Monthly Review, Asset Allocation & Outlook

April 2026

ضمان للإستثمار
DAMAN INVESTMENTS

Highlights of the Month

- Global markets rebounded in April 2026, supported by improving investor confidence and a decline in geopolitical risks.
- Global equities rose, with the MSCI ACW Index up 10% MTD on AI rally and stronger-than-expected earnings.
- Emerging markets (+14.5%) outperformed developed markets (+9.4%) majorly contributed by Taiwan & Korea.
- The S&P 500 Index and Nasdaq Index rose 10.4% and 15.3%, respectively, during the month.
- U.S. Treasury yields moved higher, with the 2Y and 10Y up 8bps and 5bps, respectively.
- Fixed income returns were positive, with the Barclays Global Agg. and High Yield indices up 1.2% and 2.6%, respectively.
- Gold fell 1.1% during April due to rising yields, higher inflation and market pricing out rate cuts in 2026.
- Dubai and Abu Dhabi's closed higher by 6.1% and 2.7%, respectively, while Saudi declined 0.6%.
- The FTSE MENA Broad Bond Index ended the month 2.0% higher.
- We remain overweight on equities, supported by a strong AI-driven upcycle and better-than-expected Q1 2026 earnings.
- We continue to favor a well-diversified portfolio to navigate near-term inflation risk and geopolitical uncertainties.

Global Review

April 2026 marked a strong rebound in global markets, driven by improving risk appetite following the easing of geopolitical tensions and the announcement of a ceasefire in the Middle East. Although oil prices remained elevated and inflationary pressures persisted, overall market sentiment improved significantly compared to March. Equity markets rallied strongly, led by technology and AI related sectors. MSCI All Country World Index closed the month up 10.0%. Growth (+12.8%) outperformed value (+7.5%), and cyclicals (+12.6%) outperformed defensives (+0.8%).

Fixed income gains were more nuanced, with Bloomberg Barclays Global Aggregate Index, a broad measure of the global investment-grade fixed-income market, rising 1.2%. Spreads compressed more than offsetting the rise in U.S. treasury yields. U.S. 2-year and 10-year Treasury yields rose by 8 bps and 5 bps, respectively, due to elevated oil prices and growing inflation and fiscal sustainability concerns, while robust earnings and risk-on sentiment drove spreads tighter. The FOMC kept rates unchanged, however, three members dissented against the language in the statement that suggested the next move will be a cut. High yield bonds outperformed with Bloomberg Barclays Global High Yield Index rising 2.6%.

Commodities witnessed a broadly positive month with The Bloomberg Commodity Index rising 3.9%, supported by strong gains in energy prices and industrial metals. Brent oil price rose 3.7% and Henry Hub natural gas prices rose 4.1% on supply disruptions. Nickel, copper and aluminum rose 14.0%, 5.3% and 0.3%, respectively, for the month, supported by strong demand for materials underpinning AI data centre build out and EVs. Petrochemical prices rebounded further on higher oil and Naphtha prices, with SE Asia MEG prices up 8.5%, PP +3.4%, LLDPE +1.3% and methanol +1.0%. Middle East urea prices rose further 11.7% to reach $908 per ton.

After a steep fall in March, Gold prices witnessed a slight increase of 1.1% to close at $4,618 per ounce. Despite, near term volatility driven by oil price volatility and EM central banks facing pressure to sell gold to defend their currencies, we remain positive on gold over medium-term, given concerns over high fiscal deficits in developed economies and elevated debt-to-GDP ratios which are likely to continue prompting EM central banks to diversify away from developed-market (DM) sovereign holdings.

Bitcoin and Ethereum gained 12.1% and 7.5%, respectively, on increased risk on sentiment and institutional ETF inflows.

