

Monthly Review, Asset Allocation & Outlook

November 2025



Highlights of the Month

- November was a mixed month for global markets, with equities underperforming while bonds outperformed
- Global equities declined, with the MSCI All Country World Index falling 0.1%
- Equity market volatility increased, driven by concerns over elevated valuations in technology and AI-related stocks
- The S&P 500 Index edged up 0.1%, while the Nasdaq Index declined 1.5%
- US Treasury yields fell, with 2Y and 10Y yields down 8 bps and 6 bps, respectively, amid rising expectations of rate cuts
- Fixed income returns were positive, with the Barclays Global Agg. and High Yield indices gaining 0.2% and 0.6%, respectively
- Gold rose 5.9% in November on continued strong demand, while Brent crude oil declined 2.9%
- GCC equities underperformed, with Dubai and Abu Dhabi markets down 3.7% and 3.5%, respectively, while Saudi fell -9.1%
- The FTSE MENA Broad Bond Index ended the month 0.2% higher
- We maintain overweight position in equities due to anticipated monetary and fiscal stimulus, and a neutral stance on bonds
- We continue to favor an up-in-quality, well-diversified portfolio to navigate near-term trade uncertainties



Global Review

November was a mixed month for global markets, with equities underperforming while bonds outperformed. Global markets experienced elevated volatility, with the VIX reaching 28 and the MOVE Index hitting 84 at mid-month. This was driven by concerns over valuations in technology and AI-related stocks, shifting expectations for a Fed rate cut, and persistent worries about economic slowdown in Europe and Asia. After seven consecutive months of gains, equities took a breather, with the MSCI All Country World Index closing down 0.1% month-on-month (MoM). Value stocks (+1.6%) outperformed growth (-1.6%), and defensives (+4.9%) outperformed cyclicals (+1.3%).

The Bloomberg Barclays Global Aggregate Index, a broad measure of the global investment-grade fixed-income market, rose 0.2%, as U.S. Treasury yields declined slightly following dovish Fed commentary toward the month-end, increasing expectations of a rate cut in December. New York Fed President John Williams described Fed policy as “modestly restrictive.” The U.S. 2-year and 10-year Treasury yields fell by 8 bps and 6 bps, respectively, after experiencing increased volatility during the month. The Barclays Global High Yield Index gained 0.6%, marking its eighth consecutive month of positive performance and a year-to-date (YTD) gain of 11.0%.

The Bloomberg Commodity Index rose 2.9%, supported by higher prices for gold, natural gas, and copper. Gold increased 5.9% to close at \$4,239 per ounce, driven by continued buying from emerging-market (EM) central banks seeking to diversify away from U.S. Treasury holdings. We remain positive on gold, given concerns over high fiscal deficits in developed economies, elevated debt-to-GDP ratios, and questions regarding Fed independence, which are likely to continue prompting EM central banks to diversify away from developed-market (DM) sovereign holdings.

Copper rose 3.3% for the month, up 29.8% YTD, supported by supply disruptions at key mines, strong demand from China and green-energy sectors, and a cautious long-term supply outlook. U.S. natural gas prices rose 17.6% amid elevated LNG export demand, reduced storage levels, and colder weather forecasts. Brent oil prices fell 2.9%, reflecting expectations of increased OPEC supply, optimism over a potential Russia-Ukraine peace deal, and seasonally weak demand. Petrochemical prices declined further month-on-month, with SE Asia LLDPE down 5.6%, MEG -4.0%, LDPE -3.8%, PP -2.3%, and HDPE -2.2%. YTD, PP and LDPE are both down 13.3%.

Bitcoin moved inversely to gold, declining 2.9% YTD in 2025 despite reaching a 35% gain at one point, even amid expanding regulation and continued institutional attention.

Global Equities:

Emerging markets (EM) underperformed developed markets (DM), with the MSCI EM Index declining 2.5%, while the MSCI World Index gained 0.2%. EM index heavyweights Korea, Taiwan, and China—markets that had supported EM performance throughout much of 2025—gave back some of their recent gains amid a pullback in technology-related stocks. GCC markets also fell, impacted by softer oil prices and investor disappointment over expectations for an increase in the Foreign Ownership Limit (FOL) of Saudi Arabian stocks. Saudi Arabia (-8.6%), Korea (-5.0%), Taiwan (-3.0%), and China (-2.4%) were the worst-performing markets. Indian equities continued their recovery, supported by strong economic growth data and limited exposure to technology. Chile (+8.9%), Brazil (+7.4%), and Colombia (+6.5%) were the best-performing EM markets in November.

