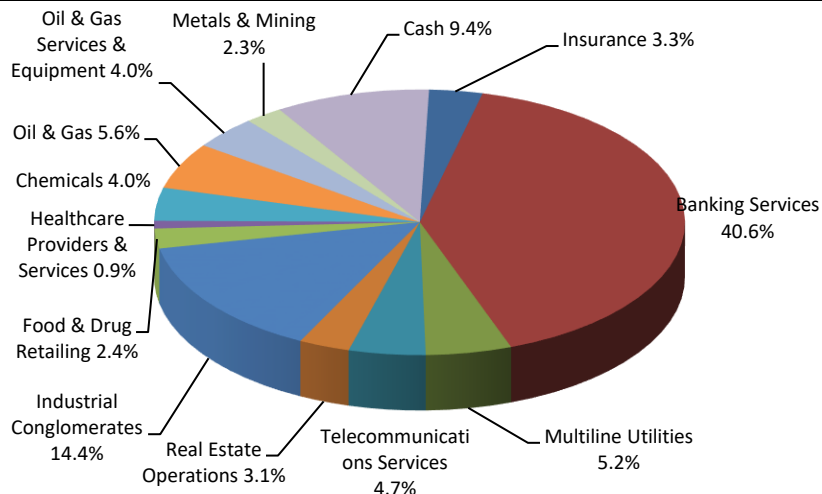
Market Review

FY2021 was split into two parts. The first three months were significantly affected by the pandemic (Covid) and low confidence. However, after the initial weakness, our market started to recover over the next nine-months and gradually recovered throughout the year. Hence, the widely followed index QE Index was up 11.40% in 2021, while the total return index (QETR Index) was up 14.71%. Furthermore, the QERI Index (total return) was up 10.48% for 2021. On the sector front, All Share Industrial Index (up 29.87% year-on-year) followed by the All Share Banks & Financial Services Index (up 16.82% year-on-year) were the best performing sectors in the market. Conversely, All Share Real Estate Insurance Index was down 9.77% year-on-year, against the overall market trend.

Portfolio Investment Strategy

Short-term momentum has waned and overbought conditions have eased. Dividend season is approaching which could provide positive surprises for certain stocks which experienced improved profitability and cash flow in 2021. Late 2021 should also provide a domestic demand boost from the World Cup but equities will increasingly look to 2023 as we proceed through the year.

Sector Allocation



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