

# Daman ESG Fixed Maturity Fund - 2029



صندوق ضمان اي اس جي فيكس ماتيوري 2029  
Daman ESG Fixed Maturity Fund 2029

In association with:



**SOCIETE  
GENERALE**





## Macro Perspective

- We anticipate a soft-landing scenario for the US economy, with slower moderation in inflation due to Trump policies. The “last mile” of the Fed’s mandate to reduce inflation to 2%, may not be a linear path downwards.
- We expect a pickup in bond yields especially on the long end of the curve due to expectations of rising fiscal deficits, and higher tariffs, but we see limited movement in the short end of the yield curve.
- The pace of rate cuts is expected to slow down as growth and labour markets exhibiting significant robustness. We expect total rate cuts at the end of 2025 to be in the range of 1-2.
- The pickup in yields present a good opportunity to lock in higher yields across the investment grade and high yield space. We are overweight credit vs. rates.

## A Team to Trust

- Daman Investments has a strong track record of delivering above peer average risk adjusted returns backed by the highest standards of transparency, governance and professionalism, with major expertise in the MENA region
- Daman Investments appointed **Société Générale Private Wealth Management S.A. as a Fund Manager, which has a proven track record within ESG investments**
- The SocGen investment team has proven and recognized expertise in managing bond portfolios, with an average of **15 years’** experience in the bond markets and **EUR 3.1 billion** in bond assets under management



## Success Factors

### ESG

ESG investing is growing in popularity among the asset managers due to:

- Enhanced performance
- Improved risk management
  - Positive environmental impact
  - Accessibility of the capital
  - Strengthening regulatory compliance



### Diversified Portfolio

Together with SocGen we’ve created a well diversified Investment Grade portfolio with the following characteristics:

- MSCI ESG rating: **A**
- Green & Sustainability-linked bonds: **21%**
- A 4 year maturity product with an annualized expected net return of **7%**
- Fund will offer **6%** annual coupon paid quarterly



## Macro Perspective

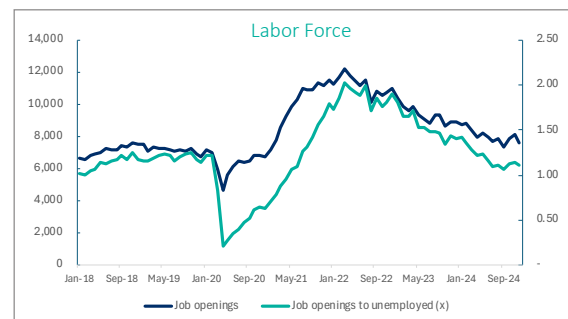
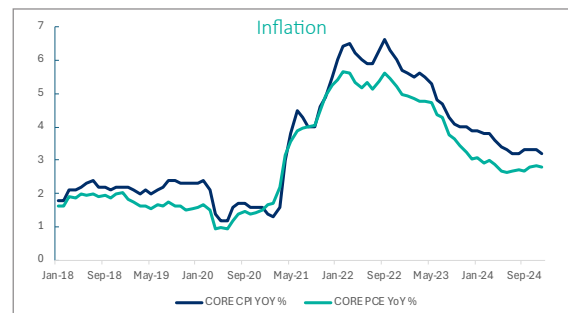
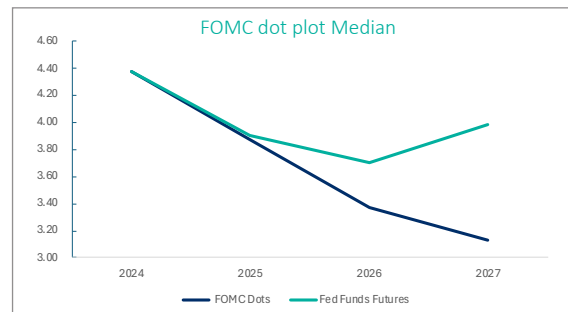
We anticipate that the U.S. Federal Reserve will significantly reduce the pace of rate cuts in 2025, as both the economy and labor market remain strong. Additionally, the inflationary impact of the Donald Trump presidency is expected to persist, driven by growth expectations, ongoing inflation, a potential rebound in U.S. manufacturing, higher tariffs, and larger fiscal deficits. The latest FOMC dot plot forecasts an interest rate of 3.875% by the end of 2025, while the market, as reflected by Fed Funds Futures, expects a slightly higher rate of 3.905%. We foresee a divergence between market expectations and the FOMC's dot plot in 2026-2027, driven by concerns over inflation.

