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QETF best bet for investors to enter Qatari market: Experts

QETF investors get return of 24% since it started trading on QSE in March 2018

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THE Qatar Exchange Traded Fund (QETF) has provided a total return (including price appreciation and dividend received) of 24 percent since it started trading on the Qatar Stock Exchange (QSE) in March 2018, a senior official of Aventicum Capital Management Qatar has said.

Speaking at a webinar entitled 'With the Rise of Passive Investing – let the QETF be your Qatar investment solution' organised by Doha Bank, Aventicum Capital Management Qatar Senior Portfolio Manager Talal Samhouri said the QETF almost succeeded in mimicking the QE index that gave a total return of 25 percent in the same period.

Return of such a higher level has made QE index one of top 10 best performing markets globally over the past two-and-half years, he said. With such attractive returns, Samhouri said, QETF is certainly the best bet for investors to enter the Qatari market.



Doha Bank Group CEO R Seetharaman and other dignitaries take part in the webinar.

Like other listings, the fund pays out dividend annually, Samhouri said adding the QETF has also become the first listing in the history of QSE to distribute annual dividend over multiple instalments, much like international and other regional markets.

"This allowed the fund to minimise the tracking difference while managing the fund during the dividend season," he said.

"Investors who do not know the market but still want to participate can earn index like returns by investing in the QETF. It's perfect for long-term investors to buy and hold QETF and reinvest their dividends," he said.

Doha Bank Group CEO R Seetharaman, who moderated the

webinar, said the QETF has witnessed demand as investors prefer passive investment strategies.

Highlighting Qatar's economic strength, he said, "The country is poised to continue on a trajectory not seen by other emerging markets. Qatar stands out from others and offers investors a number of opportunities in the lead up to the FIFA World Cup 2022. QETF is a very big opportunity for investors to enter the Qatari market."

Credit Suisse Asset Management Managing Director Valerio Schmitz-Essers said, "ETFs should be a part of everyone's portfolio as they offer lower volatility, easy access to the performance of the underlying index at a lesser cost."

Esser, who is the head of index solutions for almost ten years with Credit Suisse, said there has been a significant change in direction of inflows originating from passive investors.

"Our group currently manages \$151 billion in index funds, and our success has been derived by being able to design our index funds and ETFs to minimise the total cost of ownership for our investors. The objective is simple, replicate risk-return characteristics of the benchmark as accurately as possible," he said.

QSE Product Development Manager Nick Ogbourne explained how to trade the QETF and which different strategies to employ.