The S&P 500 Index closed the month relatively flat (+0.1% MoM) after a volatile trading period. The Nasdaq fell 1.5%, while the Dow Jones Industrial Average gained 0.3%. Valuation concerns in AI-related stocks and a weak private-sector labor market report contributed to market volatility. Defensive and interest-rate-sensitive sectors benefited from increased expectations of a Fed rate cut, while a notable sector rotation saw investors shift away from megacap tech stocks toward Healthcare, Energy, and Financials. The worst-performing sectors were Information Technology (-4.4%), Consumer Discretionary (-2.4%), and Industrials (-1.0%), while Healthcare (+9.3%), Communication Services (+6.3%), Consumer Staples (+3.9%), Energy (+1.8%), and Financials (+1.7%) were the best-performing sectors.



The Russell 2000 Index, a small-cap U.S. equities benchmark, gained 0.8%. With 64% of S&P 500 companies having reported results, 85% beat consensus earnings expectations, with year-on-year (YoY) growth of 13.5%, ahead of estimates of 7.9%. The longest U.S. government shutdown on record ended on November 13, following President Donald Trump's signing of legislation to resume federal operations, including food aid, flights, and government payrolls. However, some economic data collection was delayed or canceled, with no new statistics on prices and jobs during the shutdown period.

U.S. labor market data showed mixed signals. Unemployment crept up to 4.4% in September, and the private sector lost an average of approximately 13,500 jobs per week over the four weeks ending November 11, according to the ADP National Employment Report. Conversely, non-farm payrolls for September rose by 119,000, reversing a revised drop of 4,000 in August. Consensus had expected a gain of 52,000, while August was previously reported as a 22,000 gain. Employment gains were led by Healthcare and Leisure, while Manufacturing posted losses.

European equities outperformed other major developed markets in November, with the MSCI Europe ex-UK Index rising 0.8%. Financials, Healthcare, and Communication Services were among the best-performing sectors, supported by strong bank earnings and resilient digital advertising revenues. The FTSE All-Share Index closed the month flat. Softer inflation and labor-market data increased expectations of Bank of England rate cuts.

Fixed Income: November 2025 was a modest month for bond investors, with high yield outperforming investment grade (Bloomberg High Yield Index was up 0.6% and Bloomberg Global Aggregate Index was up 0.2%). US treasury yield curve shifted lower, led by the near-term yields and the belly, while longer end of the curve did not move much.

The delayed US Non-Farm Payrolls reading for September came-in at 119k, better than expectations of 53k. The Unemployment Rate rose to 4.4% from 4.3%, alongside an increase in labour force participation. The ISM Manufacturing Index fell to 48.7, worse than expectations, marking its eighth consecutive reading in contractionary territory. However, the ISM Services reading came in at 52.4, much better than expectations of 50.8 and the prior reading of just 50.0. The headline and core CPI readings did not get published due to the government shutdown at the time. With the government reopening mid-month and the broad data indicating a modest state of the economy, New York Fed President John Williams reignited rate cut chances. He said that there was room to lower rates again

in the near-term as the labor market softens. Besides, other known doves including Christopher Waller, Stephen Miran and Michelle Bowman echoed a similar stance.

Global corporate dollar bond issuances stood at \$270bn in November, 7% lower MoM. As compared to November 2024, issuance volumes were up 47%. 78% of the issuance volumes came from IG issuers with HY comprising 20% and unrated issuers taking the remaining 2%. In the APAC and Middle East region, deal volumes were led by China raising over \$8bn via USD and EUR-denominated issuances, followed by Qatar's \$4bn two-part issuance, Amcor's €1.5bn two-part deal, Santos' \$2bn two-tranche and Indonesia's \$2bn two-part sukuk issuance.

On 21 November 2025, S&P Global Ratings lowered Bahrain's sovereign credit rating from "B+" to "B" due to fiscal struggles along with elevated indebtedness as the main catalysts behind the downgrade. This marks the first such downgrade by S&P for Bahrain since 2017.