Global Equities:

Emerging markets (EM) outperformed developed markets (DM), with the MSCI EM Index surging 14.5%, while the MSCI World Index gained 9.4%. EM Asia outperformed surging 17.4%. Performance was led by Korea (+33.8%) and Taiwan (+25.1%), where AI-driven semiconductor demand drove significant gains. Energy-importing economies such as India (+9.2%) and Indonesia (+6.2%) lagged due to higher oil prices and currency pressures. China delivered mixed returns (+3.5%) amid subdued domestic demand. Brazil and Mexico rose 3.7% and 2.3%, respectively. LatAm markets have been strong performers YTD benefitting from higher commodity prices and relatively cheaper valuation. Most GCC markets witnessed a rebound with MSCI UAE, Kuwait and Qatar rising 4.1%, 2.8% and 2.2%, respectively while Saudi lost 1.2%. Saudi underperformed as it remained resilient during March sell off. Turkey rose 12.7%.

S&P 500 returned 10.4%, driven by a strong earnings season from both technology and financials. With two thirds of the S&P 500 by market cap having reported, about 84% of companies beat consensus earnings expectations, well above the historical average of 73%, and earnings came in 28.6% above those expectations, compared to a long-run average of 6.3%, though this has been skewed by significant investment gains among hyperscalers.

Communication Services (+18.4%), Information Technology (+17.4%) and Consumer Discretionary (+ 11.7%) sectors outperformed. Energy (-3.5%) and Healthcare (-0.6%) sectors underperformed. Nasdaq Index (+15.3%) outperformed Dow Jones Industrial Average Index (+7.1%). The Russell 2000 Index, a small-cap U.S. equities benchmark, gained 12.2%.

US economic data was resilient over the month, showing a more robust picture of demand in the face of the geopolitical escalation. U.S. retail sales jumped 1.7% MoM in March, the strongest monthly increase since early 2023, driven by a 15.5% surge in sales at gas stations. Excluding gas stations, sales rose by a still healthy 0.6%, while control group sales—which feed into the gross domestic product (GDP) calculation—increased 0.7%.

March ISM Manufacturing came in at 52.7 vs the consensus estimate of 52.3; ISM Services 54.9 vs 54.0 est. 1Q Advanced GDP 2.0% vs 2.3% est., however, was a decent jump from the 0.5% in 4Q with strong levels of business capital investment and consumer spending.

Nonfarm payrolls rose 178,000 in March following a 133,000 decline in February. The unemployment rate fell to 4.3% in March from 4.4% in February and is nearly unchanged compared to a year ago. The labor force participation rate fell to 61.9% in March, the lowest since late 2021; slower net immigration may be weighing on the participation rate. Average hourly earnings increased 0.2% MoM (consensus +0.3%) and 3.5% YoY (consensus +3.7%) in March.

US CPI rose 3.3% YoY in March, accelerating from February's 2.4% increase and hitting the fastest pace since May 2024. The reading was largely in line with consensus estimates. Nearly three-quarters of the overall increase was due to a sharp rise in gasoline prices. Core CPI—which excludes costs for food and energy—rose 2.6%, a more modest uptick from February's reading of 2.5%. CPI was up an alarming 0.9% over the month (Feb was 0.3%), the largest increase in four years as gas prices surged 21%.

Japan's Nikkei 225 Index gained 16.1%, participating in the risk-on move while Europe ex-UK returned 5.1%. The regional Purchasing Managers' Index pointed to a contraction in eurozone business activity, suggesting that the ongoing energy supply disruption is continuing to weigh on the real economy.

The UK's FTSE 100 Index was the clear laggard, returning 2.0%. The FTSE's structural tilt toward energy, financials, and defensives worked against it in a month that rewarded growth and technology. Rise in the UK consumer price index to 3.3% raised the prospect of further Bank of England tightening, with markets pricing just over two hikes by year-end.

Fixed Income: April 2026 marked a stabilization phase following March's sharp sell-off, with global fixed income markets delivering generally improved outcomes. Investment-grade bonds, as measured by the Bloomberg Global Aggregate Index, returned +1.2% over the month, supported by tighter credit spreads despite continued pressure from inflation. High yield markets also fared better, with the Bloomberg U.S. Corporate High Yield Index gaining approximately +1.7%, as improved risk sentiment supported spread compression. Overall, the fixed income backdrop remained nuanced, characterized by the offsetting effects of higher underlying yields and stronger credit performance.

