

## BearBull Private Banking Investment Strategies Saudi

**SAR**

**+4.74% to +8.85%**  
Annualized return since 2016

BearBull exclusivity since 2016

March 2023

## KSA Private Banking strategies end the quarter in the green

### POSITIVE PERFORMANCES FOR ALL THE BEARBULL KSA PRIVATE BANKING INVESTMENT STRATEGIES IN MARCH

BearBull Saudi PB Investment Strategy « Low risk »	Mar	+ 0.94%	Year-to-Date	+ 1.76%
BearBull Saudi PB Investment Strategy « Moderate risk »	Mar	+ 1.07%	Year-to-Date	+ 2.34%
BearBull Saudi PB Investment Strategy « Dynamic risk »	Mar	+ 1.19%	Year-to-Date	+ 2.93%

### Comments (performances in SAR)

In the month of March, the financial markets were characterized by a high level of uncertainty, but all three investment strategies offered by BearBull performed well. The low-risk approach gained +0.94%, the moderate-risk strategy performed slightly better with a gain of +1.07%, and the dynamic-risk strategy was the best performer with a gain of +1.19%. Year-to-date, these strategies have gained +1.76%, +2.34%, and +2.93%, respectively. The bond markets exhibited mixed performances in March, with the domestic segment continuing its negative trend and declining by -0.20%, while the international segment posted a positive performance of +0.85%. Year-to-date, both segments have been positive at +0.63% and +0.70%, respectively. The equity markets ended the quarter with gains, as the Saudi equity segment bounced back after a period of weakness in February, gaining +5.93% and erasing the losses of the previous month (-3.08%). The international equity market also exhibited similar movements, but to a lesser extent, with a gain of +2.22%. Cumulatively, both equity markets have been positive with gains of +6.06% and +5.54%, respectively. The real estate markets had mixed performances in March, with the domestic segment declining and confirming its downward trend (-1.76%), while the international segment was just above the neutral performance mark (+0.03%). Year-to-date, both segments have been positive at +1.30% and +4.81%, respectively. Commodities ended the quarter in the red and recorded their 5th consecutive month of decline. The asset class that was the only one to exhibit positive performance in 2022 is in negative territory in 2023 with a YTD decline of -5.23%. Private equity is also under pressure, as investors remain disinterested in risky assets amidst great uncertainty.

### Investment climate (performances in SAR)

Uncertainty soared in March after a month of February already marked by the appearance of a no-landing scenario that was nevertheless unlikely. The collapse of the SVB and the shock of the disappearance of Credit Suisse in a week of very high risks for the global banking sector and the financial system had repercussions on most financial markets, causing exceptional volatility. They were particularly massive in the capital markets, where yields fell as much as a result of the influx of capital in search of greater security as the return of the more likely soft-landing scenario. The fall in bond yields has been accompanied by a very significant adjustment in Fed Funds, which are now lower than the Federal Reserve's current policy rate for the June maturity. This is a new paradigm for monetary policy, which is now seen as having already reached its zenith and is close to an easing phase. Equity markets were also caught up in this wave of uncertainty about the financial system's stability, only to recover with the assurance that central banks would provide the liquidity needed to keep the banking system functioning. The financial markets have certainly overreacted to the risks of crisis causing, in this phase of panic, exceptional situations on the stock and real estate indices, particularly for the commodities segment. The overall scenario now seems to be more balanced again and we can expect more positive developments for risky assets in the coming months.

#### PERFORMANCES BY ASSET CLASS

##### MARCH

+ 5.93%	Saudi Equities
+ 2.22%	International Equities
+ 0.85%	International Bonds
+ 0.03%	International Real Estate
- 0.20%	Saudi Sukuk
- 0.94%	Commodities
- 1.76%	Saudi Real Estate
- 4.62%	Private Equity

##### YTD

+ 6.92%	Private Equity
+ 6.06%	Saudi Equities
+ 5.54%	International Equities
+ 4.81%	International Real Estate
+ 1.30%	Saudi Real Estate
+ 0.70%	International Bonds
+ 0.63%	Saudi Sukuk
- 5.23%	Commodities

## COMMENTS BY ASSET CLASSES

### Bonds

The rebound in monthly inflation and job creation had rekindled uncertainties regarding the sustainability of the more positive regime change observed in the second half of 2022. The banking crisis and questions about the stability of the financial system in March led to a complete reversal of forecasts on the future course of monetary policy and a sharp readjustment of expectations on the bond markets. The drop in short-term yields was sharp and completely correlated with the adjustment of expectations for the Fed Fund's Future, but it was also very significant at longer maturities. Scores remain low, the main risks are in Europe and the UK, which should suffer from further upward adjustments in yields.

