

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

8,219,304

Total Net Asset value per unit (in QAR)

21.06

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	110.600%	-15.55%
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 (November 2021)	-2.50%	-2.22%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2021)	12.86%	10.40%
		Beta	0.83	1.00
		Standard Deviation*	20.68%	23.68%

Fund Manager Comment

Performance for the Month

The benchmark lost 2.22% in November 2021. The Qatar Exchange index broke the upward trajectory established in the last four months declining by 3.22% in November. The QE Islamic Index performed marginally better shedding 2.70%. The selling was broad based with all sectors in the red expect the Insurance sector. Global equity markets weakened during the month as risk off sentiment prevailed following a COVID mutant scare and tightening financial conditions. MSCI World shed 2.19%; Developed world markets represented by the S&P 500 index shed 0.83% and MSCI EM index shed 4.08%. Global commodity complex slumped shedding 7.31% as indicated by the Bloomberg commodity index. Brent Crude oil benchmark got slammed shedding 15.71% during the month. Foreign Institutional Investors resumed buying with net inflows of USD 194 Mn. Regional markets were mostly in the red expect both the UAE markets; Abu Dhabi and Dubai were up 8.66% and 7.29% respectively. In year to date 2021 the fund's NAV increased by 12.86% vs. 10.40% increase in the benchmark index, outperforming by 2.47%.

Market Review

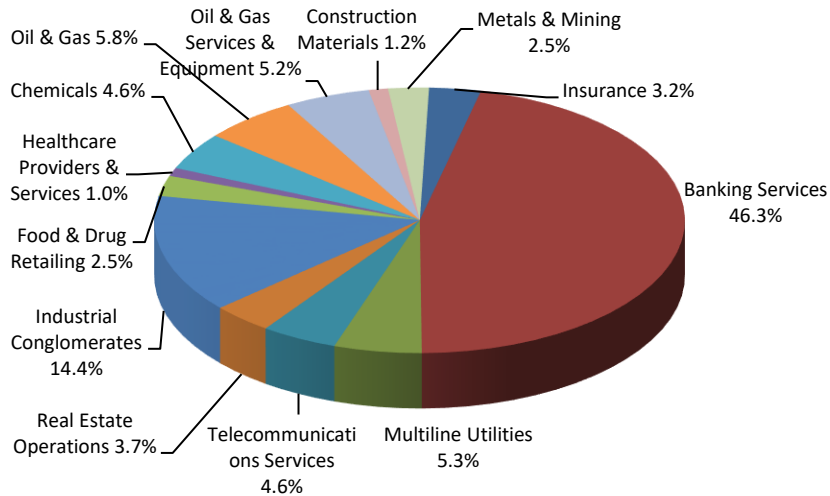
MSCI rebalancing and global markets affected the Qatari market in November. The MSCI semi-annual rebalance was effective at the end of the month. Although there were, no additions or deletions an estimated \$56mn outflow occurred due to small weight changes in MSCI EM stocks. In other news, Masraf Al Rayan (MARK) has completed the legal merger with Al Khaliji Commercial Bank (KCBK), creating one of the largest Shariah-compliant lenders in the region with more than QR182bn in total assets. Subsequent to that news, an announcement was made that the Qatari Government has given the nod to the 100% Foreign Ownership in 4 banks (QNBK, MARK, CBQK, QIBK), which is legal follow up to the initial approval from August. Ultimately, this step still means that an EGM is required (except for MARK which did theirs) to approve 100% FOL before it can be implemented and best-case scenario is Jan/Feb implementation.

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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