

Monthly Review, Asset Allocation & Outlook June 2025



Highlights of the Month

- Global asset classes posted strong performances in June, with equities posting strong gains during the month
- MSCI All Country World Index rose 4.4%, supported by easing trade tensions and better than expected economic data
- US equities rallied with S&P 500 Index advancing 5.0% to reach all-time high, despite brief bouts of volatility
- Fixed income gained with the Barclays Global Aggregate Index and High Yield Index advancing 1.9% and 2.3%, respectively
- The yields on the US 2-Year & 10-Year Treasuries declined 18 bps & 17 bps, respectively, on easing inflation concerns
- Gold price gained modestly by 0.4% to \$3,284/ounce, while Brent oil rose 5.8% on the back of geopolitical tensions
- MENA equities showed resilience led by DFM and ADX gaining 4.1% and 2.8%, respectively during the month
- The FTSE MENA Broad Bond Index closed 1.7% higher during the month, supported by declining global yields
- We upgrade equities to overweight on expected economic and monetary stimulus and downgrade bonds to neutral
- We continue our preference for an up-in-quality, well-diversified portfolio to navigate near-term trade uncertainties



Global Review

Global asset classes witnessed a strong performance in June with equities outperforming fixed income. Global equities rose further in June, supported by stronger-than-expected Q1 2025 earnings, better-than-expected economic data in the US, and decline in bond yields. The MSCI All Country World Index closed the month up 4.4% and closed at an all-time high. However, the month saw significant volatility across markets as investors grappled with increased geopolitical tensions in the Middle East due to Israel-Iran conflict. VIX Index rose to 22 levels, however, volatility subsided towards the end of the month with VIX closing at 17 levels after a US-brokered ceasefire.

Fixed income gained as the US 10-Year, and 30-Year Treasury yield fell 17bps and 16bps on lower-than-expected inflation (CPI) in the US. The Barclays Global Aggregate Bond Index gained 1.9%. The Barclays Global High Yield Index outperformed, gaining 2.3% as credit spreads tightened further by 19bps on improvement in risk sentiment.

The Bloomberg Commodity Index closed up 2.0%, driven by a rise in oil prices and industrial metals. Brent oil price gained 5.8% on supply disruption concerns tied to increased geopolitical tensions, despite OPEC+ deciding to increase the production further. Strong US summer demand and drawdown in inventories also contributed to the higher oil price. Industrial metals rose on supply disruption concerns due to the conflict. Aluminum also benefited from Chinese inventories hitting their lowest levels since 2016. Aluminum and copper prices rose 6.5% and 5.3%, respectively. Gold gained 0.4% to close the month at \$3,303/ounce on rising geopolitical risks.

Global Equities:

Within equities, growth continued to outperformed value with the MSCI All Country World Growth Index rising 5.1%, outperforming the Value Index by 1.5% due to the strong performance of IT and communication services sectors. Emerging markets (EM) outperformed Developed markets (DM) with the MSCI EM Index gaining 5.7%. Despite the underperformance against the EM Index, the MSCI World Index closed the month up 4.2%. Weaker US dollar and strong gains in Taiwan and Korea on increasing investor optimism about AI led EM to outperform.

The S&P 500 Index rose 5.0%. IT, Communication Services and energy were the best performing sectors with the corresponding sector's indices rising 9.7%, 7.2%, and 4.7%, respectively. The Russell 2000 Index, a small-cap Index of US stocks, rose 5.3%. Market performance was supported by easing tariff concerns, better than expected economic data and a solid Q1 earnings season. S&P 500 companies delivered solid results, with earnings growing at 12.5% YoY, the third quarter of double-digit growth in the past four. U.S. and Chinese officials confirmed establishing a trade framework between the economies. This included tariffs on Chinese exports coming down from 145% to 55% (10% reciprocal tariffs, 20% fentanyl-based tariff, and 25% existing tariff on China). Tariffs on U.S. exports to China meanwhile remain at 10%. In addition, there is further agreement on nontariff barriers. China has agreed to temporarily restore rare-earth licenses to U.S. manufacturers for six months, while the U.S. will relax restrictions on Chinese jet engines and related parts.

