

Monthly Review, Asset Allocation & Outlook

October 2025



Highlights of the Month

- October was a strong month for global risk assets, with equities and high-yield bonds both delivering positive performance
- Investor confidence was buoyed by easing trade tensions between the U.S. and China, and solid U.S. corporate earnings season
- Global equities advanced for the seventh consecutive month, with the MSCI All Country World Index gaining 2.2%
- The S&P 500 Index rose by 2.3%, driven by strong gains in technology, consumer discretionary and utilities sectors
- USTs curve bull flattened heavily through the month with 5s30s moving almost 3ps flatter. 2s10s flattened c.4 bps
- Fixed income returns were mixed, with the Barclays Global Aggregate falling 0.3% and High Yield indices gaining 0.7%
- Gold rose 3.7% in October, while Brent crude oil fell 2.9% in October
- Dubai and Abu Dhabi equities rallied by 3.8% and 0.9%, respectively, while Saudi equities gained 1.3%
- The FTSE MENA Broad Bond Index ended the month 1.2% higher
- We maintain overweight position on 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

October was a strong month for global risk assets, with equities and high-yield bonds both delivering positive performance. Investor confidence was supported by easing trade tensions between the U.S. and China, easing inflation pressures, continued optimism surrounding AI, and another solid U.S. corporate earnings season. Global equities advanced for a seventh consecutive month, with the MSCI All Country World Index gaining 2.2%. Growth stocks (+4.2%) outperformed Value (-0.1%), and Cyclical (+2.4%) outperformed Defensives (+1.2%).

Year-to-date, the All Country World Index has risen 19.6%. The Barclays Global High Yield Index gained 0.7%, marking its seventh consecutive month of positive performance. Year-to-date, the Global High Yield Index has risen 10.4%. The U.S. and China agreed to a one-year trade arrangement that pauses steeper U.S. tariffs and limits China's export controls on rare earth minerals—a critical component in the AI supply chain. The effective U.S. tariff rate on Chinese goods fell by 10 percentage points to 31%.

The Bloomberg Barclays Global Aggregate Index, a broad measure of the global investment-grade fixed-income market, fell 0.3%, as spreads widened despite a decline in yields. The U.S. 2-year, 10-year, and 30-year Treasury yields fell by 3 bps, 7 bps, and 8 bps, respectively. In the U.S., inflation continued to surprise to the downside. The softer inflation backdrop prompted the Federal Reserve (Fed) to deliver another 25 bps rate cut, bringing its target range to 3.75%–4.00%. However, during the post-meeting press conference, Fed Chair Powell cautioned that a further cut in December was not guaranteed. This led investors to scale back expectations of additional easing, with nearly two 25 bps cuts coming out of market pricing over the next 12 months.

The Bloomberg Commodity Index closed the month up 2.6% on higher gold, base-metal, and natural-gas prices. Gold prices rose 3.7% to close the month at \$4,003 per ounce, driven by continued buying by emerging-market (EM) central banks seeking to diversify away from U.S. Treasury holdings. We remain positive on gold, as concerns surrounding high fiscal deficits in developed economies, elevated debt-to-GDP ratios, and questions over Fed independence are likely to continue prompting EM central banks to diversify away from developed-market (DM) sovereign holdings. Copper and aluminum prices rose 6.3% and 7.5%, respectively.

Copper's rally was supported by supply disruptions at key mines, strong demand from China and green-energy sectors, improved trade sentiment, and a more cautious long-term supply outlook. Aluminum prices increased largely due to tightening supply—driven by production declines, capacity limits, and cost pressures—while demand remained strong across electric vehicles, data centers, and renewable energy. Brent oil prices fell 2.9% amid expectations of increased supply from OPEC, rising inventory levels, and seasonally weak demand. U.S. natural-gas prices rose 24.9% due to elevated LNG export demand, reduced U.S. storage levels, and colder weather forecasts. Petrochemical prices declined month-over-month, with SE Asia PP falling 5.4%, LLDPE 4.3%, MEG 3.9%, LDPE 3.6%, and HDPE 3.2%.