### INFLATION

We have observed a significant decrease in inflation over the last 18 months, which is now closer to the Fed's long term inflation target. Core PCE, has dropped by more than half from its peak of 5.6% in early 2022, now comfortably sitting at 2.8% with a downward trend. Both the CPI and core CPI have also eased from their peaks to more comfortable levels of 2.9% and 3.2%, respectively. However, the "last mile" of the Fed's mandate to reduce inflation to 2%, may not be a linear path downwards.

### LABOR FORCE

Despite the restrictive interest rates, the labour market in the US has remained robust. Non – farm payrolls are growing at a 3-month moving average of 170K (adjusted for temporary job losses), which we believe is a level at which the US economy can continue to grow above 1%, while the unemployment rate remains at 4.1%.



# What is ESG?

## E - Environmental

Environmental criteria addresses a company's operations environment impact, and environment stewardship

- Pollution
- Climate change
- Deforestation
- Waste management
- Biodiversity loss

## S - Social

Refers to how a company manages relationships with and creates value for stakeholders

- Human rights
- Product safety
- Labor standards
- Employees relations

## G – Governance

Governance criteria refers to a company's leadership and management philosophy, practices, policies, internal controls and shareholders rights

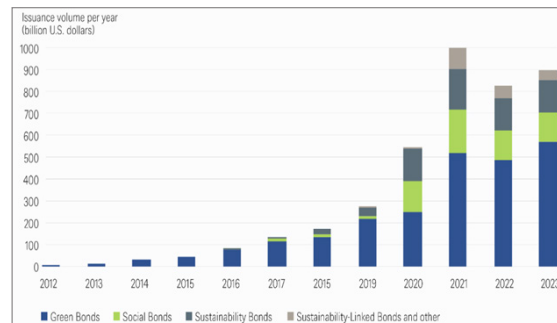
- Accounting
- Board composition
- Bribery and corruption
- Shareholders right
- Transparency and reporting



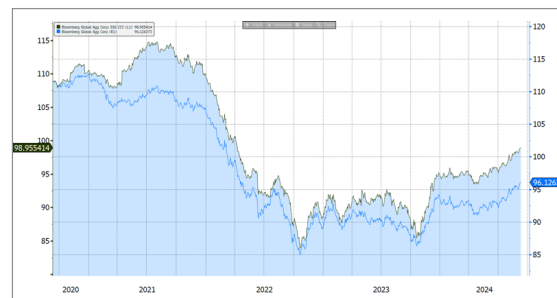
## ESG Fixed Income

- ESG bonds have recently gained an important place in the global investment universe. This impressive performance by ESG bonds in the primary market recorded in 2023 with almost \$900 bn. The previous record was set in 2021, when issuance reached just under \$1 trillion.
- ESG investing is gaining momentum in investment circles, making it increasingly easier for companies to raise capital when they align with ESG principles. This alignment offers greater transparency and ensures compliance with regulatory standards.
- A lot of asset managers (incl. pension funds, endowments, insurance companies and etc) nowadays are more ESG focused and becoming PRI signatories.

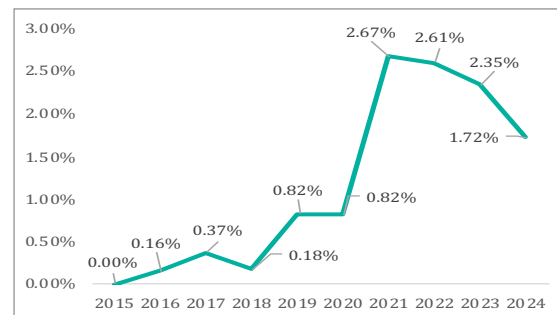
### Dynamic development in the ESG bond market



### Bloomberg Global Agg Corp ESG vs Bloomberg Global Agg Corp



### Adoption rate in ESG bonds out of total issued



# Daman Investments

We work across the entire spectrum of non-banking financial services; our business primarily covers the below three verticals



## Wealth & Asset Management (WAM)

- A leading MENA Asset & Wealth Manager
- Proven regional investment expertise, with a team having more than 30 years MENA experience
- Specialized in portfolio management solutions across various asset classes
- Strong track record with above peer group average risk adjusted returns

