

# BearBull Private Banking Investment Strategies Saudi

**SAR**

**+4.47% to +8.18%**  
Annualized return since 2016

BearBull exclusivity since 2016

July 2024

## Financial markets up in July

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

BearBull Saudi PB Investment Strategy « Low risk »	July	+ 0.54%	Year-to-Date	+ 2.47%
BearBull Saudi PB Investment Strategy « Moderate risk »	July	+ 0.57%	Year-to-Date	+ 3.40%
BearBull Saudi PB Investment Strategy « Dynamic risk »	July	+ 0.60%	Year-to-Date	+ 4.33%

### Comments (performances in SAR)

Financial markets continued their upward trend in July. All three BearBull private banking KSA investment strategies advanced this month and began the new quarter with gains. The low-risk strategy gained +0.54%, the moderate-risk strategy followed a similar path, advancing +0.57%, and the dynamic-risk approach achieved the best performance of the month (+0.60%). Year-to-date performance remains positive for all strategies (+2.47%, +3.40%, and +4.33%, respectively). Bond markets are positive at the start of the third quarter. The domestic segment increased by +0.72%, while international bond markets were slightly ahead (+1.26%). Cumulatively, the two asset classes are posting positive performances after this increase (+0.83% and +2.33%). Equity markets are in the red this month, with the international class decreasing by -1.04% and the domestic segment moving horizontally (-0.06%). Since January, international and Saudi equities have achieved cumulative positive performances of +5.32% and +1.68%. The real estate segment is keeping pace with interest-rate markets, continuing its upward trend, posting substantial increases of +5.49% internationally and +4.76% in Saudi Arabia. With this increase, both asset classes are now in the green cumulatively (+4.53% and +0.90%, respectively). Commodities fell back again this month, dragged down by what we believe to be overvalued fears of recession (-2.89%). Private equity rebounded in July, erasing last month's losses (+6.76%).

### Investment climate (performances in SAR)

Financial markets maintained their upward momentum in July. All three BBGI OPP2-compliant indices advanced this month, with the low-risk index gaining +1.34%, the moderate-risk strategy following closely with a +1.37% gain, and the dynamic-risk approach achieving the highest performance at +1.41%. Year-to-date, the performances remain very favourable, standing at +6.00%, +7.29%, and +8.60%, respectively. Bond markets started the third quarter positively, with the domestic segment continuing its rise, gaining +1.22%, while international bonds also saw a modest increase of +0.38%. In cumulative terms, both asset classes are performing well, with gains of +2.98% and +3.84%, respectively. Equity markets showed mixed results in July, with international equities declining by -0.42%, while domestic equities advanced by +2.75%. Since January, however, both classes have achieved impressive cumulative gains of +12.25% and +18.86%, respectively. The real estate segment is tracking the interest-rate markets closely, with both asset classes rising this month, supported by falling long-term rates. The domestic segment continued its upward trend, increasing by +2.09%, while the international segment posted an even stronger rise of +3.58%. Year-to-date, these segments show combined gains of +7.12% and +6.65%, respectively. Commodities declined again this month, driven by what we believe to be exaggerated recession fears (-4.41%). Private equity rebounded in July, erasing last month's losses (+6.40%), while hedge funds remained stable (+0.31%).

### PERFORMANCES BY ASSET CLASS

#### JULY

+ 6.76%	Private Equity
+ 5.49%	International Real Estate
+ 4.76%	Saudi Real Estate
+ 1.26%	International Bonds
+ 0.72%	Saudi Sukuk
- 0.06%	Saudi Equities
- 1.04%	International Equities
- 2.89%	Commodities

#### YTD

+ 16.19%	Private Equity
+ 7.23%	Commodities
+ 5.32%	International Equities
+ 4.53%	International Real Estate
+ 2.33%	International Bonds
+ 1.68%	Saudi Equities
+ 0.90%	Saudi Real Estate
+ 0.83%	Saudi Sukuk

## COMMENTS BY ASSET CLASSES

### Bonds

July was another positive month for bond markets, which benefited from reassuring economic data, increasing the likelihood of more decisive action by the Fed in September. The 40 bp drop in US ten-year yields was less pronounced in the eurozone (-15 bp), Switzerland, and the UK. The recent encouraging trend in inflation is bringing the prospect of key rate cuts closer and allowing yield curves to adjust. Given current and expected inflation levels, US rates still seem to have significant potential for decline, which is less likely for other markets, particularly for Swiss rates. The early August decline may create overbought conditions in the short term. Bond markets could face challenges as investors shift back into equities following the long-awaited corrections of recent months, which finally occurred in early August.

### Equities

June's risk scores indicated potential risks in the equity markets. In our view, the recession risks cited as reasons for the downturn were inaccurate; the true trigger for the selling cascade was the rise in the yen and the unwinding of the carry trade by offloading linked positions. Although complacency quickly turned to panic within a few days, we believe the early August decline has, conversely, adjusted instantaneous score levels, which now seem to be risk-neutral.