The soft economic data improved as University of Michigan US Consumer Sentiment Index rose sharply in June to four-month high and inflation expectations improved notably as concerns eased about the economic outlook and personal finances. The final June sentiment index increased to 60.7 from 52.2 a month earlier. Expectations for inflation in the year ahead plunged to 5.1% from 6.6% in the prior month.

The economy added 139,000 jobs in May, down from April's downwardly revised reading of 147,000 but ahead of consensus estimates of 130,000. The unemployment rate held steady at 4.2%, remaining in the 4.0% to 4.2% range that it has been in since May 2024. Payroll growth was revised down by 30k in April and 65k in March. As a result, the three-month average of payroll growth stood at 135k. Job growth was strongest in the healthcare (+78k) and leisure and hospitality (+48k) sectors, which together accounted for 90% of the increase in nonfarm payrolls in May. Average hourly earnings increased by 0.4% MoM in May, above expectations. The year-over-year rate remained at 3.9%.

US CPI rose 0.1% MoM, down from 0.2% in April and below consensus expectations for a 0.3% increase. On a YoY basis, prices rose 2.4%, up from April's four-year low of 2.3% but below expectations for a 2.5% increase. Core CPI rose 2.8% YoY, unchanged from April and a tick below estimates for a 2.9% increase.

After a strong rally YTD, Eurozone shares witnessed profit booking with MSCI Europe ex-UK Index declining 1.7% MoM. Following quarter-point cut in rates to 2.0%, ECB chief Christine Lagarde said the central bank was in a good place and was getting to the end of the monetary policy cycle.



Fixed Income:

June proved to be a strong month for fixed income investors, with significant rally across most segments as central bank policy divergence became more apparent. High Yield bonds outperformed Investment Grade securities, with the Bloomberg Global High Yield Index gaining 2.3% compared to 1.9% for the Global Aggregate Index. Year-to-date performance remained robust with High Yield returning 6.8% and Investment Grade 7.3%.

The bond market rally was driven by several factors including the Federal Reserve's more cautious tone, declining breakeven inflation expectations, and successful resolution of the Israel-Iran conflict. The 10-year breakeven inflation rate declined 9 basis points during the month, reflecting reduced inflation concerns. European bonds benefited significantly from the ECB's rate cut, with German 10-year yields falling 11 basis points to 2.61%.

Emerging market bonds performed well with the JP Morgan EM Bond Index gaining 2.5%, supported by US dollar weakness and improving risk sentiment. The Bloomberg EM Hard Currency Aggregate Index advanced 1.9%, while local currency EM bonds particularly benefited from currency appreciation against the weakening dollar.

The first half of 2025 saw a significant boom in MENA bond sales, climbing to a record \$86.8 billion, marking a 17% increase from the previous year. Saudi Arabia was the most active issuer nation during the first half of 2025 accounting for 52% of total bond proceeds, followed by the UAE (25%), and Qatar (8%). While corporates accounted for 55% of the total proceeds raised during the first half of 2025, government and agency issuers contributed 26%.

In MENA region notable issuances included: QIB, ENBD, SNB, APICORP, DARALA and QIC

Emerging market (EM) bonds rallied in June. Emerging Markets Aggregate Index (EMUSTRUU) was up 1.9% MTD while the Bloomberg EM GCC Credit + HY Index (BGCCTRUU) closed the month higher by 1.4%.

Market Outlook: : We expect continued volatility but see the recent de-escalation of geopolitical tensions as supportive for risk assets. The Federal Reserve's cautious approach and European Central Bank easing should provide a favorable backdrop for fixed income markets.

We anticipate 10-year bond yields to trade in a range of 4.00%-4.60% as the market balances growth concerns against persistent inflation risks. We favor shorter-duration exposure and prefer GCC fixed income presents opportunities given limited tariff exposure and stable fundamentals.



