

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

9,416,900

Total Net Asset value per unit (in QAR)

25.14

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	151.39%	-2.42%
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 (July 2022)	7.91%	9.63%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2022)	15.63%	13.18%
		Beta	0.83	1.00
		Standard Deviation*	20.44%	24.53%

Fund Manager Comment

Performance for the Month

The benchmark gained 9.63% in July 2022. The Qatar Exchange registered strong performance in July erasing losses witnessed in the previous two months. Both the QE and QERI indices gained 9.67% and 11.14% respectively. The market breath improved significantly as the number of stocks trading above their 50-day moving stood at 100%. All sectors except the insurance sector participated in the rally with the transport/logistic sector being the best performer. Global equity markets posted strong performance in July as investor risk appetite improved following soothing comments from the Federal Reserve and better than expected corporate earnings reports for Q2 in the US. MSCI World gained 7.94%; Developed world markets represented by the S&P 500 index gained 9.22% and the MSCI EM index lost 0.25%. Global commodities recovered from the selloff in June gaining 4.08%, however downward pressure still prevails on oil prices which fell -4.18%. Foreign Institutional Investors extended net buying of USD 89.9 MN. Regional markets were mostly in the in the green; Oman market was the best performer gaining 9.98%. In year to date 2022, the fund's NAV increased by 15.63% vs. the benchmark index up 13.18%, outperforming by 2.45%.

Market Review

Transportation stocks led the Qatar Index up in July. Qatar Navigation (QNNS) was the best performing stock after announcing a new Qatar Energy contract. Ooredoo (ORDS) and Qatar Islamic Bank (QIBK) also led the market up on cheap valuations in the case of ORDS, and strong momentum in the case of QIBK. Gulf International Services (GISS) and Doha Bank (DHBK) were the worst performing stocks in the QE index. Doha Bank results continued to disappoint as hope disappears for any turnaround near term. GISS fell after oil prices lost momentum and fell in June and July. In the QERI, Qatar National Cement (QNCD) and Medicare (MCGS), both defensive stocks were the worst performers.

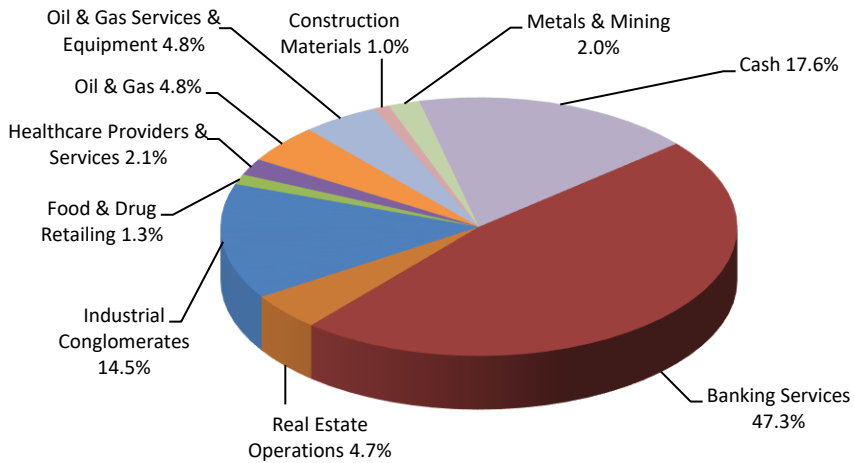
Portfolio Investment Strategy

The Qatar market is indecisive. Many large cap stocks are trading at high valuations, which means the index could struggle to make new highs again this year. A lot will be dependent on mid and small cap stocks taking over market leadership to see whether we can return to 2022 highs or whether we continue to trade sideways. Overall Qatar is fairly priced as cheaper valuations reflect less attractive economic prospects relative to regional equities.

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Sector Allocation

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