

Al Watani Fund (for Qatari) - Monthly Report for June 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)

34,352,875

Total Net Asset value per unit (in QAR)

20.88

Fund Information	Particulars	Performance Summary	WF	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	108.80%	-20.61%
Currency	Qatari Riyal	Year 2015	-11.45%	-15.11%
Regulator	Qatar Central Bank	Year 2016	-0.49%	-2.93%
Fund Manager	QNB Suisse SA	Year 2017	-10.13%	-16.30%
Subscription/Redemption	Monthly	Year 2018	20.57%	15.53%
Management Fee	1.5% p.a	Year 2019	2.25%	-3.27%
Auditor	Ernst & Young	Year 2020	7.71%	0.55%
Custodian	QNB	MTD (June 2021)	-0.38%	-0.56%
Benchmark Index:	Standard & Poor's	YTD (2021)	6.75%	3.77%
	Qatar Domestic Index (Custom)	Beta	0.82	1.00
		Standard Deviation*	20.75%	23.99%

Fund Manager Comment

Performance for the Month

The benchmark Index lost 0.56% in June while the QERI Index declined by 1.89%. The market traded in a tight range during the month as investors sat on the side lines waiting for the next catalyst. Market sentiment remained subdued with little appetite for risk taking. Global equity markets maintained their upward trajectory; MSCI World gained 1.28%. Developed world markets fared better than emerging markets as the US Dollar strengthened. MSCI Emerging Markets lost 0.90% while the S&P 500 gained 2.38%. Global commodities extended their winning streak with yet another strong month, gaining 1.49% in June. Brent Crude oil gained 6.95% during the month. Foreign Institutional Investors in Qatar bought US\$72.3m. Regional markets were mostly in the green; Abu Dhabi market was the best outperformer gaining 4.22%. In year to date 2021 the fund's NAV increased by 6.75% vs. 3.77% increase in the benchmark index, outperforming by 2.98%.

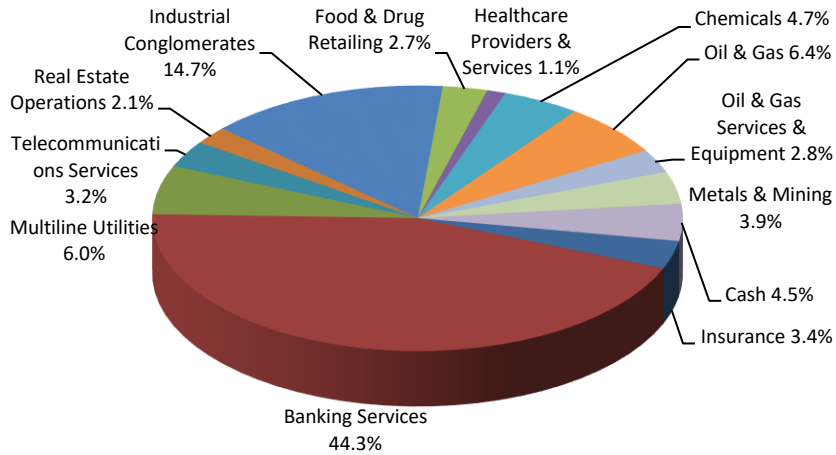
Market Review

The Qatari market consolidated in the month of June before the 2Q2021 results. Among the sector indices, All Share Telecoms Index was the best performing index up 1.53% MoM. Among the stocks, the top three contributors to the monthly QE Index appreciation were Industries Qatar (IQCD) the stock rallied after MSCI and FTSE outflows. IQCD was followed by QNB Group and Oordeo (ORDS) as the top three positive contributors to the QE Index. Among the sector indices All Share Real Estate Sector Index was the worst performer down 7.35% MoM. United Development (UDCD), Barwa Real Estate (BRES) and Nakilat (QGTS) were the top three stocks that dragged the QE Index down during the month. For QERI Index, QAMC, UDCD and VFQS were the primary laggards while IQCD, QEWS and MERS were the top 3 positive contributors to the QERI Index.

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, once it comes, will then be an opportunity to buy Qatari equities.

Sector Allocation



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