

Al Watani Fund 2 (for Non Qatari) - Monthly Report for February 2022

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)

9,262,737

Total Net Asset value per unit (in QAR)

24.04

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	140.37%	-5.03%
Currency	Qatari Riyal	Year 2016	-0.57%	-2.93%
Regulator	Qatar Central Bank	Year 2017	-9.80%	-16.30%
Fund Manager	QNB Suisse SA	Year 2018	20.60%	15.53%
Subscription/Redemption	Monthly	Year 2019	2.18%	-3.27%
Management Fee	1.5% p.a	Year 2020	7.55%	0.55%
Auditor	KPMG	Year 2021	16.51%	12.70%
Custodian	QNB	MTD (February 2022)	4.87%	3.53%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2022)	10.57%	10.15%
		Beta	0.83	1.00
		Standard Deviation*	20.64%	23.65%

Fund Manager Comment

Performance for the Month

The benchmark gained 3.53% in February 2022. The Qatar Exchange extended January's gains registering strong performance during the month. Both the QE and QERI indices gained 3.6% and 4.7% respectively. The gains in the market were broad based with all sectors closing higher expect the insurance sector. Global equity market slipped further in to the red during the month, as the global inflation outlook worsened and geopolitical tensions increased in Europe. MSCI World shed 2.5%; Developed world markets represented by the S&P 500 index lost 3.0% while the MSCI EM index shed 3.0%. Global commodity complex took another leg up in February gaining 6.2% as indicated by the Bloomberg Commodity Index. The Brent Crude Oil benchmark was up 13.2% on the back of heightened geopolitical risk premium and tight supply conditions. Foreign Institutional Investors extended net buying of USD 563m. Regional markets were mostly in the green expect Muscat exchange in Oman. Abu Dhabi and Qatar markets were the best performers gaining 7.1% and 4.6% respectively. In year to date 2022 the fund's NAV increased by 10.57% vs. the benchmark index up 10.15%, outperforming by 0.41%.

Market Review

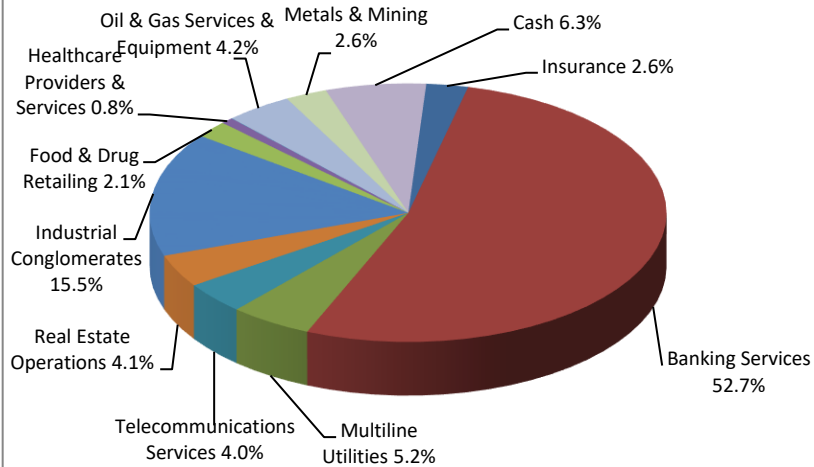
Despite large cap stocks like QNB Group (QNBK) and Qatar Islamic Bank (QIBK) going ex-dividend in the month of February, the index maintained its uptrend. On the earnings announcement front, Industries Qatar (IQCD) posted a net profit of QR8.1bn in FY2021 vs. QR1.8bn in 2020. IQCD also announced a DPS of QR1.00 with the results. For the QE index, QIBK, IQCD and QNBK were the biggest contributors to the index appreciation for the month of February 2021. On the other hand, CBQK, ERES and VFQS dragged the overall index. For the QERI index, QIBK, IQCD and QAMC were the biggest contributors to the index performance for the month. On the other hand, ERES, VFQS and BLDN negatively affected the QERI Index.

Portfolio Investment Strategy

Short term momentum is strong reflecting huge foreign interest, especially since Emerging Market investors have fewer energy market options with Russian markets closed. For Qatar, late 2022 should still provide a domestic demand boost from the World Cup which may support sentiment further. Overall Qatar is fairly priced as cheaper valuations reflect less attractive economic prospects relative to regional equities.

Sector Allocation

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