

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

8,381,500

Total Net Asset value per unit (in QAR)

19.98

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	99.80%	-20.16%
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 (May 2021)	-1.04%	-1.24%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2021)	7.07%	4.35%
		Beta	0.83	1.00
		Standard Deviation*	20.93%	24.01%

Fund Manager Comment

Performance for the Month

As anticipated seasonality reigned supreme in May resulting in the benchmark index losing 1.24% reversing some of the previous two months of gains. Market sentiment soured in the second half of the month as MSCI EM index quarterly rebalancing pointed to significant out flows. Global equity market extended their winning streak in May, MSCI World gained 1.56%, with Emerging Markets faring better than the developed markets. MSCI EM gained 1.15% while the S&P 500 managed 0.7%. Global commodity had another strong month, gaining 2.64% in May and 26.481% year to date (May). Brent Crude oil benchmark gain 3.08% during the month. Foreign Institutional Investors net bought USD 4.6 Mn. Regional markets were mostly in the green; Abu Dhabi market was the best outperformer gaining 8.60%. In year to date 2021 the fund's NAV increased by 7.07% vs. 4.35% decline in the benchmark index, outperforming by 2.72%.

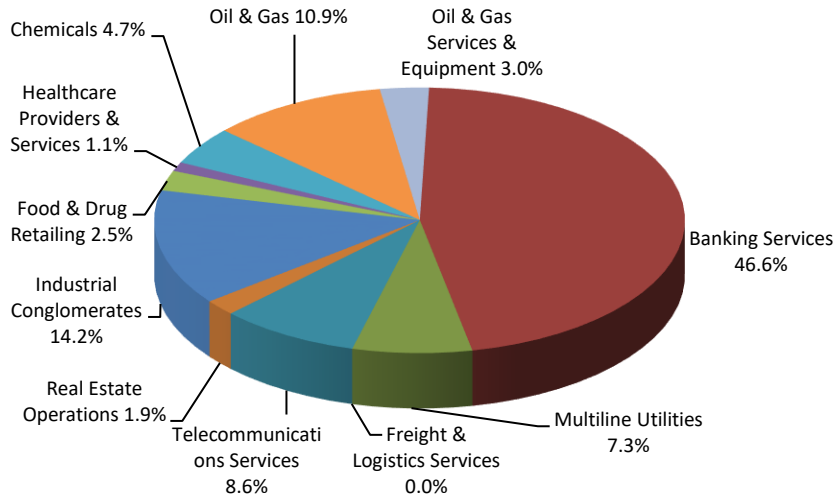
Market Review

MSCI rebalance was the key event for the month. In the Semi Annual Index Rebalance, MSCI reduced the weight of Industries Qatar (IQCD) and Qatar Electricity & Water Company (QEWS) leading to an outflow near the month-end. For the QE index, IQCD, QEWS and QNB Group (QNBK) were the primary contributors on keeping the index in check, while Qatar International Islamic Bank (QIIK), Qamco (QAMC) and Qatar Insurance (QATI) positively contributed towards the index. For QERI Index, IQCD, QEWS and Woqod (QFLS) were the primary laggards while QAMC, QIIK and Qatari Investor Group (QIGD) were the top 3 positive contributors to the QERI Index.

Portfolio Investment Strategy

Longer term fundamentals are positive but a pause in upward momentum or outright correction is inevitable. The Qatar index is overbought and many individual stocks are trading at all-time high valuations. Any major correction in the index, once it comes, will then be an opportunity to buy Qatari equities.

Sector Allocation



Fund Management Team

QNB Suisse SA
Quai du Mont-Blanc 1,
1201 Geneva
Switzerland

Management Team:
Fund Manager: Abdullah Amin
Tel: (974) 4440 7339
QNB Asset Management
Musherib P 11 - 1st floor
P.O. Box 1000 Doha, Qatar

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