

# BearBull Private Banking Investment Strategies Saudi SAR

**+4.92% to +9.17%**  
Annualized return since 2016

BearBull exclusivity since 2016

March 2024

## The positive trend extends in March

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

BearBull Saudi PB Investment Strategy « Low risk »	Mar	+ 0.82%	Year-to-Date	+ 2.09%
BearBull Saudi PB Investment Strategy « Moderate risk »	Mar	+ 1.30%	Year-to-Date	+ 3.33%
BearBull Saudi PB Investment Strategy « Dynamic risk »	Mar	+ 1.79%	Year-to-Date	+ 4.58%

### Comments (performances in SAR)

As the first quarter draws to a close this month, the financial markets are on the rise in 2024. Indeed, our three Bearbull Private Banking KSA investment strategies all posted positive performances in March and cumulative terms. The low-risk strategy advanced by +0.82% and the moderate-risk approach posted a positive performance as well, climbing +1.30%. The dynamic-risk strategy is also in the green, gaining +1.79%. Since January, the three strategies have posted clearly positive performances of +2.09%, +3.33%, and +4.58% respectively. Bond markets appeared mixed in March. The domestic segment posted a loss of -0.21%, while international bonds followed their positive trend (+0.87%). Since the beginning of the year, however, the asset classes are on either side of the neutral performance, -0.57% for the Saudi segment and +0.73% internationally. The securitized real estate segment did well in March, benefiting from the more favorable interest rate environment. The domestic segment jumped +3.43% but is still in the red YTD (-0.26%). The international class climbed +2.48% and is cumulating gains of +2.03% YTD. Equity markets were also mixed in March. The Saudi segment posted a performance of -1.30, on the other hand, the international equities climbed by +3.15% cumulating a +5.14% YTD gain. Commodities increased their positive momentum, climbing +4.45% after a brief slowdown in February (+0.86%). The segment posted the best YTD performance (+9.97%). Private equity gained +3.39% and is positive YTD (+8.43%).

### Investment climate (performances in SAR)

Sentiment remained positive in March, underpinned both by favorable elements on the inflation front and by the remarkable resilience of the US economy. The specter of a recession has receded, and the outlook for GDP growth is once again solid for both the first and second quarters. The Fed's decision to leave interest rates unchanged was widely expected and therefore had no noticeable effect on stock market sentiment, which remained upbeat. At the end of the month, the publication of the PCE indexes, the Fed's favorite measures, provided a little more visibility on inflation trends, reinforcing the prospect of the Fed's next pivot in June. Inflation is back on a downward trend after rebounding in January. From now on, the next potential source of uncertainty will likely be the strength of the US economy and the risk of postponing rate cuts, or their amplitude, by a few months. In Europe, the statistics are also pointing in the right direction, with the decline in inflation now following a more pronounced path, enabling it to fall to +2.6%/year, i.e. a lower level than that observed in the USA (+3.2%/year). Unless there is a major surprise, the improvement in sentiment observed in a growing number of leading indicators is unlikely to translate into an acceleration in economic activity, but rather into a slow-down, except for China, which is probably in the recovery phase. In this environment, commodities (+4.73%) and precious metals (+8.41%) posted excellent performances over the month. Only securitized real estate in Europe (+8.94%) and the UK (+7.97%) came close. In Switzerland (+3.04%) and internationally (+3.18%), real estate progressed more timidly. On the equity markets, Switzerland (+3.94%) slightly outperformed the global index (+3.21%), thanks to the influence of a weaker Swiss franc. Bond indices recovered slightly, with moderate rises of +0.74% in Switzerland and +0.55% internationally.

### PERFORMANCES BY ASSET CLASS

#### MARCH

+ 4.45%	Commodities
+ 3.43%	Saudi Real Estate
+ 3.39%	Private Equity
+ 3.15%	International Equities
+ 2.48%	International Real Estate
+ 0.87%	International Bonds
- 0.21%	Saudi Sukuk
- 1.30%	Saudi Equities

#### YTD

+ 9.97%	Commodities
+ 8.43%	Private Equity
+ 7.21%	Saudi Equities
+ 5.94%	International Equities
+ 2.03%	International Real Estate
+ 0.73%	International Bonds
- 0.26%	Saudi Real Estate
- 0.57%	Saudi Sukuk



**COMMENTS BY ASSET CLASSES**

**Bonds**

Yields are easing slightly, allowing indexes to post slight gains. Emerging markets and high yield advanced over the month, posting good quarterly performances in a still uncertain environment. The resilience of the U.S. economy prevents us from taking a closer look at falling inflation in the U.S. and the rest of the still highly correlated capital markets. The cut in US key rates is likely to wait until June, without calling into question the easing planned for 2024. Risk scores are relatively stable and remain in the buy zone. Prospects of capital gains are once again present at these yield levels, suggesting a renewed attractiveness of fixed-income markets.

