

Al Watani Fund (for Qatari) - Monthly Report for March 2025

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)

14,010,997.98

Total Net Asset value per unit (in QAR)

22.5909

| Fund Information | Particulars | Performance Summary | WF | Index |
|-------------------------|-------------------------------|----------------------------|---------|---------|
| Fund Type | Open-End Fund | Since Inception (Oct'2005) | 125.91% | -25.74% |
| Currency | Qatari Riyal | Year 2019 | 2.25% | -3.27% |
| Regulator | Qatar Central Bank | Year 2020 | 7.71% | 0.55% |
| Fund Manager | QNB Suisse SA | Year 2021 | 17.41% | 12.70% |
| Subscription/Redemption | Monthly | Year 2022 | -8.17% | -10.87% |
| Management Fee | 1.5% p.a | Year 2023 | 8.49% | 3.27% |
| Auditor | Deloitte & Touche | Year 2024 | -0.63% | -4.09% |
| Custodian | QNB | MTD (March 2025) | -0.77% | -1.69% |
| Benchmark Index: | Standard & Poor's | YTD (2025) | -0.63% | -2.45% |
| | Qatar Domestic Index (Custom) | Beta | 0.72 | 1.00 |
| | | Standard Deviation* | 19.67% | 23.77% |

Fund Manager Comment

Performance for the Month

Qatar Exchange (QE) index fell 2.04% extending the declines from the previous month. The Islamic (QERI) gained 0.03% while the QE Total Return (QETR) lost 0.74% both adjusted for dividends. From a sector perspective, Transport and consumer goods and services were leading both up 3.84% and 1.74% respectively for the month while the Banking and Insurance lead the decliners. Market breadth deteriorated with the number of stocks trading above their 50-day moving average down to 30% by the close of the month. Global equity markets extended the downside in March as the markets become more wary of the policies of the incoming US administration; MSCI World index fell 4.40%; developed market equities represented by the S&P 500 lost 5.57% while emerging market equities presented by MSCI EM index gained 0.99% driven by improved sentiment about the Chinese equity market. The Bloomberg commodity index rose 3.55%. Brent crude oil gained 2.65%. Foreign Institutional Investors net sold USD 173 Mn during the month.

Market Review

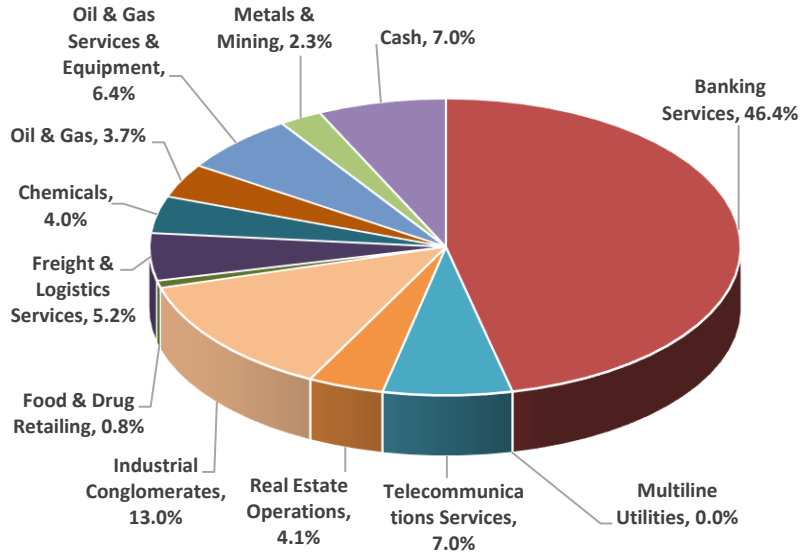
All companies listed on the Qatar Stock Exchange (excluding Al-Faleh Educational Holding Company) have disclosed their financial results for the full year 2024 with a net profit of QR51.18bn compared with QR47.08bn for the same period last year 2023, an increase of 8.70%. For 4Q2024, aggregate earnings rose 16.2% to QR11.5bn, with a strong contribution from the insurance sector, which flipped from a QR1.2bn loss in 4Q2023 to QR313.5mn in profits. Overall, most sectors saw positive earnings growth, but industrials and consumer goods/services recorded declines. The biggest sector for the market (banking sector) aggregate 4Q2024 net income increased by 7.6% YoY to QR7.1bn due to lower cost of risk (CoR). However, the increase in the bottom-line varied among banks with some registering lower CoR, while others improving non-funded income. The other big sector (industrial sector) earnings slipped 18.0% to QR2.0bn vs. QR2.4bn. IQCD posted a 32.0% decline in earnings to QR970.3mn from QR1.4bn, primarily due to lower GP margin of 18.9% in 4Q2024 down from 23.2% in 4Q2023.

Portfolio Investment Strategy

The Qatar market failed to hold the moving averages towards the end of March, falling in line with global markets. As we enter April, the market decline accelerated and Qatar is now trading at a 10 year low in Price to Earnings and Price to Book valuation; exactly the same level as the blockade low and the COVID low. Those historical "crisis" periods specifically involved Qatar domestically. Today's global trade "crisis" is specifically global and not domestic; it barely affects Qatar's domestic economy. Conversely, Qatar's domestic outlook involves gas revenue growth into 2026 and beyond. The equity market is fundamentally attractive.

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Sector Allocation



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