

BearBull Private Banking Investment Strategies Saudi

SAR

+4.87% to +8.99%
Annualized return since 2016

BearBull exclusivity since 2016

April 2023

KSA Private Banking strategies confirm the positive trend

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

BearBull Saudi PB Investment Strategy « Low risk »	Apr	+ 0.65%	Year-to-Date	+ 2.43%
BearBull Saudi PB Investment Strategy « Moderate risk »	Apr	+ 0.67%	Year-to-Date	+ 3.04%
BearBull Saudi PB Investment Strategy « Dynamic risk »	Apr	+ 0.70%	Year-to-Date	+ 3.64%

Comments (performances in SAR)

The financial markets seem to have absorbed the various shocks that impacted them a few weeks ago and are performing positively again in April. Indeed, the low-risk strategy advanced by +0.65%, as did the moderate-risk approach, which took a similar path, gaining +0.67%. The dynamic-risk strategy achieved the best performance of the month by climbing +0.70%. Since the beginning of the year, the three Bearbull Private Banking KSA investment strategies have achieved cumulative gains of +2.43%, +3.04% and +3.64% respectively. Bond markets are in the green in April and continue their positive trend. The domestic segment advanced by +0.83% and the international class gained +0.31%. Since January, both asset classes have achieved positive cumulative performances (+1.46% and +1.01% respectively). Equity markets were on either side of neutral performance in April. The KSA stock market climbed by +2.68%, while international equities' performance was slightly negative (-0.10%). Since the beginning of the year those three asset classes have cumulated very clear gains of +8.91% in KSA and +5.43% in the international market. Private equity returned to positive territory in April (+2.96%) and interrupted the downward trend of recent months (-0.29% in February and -4.62% in March). The renewed interest in this risky asset class could mean a return of optimism in the markets after some turbulent weeks. International real estate moves back in negative territory in April despite the lowering of the pressure on interest rates and financing conditions (-0.81%). In the KSA the performance is positive, the segment came back from its negative trend by jumping by +2.08% in April. In Year to date terms both domestic and international segment cumulate gains of +3.40% and +3.97% respectively. Commodities continued their downward trajectory and lost -1.04% in April. Since the beginning of the year, the segment has fallen by -6.22%.

Investment climate (performances in SAR)

A few weeks after the shock of the SVB bankruptcy and the outbreak of the banking crisis, the reactions of governments and central banks seem to have been sufficient to reassure investors. The month of April is therefore nothing like the previous weeks full of uncertainty and worries about both inflation and the future evolution of interest rates. Some better statistics in the labor market and a return of inflation to the more reasonable regime observed in the 2nd half of 2022 have together allowed a return to calm. While the effects of the banking crisis appear to be contained, the resulting tightening of access to credit will have a sufficiently restrictive impact to tempt central banks to modify their monetary policies. The consensus view is that the cycle is now more likely to be near its end in the US, paving the way for a further period of policy rate stabilization before a possible decline. The rapid adjustments seen in bond yield curves in March and April supported a rise in prices in most financial markets. April thus marks the return of a soft-landing scenario with positive repercussions for Swiss bonds (+0.84%), as well as for the equity markets. The SPI's rebound in Switzerland (+3.62%) outperformed international equities, which fell slightly (-0.95%), while real estate is just beginning to take into account the lower financing costs of recent weeks. The economic recovery in China has not yet had a major impact on commodities, which declined slightly by -1.13%. April's trends should offer a favorable outlook for "risky" assets over the next few months.

PERFORMANCES BY ASSET CLASS

APRIL

+ 2.96%	Private Equity
+ 2.68%	Saudi Equities
+ 2.08%	Saudi Real Estate
+ 0.83%	Saudi Sukuk
+ 0.31%	International Bonds
- 0.10%	International Equities
- 0.81%	International Real Estate
- 1.04%	Commodities

YTD

+ 10.08%	Private Equity
+ 8.91%	Saudi Equities
+ 5.43%	International Equities
+ 3.97%	International Real Estate
+ 3.40%	Saudi Real Estate
+ 1.46%	Saudi Sukuk
+ 1.01%	International Bonds
- 6.22%	Commodities

COMMENTS BY ASSET CLASSES

Bonds

Bond markets did not react significantly to the weak US economy in Q1 and the drop in monthly inflation to only +0.1% in March. The two-year (4.07%) and ten-year (3.45%) U.S. Treasury yields remained relatively stable, pausing after the more than 100 bps drop in mid-March, pending a more substantial improvement in inflation and confirmation of the end of the restrictive U.S. monetary policy cycle. Scores remain neutral to positive except for the more uncertain eurozone and UK markets, which are expected to suffer from further upward adjustments in yields necessary to curb inflation more drastically. Emerging markets and high yields look the most attractive.