Emerging market (EM) bonds were muted in November with Emerging Markets Aggregate Index (EMUSTRUU) 0.2% higher and the Bloomberg EM GCC Credit + HY Index (BGCCTRUU) closed the month higher by 0.1%.

Yields Outlook: Given no black swan event is happening we see the peak of the yields is already passed and expect Fed to gradually cut the rates through 2026. However, tariff shocks and fiscal expansion from U.S. policy under the new administration, threaten to reignite inflation can push yields higher. Increased government deficits could fuel yield premiums and investor caution toward Treasuries. Central bank credibility may come under strain if political interference (e.g. in Fed governance) emerges, which could keep rates elevated and markets skittish. Should economic growth soften or inflation fall more than expected, longer-term bonds could regain appeal as a safe haven and hedge asset.

We anticipate 10-year bond yields to trade in a range between 4.0% - 4.3% levels as the market balances growth concerns against persistent inflation risks and fiscal deficit concerns. We favor shorter-duration exposure with an average portfolio duration of 5 years as a sweet spot and prefer GCC fixed income presents opportunities given limited tariff exposure and stable fundamentals.



MENA Equities: MENA markets witnessed a weak performance during the month, with the S&P Pan Arab Composite Large Mid Cap Index declining 6.6%. The Saudi Arabian market underperformed, with the TASI falling 9.1%. The Capital Market Authority (CMA) indicated that reforms allowing foreign investors to acquire majority stakes in local companies may take longer than expected. Market expectations had anticipated an increase in the foreign ownership limit (FOL) by the end of 2025. A continued decline in oil prices, coupled with mixed Q3 2025 earnings, also weighed on investor confidence.

Market liquidity remained subdued, with the daily average trade value falling to USD 1 billion compared with USD 1.5 billion last year. IPOs continued to absorb market liquidity. During the month, the primary IPO market remained active, with offerings including CGS Holding, Al Masar Al Shamil Education, and Cherry Trading Co. The Public Investment Fund (PIF) raised USD 253 million by trimming its stake in Mecca-based property developer Umm Al Qura. Saudi retail investors increasingly allocated funds to U.S. equities. Trading in U.S. stocks via local financial institutions reached an all-time high of USD 57.6 billion in 3Q25, marking a 141% year-on-year (YoY) increase and an 11% sequential rise. According to CMA data, this is the highest level of Saudi trading in U.S. equities on record.

The banking sector weighed on the TASI, with Al Rajhi Bank and SNB falling 8.4% and 7.9%, respectively, as these banks are expected to be the top beneficiaries of passive inflows linked to any FOL increase. Utilities, Consumer Services, and Software & Services sectors declined 18.2%, 16.2%, and 14.8%, respectively. Consumer activity remained weak, driven by subdued disposable income and a significant increase in real estate rents. The Food & Beverage (F&B) sector grew only 2% YoY, while the Electronics sector experienced a steep YoY decline. Saudi Arabia's projects market recorded a 34.8% YoY drop in contract awards in 3Q25, with the value of new agreements falling to USD 28.1 billion from USD 43.1 billion a year earlier. The slowdown was largely attributed to deceleration in mega project awards.

Dubai Financial Market (DFM) and Abu Dhabi Securities Exchange (ADX) indices fell 3.7% and 3.5%, respectively, amid weak global equities performance and liquidity outflows of USD 1.7 billion from the ADCB rights issue. Dubai announced an expansionary budget for 2026, with projected revenues of AED 107.7 billion (up 10% YoY) and expenditures of AED 99.5 billion (up 15% YoY), resulting in a surplus of AED 8.2 billion (5% of GDP), down from AED 11.4 billion in 2025. Infrastructure investments—including roads, bridges, and tunnels—account for 48% of spending, followed by 29% for social development (education, healthcare, sports, etc.) and 18% for security, justice, and safety. Over the 2026–2028 fiscal cycle, Dubai has budgeted AED 329.2 billion in revenues and AED 302.7 billion in expenditures.