**Equities**

Equity markets are focused on earnings trends and remain motivated by the expected change in monetary policy. The postponement by a few weeks or months of the first key rate cut in the United States is not enough to dampen the current enthusiasm. Indexes continue to rise for the fifth consecutive month. Valuations are now higher, however, and quantitative risk scores suggest the approach of the next phase of potential price consolidation. Overall scores remain in the orange zone for the main international markets. Risks are increasing marginally, but the uptrend still seems valid to us.

**Commodities**

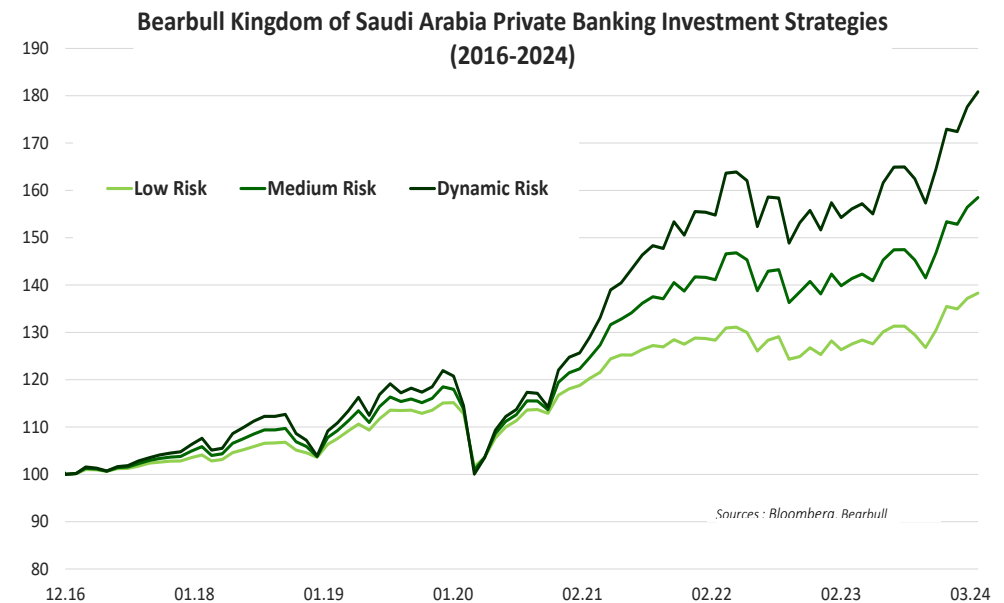
Crude oil prices continued to rise, supporting the asset class in March. Chinese import and export data released during the period reinforced optimism about a potential recovery in the country's economic activity and demand for crude oil.

**Real Estate**

Securitized real estate fared well this month, benefiting from the positive trend in interest rates, particularly in the eurozone and the UK. The Saudi asset class climbed +3.43% in March, while the international class is in the green as well this month, gaining +2.48%. Since the beginning of the year, however, the asset class is on either side of neutral. The domestic segment is still slightly down (-0.26%) whereas the international asset class is up +2.03%.

BearBull KSA PB Investment Strategies – Performances in SAR										
	3 last months			YTD current year	Current year				Annualized Perf.	
	January 2024	February 2024	March 2024		1st quarter	2nd quarter	3rd quarter	4th quarter	2023	2016 to this day
Bearbull KSA PBIS "low risk" (65% f.i)	-0.38%	1.65%	0.82%	2.09%	2.09%				8.10%	4.92%
Bearbull KSA PBIS "medium risk" (45% f.i)	-0.34%	2.34%	1.30%	3.33%	3.33%				11.04%	7.06%
Bearbull KSA PBIS "dynamic risk" (25% f.i)	-0.29%	3.03%	1.79%	4.58%	4.58%				14.02%	9.17%
<b>Sub-indices</b>										
Saudi Sukuk	-0.53%	0.17%	-0.21%	-0.57%	-0.57%				-0.43%	-0.52%
International Bonds	-0.30%	0.16%	0.87%	0.73%	0.73%				1.32%	2.99%
Saudi Equities	-1.20%	9.94%	-1.30%	7.21%	7.21%				27.91%	19.62%
International Equities	0.08%	2.62%	3.15%	5.94%	5.94%				10.76%	8.81%
Saudi Real Estate	-4.19%	0.65%	3.43%	-0.26%	-0.26%				-2.78%	1.43%
International Real Estate	-3.92%	3.63%	2.48%	2.03%	2.03%				1.07%	7.37%
Commodities	4.39%	0.86%	4.45%	9.97%	9.97%				-5.34%	3.59%
Private Equity	0.71%	4.13%	3.39%	8.43%	8.43%				32.38%	15.92%

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 +4.92% (Low risk) to +9.17% (Dynamic risk) since 2016.

The composition of our strategies is available upon request