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BearBull Global Investments Group

Return to the upside in February

POSITIVE PERFORMANCES FOR ALL BEARBULL PRIVATE BANKING INVESTMENT STRATEGIES UAE IN FEBRUARY

BearBull PB Investment Strategy	**« Low Risk »**	**Feb**	**+ 0.26%**	**Year–to-Date**	**- 0.18%**
BearBull PB Investment Strategy	**« Moderate Risk »**	**Feb**	**+ 0.81%**	**Year–to-Date**	**+ 0.69%**
BearBull PB Investment Strategy	**« Dynamic Risk »**	**Feb**	**+ 1.37%**	**Year–to-Date**	**+ 1.56%**

Comments (performances in AED)

The positive trend extends into February. Indeed, most asset classes are positive and our BearBull private banking investment strategies UAE are in the green this month. The low-risk strategy advanced by +0.26%, while the moderate-risk approach posted a positive performance of +0.81%. The dynamic-risk strategy followed along gaining +0.19%. Bond markets were both in negative territory in February. The domestic segment declined by -0.15%, while the international segment did worse (-1.26%). Since the beginning of the year, the domestic segment remains below the neutral performance mark, down -0.90%. International performance is in the red as well (-2.62%). Securitized real estate is mixed this month. International class is down, continuing its downward trend. Nevertheless, we are seeing a sharp reduction in this downward momentum (-4.17% in January and -0.41% in February). In the first two months of the year, the asset class posted a negative performance, heavily impacted by interest-rate tensions. On the other hand, the UAE market is thriving again (+9.68%) after some profit-taking in January. Equity markets continued their upward trend. The Dubai segment jumped by +3.35%, while in Abu Dhabi the performance was negative (-2.64%). The international segment increased its positive momentum and rose by +4.24%. Since January, two segments have been positive, particularly the Dubai class, which gained +6.13%. Commodities remain in the green, but show a sharp reduction in momentum (+4.47% in January and +0.87% in February). The asset class gained +5.38% in 2024. Private equity is regaining interest in the eyes of investors, climbing by +4.13%, while hedge funds are also up by +0.92%.

Financial market developments (performances in AED)

The performance of the various asset classes in February was once again more contrasted, with the bond and real estate segments still negatively affected by the adjustment of expectations of key rate cuts, and a more buoyant enthusiasm underpinning the performance of the equity markets. In recent weeks, economic statistics have suggested that US economic momentum is still resilient, and that the decline in inflation has lost enough momentum to call into question expectations of a rate cut as early as March. These factors essentially postponed the date of the US Federal Reserve's first rate cut, and supported a rebound in interest rates across the yield curves. This change in expectations for Fed action also affected expectations for action by other central banks, and logically triggered a rebound in rates in most regional bond markets. The loss of momentum from the decline in inflation was expected, but should not yet call into question the overall downward trend in CPI and PPI indices in the vast majority of countries. The decline in global bond indices from -1.26% in February pushes the year-to-date decline to -2.62%, a similar trend observed for international real estate indices, whose two-month decline is now -4.56%. In terms of risky assets, equity markets fared much better, generally posting significant individual gains in February, with the MSCI World index up +4.24% overall. The rise in international equities thus contrasts sharply with the corrections recorded by the other two main asset classes. Swiss equities were only marginally affected by the decline in the Swiss franc, posting a timid gain of +0.56% in February and +1.97% YTD. Switzerland's underperformance thus continues, despite a trend reversal for the franc that seems to have finally set in. Commodities regained favor in 2024, enabling the overall index to jump +5.38% YTD thanks to a +9.44% rise in the energy segment. Lastly, private equity is once again one of the big winners from renewed investor confidence, with a +4.35% rise this month (+7.05% YTD).

PERFORMANCES BY ASSET CLASS

FEBRUARY

+ 9.68%	UAE Real Estate
+ 4.24%	International Equities
+ 4.13%	Private Equity
+ 3.35%	Dubai Equities
+ 0.92%	Hedge Funds
+ 0.87%	Commodities
-0.15%	UAE Bonds
-0.41%	International Real Estate
-1.26%	International Bonds
-2.64%	Abu Dhabi Equities

YTD

+ 6.13%	Dubai Equities
+ 5.49%	International Equities
+ 5.38%	Commodities
+ 5.07%	UAE Real Estate
+ 4.87%	Private Equity
+ 1.24%	Hedge Funds
-0.90%	UAE Bonds
-2.62%	International Bonds
-3.35%	Abu Dhabi Equities
-4.56%	International Real Estate

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COMMENTS BY ASSET CLASS

Bonds

Sentiment continues to be affected by economic data pointing to resilient growth in the USA. The soft-landing scenario remains predominant, but the evolution of employment, surprising leading indicators, and a loss of momentum in the decline of inflation are pushing back the chances of the Fed cutting rates very soon. Bond markets remain highly correlated and are still adjusting to this new environment in February. Expectations of rate cuts in the US have been pushed back a little, but do not call into question the planned easing. Risk scores have improved significantly and are back in the buy zone. Prospects of capital gains are once again present at these yield levels, suggesting a renewed attractiveness of bond markets.

