BearBull Global Investments Group – Gate village 3 – Level 1
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# UAE private banking strategies rebound in March

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

| | | | | | |
|---|---|---|---|---|---|
| BearBull PB Investment Strategy | « Low Risk » | Mar | + 1.51% | Year–to-Date | + 1.84% |
| BearBull PB Investment Strategy | « Moderate Risk » | Mar | + 0.99% | Year–to-Date | + 1.85% |
| BearBull PB Investment Strategy | « Dynamic Risk » | Mar | + 0.47% | Year–to-Date | + 1.85% |

## Comments (performances in AED)

In spite of the significant volatility experienced in March, BearBull Private Banking investment strategies exhibited positive performance. Notably, the low-risk strategy yielded the highest performance of the month, ascending by +1.51%, while the moderate and dynamic-risk strategies also displayed positive performance, with gains of +0.99% and +0.47%, respectively. From the start of the year, all three of BearBull Private Banking investment strategies UAE have accumulated gains of +1.84%, +1.85%, and +1.85%, respectively. Bond markets rebounded in March, with the domestic segment completely erasing the losses of the previous period and climbing by +1.73%. The international segment showed even more significant gains, surging by +3.16%. Both segments have maintained positive performance since the beginning of the year, with gains of +1.77% and +3.01%, respectively. Equity markets were highly volatile in March, with performances on both sides of neutral. Emirati equities exhibited mixed results, as the Dubai stock market remained positive with a gain of +1.40% but showed a loss of momentum compared to February's +4.07%. In contrast, Abu Dhabi shares fell sharply, declining -3.08%. International equities regained positive territory with a gain of +3.09% after a previous period loss of -2.40%. From the start of the year, the Dubai and international equity markets have shown gains of +4.48% and +7.73%, respectively, while the Abu Dhabi segment has lost -6.57% in year-to-date terms. Real estate markets showed divergent performances, with the domestic segment continuing its robust upward trend since February (+7.51%) and further increasing by +5.12% to yield the best performance among all asset classes. Conversely, the international segment lost ground yet again, declining by -3.08%. Despite this divergence, both segments have exhibited positive performance since the beginning of the year, with gains of +11.76% and +0.51%, respectively. Commodities experienced another decline but showed a slight decrease in negative momentum compared to February, declining by -1.07% after a -3.83% drop. The segment that had exhibited the best cumulative performance in 2022 is now negative since the beginning of 2023, with a decline of -4.94%. Hedge funds also showed a decline of -1.19%, while private equity suffered a sharp drop due to investors' reluctance to engage in risky assets, declining by -4.62%.

## Financial market developments (performances in AED)

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 in particular, but also 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**

| | |
|---|---|
| + 5.12% | UAE Real Estate |
| + 3.16% | International Bonds |
| + 3.09% | International Equities |
| + 1.73% | UAE Bonds |
| + 1.40% | Dubai Equities |
| - 1.07% | Commodities |
| - 1.19% | Hedge Funds |
| - 3.08% | International Real Estate |
| - 3.08% | Abu Dhabi Equities |
| - 4.62% | Private Equity |

**YTD**

| | |
|---|---|
| + 11.76% | UAE Real Estate |
| + 7.73% | International Equities |
| + 6.92% | Private Equity |
| + 4.48% | Dubai Equities |
| + 3.01% | International Bonds |
| + 1.77% | UAE Bonds |
| + 0.51% | International Real Estate |
| - 0.01% | Hedge Funds |
| - 4.94% | Commodities |
| - 6.57% | Abu Dhabi Equities |

## COMMENTS BY ASSET CLASS

### 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.

### Stocks

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 real estate segment bore the brunt of the tensions in the banking sector and fears of credit restrictions in March and fell internationally (-3.08%) but the downward adjustment of Fed Funds should still benefit the sector, which is very sensitive to rate changes. In the UAE on the other hand, the sector is thriving and continues its upward trend by gaining another +5.12% in March.

**BearBull Private Banking Investment Strategies UAE - Performances in AED**

| | 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 | 2010 to this day |
| **BearBull PBI "low risk" (65% fixed income)** | 1.89% | -1.54% | 1.51% | 1.84% | 1.84% | | | | -6.66% | 5.27% |
| **BearBull PBI "medium risk" (45% fixed income)** | 2.09% | -1.21% | 0.99% | 1.85% | 1.85% | | | | -4.65% | 6.47% |
| **BearBull PBI "dynamic risk" (25% fixed income)** | 2.29% | -0.88% | 0.47% | 1.85% | 1.85% | | | | -2.66% | 7.62% |
| **Sub-indices** | | | | | | | | | | |
| UAE Bonds | 1.66% | -1.59% | 1.73% | 1.77% | 1.77% | | | | -10.53% | 3.41% |
| International Bonds | 3.28% | -3.32% | 3.16% | 3.01% | 3.01% | | | | -16.25% | 1.04% |
| Dubaï Equities | -0.99% | 4.07% | 1.40% | 4.48% | 4.48% | | | | 8.18% | 9.39% |
| Abu Dhabi Equities | -3.92% | 0.34% | -3.08% | -6.57% | -6.57% | | | | 22.95% | 14.86% |
| International Equities | 7.08% | -2.40% | 3.09% | 7.73% | 7.73% | | | | -18.14% | 8.85% |
| UAE Real Estate | -1.12% | 7.51% | 5.12% | 11.76% | 11.76% | | | | 11.80% | 12.21% |
| International Real Estate | 8.60% | -4.51% | -3.08% | 0.51% | 0.51% | | | | -24.24% | 4.64% |
| Commodities | -0.09% | -3.83% | -1.07% | -4.94% | -4.94% | | | | 25.99% | -2.32% |
| Hedge Funds | 1.67% | -0.47% | -1.19% | -0.01% | -0.01% | | | | -4.40% | 1.26% |
| Private Equity | 12.42% | -0.29% | -4.62% | 6.92% | 6.92% | | | | -31.09% | 11.04% |

Sources: BearBull Global Investments Group Limited, Bloomberg


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**The systematic diversified strategies of the BearBull Private Banking Investment Strategies have produced annualized average returns of +5.27% (Low risk) to +7.62% (Dynamic Risk) since 2010.**

The composition of our strategies is available upon request