- One of the leading brokers on the local markets (DFM, ADX, NASDAQ Dubai)
- Additional offering on KSA, Kuwait, Egypt & Qatar Markets
- International Markets; USA, Europe & Asia
- Serving HNW, retail & Institutional clients
- State-of-the-art digital trading platforms - Web & Mobile
- Recently launched CFD / FX platform under the brand 'Daman Markets'

\* Daman Securities is 99% owned by Daman Investments



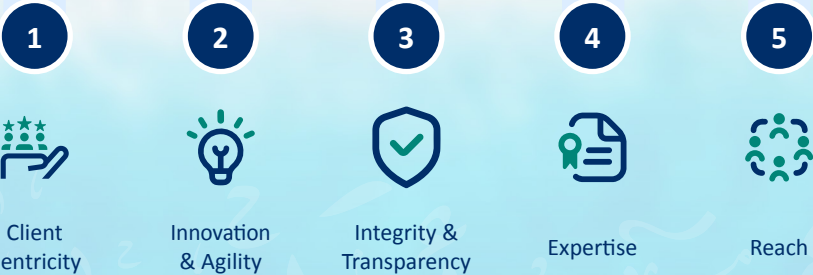
## Daman Securities (DS)\*



## Investment Management & Advisory (IMA)

- Private Equity Investments
- Investments in development projects
- Strategic advisory on a full range of transactions
- Debt Advisory Services
- M&A Advisory
- Valuation Services

# Our Strategy is Driven by 5 Key Pillars



Digitally Enabled Capabilities

Standard Operating Model, Policies, and Processes in line with regulatory guidelines

# Daman Investments

We keep our client interests first in all aspects of our business, and strive to achieve this through a comprehensively tailored, transparent and risk-driven approach

## Tailored Investment Solutions



Access to Global, Regional and Local Markets



Diverse Suite of Investment Products



Expert Financial Advice on Investments



## Transparency & Integrity



Constant Education to Customers



Comprehensive Performance Reporting



Excellent Client Support & Service Quality

## Our Approach

## Digital Platform & Convenience



Digital Platforms Personalized to Each Customer



State-of-the-Art UX and Ease of Use



"Anytime, Anywhere" Accessibility



## Robust Risk Management



Balance clients and Daman interests



Investments based on Client Risk Suitability

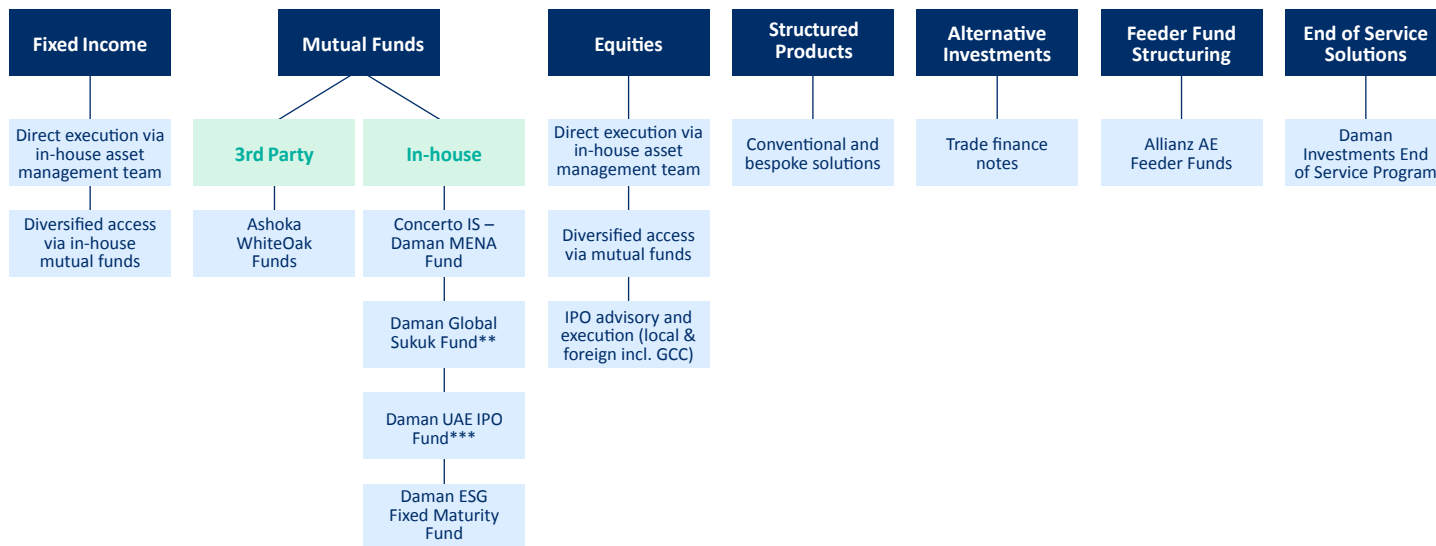


Periodic Risk Reviews & Investment Adjustments



# A diversified Portfolio of Solutions & Partners

Our comprehensive portfolio of products and services are a combination of in-house and third-party offerings that enable our clients to choose from a wide variety of asset classes