EM Equities: The MSCI EM Index was up 5.7% MoM, taking its YTD gains to 13.7%. A valuation re-rating given its steep discount to its DM peers, a softening of the USD and an asset relocation towards EM for diversification have all helped in its outperformance YTD. In June, Asia continued to lead with a gain of 5.7% followed by LATAM rallying 5.7% and EMEA increasing by 4.2%. In Asia, MSCI Korea and MSCI Taiwan were up 14.9% and 6.0% respectively, as they continued to benefit from the AI hardware boom and a weaker USD. June also saw the largest monthly inflows into Asian equities in 15 months, with Taiwan seeing inflows of USD 7.3bn. In LATAM, MSCI Brazil surged 7.2% as lower inflation, rising commodity prices and a stabilization of the currency led to greater investor confidence that a rate-hike pause was possible.

Commodities: Oil: Brent crude oil gained 5.8% in June, closing at \$67.6/bbl. Volatility was the play of the month with Brent spiking nearly 7% when Israel-Iran conflict began. Supply disruptions concerns nearly pushed Brent to \$80/bbl. Oil pulled back after the USA secured a ceasefire and no actual supply disruption came through. Crude oil prices rebounded at the end of the month on the back of strong U.S. summer demand and crude inventory drawdown.

Petchems: SE Asia LLDPE and PP both rose 2.1%, HDPE gained 1.1%, and LDPE was up 0.9%. Petchems are mostly down YTD, with small movement in prices driven by limited feedstock availability and subdued demand.

Metals: Copper gained 5.3% while aluminum gained 6.5% MoM. Tightening of supply, looming US tariffs, weaker USD and short-term supply chain disruptions all contributed to the gains.

Precious metals: Gold prices gained 0.4%, maintaining its strong YTD performance of 25.9% as investors continued to seek portfolio diversification.

Currencies: EM currencies (MSCI EM Currency Index) gained 1.6% MoM while the US Dollar (DXY Index) lost -2.5%. The euro gained 3.9% during the month and is up 13.8% YTD. The appreciation in the Euro has been fueled by the US tariffs, prompting investors to move funds from the US to Europe. The British Pound was up 9.7% against the USD during H1 2025.

GCC Equities: GCC markets bounced back strongly in the second half of June after a ceasefire deal was announced between Iran and Israel. Kuwait's All Share Index continued its positive momentum, adding 4.2% and taking its YTD gains to 14.8%. Dubai's DFMGI gained 4.1% to take its H1 gains to 10.6%. Abu Dhabi's ADX rallied 2.8% to end H1 2025 with gains of 5.7%. Qatar's DSM added 2.7% to swing back into positive territory with gains of 1.7% YTD. While the Tadawul All Share Index ended the month up 1.6%, it continued to be a laggard YTD, with a -7.2% return in H1.

June saw two underwhelming IPOs in Saudi, with the listings of Flynas and Specialized Medical Co. Despite both companies being multiple times oversubscribed (Flynas 100x, SMC 65x), on the day of their listings they ended the day down 3.4%. Flynas and SMC raised \$1.1bn and \$0.5bn respectively from their share sales. Oman will introduce a 5% personal income tax on individuals earning over OMR 42,000 (USD 109,000) annually, starting January 2028. This makes it the first Gulf country to implement a personal income tax, targeting only the top 1% of earners. The move is part of Oman's Vision 2040 strategy to diversify revenues and reduce reliance on oil.

Tabreed and CVC DIF announced plans to establish a 50:50 joint venture to acquire PAL Cooling from Multiply Group in a deal valued at AED 3.8 billion. PAL currently manages eight long-term concessions supported by five operational plants with a combined capacity of 182,000 RT. One additional plant is under construction, with three more in the pipeline, bringing the total planned capacity to 600,000 RT.