Global Equities:

EM outperformed developed markets (DM), with the MSCI EM Index rising 4.1%, while the MSCI World Index gained 1.9%. Strong gains in emerging markets were supported by the U.S.–China trade truce, which led to substantial appreciation in the semiconductor sector. Korea (24.5%), Taiwan (10.8%), and India (4.3%) were the top-performing markets. Indian equities experienced a strong recovery, driven by robust corporate earnings and a return of foreign investors after months of outflows. Optimism surrounding a potential India–U.S. trade agreement and expectations of monetary easing by the central bank also contributed. The overwhelming victory of President Javier Milei's party in the Argentinian midterm election propelled the MSCI Argentina Index to a remarkable 64% gain for the month. EM currencies, as measured by the MSCI EM Currency Index, were down 0.1% month-over-month, while the DXY Index gained 2.1% due to reduced expectations of a rate cut in December.

The S&P 500 Index rose 2.3%, driven primarily by easing U.S.–China trade tensions, continued optimism surrounding AI, and stronger-than-expected corporate earnings. The Nasdaq Index and the Dow Jones Industrial Average rose 4.7% and 2.5%, respectively. Information technology (IT), consumer discretionary, and utilities sectors recorded solid gains, with their respective sector indices rising 6.2%, 2.4%, and 2.0%. Materials, financials, and real estate were the worst-performing sectors, with sector indices falling 5.1%, 2.9%, and 2.7%, respectively. The Russell 2000 Index, a small-cap index of U.S. equities, gained 1.8%. With 64% of S&P 500 companies having reported results, 83% beat consensus earnings expectations by an average of 6%, and the blended earnings growth rate stood at 11%.



Both CPI and Core CPI rose 3% year-over-year in August, below consensus expectations of 3%. The monthly increases of 0.3% and 0.2%, respectively, also came in below expectations. Rent and services inflation remained on a disinflationary trajectory, both rising 0.2% month-over-month. The tariff impact has been more moderate than anticipated, as core goods prices increased only 0.2% month-over-month.

The University of Michigan Sentiment Index declined to 53.6 in October from 55.0 in September. The ISM Manufacturing PMI rose to 49.1 in September from 48.7 in August; however, it remained in contractionary territory. The Services PMI fell to 50.0, missing expectations of 51.6 and declining from the prior reading of 52.0.

European equities also gained but underperformed U.S., U.K., and EM equities, with the MSCI Europe ex-UK Index rising 2.2%. Eurozone GDP grew 0.2% in Q3, led by Spain and France, while Germany and Italy stagnated. Headline inflation fell to 2.1%, while core inflation held at 2.4% and services inflation rose to 3.4%. French Prime Minister Lecornu resigned and was reappointed, proposing to delay pension reforms until after the next presidential election.

U.K. equities rose, with the FTSE All-Share Index gaining 3.7%. A 30 bps decline in gilt yields provided a tailwind to domestic and rate-sensitive sectors, while commodity strength supported the U.K.'s mining sector.

Fixed Income:

October 2025 was a solid month for bond investors and fourth consecutive month of a positive trend in bond prices. Bloomberg High Yield Index was up 0.7% and outperformed Bloomberg Global Aggregate Index that was mainly flat. US Treasury yields dipped during the beginning of the month due to soft PMI data, alongside the US government shutdown. However, following a hawkish FOMC meeting late in the month, Treasury yields rebounded and recovered most of the move, thus weighing on bonds. The implied volatility continues to decrease with MOVE Index is down c.26% YTD.

