



Doha Bank CEO Dr. R. Seetharaman with other participants during Doha Bank webinar series.

QETF a bigger opportunity for investors, says Doha Bank CEO

THE PENINSULA — DOHA

The Qatar Exchange Traded Fund (QETF) is a bigger opportunity for long-term investors, amid growing demand for global ETFs as more investors now prefer passive investment strategies, Doha Bank CEO Dr. R. Seetharaman has said at a webinar titled 'With the rise of Passive Investing – let the QETF be your Qatar investment solution', organised by Doha Bank as part of its webinar series recently.

During the event, Seetharaman also reiterated that Qatar is poised to continue on a trajectory not seen by other emerging markets. And in terms of potential future growth, the country stands out from the others and offers investors a number of opportunities to be had on the lead up to the FIFA World Cup 2022.

He added: "The QETF trades like all other listings, in that the investor requires an investor number from the Qatar Central Securities Depository and opening of an account with a licensed local broker. Once the investor has access, they can trade the QETF".

The webinar also featured a panel of experts from various organisations. Managing Director and Head of Index Solutions for Credit Suisse Asset Management, Dr. Valerio Schmitz Esser, said: "ETFs should have a part in everyone's portfolio as they offer lower volatility, easy access to the performance of the underlying index at a lesser cost, you receive income – in the case of the QETF it's 4 percent annually – and you can leverage on the market opportunities as you trade around other listings. This allows for a lower risk portfolio to be managed by adding the ETFs or in this case the QETF".

Esser noted that Credit Suisse manages \$151bn in index funds, and highlighted that the company's success has been derived from being able to design its index funds and ETFs to minimise the total cost of ownership for its investors. "The objective is simple, replicate risk-return characteristics of the benchmark as accurately as possible," he added.

Talal Samhouri, Senior Portfolio Manager of Aventicum

Capital Management Qatar, presented the investment case for the QETF. He reiterated that the QETF is benchmarked to the QE Index, and added: "So for the investor who is not sure how to invest or what company to trade in the local market, it's perfect for the long term investors to buy and hold the QETF and reinvest their dividends. To be able to have the Qatar Index in your portfolio is difficult to replicate and costly to do so. The QETF since listing has provided a total return of over 24 percent, while the QE Index has produced a total return of over 25 percent placing it in the top 10 best performing markets globally over the past 2 and a half years".

Samhouri also shared that like the other listings the fund pays out a dividend annually and this year was the first listing in the history of the Qatar Stock Exchange to distribute their annual dividend over multiple installments, much like international and other regional markets. This allowed the fund to minimise the tracking difference while managing the fund during the dividend season.