Taaleem announced that it is acquiring a 95% stake in Kids First Group (KFG), a premium early childhood education provider with 34 nurseries across the GCC for AED 912 million with the deal expected to close in Q3 2025. The acquisition is EPS-accretive, adds 6,000 seats (+28%) to Taaleem's capacity, and is expected to boost revenue and EBITDA substantially over FY25-29, with KFG operating as a standalone vertical under its current management. In FY24, KFG delivered AED 77mn in EBITDA and AED 48mn in net profit and with capacity set to grow by 70%, utilization is projected to increase from 84% to 93% on the back of robust demand.



Major Indices Performance

Major Indices Performance	Value	MTD Return	YTD Return	PE (x) 1Yr Fwd	PB (x) 1Yr Fwd	Div. Yield 1Yr Fwd
Saudi Arabia - TASI	11,164	1.6%	-7.2%	14.3	2.0	4.4%
Dubai - DFMGI	5,706	4.1%	10.6%	10.1	1.6	5.7%
Abu Dhabi – FADGI	9,958	2.8%	5.7%	15.2	1.9	4.5%
Qatar – DSM	10,749	2.7%	1.7%	11.8	1.5	4.7%
Kuwait - All Share	8,455	4.2%	14.8%	18.5	2.7	4.7%
Oman - MSM30	4,501	-1.3%	-1.7%	2.0	0.7	6.2%
Bahrain – BHSEASI	1,944	1.2%	-2.1%	7.9	2.2	4.0%
Egypt - EGX30	32,858	0.5%	10.5%	5.8	1.7	4.9%
Morocco - MOSENEW	18,297	1.8%	23.9%	19.0	3.4	1.8%
S&P Pan Arab Composite	172	3.2%	1.9%	13.7	1.9	4.1%
Israel - TA35	2,959	9.5%	23.5%	13.4	2.1	2.4%
Turkey - XU100	9,949	10.3%	1.2%	4.0	0.6	6.6%
Pakistan - KSE100	125,723	4.9%	9.4%	6.0	1.4	5.9%
S&P 500	6,205	5.0%	5.5%	23.6	4.9	1.3%
STOXX 600	541	-1.3%	6.6%	15.3	2.1	3.3%
MSCI EM	1,223	5.7%	13.7%	13.6	1.8	2.8%
MSCI All Country World	918	4.4%	9.1%	20.0	3.2	1.9%
MSCI World	4,026	4.2%	8.6%	21.1	3.5	1.8%