The month of October saw the Treasury yield curve shift marginally lower from September — the 2Y yield fell by 3bp while the 10Y ended 8bp lower. Due to the US government shutdown, the much awaited jobs report comprising of the NFP, Unemployment Rate and AHE was not published. The ISM Manufacturing PMI contracted for a seventh straight month, coming in at 49.1 vs. expectations of 49.0, underscoring the weakness in the sector. ISM Services PMI for September came in at 50.0, softer than expectations of 51.7 and roughly similar to the prior month's poor 50.0 reading.

The inflation readings were delayed and came in late during the month. The Headline and Core CPI reading showed a moderation in inflation. US CPI YoY rose by 3.0%, softer than expectations of 3.1%. Core CPI came in at 3.0%, lower than expectations and the prior month's print. The broad softness in the data saw markets expect a 25bp Fed rate cut in both of its October and December meetings. However, while the Fed cut rates by 25bp during the month, Chairman Jerome Powell hinted that a 25bp rate cut in their December meeting was "far from" a foregone conclusion.

Global corporate dollar bond issuances stood at \$289bn in October, 35% lower MoM. As compared to October 2024, issuance volumes were up 11%. In the Middle East region, deal volumes were led by Saudi PIF's €12.25bn three-part issuance and Bahrain's \$2.5bn issuing.

Emerging market (EM) bonds rallied in October. Both Emerging Markets Aggregate Index (EMUSTRUU) and the Bloomberg EM GCC Credit + HY Index (BGCCTRUU) closed the month higher by 1.7% and 1.0% respectively, with a YTD gains of more than 9%.

Market 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 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.



MENA Equities: MENA markets witnessed strong performance during the month, with the S&P Pan Arab Composite Large Mid Cap Index rising 1.3%. The rest of the GCC central banks, barring Kuwait, lowered policy rates by 25 bps. All MENA markets gained except Qatar. Oman was the best-performing market, with the MSM30 Index rising 8.3%, marking its fourth consecutive month of gains. Oman has benefited from ongoing structural and fiscal reforms, which have brought the budget breakeven oil price down to USD 60/bbl, led to a fiscal surplus, and reduced government debt to GDP to 35% by the end of 2024 from a peak of 64% in 2020. Egypt's EGX30 Index rose 4.4% on improving economic growth and easing inflation. Egypt's consumer price index (CPI) eased to 10.3% in September from a peak of 33.2% in September 2023. Slowing inflation prompted Egypt's central bank to cut its overnight lending rate by 100 bps on October 2, following a 200 bps cut on August 28.

Kuwait's All Share Index gained 2.7%, driven by strong performance in mid-cap and small-cap names. The DFM and ADX Indices rebounded 3.8% and 0.7%, respectively, after two consecutive months of profit-taking. Financials and the real estate sector drove the gains in Dubai, while financials and the telecommunications sector supported performance in Abu Dhabi. The IMF forecast UAE GDP growth of 4.8% in 2025, rising to 5% in 2026. The IMF noted that growth will be driven primarily by increased oil production, alongside robust performance in the services and real estate sectors.

ADCB reported a 3Q25 net profit of AED 3.1 billion, an increase of 20% quarter-on-quarter (QoQ) and 29% year-on-year (YoY). Strong loan growth, a stable NIM, and higher-than-expected non-interest income supported results and offset higher-than-expected provisioning. Loan growth remains robust, validating management's decision to pursue a capital raise via a rights issue. The group's provisioning was elevated due to increased reserves against certain legacy NPLs; however, NPL coverage consequently improved. DIB's 3Q25 profit was stable QoQ and declined 8% YoY, as strong NII and lower provisioning were offset by weak non-interest income, higher operating expenses, and higher taxes.

The Saudi Arabian market also rose, with the TASI increasing 1.3%. The gains were mainly driven by the utilities sector. Saudi banks' consolidated earnings in Q3 2025 rose 1.7% QoQ and 13% YoY, supported by stronger non-interest income and positive operating leverage, despite continued margin pressure (-31 bps YoY and -9 bps QoQ). Earnings for the first nine months of 2025 are up 17.8% YoY. Credit quality remained stable. Al Rajhi Bank and SNB posted strong profit growth of 24.6% and 20.5%, respectively. Qatar's DSM Index fell 0.9%, marking its third consecutive monthly decline.

