

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

**8,941,050**

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

**23.87**

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	138.69%	-8.30%
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 (September 2022)	-5.68%	-6.00%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2022)	9.78%	6.35%
		Beta	0.83	1.00
		Standard Deviation*	20.41%	26.07%

### Fund Manager Comment

#### Performance for the Month

The Qatar Exchange shed 5.44% in September following through the weakness exhibited in the latter part of August. QERI (Islamic index) fell 6.93%. The losses cut across all sectors except two; Consumer Goods and Insurance. 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 extended losses into September with the US dollar wrecking carnage against all major and emerging currencies while short-term interest rates took another leg higher pricing in aggressive rate hikes by the FED. MSCI World shed 8.73%; Developed world markets represented by the S&P 500 index lost 9.50% and the MSCI EM index shed 10.10%. The global commodity complex was also down during the month with the Bloomberg commodity index losing 6.68%. Brent Crude oil benchmark shed 4.76%. Foreign Institutional Investors extended net buying of USD 239.3 MN. Regional markets were mostly in the red except Abu Dhabi. In year to date 2022 the fund's NAV increased by 9.78% vs. the benchmark index up 6.35%, outperforming by 3.43%.

#### Market Review

QE Index, QE Al Rayan Islamic Index and QE All share constituents were rebalanced on October 01, 2022. There was one change to the QE Index with Qatar Insurance (QATI) becoming part of the QE index while Salam International (SIIS) was removed from the QE Index. On the other hand, Aamal Company exited the QERI Index. Among the stocks, only Nakilat (QDTS) closed in positive territory while the top three contributors to the monthly QE Index decline were Industries Qatar (IQCD), Masraf al Rayan (MARK) and Qatar Islamic Bank (QIBK).

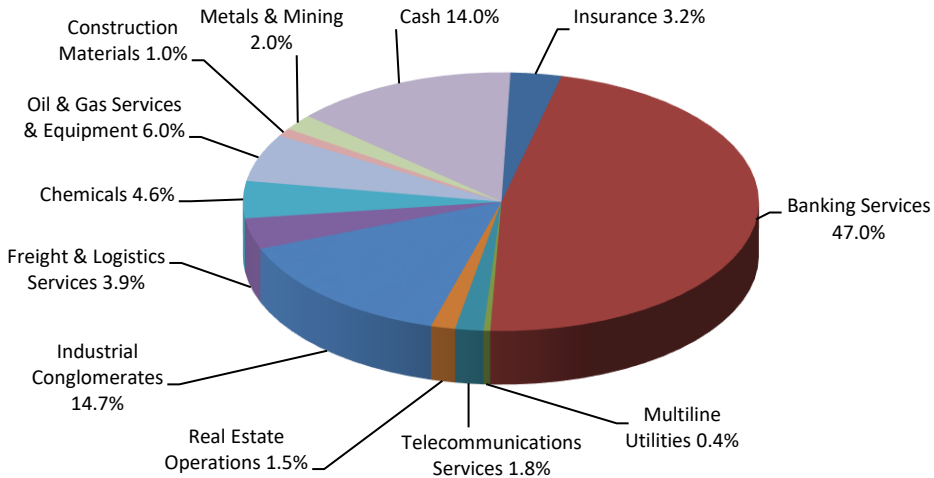
#### Portfolio Investment Strategy

The Qatar market sold off in September in line with other global markets in a risk off month, not quite back to the June lows. Short term, markets look oversold and are due a bounce that could continue for most of Q4, however the medium term outlook is getting more and more 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.

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## Sector Allocation

## Fund Management Team



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