Kuwait's All Share Index declined 1.9% on profit-taking, while Qatar's QSM Index fell 3.1%. Conversely, Egypt's EGX 30 Index gained 6.5%, supported by an improved fiscal situation and currency strength. The Central Bank of Egypt (CBE) left corridor rates unchanged at 21–22%, citing a recent uptick in non-food inflation. The CBE noted that annual headline inflation is projected to edge higher as the effects of rising energy prices materialize toward the end of 4Q25.



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	10,591	-9.1%	-12.0%	15.8	2.2	3.9%
Dubai - DFMGI	5,837	-3.7%	13.1%	11.3	1.8	5.0%
Abu Dhabi – FADGI	9,747	-3.5%	3.5%	12.1	1.9	4.4%
Qatar – DSM	10,615	-3.1%	0.4%	12.0	1.4	4.8%
Kuwait - All Share	8,856	-1.9%	20.3%	18.0	2.2	4.3%
Oman - MSM30	5,706	1.7%	24.7%	11.0	0.8	5.2%
Bahrain – BHSEASI	2,040	-1.1%	2.7%	13.7	1.6	3.7%
Egypt - EGX30	40,753	6.5%	37.0%	8.1	1.9	3.6%
Morocco - MOSENEW	18,604	-5.3%	25.9%	20.2	3.8	2.9%
S&P Pan Arab Composite	169	-6.6%	0.4%	13.5	1.9	4.0%
Israel - TA35	3,426	4.7%	43.0%	13.2	2.3	2.3%
Turkey - XU100	10,899	-0.7%	10.9%	5.3	0.7	4.2%
Pakistan - KSE100	166,692	2.9%	45.0%	8.8	1.6	5.2%
S&P 500	6,849	0.1%	16.4%	25.8	5.3	1.2%
STOXX 600	576	0.8%	13.6%	16.3	2.2	3.1%
MSCI EM	1,367	-2.5%	27.1%	15.7	2.1	2.4%
MSCI All Country World	1,005	-0.1%	19.5%	21.8	3.5	1.7%
MSCI World	4,398	0.2%	18.6%	22.9	3.8	1.6%