## Custodians, Counterparties and Administrators



\*Allfunds platform is in the process of being launched after having obtained the necessary compliance approvals

\*\*Daman Global Sukuk Fund is in the process of being re-domiciled from Luxembourg to UAE

\*\*\*Daman UAE IPO Fund in the process of being converted from a private to a public fund

# Daman Investments - Our Story

Founded in 1998, Daman Investments is a non-banking financial services company widely recognized for its unparalleled expertise in delivering outstanding performance backed by the highest standards of transparency, governance and professionalism, and is accordingly licensed and fully regulated by the Securities & Commodities Authority of UAE”

الضمان

**1998**

Established Al Daman Est. as a financial services company

الضمان

**2001**

Established UAE value fund, Daman's first asset management fund. Closed in 2006 achieving 35% IRR

الضمان

**2002**

Launched Daman Iraq Fund. Closed in 2004 achieving 61% IRR

برج ضمان | BURJ DAMAN

**2004**

Established Daman RECAP to invest in Burj Daman in DIFC, a mixed-use real estate development

ضمان للأوراق المالية  
DAMAN SECURITIES

**2005**

One of the first financial services firms to reorganize its brokerage and asset management businesses as per new SCA and Central Bank regulations

ضمان للاستثمار  
DAMAN INVESTMENTS

**2006**

Reorganized as a private joint stock company with capital of AED 200mn

ضمان  
Daman Quattro

**2007**

Established Daman Quattro, a JV operating in commodities trading

مخطة الشرق الأوسط للفنون  
The Middle East Art Fund

**2008**

Created the Middle East Art Fund

صندوق ضمان الخامس  
Daman Fifth Fund

**2010**

Launched the region's first alternative fund, the Daman's Fifth Fund

**2012**

Increased its capital by an additional AED100 million through a private placement

ورد الفايضة المحدودة  
WARD HOLDINGS LIMITED

**2015**

Launched Farzi Café at Citi Walk Dubai as an investment of Daman

FAIRZI CAFE

**2016**

Daman Securities launched mobile trading app which won a prestigious DFM Award

ضمان للأوراق المالية  
DAMAN SECURITIES

**2017**

Daman successfully advised Gargash Family on one of the largest leveraged buyouts of UAE. Daman Securities joined NASDAQ

Nasdaq

**2020**

Launched the Daman Concerto IS MENA Fund

ضمان للاستثمار  
DAMAN INVESTMENTS

**2022**

Launched 2 new funds; the Daman UAE IPO Fund and the Daman Global Sukuk Fund

ضمان للاستثمار  
DAMAN INVESTMENTS

**2023**

Daman Securities launches CFD's and FX through its new brand 'Daman Markets'

ضمان ماركيتس  
DAMAN MARKETS

**2024**

- Launched UAE's First alternative gratuity solution Daman End of Service Program approved by MOHRE & SCA
- Launched UAE's first Onshore Feeder Funds with Allianz Global Investors

الإمارات العربية المتحدة  
وزارة الشؤون الاقتصادية والتنمية  
والشؤون المالية

Allianz  
Global Investors



**250**  
Employees



Société Générale Private Banking  
**€+143** bn of AUM T2 2023



**€+40** bn  
AUM and AUA  
in 2022

**MSCI** 

### AAA by MSCI

The **triple-A rating is the highest possible rating** of MSCI, which is a key benchmark for investors. The rating places **Societe Generale in the top 6%** of the 190 banks and thus as a **leader since 2021**.

**MOODY'S** | ESG

### Top 1% by Moody's ESG

Societe Generale achieved a score of 69, an increase of 6 points compared to 2018 and 1 point compared to 2020 (stable since), placing it in the **top 1% worldwide** (out of 4,881 companies) and **2nd world bank**.

