

## Al Watani Fund 2 (for Non Qatari) - Monthly Report for December 2023

### 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)**

**6,883,730**

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

**21.33**

Fund Information	Particulars	Performance Summary	WF2	Index
Fund Type	Open-End Fund	Since Inception (Oct'2005)	113.28%	-20.64%
Currency	Qatari Riyal	Year 2017	-9.80%	-16.30%
Regulator	Qatar Central Bank	Year 2018	20.60%	15.53%
Fund Manager	QNB Suisse SA	Year 2019	2.18%	-3.27%
Subscription/Redemption	Monthly	Year 2020	7.55%	0.55%
Management Fee	1.5% p.a	Year 2021	16.51%	12.70%
Auditor	KPMG	Year 2022	-9.49%	-10.87%
Custodian	QNB	MTD (December 2023)	8.19%	8.44%
Benchmark Index:	Standard & Poor's Qatar Domestic Index (Custom)	YTD (2023)	8.38%	3.27%
		Beta	0.83	1.00
		Standard Deviation*	20.29%	23.57%

### Fund Manager Comment

#### Performance for the Month

The Benchmark Index appreciated by 8.44% in December 2023. Qatar Exchange (QE) extended gains from November registering a strong close for the year with December closing up 7.86%. QE Islamic index QERI gained 6.93%. Market participation improved significantly as the number of stocks regaining their respective 200-day moving average improved from 30% to 58% at the end of the month. Global equity markets continued their upward trajectory supported by market expectations for interest rate cuts in 2024 following Fed meeting in December. MSCI World index, S&P 500 index and MSCI EM all gained 4.91%, 4.57% and 3.91% respectively. Bloomberg commodity index shed 3.10% attributed to the recent weakness in crude oil price. Brent crude oil shed 4.72%. Foreign Institutional Investors net bought USD 229 Mn during the month. Regional markets all closed in the green except Oman. In year to date 2023 the fund's NAV increased by 8.19% vs. the benchmark index appreciating by 3.27%, outperforming by 5.11%.

#### Market Review

FY2023 started on a positive note. However, the seasonal rally was short lived. We believe high interest rate environment, increased provisioning from banking sector, lower output prices for commodity/chemicals related stock, lower expected yields on real estate stocks post-world cup and overall weak market sentiment were among the reasons that can be attributed for the weak market performance during April to October 2023. However, after making a low of 9,296.14 points on October 29, 2023, the market did experience strong recovery as lower interest rates expectations in the coming quarters led to a rally primarily in banking stocks which also flowed on other sectors and the QE Index recovered all of the lost ground to close the year with a 1.4% gain for the year. In fact, the QE total Return Index (QETR) closed the year with a gain of 6.24%.

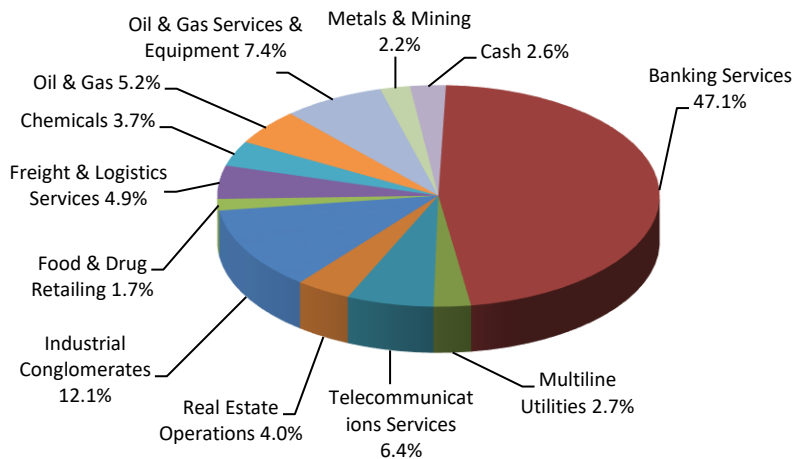
#### Portfolio Investment Strategy

Large cap valuations appear cheap in some areas though the majority of valuation support continues to exist in smaller stocks. It is likely that October 2023 low was a significant low and the market has more upside risk than down risk over the next few months. Whether October was the absolute bottom for the market will depend on a sustainably better earnings trajectory in late 2024 and 2025.

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## Sector Allocation

## Fund Management Team



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