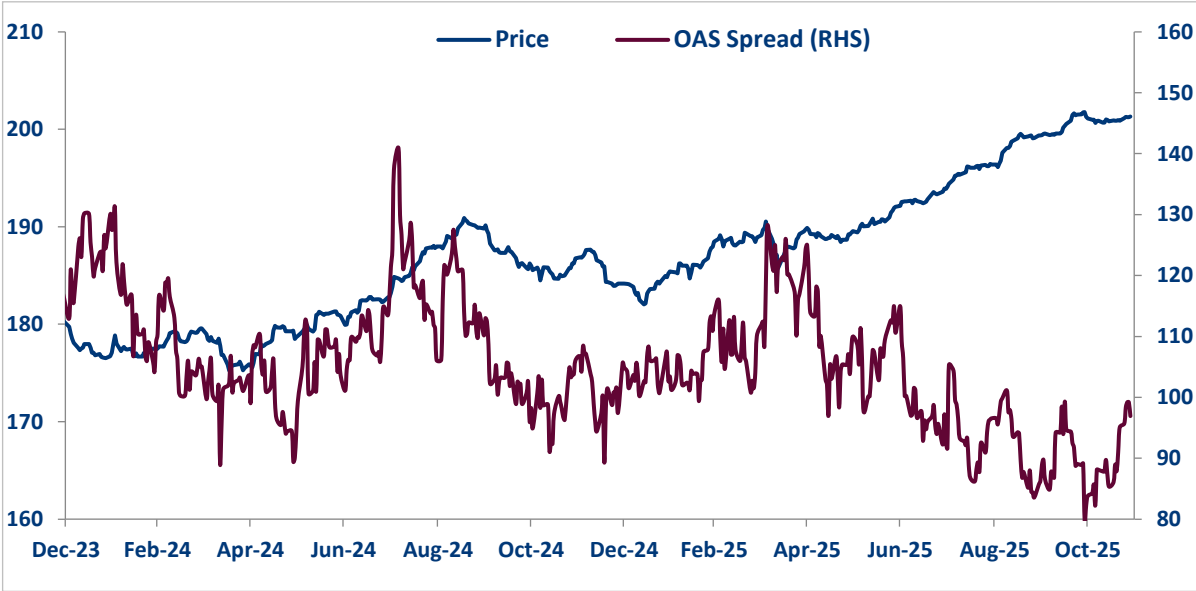
Major Indices Performance	Value	MTD Change	YTD Change
Barclays GCC Credit +HY Index	201	0.1%	9.3%
FTSE MENA Broad Bond Index	187	0.2%	10.1%
Dow Jones Sukuk	100	-0.2%	3.1%
Barclays Global Aggregate Index	500	0.2%	7.9%
Barclays Global High Yield Index	1,844	0.6%	11.0%
Barclays US Treasury Index	2,443	0.6%	6.7%
Barclays US Corporate Index	3,552	0.7%	8.0%
Barclays US Corporate High Yield index	2,898	0.6%	8.0%
JPM EM Global Bond Index	684	0.3%	13.2%
Bloomberg Barclays Emerging Markets Hard Currency Aggregate Index	1,381	0.24%	10.6%
Bloomberg Barclays US Aggregate Bond Index	2,352	0.6%	7.5%
Markit CDX Emerging Markets Index	98	0.0%	1.6%
Barclays EM High yield	1,801	0.5%	12.5%
Barclays EM Corporate Index	321	0.0%	7.6%
10-year US Treasury yield* (%)	4.01	-6	-56
30-year US Treasury yield* (%)	4.66	1	-12
US Treasury 2-10 Spread*	51.99	2	19
US Treasury 2-30 Spread*	116.74	9	63
10-year US Treasury Real yield* (%)	1.76	0	-47
10-year Germany Treasury yield* (%)	2.69	6	32
US Breakeven 10 Year*	2.23	-8	-10
10-year Saudi Arabia Govt USD Bond yield* (%)	4.54	-3	-82
8-year Abu Dhabi Govt USD Bond yield* (%)	4.06	16	-95
4-year Kuwait Govt USD Bond yield* (%)	4.01	-6	-98
9-year Oman Govt USD Bond yield* (%)	4.71	13	-103
10-year Bahrain Govt USD Bond yield* (%)	6.05	23	-88
7-year Qatar Govt USD Bond yield* (%)	3.88	3	-78
10-year Egypt Govt USD Bond yield* (%)	7.47	-18	-243
EIBOR 3M* (%)	3.73	15	-71
QAIBOR 3M* (%)	4.05	-15	-63
Dubai 5 Year CDS* (bps)	51	-1	-12
Qatar 5 Year CDS* (bps)	28	0	-15
2-year US Treasury yield* (%)	3.49	-8	-75

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)	63.20	-2.9%	-15.3%
Natural Gas (USD/mmbtu)	4.85	17.6%	33.5%
Gold (USD/Ounce)	4,239	5.9%	61.5%
Copper (USD/MT)	11,234	3.3%	29.8%
Aluminium (USD/MT)	2,842	-1.3%	12.5%
Nickel (USD/MT)	14,632	-2.6%	-3.2%
Urea Middle East (USD/MT)	407	-0.5%	12.3%
Methanol China (USD/MT)	248	-1.6%	-21.0%
SE Asia Polyethylene (USD/MT)	880	-2.2%	-9.3%
Polypropylene (USD/MT)	850	-2.3%	-13.3%
US Dollar Index	99.46	-0.3%	-8.3%
MSCI EM Currency index	1,834.50	-0.4%	6.2%
JPM EM Currency index	46.36	1.0%	8.3%
EGP/USD	0.021	-0.9%	6.6%
TRY/USD	0.024	-1.0%	-16.8%
PKR/USD	0.356	0.1%	-0.8%
ILS/USD	0.307	0.0%	11.6%
EUR/USD	1.16	0.5%	12.0%
GBP/USD	1.32	0.6%	5.7%
USD/JPY	156.18	1.4%	-0.6%



Global Asset Allocation and Outlook



Global Asset Allocation and Outlook

The Fed lowered the federal funds rate by 25 basis points to 3.50–3.75% at its December meeting, citing gradual labor market cooling. There were two dissents against the cut. The FOMC restored previous language noting that “the extent and timing” of additional federal funds rate adjustments would depend on incoming data, the economic outlook, and the balance of risks.

The median projection in the FOMC’s SEP indicated one rate cut in 2026 and 2027, with the median longer-run dot unchanged at 3.0%. The SEP also showed higher GDP growth across the projection horizon, lower inflation in 2025 and 2026, and slightly lower unemployment in 2027.