U.S. Treasury yields continued to move higher, albeit at a more moderate pace compared to March. The 10-year Treasury yield ended April at 4.37%, rising roughly +5bps while the 2-year yield approached ~3.9%, reflecting continued repricing at the front end. The curve flattened further in a bear-flattening dynamic, with short- and intermediate-tenor yields leading the move higher. Although intra-month volatility remained elevated, rate movements became more range-bound as markets digested evolving macro and geopolitical developments.

The primary driver of rates remained persistent inflation concerns, amplified by elevated energy prices. Oil markets stayed volatile, with Brent crude trading in a wide range and reaching levels around $115 per barrel toward month-end, reinforcing fears of prolonged inflationary pressure. Despite this, risk sentiment improved more broadly, limiting the extent of bond market weakness and supporting spread assets.

Monetary policy expectations remained firmly anchored in a "higher-for-longer" framework. Markets continued to price minimal rate cuts for 2026, with little change from March repricing. The Federal Reserve maintained its policy rate at 3.50%–3.75%, with April communication emphasizing patience and data dependency amid an uncertain outlook. Notably, the April policy backdrop was marked by increased disagreement among policymakers, underscoring the complexity of balancing persistent inflation against emerging growth risks.

On the macroeconomic front, data released in April highlighted a mixed but resilient environment. Inflation surprised to the upside, with March CPI rising to 3.3% year-over-year (up from 2.4% in February), driven largely by higher energy costs. Core inflation remained sticky, reinforcing the Fed's cautious stance.

The Emerging Markets Aggregate Index (EMUSTRUU) and the Bloomberg EM GCC Credit + HY Index (BGCCTRUU) both were up 2.1% and 2.0%, respectively. Emerging market debt and GCC credit markets conditions showed early signs of stabilization. Improving global risk sentiment and tighter credit spreads provided support toward month-end for the up move. While GCC high-yield segments—particularly UAE real estate—remain vulnerable, the pace of moves has slowed, and fundamentals across higher-quality issuers continue to demonstrate resilience, supporting selective opportunities.

MENA Equities:

UAE market performance during April was resilient supported by strong earnings momentum, where DFM +6.1% & ADX +2.7% during April. Qatar Index was up 2.9% supported by Ooredoo results, Kuwait +5.3% & Oman +2.5% on continued strong results. On April 28th, UAE surprised the market with the decision to exit OPEC and OPEC+ effective 1 May 2026, this decision marks a major inflection point. ADNOC has already delivered capacity of around 4.6mbpd & the pre-conflict production was around 3.4mbpd level. A furthermore expansion toward 6mbpd is estimated to add additional $25 bn in revenue for a modest capex of USD25-40bn. The IMF estimate for the fiscal breakeven oil price is around $50/barrel, ADNOC drilling to be a key beneficiary. Other beneficiaries of the decision are NMDC Energy, ALEC, ADNOC Gas, Borouge and banks. These companies to benefit directly from the decision as more projects will likely be directed to them.

UAE consumer names that delivered solid results were Americana with a strong Q1 2026 beat driven by margin recovery & LFL growth vs Alamar where earnings came in significantly below consensus roughly in line with what the company reported over the past three quarters despite new openings & Five Guys acquisition. Utilities sector in UAE performance was resilient where EMPOWER delivered exceptionally strong Q1 26 driven by capacity additions, warmer temperatures, and TSE supply recovery, EMPOWER maintained FY26E guidance.

UAE Real Estate; Dubai real estate sales reached AED48.4bn down 22% YoY & +13% m/m in April, where the drop is more evident in the secondary market down 47% YoY & +5% m/m versus off plan sales +25% YoY & +21% MoM. Off plan transactions typically have a 4–6-week lag. There is no evidence that projects in Dubai will be delayed post the geopolitical situation especially for projects near completion however a more favourable payment plans may be offered. Post Q1 26 results, Aldar also delivered solid earnings despite softer sales with the company launching only two new projects in Q1. TECOM delivered strong Q1 2026 supported by recurring revenues, margin expansion, and cost control where the company did not see any demand softness in office space lease. EMAAR results were inline supported by resilient margins & an increase in development revenues, partially offset by 6% decline in hospitality income. EMAAR also launched 10 new projects in Q1 2026 expanding the development backlog by AED13bn to AED221bn (53k units) which is 92% sold.