Stocks

Despite further rises in bond yields, equity markets are focused on earnings trends and remain motivated by the expected change in monetary policy. The postponement of the first rate cut by a few weeks or months is not enough to dampen the current enthusiasm. Indices continue to rise, and most bearish strategists at the start of the year are now being forced to revise their judgment. The recurring question is still whether a speculative bubble is forming, underpinned by the extraordinary stock market behavior of leading technology and AI-related stocks. The overall scores are unchanged and remain in the orange zone. However, the uptrend still seems valid to us.

Commodities

Crude oil prices have been on the rise for some time now, and have just about succeeded in pulling the asset class upwards. The month of February was marked by high volatility. Geopolitical tensions eased at the start of the month, but struggled to stabilize prices, while the outlook for economic slowdown and strong US production continued to drive the market downwards. The announcement by OPEC+ member countries to continue production cuts in an attempt to boost the market, and tensions in the Red Sea, supported the energy market towards the end of the month.

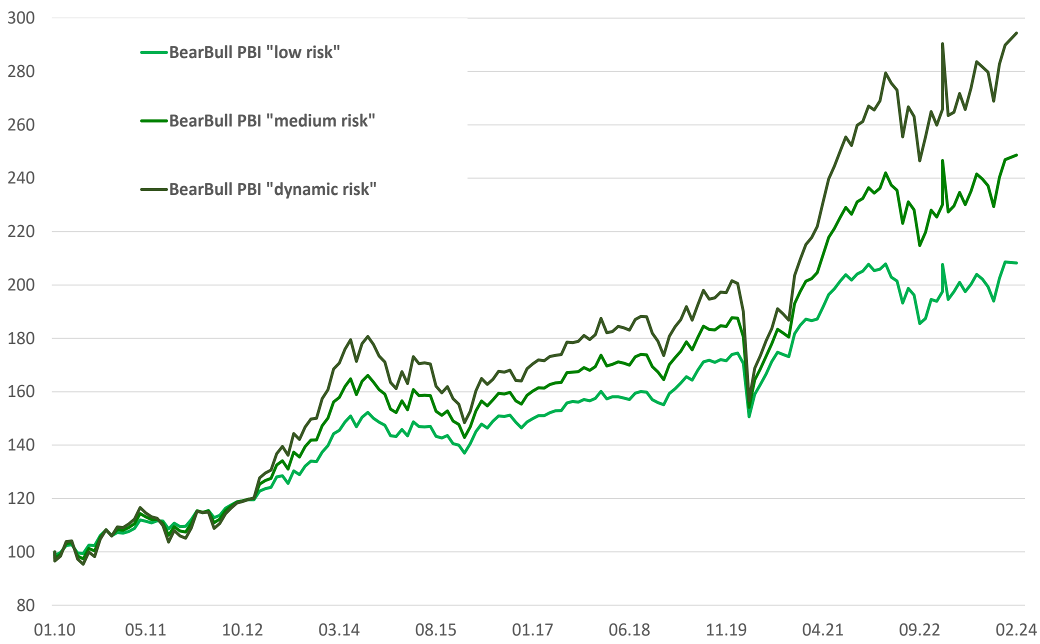
Real Estate

Securitized real estate has been the asset class most affected by the short-term rebound in rates, but this downturn makes the asset class even more attractive than in the past.

BearBull Private Banking Investment Strategies UAE - Performances in AED

	3 last months			YTD	Current year				Annualized Perf.	
	January 2023	February 2023		current year	1st quarter	2nd quarter	3rd quarter	4th quarter	2023	2010 to this day
BearBull PBI "low risk" (65% fixed income)	-0.43%	0.26%		-0.18%					7.57%	5.31%
BearBull PBI "medium risk" (45% fixed income)	-0.12%	0.81%		0.69%					9.54%	6.64%
BearBull PBI "dynamic risk" (25% fixed income)	0.19%	1.37%		1.56%					11.52%	7.92%
Sub-indices										
UAE Bonds	-0.75%	-0.15%		-0.90%					5.02%	3.35%
International Bonds	-1.38%	-1.26%		-2.62%					5.71%	0.97%
Dubaï Equities	2.69%	3.35%		6.13%					27.82%	10.78%
Abu Dhabi Equities	-0.73%	-2.64%		-3.35%					-4.36%	13.75%
International Equities	1.20%	4.24%		5.49%					23.79%	9.74%
UAE Real Estate	-4.20%	9.68%		5.07%					34.45%	13.24%
International Real Estate	-4.17%	-0.41%		-4.56%					8.67%	4.56%
Commodities	4.47%	0.87%		5.38%					-4.26%	-1.76%
Hedge Funds	0.32%	0.92%		1.24%					4.20%	1.57%
Private Equity	0.71%	4.13%		4.87%					43.28%	12.97%

Sources: BearBull Global Investments Group Limited, Bloomberg



Sources: BearBull Global Investments Group Limited, Bloomberg

The systematic diversified strategies of the BearBull Private Banking Investment Strategies have produced annualized average returns of +5.31% (Low risk) to +7.92% (Dynamic Risk) since 2010.

The composition of our strategies is available upon request