### Equities

The rapid fall of the banking sectors after the SVB bankruptcy led to increased uncertainty in most other sectors, pushing the markets down at the beginning of the month. Already in risk-off mode, the markets initially fell further before being reassured by the statements of the central banks and the fairly rapid removal of systemic risks. The downward adjustment of yields, the probable end of monetary tightening in the United States and a macroeconomic scenario oriented towards a moderate economic slowdown should support the equity markets. Risk scores have improved in this context, with Europe retaining the highest risk.

### Commodities

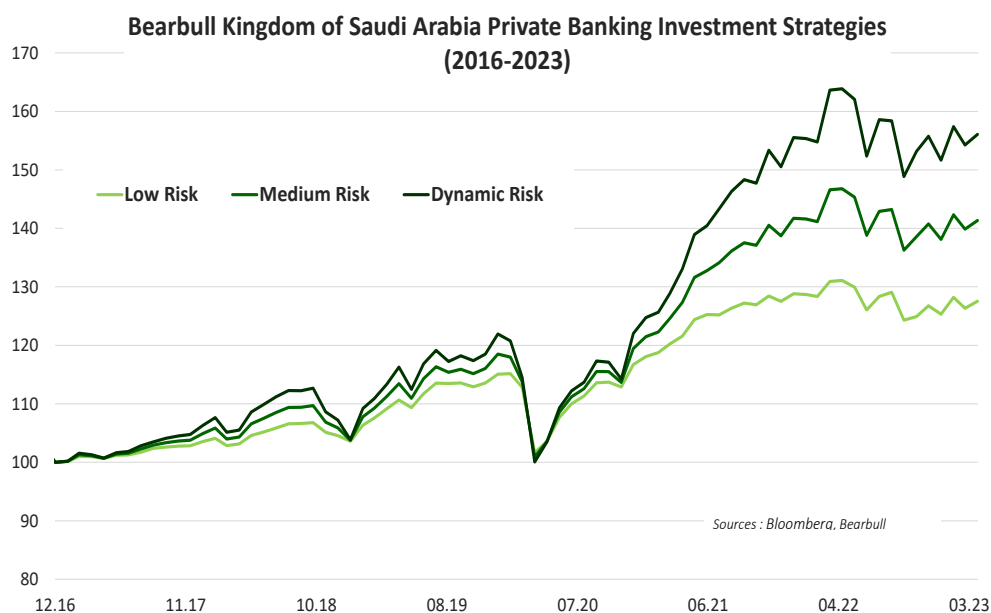
Commodities continued their decline and posted a negative performance for the 5th consecutive time. Indeed, the trend was exacerbated by the severe disruption in the banking sector that took place during the month of May as well as the growing recession fears that pulled the energy market down. China's economic recovery remains a major factor in the evolution of crude oil demand, which still seems to be below expectations. However, the very recent announcement of OPEC production cuts could tip the balance in the coming weeks and support crude prices.

### Real Estate

The international segment bore the brunt of the tensions in the banking sector and fears of credit restrictions in March but managed to stay in the green (+0.03%). In the Kingdom of Saudi Arabia on the other hand the trend is clearly negative with a second decline in a row in March (-1.76%).

BearBull KSA PB Investment Strategies – Performances in SAR										
	3 last months			YTD	Current year				Annualized Perf.	
	January 2023	February 2023	March 2023	current year	1st quarter	2nd quarter	3rd quarter	4th quarter	2022	2016 to this day
Bearbull KSA PBIS "low risk" (65% f.i)	2.30%	-1.45%	0.94%	1.76%	1.76%				-2.70%	4.74%
Bearbull KSA PBIS "medium risk" (45% f.i)	3.05%	-1.73%	1.07%	2.34%	2.34%				-2.55%	6.82%
Bearbull KSA PBIS "dynamic risk" (25% f.i)	3.80%	-2.01%	1.19%	2.93%	2.93%				-2.50%	8.85%
<b>Sub-indices</b>										
Saudi Sukuk	1.63%	-0.79%	-0.20%	0.63%	0.63%				-7.26%	-0.72%
International Bonds	1.23%	-1.37%	0.85%	0.70%	0.70%				-2.71%	3.16%
Saudi Equities	3.31%	-3.08%	5.93%	6.06%	6.06%				14.82%	18.07%
International Equities	3.45%	-0.20%	2.22%	5.54%	5.54%				-1.24%	8.68%
Saudi Real Estate	8.77%	-5.20%	-1.76%	1.30%	1.30%				-30.65%	1.18%
International Real Estate	10.47%	-5.15%	0.03%	4.81%	4.81%				-28.48%	7.79%
Commodities	-0.09%	-4.24%	-0.94%	-5.23%	-5.23%				24.08%	4.32%
Private Equity	12.42%	-0.29%	-4.62%	6.92%	6.92%				-31.09%	11.44%

Sources: BearBull Global Investments Group, Bloomberg,



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The systematic diversified strategies of the BearBull Saudi Private Banking Investment Strategies have produced annualized returns of +4.74% (Low risk) to +8.85% (Dynamic risk) since 2016.

The composition of our strategies is available upon request