



## AL WASEELA FUND – F CLASS March 2018

### Performance

Trailing Returns	Fund	QE Index
MTD <sup>1</sup>	2.70%	-1.99%
YTD <sup>2</sup>	5.80%	3.81%
Since Inception	105.12%	43.34%

<sup>1</sup> MTD is referenced from previous NAV date to this NAV date

<sup>2</sup> YTD is referenced from 31 December 2017

<sup>3</sup> Past Performance is no guarantee of future trends

### Historical Net Asset Value

Month	Offer	Bid
February	16.9086	16.7395

### Fund Statistics

Beta	Standard Deviation	Tracking Error
0.75	20.90%	0.09

### Fund Manager's Report

#### Review

Global capital markets saw a return in volatility during the past month as inflationary expectations in the US leading to potential tightening in the monetary policy raised investor concerns. The Qatari equity market was correlated with the global sell-off and was down 1.99%, primarily driven by weakness within the banking, energy and real estate sectors.

During the past month, Qatar National Bank ("QNB"), along with another large-cap regional bank, Emirates NBD listed in Dubai, announced their intention to raise foreign ownership limits aimed at increasing foreign participation in business ownership. QNB will be increasing its FOL limit to 49% from 25% currently, which should serve to increase the head room for foreign flows and pave way for increased exposure in FTSE and MSCI indices. It is estimated that the FOL boost would raise the bank's weight by c12bps to end at c25bps in the EM indices, which should trigger passive inflows of cUSD590mn from MSCI EM trackers and cUSD277mn from FTSE EM trackers. Additionally, there is further potential upside of cUSD940mn flows from active managers if they increase their allocation to the bank in line with the weight increase, raising the potential inflows to cUSD 1.8bn. The Fund is OW QNB by 2.09% which should see a significant re-rating.

Additionally, at the end of the current calendar month, FTSE will announce whether inclusion for Kuwait will be done over one or two phases. The latter is likely to more beneficial as it would result in more relaxed liquidity requirements for inclusion, and thus would allow for more names to be added to the index. It is estimated that Kuwait would have a c24bps index weight if done over one phase as compared to c40bps for a two phased inclusion process. The latter is estimated to result in passive flows of cUSD 820mn. The Fund has an off-index allocation to Kuwait with a 13.32% weight which could see positive momentum at the time of announcement.

During the month, the Fund gained 2.70% and was ahead of the benchmark by 4.69%. The Fund's selection within the banking sector - overweight exposure to index banking heavy weight, QNB, along with being underweight the Islamic bank, Masraf Al Rayan, and Doha Bank, contributed positively to relative outperformance. The Fund's overweight exposure to the utilities sector in Qatar also contributed positively to the outperformance. Additionally, the Fund's off-index allocation to the education sector in Kuwait and to the healthcare sector in the UAE were key contributors to the Fund's outperformance.

During the month, the Investment Manager reshuffled the Fund's banking exposure by booking some profits and reducing the exposure to QNB and redeploying the proceeds to Qatar Islamic Bank. Additionally, the Investment Manager reduced the Fund's off index exposure to Gulf Warehousing Company and increased exposure to Industries Qatar so as to reduce the underweight vis-à-vis the index. The Fund ended the month with a cash exposure of 2.65%.

The Investment Manager had anticipated the imminent FOL changes and was well positioned to capture the stock re-rating for QNB. Similarly, other index heavy weights have received approval to increase their FOL limit to 49%, namely Industries Qatar and Qatar Islamic Bank and the Investment Manager has increased exposure to the same. There is potential for other index weights within the utilities and real estate sectors and the portfolio is adequately positioned to benefit from any triggers providing near term support to the equity markets.

#### Important Information

The above information should not be considered an offer, or solicitation, to deal in the subject fund. Investments in this fund are not deposits in, obligations of, or guaranteed or insured by EFG-Hermes Financial Management (Egypt) Limited (Fund Manager) or The Commercial Bank of Qatar Q.S.C (Founder). This investment is subject to investment risks including possible loss of the principal amount invested. Unit values and income may fall or rise and past performance is not indicative of future performance. Investors should read the Articles of Association and Prospectus and seek relevant professional advice before making any investment decision.

	Offer	Bid
Net Asset Value as at 15 March 2018	17.3645	17.1909

#### Objective

The principal objective of the fund is long term capital appreciation through investing in listed Qatar and GCC equities.

#### Benchmark

QE Index

#### Fund Analysis

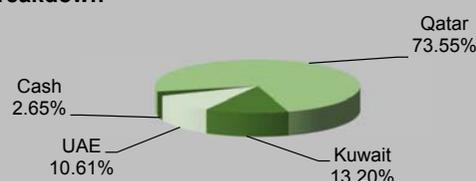
##### Top 5 Equity Holdings

	% of NAV
Qatar National Bank	18.16%
Industries Qatar	11.96%
Human Soft Holding Co KSC	9.23%
Masraf Al Rayan	8.68%
Medicare Group	8.63%

#### Asset Allocation

Type	Last Month	This Month	% Change
Cash	2.93%	2.65%	-0.28%
Listed Equities	97.07%	97.35%	0.28%

#### Geographic Breakdown



#### Fund Information

Currency	Qatari Riyal
Launch Date	15 April 2007
Type	Open Ended
Fund Size	QR 48,348,331
Minimum Subscription	QR 25,000 at Offer Price
Maximum Subscription	2,000,000 units at Offer Price
Minimum Subsequent Subscription	QR 5,000 at Offer Price
Subscription Fee	3.00%
Management Fee	1.50% per annum
Performance Fee	20% over Hurdle Rate of 10%
Dealing	Monthly by 5 April 2018
Valuation Date	15 <sup>th</sup> day of each calendar month
Founder	The Commercial Bank (P.S.Q.C.) P.O. Box 3232, Doha, State of Qatar Tel: +974 4449 0000 Fax: +974 4449 0070 <a href="http://www.cbq.qa">www.cbq.qa</a>
Fund Manager	EFG-Hermes Financial Management (Egypt) Limited
Custodian	HSBC Bank Middle East Limited
License No. of Fund	IF/6/2006
Fund Registration No. at Ministry of Economy & Commerce	34168