

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

8,646,216

### Total Net Asset value per unit (in QAR)

23.08

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	130.82%	-10.50%
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 (October 2022)	-3.30%	-2.39%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2022)	6.16%	3.81%
		Beta	0.83	1.00
		Standard Deviation*	20.40%	26.05%

### Fund Manager Comment

#### Performance for the Month

The benchmark declined by 2.39% in October 2022. The Qatar Exchange extended losses in October following through the weakness exhibited in September as bearish sentiment engulfed the market. The Qatar Exchange Index and Qatar Exchange Al Rayyan Index both declined by 2.21% and 0.54% respectively. All sectors were in the red except the Telecoms and Transports. Market breath has deteriorated significantly back to June lows indicated by the number of stocks below their respective 50 day moving average. Global equity markets reversed previous months down trade with strong gains; MSCI World gained 7.18% with developed world markets represented by the S&P 500 index gaining 8.10% while MSCI EM index shed 3.11%. Global commodity complex gained 1.67% during the month supported by strong performance from crude oil. Brent Crude oil benchmark gained 11.38%. Foreign Institutional Investors extended net buying of USD 222 MN. Regional markets mostly up except Qatar. In year to date 2022 the fund's NAV increased by 6.16% vs. the benchmark index up 3.81%, outperforming by 2.35%.

#### Market Review

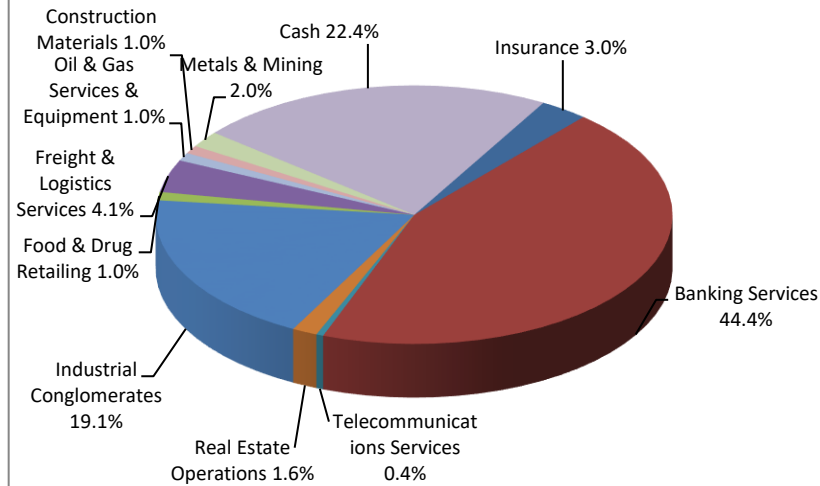
Strong, but below consensus, earnings growth affected the Qatari market. The listed firms post a strong double-digit YoY growth in the overall net earnings during the first nine months of 2022. Total net profit soared 19.29% YoY to QR39.41bn. Among individual stocks, the top negative contributors to the monthly QE Index decline were Industries Qatar (IQCD), Commercial Bank of Qatar (CBQK) and Masraf Al Rayan (MARK). Against this, Ooredoo (ORDS), Qatar International Islamic Bank (QIIK) and Qatar Electricity and Water Company (QEWS) contributed positively to the QE Index.

#### Portfolio Investment Strategy

The Qatar market sold off again in October in another risk off month. Short term, markets look oversold and are due a bounce, however the medium term outlook is getting difficult. Fundamentally there are many stocks, especially the banks, which are structurally ex-growth with dividend yields well below market interest rates and leveraged balance sheets which have yet to be tested. This is a challenge the market have to face up to in 2023, alongside a worsening economic outlook both domestically and internationally.

## Sector Allocation

## Fund Management Team



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