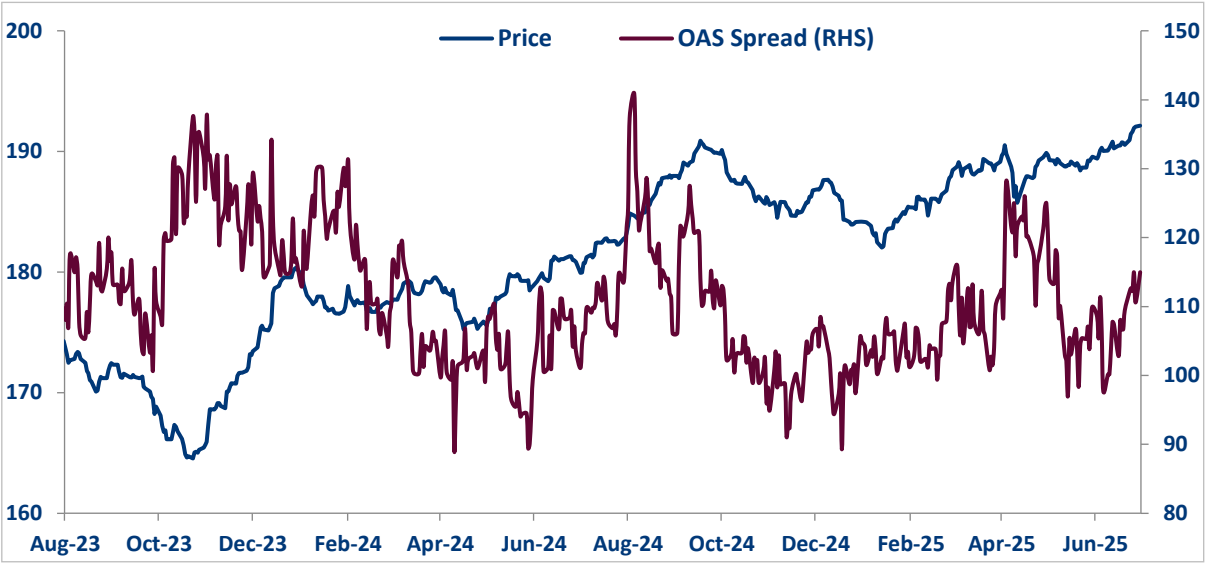
Major Indices Performance	Value	MTD Change	YTD Change
Barclays GCC Credit +HY Index	192	1.4%	4.3%
FTSE MENA Broad Bond Index	177	1.7%	4.4%
Dow Jones Sukuk	99	0.6%	1.7%
Barclays Global Aggregate Index	497	1.9%	7.3%
Barclays Global High Yield Index	1,775	2.3%	6.8%
Barclays US Treasury Index	2,377	1.3%	3.8%
Barclays US Corporate Index	3,427	1.9%	4.2%
Barclays US Corporate High Yield index	2,806	1.8%	4.6%
JPM EM Global Bond Index	639	2.5%	5.6%
Bloomberg Barclays Emerging Markets Hard Currency Aggregate Index	1,310	1.91%	4.9%
Bloomberg Barclays US Aggregate Bond Index	2,277	1.5%	4.0%
Markit CDX Emerging Markets Index	98	0.7%	0.7%
Barclays EM High yield	1,688	2.2%	5.4%
Barclays EM Corporate Index	311	1.5%	4.2%
10-year US Treasury yield* (%)	4.23	-17	-34
30-year US Treasury yield* (%)	4.77	-16	-1
US Treasury 2-10 Spread*	50.47	1	18
US Treasury 2-30 Spread*	105.10	2	51
10-year US Treasury Real yield* (%)	1.93	-13	-30
10-year Germany Treasury yield* (%)	2.61	11	24
US Breakeven 10 Year*	2.28	-5	-5
10-year Saudi Arabia Govt USD Bond yield* (%)	4.82	-21	-54
8-year Abu Dhabi Govt USD Bond yield* (%)	4.32	-17	-70
4-year Kuwait Govt USD Bond yield* (%)	4.40	-12	-59
9-year Oman Govt USD Bond yield* (%)	5.15	-26	-59
10-year Bahrain Govt USD Bond yield* (%)	6.71	-8	-22
7-year Qatar Govt USD Bond yield* (%)	4.20	-7	-46
10-year Egypt Govt USD Bond yield* (%)	9.22	-64	-68
EIBOR 3M* (%)	4.14	-7	-31
QAIBOR 3M* (%)	4.65	0	-3
Dubai 5 Year CDS* (bps)	60	5	-3
Qatar 5 Year CDS* (bps)	35	0	-9
2-year US Treasury yield* (%)	3.72	-18	-52

Source: Bloomberg, Daman Investments Asset Management

Note: *In basis points



Barclays GCC Credit +HY Index



Source: Bloomberg, Daman Investments Asset Management

Major Commodities and Currencies

Performance

	Value	MTD Change	YTD Change
Brent crude oil (USD/bbl)	67.61	5.8%	-9.4%
Natural Gas (USD/mmbtu)	3.46	0.3%	-4.9%
Gold (USD/Ounce)	3,303	0.4%	25.9%
Copper (USD/MT)	10,051	5.3%	16.2%
Aluminium (USD/MT)	2,597	6.5%	2.8%
Nickel (USD/MT)	15,020	-0.1%	-0.6%
Urea Middle East (USD/MT)	502	32.0%	38.3%
Methanol China (USD/MT)	284	10.5%	-9.6%
SE Asia Polyethylene (USD/MT)	940	1.1%	-3.1%
Polypropylene (USD/MT)	990	2.1%	1.0%
US Dollar Index	96.88	-2.5%	-10.7%
MSCI EM Currency index	1,851.62	1.6%	7.2%
JPM EM Currency index	46.35	1.7%	8.3%
EGP/USD	0.020	0.5%	2.5%
TRY/USD	0.025	-1.5%	-11.2%
PKR/USD	0.352	-0.6%	-1.9%
ILS/USD	0.297	4.3%	8.0%
EUR/USD	1.18	3.9%	13.8%
GBP/USD	1.37	2.0%	9.7%
USD/JPY	144.03	0.0%	-8.4%