UAE banks have seen net deposit inflows during the conflict, where sector deposit growth of 5% QoQ & 13% YoY led by ENBD driven by GRE(s) & corporate sector (retail sector was slow). The CBUAE support package includes deferrals of loan repayments for a period up to 6 months. UAE banks post Q1 results also highlighted that domestic activity is normalizing in April, did not witness material deposit outflows during March with an exception to ADIB as it is heavy on the retail banking, an increased focus on SME(s) among all banks & two rate cuts by 2026 year end is unlikely.

UAE transportation; Parkin delivered Q1 beat driven by expansion in parking spots, impact of variable pricing that was not in effect in Q1 25, and growth in seasonal card demand. DTC reported weak results, however that was expected as the company is directly affected by tourism & airport traffic. Salik Q1 26 earnings were in line with consensus as softer traffic weighed down volumes as revenue generated trips declined 8% YoY given lower traffic in Dubai post geopolitical conflict.

Saudi TASI was down 0.6% during April after the rally seen in March, largely due to weakness in results across healthcare, consumers, & transportation while Aramco, SNB, & Alinma weighed positively. Saudi healthcare companies results were pressured by increased competition & seasonality during Q1 2026, where some hospital operators saw recovery in April. Saudi insurance; Tawuniya delivered solid net insurance result indicating improved momentum and early signs of stabilisation in the pricing following motor competition and elevated health insurance. Tawuniya to announce a new strategy later in May.

Saudi transportation sector was led by Cherry due to additions of new fleet for short term rentals by 12% YoY, as well as growth of sales of used vehicles. Lumi results affected by softer demand in the rental segment as well as lower used car sales declining 26.3% YoY due to the company's strategy to extend asset life. Budget results where impacted by geopolitical tensions leading to lower utilization rates in short term rentals, rise in cost of vehicles and higher insurance costs. Saudi consumers like Almarai, NADEC & SADAFCO has been under cost pressures, where recently NADEC increased diary prices & Almarai will likely follow.

