

BEARBULL PRIVATE BANKING INVESTMENT STRATEGIES UAE

July 2024

UAE strategies begin the third quarter in the green

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

| | | | | |
|---|------|---------|--------------|---------|
| BearBull PB Investment Strategy « Low Risk » | July | + 2.31% | Year-to-Date | + 3.86% |
| BearBull PB Investment Strategy « Moderate Risk » | July | + 2.59% | Year-to-Date | + 5.63% |
| BearBull PB Investment Strategy « Dynamic Risk » | July | + 2.88% | Year-to-Date | + 7.43% |

Comments (performances in AED)

Financial markets maintained their positive momentum in July, with all three BearBull private banking investment strategies in the UAE posting gains. The low-risk strategy rose by +2.31%, the moderate-risk strategy advanced by +2.59%, and the dynamic-risk approach led the way with +2.88%. Year-to-date, all strategies remain solid, with returns of +3.86%, +5.63%, and +7.43%, respectively. Bond markets also started the third quarter on a positive note, with domestic bonds up +1.29% and international bonds rising slightly at +2.76%. However, cumulative bond performance remains mixed (+2.03% for domestic and -0.49% for international). Equity markets were strong, with international equities up +1.76%, Dubai up +6.08%, and Abu Dhabi up +3.07%. Since January, international equities and Dubai have gained +13.72% and +10.72%, while Abu Dhabi fell by -0.85%. The real estate sector saw a remarkable rise of +15.34% in the UAE, bringing its cumulative gain to an impressive +38%. Commodities slipped by -3.52%, likely due to concerns about recession. Private equity bounced back in July (+6.76%), while hedge funds remained stable (+0.74%).

Financial market developments (performances in AED)

Financial markets continue their upward trend in July. Indeed, all three BBGI OPP2 Compliant indices advanced this month. The low-risk index gained +1.34%, the moderate-risk strategy followed a similar path, advancing +1.37%, and the dynamic-risk approach achieved the best performance of the month (+1.41%). Since the beginning of the year, performances have been very favorable (+6.00%, +7.29% and +8.60%, respectively). Bond markets are in the green at the start of the third quarter. The domestic segment continued its upward trend, gaining +1.22%, while international performance was also positive (+0.38%). In cumulative terms, the two asset classes are still performing satisfactorily (+2.98% and +3.84%, respectively). Equity markets were mixed in July. International equities fell by -0.42%, while domestic equities advanced by +2.75%. Since January, however, both asset classes have made excellent cumulative gains (+12.25% and +18.86% respectively). The real estate segment is keeping pace with interest-rate markets, and both asset classes are back on the rise this month, buoyed by falling long-term rates. In fact, the domestic segment continued its upward trajectory, climbing by +2.09%, while the international trend was even stronger (+3.58%). The two segments are still combining a positive year-to-date performance of +7.12% and +6.65% respectively. Commodities fell back again this month, dragged down by what we believe to be overvalued fears of recession (-4.41%). Private equity rebounded in July, wiping out last month's losses (+6.40%), while hedge funds moved horizontally (+0.31%).

PERFORMANCES BY ASSET CLASS

JULY

| | |
|----------|---------------------------|
| + 15.34% | UAE Real Estate |
| + 3.07% | Abu Dhabi Equities |
| + 1.76% | International Equities |
| + 6.76% | Private Equity |
| + 6.08% | Dubai Equities |
| + 1.29% | UAE Bonds |
| + 0.74% | Hedge Funds |
| + 5.70% | International Real Estate |
| + 2.76% | International Bonds |
| -3.52 % | Commodities |

YTD

| | |
|----------|---------------------------|
| + 38.87% | UAE Real Estate |
| + 16.19% | Private Equity |
| + 13.72% | International Equities |
| + 10.72% | Dubai Equities |
| + 7.17% | Commodities |
| + 3.66% | Hedge Funds |
| + 2.03% | UAE Bonds |
| + 1.65% | International Real Estate |
| - 0.49% | International Bonds |
| - 0.85% | Abu Dhabi Equities |

COMMENTS BY ASSET CLASS

Bonds

July was another good month for bond markets, benefiting from reassuring economic data that reinforced 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 have significant potential for decline, which is less likely for other markets, especially for Swiss rates. The fall at the beginning of August is likely to create overbought conditions in the short term. Bond markets could suffer as investors shift back into equities after the long-awaited corrections of recent months, which finally took place in early August.

Stocks

June's risk scores indicated risks in the equity markets. In our view, the recession risks cited as reasons for the downturn were inaccurate, as the event that triggered the wave of selling was actually the rise in the yen and the unwinding of the carry trade through the selling of linked positions. Although complacency turned to panic within a few days, we believe that the fall at the beginning of August has adjusted the instantaneous score levels, which now appear to be risk-neutral.