In his press conference, Chair Powell highlighted upside risks from resilient consumer spending and AI capital expenditure, Powell also noted that payroll growth may currently be overstated by c.60,000 jobs per month. Adjusting for this, the reported average payroll growth of roughly 40,000 jobs per month from May to September could actually reflect a net decline of 20,000.

We expect the Fed to implement two rate cuts in 2026, given continued labor market weakness. We view the Fed’s ability to combat inflation as limited in a scenario where a significant portion of price pressures stems from tariffs. On the growth side, we believe we are in the early- to mid-cycle phase of AI-related investment and expect continued expansion at a compound annual growth rate (CAGR) of approximately 25% over the next five years. Technology is expected to remain a key driver of S&P 500 earnings growth in 2026. Consensus forecasts project 2026 year-on-year S&P 500 EPS growth of 13%, led by the “Magnificent Seven,” which are expected to deliver earnings growth of 22%.

Within equities, we anticipate the ongoing rotation into cyclical — industrials, real estate, homebuilders, and consumer discretionary—as well as small-cap stocks to continue, as these segments stand to benefit most from lower interest rates. Healthcare sector will also continue to benefit from the improved sentiment and reduced risk of tariffs. We also expect a positive cascading impact on MENA equities. Still, diversification remains essential in case of any upside surprises in goods inflation.

We stay overweight on equities, as we continue to 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 cut rates further, in response to a weakening labor market linked to tariffs and immigration controls—despite a near-term rise in inflation iii) **Improved market sentiment**, as investors appear willing to look through short-term earnings

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

weakness in economic sensitive sectors driven by margin contraction and slower revenue growth tied to tariffs iv) Continued momentum in AI-related stocks v) Magnificent Seven earnings to grow at 22% YoY again in 2026 with earnings growth of other 497 stocks in S&P 500 also improving vi) US 10-year treasury yields remaining well behaved with 4.60% level acting as a cap.

We stay neutral on bonds. 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 with an average portfolio duration of 5-year fixed as the sweet spot.

We stay overweight on DM equities and underweight on EM. With in DM we stay overweight on the US neutral on Europe and underweight on Japan.

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

Preferred Picks:

Technology and communication services: Microsoft, Nvidia, Amazon, META, Netflix, Broadcom, Alphabet, Salesforce, Flex.

Healthcare: Pfizer, Gilead Sciences, Boston Scientific Corp, Abott Laboratories.

Industrials/Auto: GM, Ford, Caterpillar, Deere, GE Vernova, Vertiv Holdings.

Financials: JPM, Citi, Visa and Mastercard.

Airlines: Delta Airlines, United Airlines

Utilities: Nextra Energy

Consumer Staples: Walmart

We maintain our neutral stance on Europe after a sharp rally YTD. We remain underweight on EMs. However, there are strong structural domestically driven economic growth stories such as Taiwan and 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 at a discount of 11% vs the MSCI EM Index on a 1-year forward PE basis, vs the long-term average premium of 10%, driven by 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.

We expect the Saudi equity market to establish a floor around the 10,600 level 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, ADIB, Akbank, DIB, GBK, KFH, NBK, SNB
- **Consumer Discretionary and Staples:** Lulu Retail, Spinneys
- **Energy:** ADNOC Drilling,, ADNOC L&S, NMDC Energy, QGTS
- **Healthcare:** Mouwasat
- **Real Estate:** Aldar Prop, Dubai Residential, Emaar Dev, Emaar Prop, RAK Prop, TECOM
- **Industrials:** AD Ports, Budget, Catrion, DTC, Parkin, Salik, SGS
- **Utilities:** DEWA, Empower



Global Asset Allocation and Outlook

EM Fixed Income:

We continue to remain neutral on bonds and retain an underweight stance on duration. We believe fixed income markets are at an inflection point. With the 10-year yield near 4.15% and the belly of the curve already repriced, further upside price potential may be limited. We expect continued curve volatility as policy evolves, but ultimately a continued steepening as the Fed cuts rates.

Bonds have an essential role in a portfolio, providing both income and diversification benefits if the deterioration in the US labor market picks up steam. However, with around 65 bps of rate cuts priced for the Fed in the next twelve months, there is a real risk that markets are underestimating the potential inflationary impact of tariffs that could still come down the tracks.