Global Asset Allocation and Outlook



Global Asset Allocation and Outlook

We upgrade equities to overweight from neutral, as we see the following catalysts supporting the market in 2H 2025 – i) **Economic stimulus** from the passage of the Trump tax-cut bill ii) **Monetary stimulus**, with the Federal Reserve expected to begin cutting rates in September, in response to an economic slowdown linked to tariffs—despite a near-term rise in inflation. iii) **Progress on trade**, with the establishment of agreements on a broad trade deal framework between the United States and its major trading partners iv) **Improved market sentiment**, as investors appear willing to look through short-term earnings weakness driven by margin contraction and slower revenue growth tied to tariffs v) **Low earnings expectations**, with consensus estimates for Q2 2025 year-over-year earnings growth at 4%, setting a low bar and increasing the likelihood of another significant upside surprise. With approximately 40% of S&P 500 revenue derived from outside the U.S., a 10% year-to-date decline in the dollar could act as a strong earnings tailwind vi) **Continued momentum in AI-related stocks** vii) US 10-year treasury yields remaining well behaved with 4.60% level acting as a cap.

We downgrade bonds to equal weight from overweight. We expect yields to head higher in the near-term as tariffs start to show up in the CPI. We continue to remain well-diversified across asset classes, countries, and sectors, and to maintain an up in quality stance. We believe this is an opportune time to lock in high yields, before the fed start to cut rates, by investing in quality companies with strong balance sheets, robust operating cash flows, and controlled leverage across both the investment-grade and high-yield segments.

We remain selective on duration and view 4–5-year fixed income maturities as the current sweet spot. In our regional portfolios. Regionally, we favor the UAE over Saudi Arabia, given the UAE’s lower breakeven oil price, which supports stronger fiscal resilience.

We stay overweight on DM equities and underweight on EM. With in DM we upgrade US to overweight and downgrade Europe to neutral and remain underweight on Japan.

Asset Allocation

	Underweight	Neutral	Overweight
By Asset class:			
Equities			
Fixed Income			
Alternatives			
Cash			
Equities - by region:			
DM			
US			
Japan			
Euro Area			
EM			
EM Asia			
EM Europe			
EM MENA			
EM LatAm			
Fixed Income - by region:			
South Asia			
Far East Asia			
Latin America			
MENA			
Sub-Saharan Africa			
Central & Eastern Europe			
Fixed Income - Rates, Spreads and Duration			
Rates			
Spreads			
Duration			
Fixed Income - Credit:			
Global Investment Grade			
Global High Yield			





Global Asset Allocation and Outlook

Global Equities:

- In equities, we believe a proper bottom-up analysis is important to own quality stocks with solid balance sheets, high operating cash flows and contained leverage to protect from market volatility tied to fluctuation in macroeconomic data and reset of rate cut expectations

- We see a diversified portfolio with a dividend yield cushion to be better equipped to face market volatility. We see a barbell portfolio split between technology and cyclical sectors as well placed to navigate macroeconomic and geopolitical uncertainties that we may face in 2024

- Performance would continue to broaden out with cyclical sectors and small caps participating which were laggard in 2024

- We avoid names on higher risk sides of the capital structure such as unprofitable tech and biotech names, etc.