Commodities

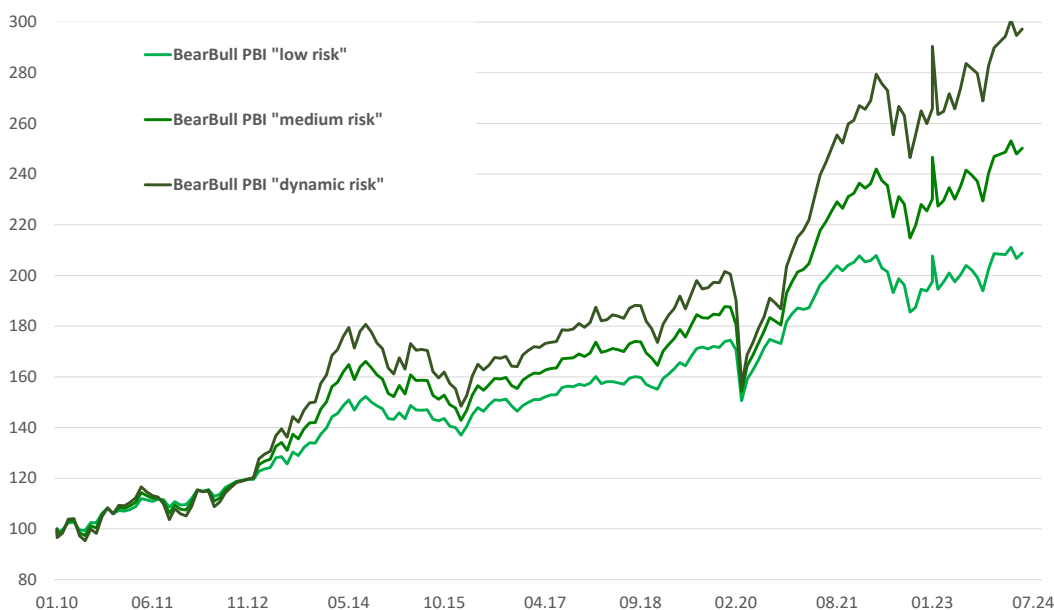
Commodities experienced another correction in July, with the segment declining by -3.52%, largely due to falling crude oil prices. Despite a bullish rally on the last day of the month, oil prices were weighed down by growing fears of an economic slowdown, which we believe are overestimated. Gold prices, however, rose in July as the prospects of a Fed monetary policy reversal increased.

Real Estate

Securitized real estate retains its appeal in the context of expected key rate cuts and is already benefiting this month from the adjustment in long rates. The domestic segment posted a stellar performance of +12.40%. The asset class has now accumulated an incredible gain of +38% since January 2024, well ahead of other asset classes.

| BearBull Private Banking Investment Strategies UAE - Performances in AED | | | | | | | | | | |
|--|---------------|-----------|-----------|--------------|--------------|-------------|-------------|-------------|------------------|------------------|
| | 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 | 2010 to this day |
| BearBull PBI "low risk" (65% fixed income) | 1.02% | 1.39% | 2.31% | 3.86% | 1.22% | 0.30% | | | 7.57% | 5.44% |
| BearBull PBI "medium risk" (45% fixed income) | 0.94% | 1.61% | 2.59% | 5.63% | 2.50% | 0.45% | | | 9.54% | 6.80% |
| BearBull PBI "dynamic risk" (25% fixed income) | 0.86% | 1.83% | 2.88% | 7.43% | 3.80% | 0.60% | | | 11.52% | 8.10% |
| Sub-indices | | | | | | | | | | |
| UAE Bonds | 1.58% | 1.13% | 1.29% | 2.03% | -0.08% | 0.81% | | | 5.02% | 3.45% |
| International Bonds | 1.31% | 0.14% | 2.76% | -0.49% | -2.08% | -1.10% | | | 5.71% | 1.09% |
| Dubai Equities | -3.20% | 1.31% | 6.08% | 10.72% | 7.83% | -3.20% | | | 27.82% | 10.77% |
| Abu Dhabi Equities | -1.98% | 2.24% | 3.07% | -0.85% | -2.45% | -1.38% | | | -4.36% | 13.53% |
| International Equities | 4.47% | 2.03% | 1.76% | 13.72% | 8.88% | 2.63% | | | 23.79% | 10.01% |
| UAE Real Estate | -0.81% | 12.40% | 15.34% | 38.87% | 9.70% | 9.75% | | | 34.45% | 15.01% |
| International Real Estate | 3.19% | 0.20% | 5.70% | 1.65% | -1.53% | -2.34% | | | 8.67% | 4.88% |
| Commodities | -1.90% | 1.43% | -3.52% | 7.17% | 10.36% | 0.65% | | | -4.26% | -1.59% |
| Hedge Funds | 0.60% | 0.31% | 0.74% | 3.66% | 2.52% | 0.37% | | | 4.20% | 1.68% |
| Private Equity | 4.54% | -1.06% | 6.76% | 16.19% | 8.43% | 0.37% | | | 43.28% | 13.37% |

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 +5.44% (Low risk) to +8.10% (Dynamic Risk) since 2010.

The composition of our strategies is available upon request