

## Al Watani Fund (for Qatari) - Monthly Report for January 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)**

**15,663,650**

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

**24.36**

Fund Information	Particulars	Performance Summary	WF	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	143.64%	-8.27%
Currency	Qatari Riyal	Year 2016	-0.49%	-2.93%
Regulator	Qatar Central Bank	Year 2017	-10.13%	-16.30%
Fund Manager	QNB Suisse SA	Year 2018	20.57%	15.53%
Subscription/Redemption	Monthly	Year 2019	2.25%	-3.27%
Management Fee	1.5% p.a	Year 2020	7.71%	0.55%
Auditor	KPMG	Year 2021	17.41%	12.70%
Custodian	QNB	MTD (January 2022)	6.09%	6.40%
Benchmark Index:	Standard & Poor's	YTD (2022)	6.09%	6.40%
	Qatar Domestic Index (Custom)	Beta	0.82	1.00
		Standard Deviation*	20.44%	23.66%

### Fund Manager Comment

#### Performance for the Month

The benchmark gained 6.40% in January 2022. The Qatar Exchange powered higher into the New Year with all the indices posting strong performances during the month. Both the QE and QERI indices gained 7.5% and 7.0% respectively. The gains in the market were broad based with all sectors closing higher except the insurance sector. Global equity markets slipped lower during the month, as the US Federal Reserve doubled down on the fighting inflation, tightening financial conditions. MSCI World shed 5.4%; Developed world markets represented by the S&P 500 index lost 5.4% while the MSCI EM index fared much better shedding 1.2%. Global commodity complex pushed higher in January gaining 8.5% as indicated by the Bloomberg commodity index. Brent Crude oil benchmark was up 14.7% on the back of heightened geopolitical risk premium and tight supply conditions. Foreign Institutional Investors extended net buying of US\$541m. Regional markets were mostly in the green expect Muscat exchange in Oman; Saudi Arabia and Qatar markets were the best performers gaining 8.8% and 7.5% respectively. In year to date 2022 the fund's NAV increased by 6.09%.

#### Market Review

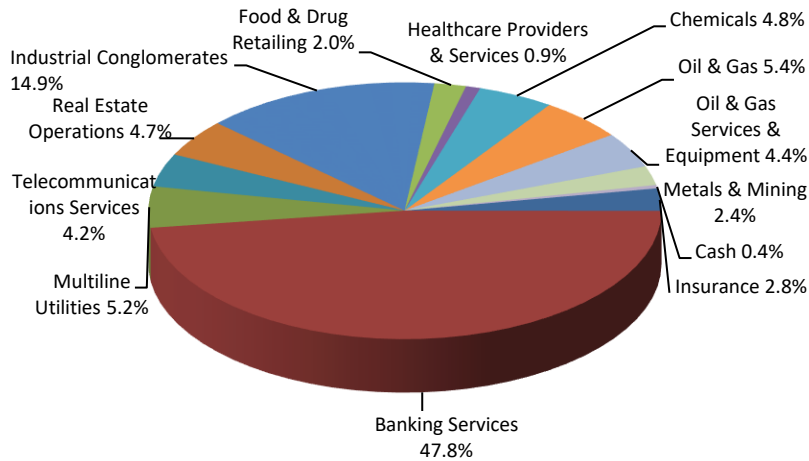
FY2021 result season started on a strong note. On a year over year (YoY) most banks posted better operating earnings but higher provisions kept the bottom-line in check. QNB Group (QNBK) kick started the FY2021 result season for the domestic market. QNBK's net profit for the full year reached QR13.2bn, an increase of 10% compared to last year (YoY). Qatar Islamic Bank's (QIBK) posted an EPS of QR1.42 in FY2021 as compared to QR1.21 in FY2020, up 16% YoY. Commercial Bank (CBQK) posted an EPS of QR0.50 in FY2021 as compared to QR0.27 in FY2020; strong results marred by higher provisioning in 4Q2021 and lower DPS. Masraf Al Rayan also booked higher provisions in 4Q2021 leading to a decline in YoY earnings for 2021.

#### Portfolio Investment Strategy

Short term momentum is picking up again. Results season is providing some positive surprises for certain stocks which experienced improved profitability and cash flow in 2021. Late 2021 should also provide a domestic demand boost from the World Cup. Overall Qatar is fairly priced against medium term economic prospects but cheaper valuations versus regional equities may prompt a regional re-allocation towards Qatar.

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## Sector Allocation



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