Preferred Picks:

Technology and communication services: Microsoft, Nvidia, Amazon, Adobe, Sales Force, META, Netflix

Healthcare: Pfizer, Merck

Industrials/Auto: GM, Ford, Caterpillar, Deere

Financials: Visa and Mastercard

Airlines: Delta Airlines, United Airlines

Utilities: Nextra Energy

Consumer Staples: Walmart

We downgrade Europe to neutral after a sharp rally YTD. We remain underweight on EMs. However, there are strong structural domestically driven economic growth stories such as India which we continue to remain overweight on.

MENA Equities:

We advocate a quality bias and strong active management approach to take advantage of market volatility and selective security picking, focusing on balance sheet quality and cash flow visibility. Currently, MENA markets (S&P Pan Arab Composite Large Mid Cap Index trades inline with the MSCI EM Index on a 1-year forward PE basis, vs the long-term average premium of 10%, driven oil price uncertainty.

Despite a strong rally YTD, we continue to remain optimistic on the UAE markets as the fundamental backdrop remain solid tied to robust population growth, and push towards diversification. We expect the market performance to broaden out with laggards starting to participate.

Following the passage of the U.S. tax bill and in anticipation of forthcoming trade agreements, we expect the Saudi equity market to establish a floor around the 10,900–11,000 level. However, the Tadawul Index is likely to remain range-bound trading between 11,000–11,600 levels due to the ongoing oil price volatility. We favor selective opportunities in Saudi banking sector, infrastructure sector and tourism-related equities due to the government's commitment towards economic diversification leading to sustained spending on infrastructure, industrial, oil and gas, and tourism projects. We also like an exposure to Kuwait driven by the recent announcement of debt law and mortgage law.

Our preferred plays include:

- **Banks:** ADCB, Akbank, Alinma Bank, DIB, KFH, NBK, GBK, SNB, Tawuniya
- **Consumer Discretionary and Staples:** Lulu Retail, Spinneys
- **Energy:** ADNOC Drilling, ADNOC Gas, ADNOC L&S, NMDC Energy, QGTS
- **Healthcare:** Mouwasat, Pure Health
- **Real Estate:** Aldar Prop, Dubai Residential, Emaar Dev, Emaar Prop, RAK Prop, Retal, TECOM
- **Industrials:** AD Ports, Budget, Catrion Catering, DTC, Parkin, Salik, SGS
- **Utilities:** AWPT, DEWA, Empower



Global Asset Allocation and Outlook

EM Fixed Income:

We continue to remain underweight on duration with volatility taking centerstage in bond markets as well. Fixed income markets gained during the month with 2s10s continuing to remain steep. During the month, 10y US treasury yields closed at 4.23% down 17bp from the previous month. Barclays Global Aggregate Index closed 1.9% up during the month, while High Yield Index closed the month 2.3% up. Interestingly, the global aggregate index has returned 7.3% in 2025, while the High Yield Index is up 6.8% YTD. The MENA Broad Bond index was up 1.7% on a MTD basis.

Saudi Arabia. SAUDI Yield curve inched lower during the month. Yields on KSA 5.75 2054 were up by 17bps in June. Issuance in Saudi picked up pace in June with SNB and DARALA coming to the debt market. The Bloomberg Global Aggregate- Saudi Arabia (114669US Index) gave a positive return of 1.5%.

What we like: ARACEN, DAR AL-ARKAN, SAUDI Govt, SECO, KSA Sukuk, ARAMCO, PIF, Maaden

UAE. UAE enjoys a positive balance on both its budget and external accounts. Bond issuance continued in June with ENBD and RAKBANK coming to the primary debt markets.

What we like: ABU DHABI Govt, ARADA Sukuk, ESIC Sukuk, FAB Sukuk, GEMS, PD Sukuk, Sobha Sukuk, Binghatti Sukuk, ABU DHABI National Energy, UAE Govt, ADCBUH Perp, EBIUH Perp, DP World

KUWAIT –Kuwait is likely to test the debt markets this year once the new debt law kicks in. We are expecting the sovereign to issue debt in 2H25 returning to the market. Investor demand should be multifold as investors look to lap up the bonds and diversify. The country has just one sovereign outstanding bond KUWIB 3 ½ 03/20/27 (USD4.5bn).