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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	11,656	1.3%	-3.2%	16.6	2.3	3.7%
Dubai - DFMGI	6,059	3.8%	17.5%	11.3	1.8	5.1%
Abu Dhabi – FADGI	10,100	0.9%	7.2%	12.4	2.0	4.4%
Qatar – DSM	10,957	-0.9%	3.6%	12.4	1.5	4.7%
Kuwait - All Share	9,032	2.7%	22.7%	17.9	2.2	4.3%
Oman - MSM30	5,610	8.3%	22.6%	11.4	0.7	5.5%
Bahrain – BHSEASI	2,063	5.9%	3.9%	11.8	1.6	9.2%
Egypt - EGX30	38,268	4.4%	28.7%	8.1	1.8	3.7%
Morocco - MOSENEW	19,637	3.2%	32.9%	20.8	4.0	2.7%
S&P Pan Arab Composite	181	1.3%	7.5%	14.2	2.0	3.8%
Israel - TA35	3,273	2.3%	36.7%	13.3	2.3	2.3%
Turkey - XU100	10,972	-0.4%	11.6%	4.7	0.6	5.4%
Pakistan - KSE100	161,952	-2.3%	40.9%	8.7	1.5	5.4%
S&P 500	6,840	2.3%	16.3%	25.6	5.3	1.2%
STOXX 600	572	2.5%	12.7%	16.1	2.1	3.1%
MSCI EM	1,402	4.1%	30.3%	15.7	2.1	2.4%
MSCI All Country World	1,006	2.2%	19.6%	21.5	3.4	1.7%
MSCI World	4,390	1.9%	18.4%	22.5	3.7	1.6%