Equities

We were expecting a change in momentum at the end of March, which materialized with the return of a certain optimism, largely supported by interest rate factors. The downward adjustment of yields, the likely end of monetary tightening in the US and a macroeconomic scenario oriented towards a moderate economic slowdown, should support the equity markets. The risk scores were only marginally altered by the moderate overall increase in the month. Europe retains the riskiest score, along with the UK and Japan. The U.S. market and emerging markets have the highest scores and look the most attractive.

Commodities

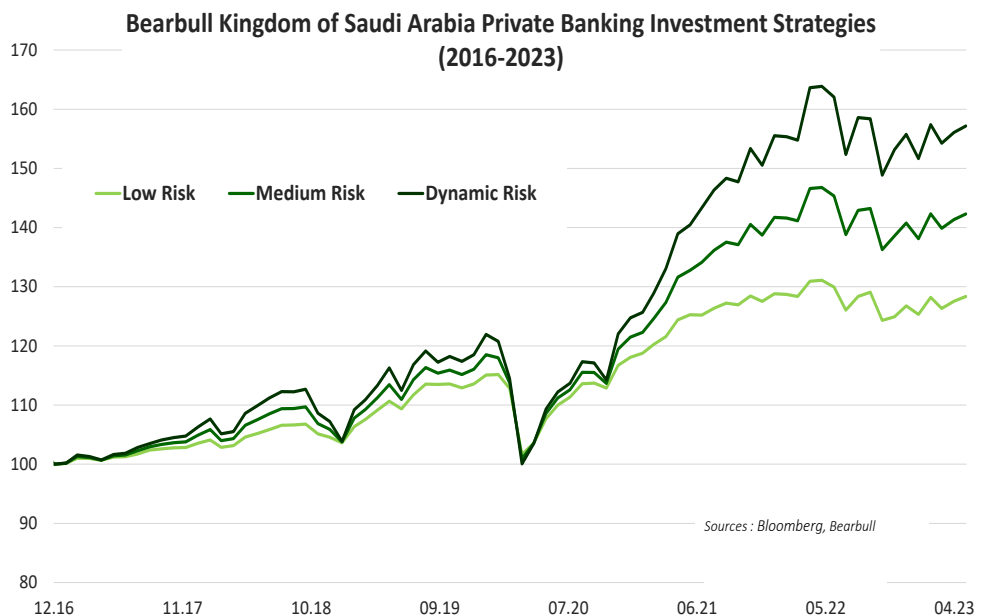
The commodities segment of our strategy fell once again in April (-1.04%). Indeed, the small increase in crude oil during the month was obviously not enough to pull the whole sector up. The first bullish move following the announcement of OPEC+ production cuts were later partially erased by fears of a global economic slowdown.

Real Estate

Despite the downward movement in interest rates during the month, the international segment does not yet seem to reflect the resulting improvement in financing costs and fell by -0.81%. The domestic segment, on the other hand, gained +2.08% and we note a clear reversal of the negative trend that had impacted the the Saudi market for the past months. From the beginning of the year both asset classes cumulate gains of +3.40% and +3.97% respectively.

BearBull KSA PB Investment Strategies – Performances in SAR										
	3 last months			YTD	Current year				Annualized Perf.	
	February 2023	March 2023	April 2023	current year	1st quarter	2nd quarter	3rd quarter	4th quarter	2022	2016 to this day
Bearbull KSA PBIS "low risk" (65% f.i)	-1.45%	0.94%	0.65%	2.43%	1.76%				-2.70%	4.87%
Bearbull KSA PBIS "medium risk" (45% f.i)	-1.73%	1.07%	0.67%	3.04%	2.34%				-2.55%	6.95%
Bearbull KSA PBIS "dynamic risk" (25% f.i)	-2.01%	1.19%	0.70%	3.64%	2.93%				-2.50%	8.99%
Sub-indices										
Saudi Sukuk	-0.79%	-0.20%	0.83%	1.46%	0.63%				-7.26%	-0.55%
International Bonds	-1.37%	0.85%	0.31%	1.01%	0.70%				-2.71%	3.00%
Saudi Equities	-3.08%	5.93%	2.68%	8.91%	6.06%				14.82%	17.27%
International Equities	-0.20%	2.22%	-0.10%	5.43%	5.54%				-1.24%	8.07%
Saudi Real Estate	-5.20%	-1.76%	2.08%	3.40%	1.30%				-30.65%	1.43%
International Real Estate	-5.15%	0.03%	-0.81%	3.97%	4.81%				-28.48%	7.13%
Commodities	-4.24%	-0.94%	-1.04%	-6.22%	-5.23%				24.08%	3.85%
Private Equity	-0.29%	-4.62%	2.96%	10.08%	6.92%				-31.09%	11.16%

Sources: BearBull Global Investments Group, Bloomberg,



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