MEXICO –The threat of increasing tariffs on Mexican products and retaliatory tariffs by Mexico remain the key thing to watch out for during the first few months. Central Bank of Mexico lowered its benchmark interest rate by 50 basis points for the third consecutive meeting in June, as inflation remains within the bank's target range, but uncertainty persists around trade tensions and a weak economy. The initial uncertainty pushed yields higher; however, as tariff threats were rolled back and clarity improved, 10-year yields largely remained muted during the month.

What we like: PEMEX, CEMEX

INDIA –India's bond market is benefiting from investors seeking higher all-in-yields and diversification. Yields inched higher by 6bp during the month ending at 6.29%. An increasing liquidity support provided by the central bank has helped yields move lower in 2025. Investors will continue to watch out for how growth unfolds and look out for signs of a proactive FX policy from the central bank.

What we like: INCLN, ADANI PORTS, INDIABULLS HOUSING, ADANI GREEN



Performance of our Funds

Concerto IS Daman MENA UCITS Fund

The Fund’s investment objective to achieve medium to long-term capital appreciation by investing primarily in securities of issuers listed in the MENAPT Region or investing in securities of issuers listed outside of MENAPT but deriving most of their revenues from MENAPT.

The fund gained 2.3% during the month, primarily due to gains in Akbank, Tawuniya, DIB, Aldar, ADCB, Empower, ADNOC Drilling, KFH and NBK. From a geographical standpoint, UAE and Saudi Arabia each contributed nearly one third to the gains while Kuwait and Turkey contributed 15% each to the gains.

During the month, we increased the weights in certain existing positions (ADNOC L&S, Aldar, Emaar Dev, Emaar Prop, Lulu, Talabat) that were impacted negatively due to the outbreak of Israel-Iran conflict. We initiated a position in RAK Prop, a name well positioned to benefit from the growing housing demand in RAK and tourism growth associated with the development of the Wynn Resort. In Kuwait, we further deployed cash in names such as Boursa Kuwait, GBK, KFH and NBK. We believe all these names are set to beneficiaries of Kuwait’s upcoming debt and mortgage laws. In Qatar, we initiated a position in QGTS, a key beneficiary of Qatar’s North Field expansion. Additionally, within fixed income we took exposure in TURKGB’26 and EXCRTU’28. Our cash allocation was reduced to 8.3% at the end of June 2025 from 24.2% at the end of May 2025.

	2025	Inception (30 Jul 2020) (Class I)
Total Return	3.7%	97.6%
Annualized Return	-	14.7%
Annualized Volatility	-	8.0%
Sharpe Ratio	-	1.5

NAV as of 30th June 2025

Daman UAE IPO Fund

The Fund’s investment objective is to generate medium term capital growth by investing in securities issued by companies that are undertaking an initial public offering or by investing in companies that have listed on UAE exchanges in the previous 24 months.

The fund was up 1.4% for the month, primarily due to gains in names such as Empower, ADNOC Drilling, Americana, Retal and Flynas. From a geographical standpoint, UAE contributed nearly 59% to the gains while 32% came from Saudi Arabia.

During the month, we increased the weights in certain existing positions that were impacted negatively due to the outbreak of Israel-Iran conflict or had seen a correction which we believe was unjustified given their strong growth fundamentals. We also increased the weights in select names ahead of their Q2 earnings. Weights were increased in names such as ADNOC Drilling, ADNOC L&S, Americana, DTC, Lulu, NMDC Energy, Parkin, Pure Health, Salik, Talabat and TECOM. We initiated DEWA as a new buy position, given its strong dividend yield and it being a play on Dubai’s population growth. Our cash allocation was reduced to 24.1% at the end of June 2025 from 41.4% at the end of May 2025.

	2025	Inception (Aug 2022) (Class A)
Total Return	-4.7%	21.5%
Annualized Return	-	6.8%
Annualized Volatility	-	9.2%
Shape Ratio	-	-

NAV as of 30th June 2025



About Daman Investments

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