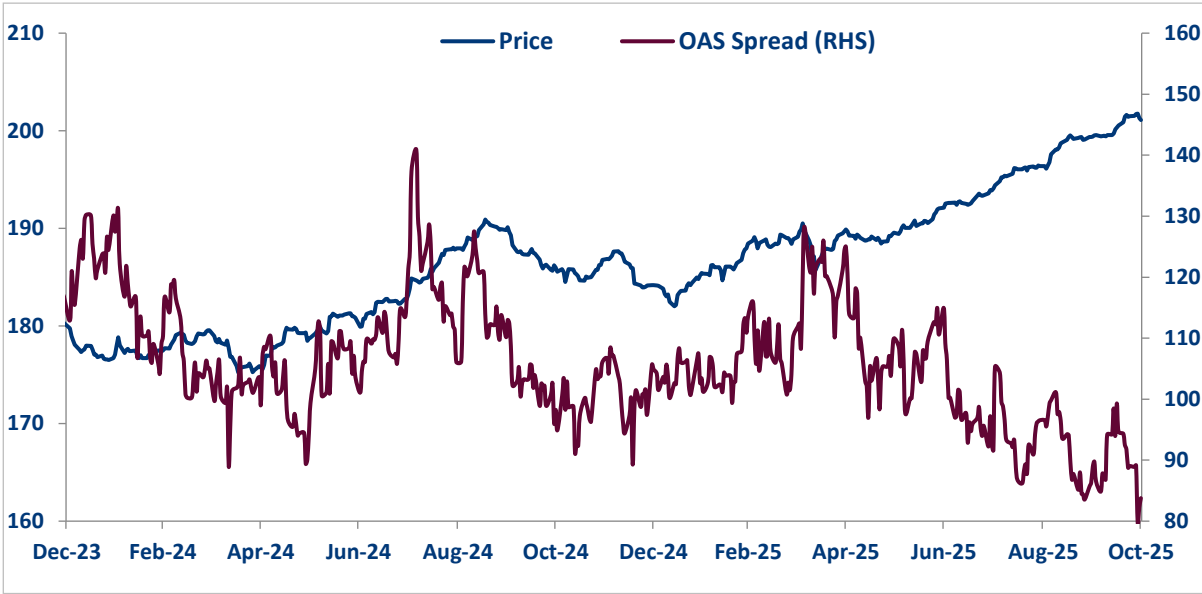
Major Indices Performance	Value	MTD Change	YTD Change
Barclays GCC Credit +HY Index	201	0.9%	9.2%
FTSE MENA Broad Bond Index	187	1.2%	9.8%
Dow Jones Sukuk	101	0.2%	3.3%
Barclays Global Aggregate Index	499	-0.3%	7.6%
Barclays Global High Yield Index	1,834	0.7%	10.4%
Barclays US Treasury Index	2,428	0.6%	6.0%
Barclays US Corporate Index	3,529	0.4%	7.3%
Barclays US Corporate High Yield index	2,881	0.2%	7.4%
JPM EM Global Bond Index	682	2.1%	12.8%
Bloomberg Barclays Emerging Markets Hard Currency Aggregate Index	1,378	1.72%	10.4%
Bloomberg Barclays US Aggregate Bond Index	2,338	0.6%	6.8%
Markit CDX Emerging Markets Index	98	0.6%	1.5%
Barclays EM High yield	1,793	3.0%	12.0%
Barclays EM Corporate Index	321	0.4%	7.5%
10-year US Treasury yield* (%)	4.08	-7	-49
30-year US Treasury yield* (%)	4.65	-8	-13
US Treasury 2-10 Spread*	50.18	-4	18
US Treasury 2-30 Spread*	107.55	-5	53
10-year US Treasury Real yield* (%)	1.76	-2	-47
10-year Germany Treasury yield* (%)	2.63	-8	27
US Breakeven 10 Year*	2.32	-5	-2
10-year Saudi Arabia Govt USD Bond yield* (%)	4.57	-8	-79
8-year Abu Dhabi Govt USD Bond yield* (%)	3.91	-1	-111
4-year Kuwait Govt USD Bond yield* (%)	4.07	3	-93
9-year Oman Govt USD Bond yield* (%)	4.58	-6	-116
10-year Bahrain Govt USD Bond yield* (%)	5.81	4	-111
7-year Qatar Govt USD Bond yield* (%)	3.85	0	-82
10-year Egypt Govt USD Bond yield* (%)	7.65	-54	-225
EIBOR 3M* (%)	3.58	-30	-86
QAIBOR 3M* (%)	4.20	-13	-48
Dubai 5 Year CDS* (bps)	52	-4	-11
Qatar 5 Year CDS* (bps)	28	-4	-16
2-year US Treasury yield* (%)	3.57	-3	-67

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)	65.07	-2.9%	-12.8%
Natural Gas (USD/mmbtu)	4.12	24.9%	13.5%
Gold (USD/Ounce)	4,003	3.7%	52.5%
Copper (USD/MT)	10,873	6.3%	25.7%
Aluminium (USD/MT)	2,879	7.5%	13.9%
Nickel (USD/MT)	15,021	-0.2%	-0.6%
Urea Middle East (USD/MT)	409	-8.8%	12.8%
Methanol China (USD/MT)	252	-3.8%	-19.7%
SE Asia Polyethylene (USD/MT)	900	-3.2%	-7.2%
Polypropylene (USD/MT)	870	-5.4%	-11.2%
US Dollar Index	99.80	2.1%	-8.0%
MSCI EM Currency index	1,841.11	-0.1%	6.6%
JPM EM Currency index	45.89	-0.2%	7.2%
EGP/USD	0.021	1.4%	7.6%
TRY/USD	0.024	-1.2%	-15.9%
PKR/USD	0.356	0.1%	-0.9%
ILS/USD	0.307	1.6%	11.6%
EUR/USD	1.15	-1.7%	11.4%
GBP/USD	1.32	-2.2%	5.1%
USD/JPY	153.99	4.1%	-2.0%