Against this backdrop, we are emphasizing quality and flexibility. We continue to capture carry-through high-quality credit exposure while managing interest rate risk through active curve positioning. We remain selective on duration and view 5-year average portfolio duration as a sweet spot.

Saudi Arabia. SAUDI Yield curve largely remained unchanged during the month. Yields on KSA 5.75 2054 were up by 3bp and reached 5.60%. Key issuances included Arabian Centers and Gulf International Bank.

UAE. UAE enjoys a positive balance on both its budget and external accounts. Bond issuance continued in November with MAF, Ittihad, and SIB coming to the market

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 returned to the global debt markets for the first time in eight years with a benchmark USD-denominated sovereign bond issue totaling \$11.25 billion. The tight spreads (40-50 bps over Treasuries) reflected strong investor confidence and favorable market conditions.

While the outlook is positive, risks remain from oil price volatility and global interest rate movements.

INDIA –India's bond and corporate debt market sustained strong momentum in November, underpinned by ample system liquidity and growing expectations of RBI rate cuts. Corporate bond issuance remained elevated, driven by strong demand from insurers, mutual funds, and FPIs seeking to lock in yields amid a benign rate outlook. The government recalibrated its borrowing strategy, moderating ultra-long-tenor supply (30–50-year bonds) in response to softer demand from insurance and pension funds, while increasing issuance in the 3–10-year segment and selectively tapping the market through green and sustainable bonds. Green bond activity stayed robust, with municipal and sustainability-linked issuances witnessing healthy oversubscriptions. Ongoing regulatory reforms continued to enhance market transparency, deepen participation, and improve access across issuer categories.

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 declined 3.5% for the month. In terms of geographies, the UAE and Saudi were the key contributors to the decline, contributing 2.2% and 1.5%, respectively. Aldar, Emaar Properties, Flynas, Saudi Ground Services, Tawuniya, Catrion, and Al Rajhi Bank were the key detractors. The highest contributors to return were Akbank, QGTS, Parkin and Boursa Kuwait.

In fixed income the largest contributors to return were TURKGB’26 and ARACEN’26.

	2025	Inception (30 Jul 2020) (Class I)
Total Return	2.4%	95.2%
Annualized Return	2.6%	13.3%
Annualized Volatility	8.7%	7.9%
Sharpe Ratio	-0.2	1.3

NAV as of 27th November 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 been listed in the previous 5 years.

The fund lost 3.0% for the month. Flynas, Space42 Pure Health, Salik, ADNOC Drilling and Dubai Taxi were the key detractors. During the month the highest contributors to the return were Parkin and Lulu. We booked partial profits in ADNOCLS and Lulu after a strong move in both names over the last few months.

	2025	Inception (Aug 2022) (Class A)
Total Return	-6.1%	18.8%
Annualized Return	-6.4%	5.3%
Annualized Volatility	8.7%	9.0%
Sharpe Ratio	-1.2	0.1

NAV as of 28th November 2025



About Daman Investments

Daman Asset Management is a dedicated MENA specialist offering mutual funds strategies and bespoke investment products, which have been built on our independent research insights and backed with a proven track record of delivering superior risk-adjusted returns which have substantially outperformed peers and regional benchmarks. Our experienced team manages investments on behalf of local and regional institutions, family offices and high net worth individuals.

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Address: Daman Investments PSC, Suite 600, P.O. Box 9436 Dubai, UAE

Tel: (+971 4) 332 4140

Fax: (+971 4) 332 6465

Email: amc@daman.ae

Website: www.daman.ae

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The correspondence address for Daman is P.O. Box 9436, Suite 601, 6th Floor, Shiekh Rashid Tower, Dubai World Trade Centre, Dubai, United Arab Emirates. The email address for Daman is cs@daman.ae. Landline number is (04) 332 4140.

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عنوان المراسلة الخاص بضمان هو: ص.ب. 9436، جناح 601، الطابق السادس، برج الشيخ راشد، مركز دبي التجاري العالمي، دبي، الإمارات العربية المتحدة. عنوان البريد رقم الهاتف الثابت هو: (04) 332 4140 cs@daman.ae الإلكتروني لشركة ضمان هو