### Commodities

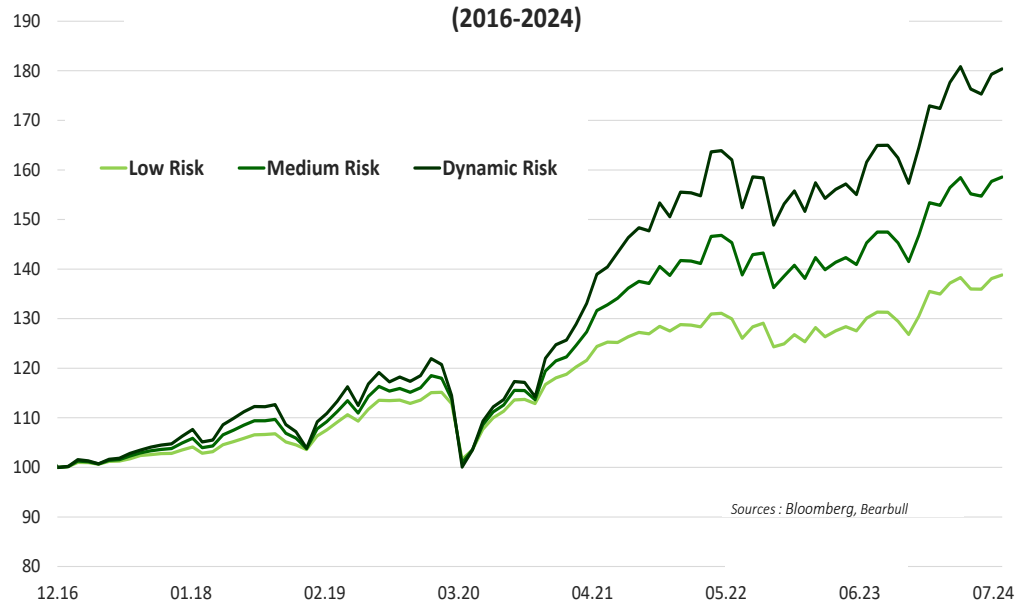
Commodities faced another correction in July, with the segment declining by -2.89%, primarily due to falling crude oil prices. Despite a bullish rally on the month's final day, oil prices were weighed down by escalating fears of an economic slowdown, which we believe are overestimated. Gold prices increased in July as the likelihood of a Fed monetary policy reversal grew.

### Real Estate

Securitized real estate remains appealing amid anticipated key rate cuts and is already benefiting this month from the adjustment in long rates. The domestic segment delivered a strong performance of +4.76%, bringing the asset class back into positive cumulative territory (+0.90%).

BearBull KSA PB Investment Strategies – Performances in SAR										
	3 last months			YTD	Current year				Annualized Perf.	
	May 2024	June 2024	July 2024	current year	1st quarter	2nd quarter	3rd quarter	4th quarter	2023	2016 to this day
<b>Bearbull KSA PBIS "low risk" (65% f.i)</b>	-0.04%	1.57%	0.54%	2.47%	2.09%	-0.16%			8.10%	4.47%
<b>Bearbull KSA PBIS "medium risk" (45% f.i)</b>	-0.31%	1.93%	0.57%	3.40%	3.33%	-0.50%			11.04%	6.34%
<b>Bearbull KSA PBIS "dynamic risk" (25% f.i)</b>	-0.58%	2.28%	0.60%	4.33%	4.58%	-0.84%			14.02%	8.18%
<b>Sub-indices</b>										
Saudi Sukuk	0.99%	0.60%	0.72%	0.83%	-0.57%	0.68%			-0.43%	-0.35%
International Bonds	1.22%	0.62%	1.26%	2.33%	0.73%	0.33%			1.32%	3.19%
Saudi Equities	-7.39%	5.05%	-0.06%	1.68%	7.21%	-5.10%			27.91%	17.65%
International Equities	-0.99%	3.77%	-1.04%	5.32%	5.94%	0.46%			10.76%	8.77%
Saudi Real Estate	4.37%	-0.01%	4.76%	0.90%	-0.26%	-3.43%			-2.78%	1.97%
International Real Estate	4.75%	2.52%	5.49%	4.53%	2.03%	-2.89%			1.07%	7.72%
Commodities	-1.44%	0.91%	-2.89%	7.23%	9.97%	0.41%			-5.34%	3.67%
Private Equity	4.54%	-1.06%	6.76%	16.19%	8.43%	0.37%			32.38%	16.73%

## BearBull Kingdom of Saudi Arabia Private Banking Investment Strategies (2016-2024)



Sources: BearBull Global Investments Group, Bloomberg

The systematic diversified strategies of the BearBull Saudi Private Banking Investment Strategies have produced annualized returns of **+4.47% (Low risk) to +8.18% (Dynamic risk) since 2016.**

The composition of our strategies is available upon request