Global Asset Allocation and Outlook



Global Asset Allocation and Outlook

The Federal Open Market Committee (FOMC) lowered the federal funds rate by 25 bps to 4.00–4.25% at its September meeting and hinted that another rate cut is likely in October. The FOMC’s median projection indicated two additional rate cuts this year. In his speech at the annual meeting of the National Association for Business Economics (NABE) in Philadelphia, Chair Powell reiterated that downside risks to employment have increased. In the Q&A session, Powell noted that further declines in job openings might soon begin to appear in the unemployment data.

On inflation, Powell stated that tariff-related goods inflation had exerted upward pressure on core inflation but noted that long-term inflation expectations remained well anchored. Hence, we believe that the Fed is on course to cut the policy rate by 25 bps at its October 28–29 meeting. We also expect the Fed to implement two additional rate cuts in 2026. Importantly, we view the Fed’s ability to combat inflation as limited in a scenario where much of the price pressure stems from tariffs. We also believe that we are in the early to mid-cycle phase of AI-related spending and expect growth to continue at a compound annual growth rate (CAGR) of 25% over the next five years.

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. 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 overweigh 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 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) **Rebound in labor market in 2026** as tariff related uncertainty subsides vi) **Continued momentum in AI-related stocks** vii) US 10-year treasury yields remaining well behaved with 4.60% level acting as a cap.

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

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 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 stay overweight on the US neutral on Europe and underweight on Japan.

Global Equites:

- 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 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, META, Netflix, Broadcom

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 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, Akbank, Alinma Bank, 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 Catering, 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 4.08% 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 80 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 4–5-year fixed income maturities as the current sweet spot. In our regional portfolios.

Saudi Arabia. SAUDI Yield curve inched lower during the month. Yields on KSA 5.75 2054 were down by 14bps in October and reached 5.57%. Key issuances included PIFKSA and Gulf International Bank.

UAE. UAE enjoys a positive balance on both its budget and external accounts. Bond issuance continued in October with MAF, Dubai Aerospace and Mamoura 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 continued its strong momentum in October. Corporate issuances accelerated sharply, with October supply projected to cross ₹1 trillion as improving liquidity and expectations of RBI rate cuts boosted demand from insurers, mutual funds, and FPIs. The government also recalibrated its October borrowing calendar by reducing ultra-long-tenor supply (30–50-year bonds) amid softer demand from insurance and pension funds, shifting instead toward 3–10-year maturities and selectively issuing green and sustainable bonds. Green bond activity remained robust, highlighted by strong oversubscriptions in municipal and sustainability-linked issuances, while ongoing regulatory reforms further improved transparency and market access.

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 0.8% for the month. During the month the highest contributors to return were Boursa, Emaar Properties, Emaar Development, Lulu, AD ports, Dubai Taxi, ADCB and Flynas. Meanwhile, Talabat, Rak Properties, Akbank and Aldar Properties were the key detractors.

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

	2025	Inception (30 Jul 2020) (Class I)
Total Return	6.1%	102.2%
Annualized Return	7.3%	14.2%
Annualized Volatility	8.7%	7.9%
Sharpe Ratio	0.3	1.4

NAV as of 30th October 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 gained 2.1% for the month. During the month the highest contributors to return were AD Ports, Dubai Taxi, Lulu, Flynas, DEWA, Spinneys, Americana. Meanwhile, Talabat Pure Health and Dubai Residential REIT were the key detractors. During the month we fully exited positions in ADPORTS, Americana and AWPT.

	2025	Inception (Aug 2022) (Class A)
Total Return	-3.2%	22.4%
Annualized Return	-3.7%	6.4%
Annualized Volatility	8.7%	9.0%
Shape Ratio	-0.9	0.2

NAV as of 31st October 2025



About Daman Investments

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