 **SUSTAINALYTICS**

### 19.4 by Sustainalytics

With a score of 19.4, an improvement compared to 2021, Societe Generale ranks **top 14% worldwide** out of a total of 415 banks.

\*2022

**S&P Global**

### "Strong" by S&P

A score of **79**: one of the highest among the published scores (out of 736 banks).  
**A long-term view** of a company's readiness for CSR risks and opportunities.

\*2022

# SocGen – Responsible Investment Framework

Our investment policy consists on the one hand in defining an investment universe by integrating ESG criteria and on the other hand in systematically integrating ESG analysis alongside financial analysis in investment choices.



## NORMATIVE AND SECTOR EXCLUSION POLICY

- Sectoral exclusions
- Exclusions of controversial companies
- Exclusions based on failing to manage sustainability risks



## ESG INTEGRATION

- Systematic integration of non-financial factors
- ESG assessment model based on the participation of companies in the economic transition



## VOTING AND SHAREHOLDER ENGAGEMENT POLICY

- Support for companies
- Enhanced sustainability commitments
- Materialization of our commitments through votes at General Meetings



## TRANSPARENCY

- Ex-ante & ex-post controls
- Sustainability risk policy
- Non-financial reporting (CIU)
- Clear commitments
- Labeling of UCIs and discretionary management

### Tools & Partners to Support & Strengthen our Actions

#### Data Providers & Advice



#### Labels



#### Our Commitments



**Société Générale Luxembourg (SGL) and Société Générale Private Wealth Management S.A. (SGPWM)** as assets manager by delegation of mandates) are subject to the new European “SFDR” (Sustainable Finance Disclosure Regulation) adopted on November 27, 2019 by the European Parliament and the Council of the European Union and implemented since March 2021.

The purpose of this regulation is to harmonize, at European level, the taking into account and communication by portfolio managers of extra-financial criteria with the aim of **greater transparency vis-à-vis their clients**. The extra-financial criteria make it possible to assess the action of economic agents on sustainable development issues and are grouped under the 3 ESG pillars:



### Environment

ex energy efficiency, greenhouse gas reduction and waste treatment



### Social

ex respect for human rights and workers' rights, human resources management (worker health and safety, diversity)



### Governance

ex independence of boards of directors, executive compensation and respect for the rights of minority shareholders

In line with Société Générale's Group raison d'être, which is to build together a more sustainable world, SGL and SGPWM integrate “**sustainability risks**” in their portfolio management services while managing negative impacts on “**sustainability factors**”.

A **sustainability risk** is an environmental, social or governance event or situation which, if it occurs, could have a material adverse effect, actual or potential, on the value of the investment.

The **sustainability factors** correspond to “environmental, social and personnel issues, respect for human rights and the fight against corruption”.

According to the investment policy of SGL, [Click Here](#) your mandate integrates sustainability factors into its investment process, which consists of (i) applying ESG exclusions, (ii) referring to ESG ratings made available to managers and (iii) monitoring negative impact indicators.

## Normative and sectoral exclusion policy

ESG analysis allows us to study the investment universe through ESG criteria and to make a selection of securities that correspond to the profile of our management strategies.

We apply the recommendations of the Societe Generale Group methodically and comply with the sector policy.



## Sectors

- Exclusion of companies involved in **thermal coal**
  - of which more than 10% of turnover is linked to coal mining)
  - or where more than 30% of electricity generation is linked to coal
  - thermal coal developers (new projects)
- Exclusions of companies with **unconventional oil and gas** revenues exceeding 10%
- Exclusion of **tobacco and palm oil** companies
- For SRI management: Exclusion of companies involved in more than 15% of their turnover in **defense and armaments**<sup>1</sup>, **GMOs**, **gambling**, **adult entertainment**



## Standards & Controversies

- Exclusion of companies involved in very serious controversies (red flag).
- Companies that do not respect the principles of the **United Nations Global Compact**.
- Exclusion of companies that violate the **Ottawa and Oslo Conventions** (controversial defense).



## ESG Risk Management

- Exclusion of companies with low ESG risk management capabilities (MSCI ESG B and CCC ratings) **and** integration of the rating of this management in the selection of investments.

## Connect With Us

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\*Professional Investor Definition:

A Professional Investor (“PI”) is someone who meets the requirements set out by the Securities and Commodities Authority (SCA) and has opted in to be treated as PI.

PI’s are assumed to have more experience and knowledge in the investment field and are better able to assess resources to protect their own interests.

Source: [Click here](#)