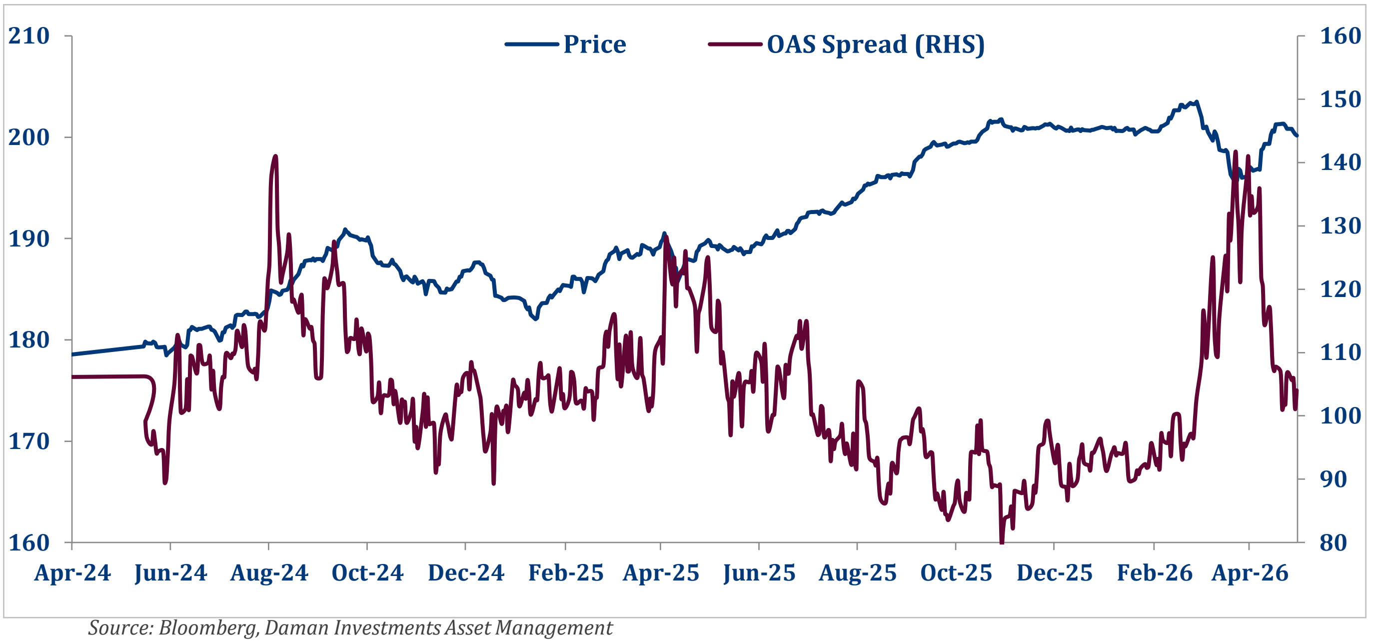
Major Indices Performance

Major Indices Performance	Value	MTD Return	YTD Return	PE (x) 1Yr Fwd	PB (x) 1Yr Fwd	Div. Yield 1Yr Fwd
Saudi Arabia - TASI	11,188	-0.6%	6.6%	14.6	2.1	4.0%
Dubai - DFMGI	5,766	6.1%	-4.6%	9.6	1.5	5.3%
Abu Dhabi – FADGI	9,779	2.7%	-2.1%	10.8	1.7	5.0%
Qatar – DSM	10,488	2.9%	-2.6%	11.9	1.3	5.0%
Kuwait - All Share	8,860	5.3%	-0.5%	13.0	0.2	5.2%
Oman - MSM30	8,369	2.5%	42.7%	14.2	1.0	3.8%
Bahrain – BHSEASI	1,972	3.8%	-4.6%	6.3	0.4	11.5%
Egypt - EGX30	51,761	14.2%	23.7%	8.6	2.2	4.1%
Morocco - MOSENEW	18,584	8.3%	-1.4%	18.1	3.5	3.3%
S&P Pan Arab Composite	176	1.2%	2.8%	12.5	1.8	4.3%
Israel - TA35	4,375	6.7%	20.5%	17.5	2.7	2.5%
Turkey - XU100	14,443	12.9%	28.2%	4.8	0.6	6.2%
Pakistan - KSE100	162,932	9.4%	-6.5%	7.5	1.4	5.7%
S&P 500	7,209	10.4%	5.3%	22.2	5.0	1.1%
STOXX 600	611	4.8%	3.2%	15.1	2.2	3.2%
MSCI EM	1,600	14.5%	13.9%	12.7	2.2	2.3%
MSCI All Country World	1,077	10.0%	6.2%	18.9	3.4	1.7%
MSCI World	4,661	9.4%	5.2%	20.2	3.7	1.6%

Major Indices Performance	Value	MTD Change	YTD Change
Barclays GCC Credit +HY Index	200	2.0%	-0.4%
FTSE MENA Broad Bond Index	186	2.0%	-0.4%
Dow Jones Sukuk	99	1.0%	-1.3%
Barclays Global Aggregate Index	502	1.2%	0.2%
Barclays Global High Yield Index	1,885	2.6%	1.2%
Barclays US Treasury Index	2,432	-0.1%	-0.1%
Barclays US Corporate Index	3,542	0.5%	-0.1%
Barclays US Corporate High Yield index	2,949	1.7%	1.2%
JPM EM Global Bond Index	694	2.7%	0.8%
Bloomberg Barclays Emerging Markets Hard Currency Aggregate Index	1,397	2.11%	0.7%
Bloomberg Barclays US Aggregate Bond Index	2,350	0.1%	0.1%
Markit CDX Emerging Markets Index	97	1.5%	-1.7%
Barclays EM High yield	1,859	3.3%	1.9%
Barclays EM Corporate Index	326	1.9%	1.1%
10-year US Treasury yield* (%)	4.37	5	20
30-year US Treasury yield* (%)	4.97	6	12
US Treasury 2-10 Spread*	49.56	-2	-19
US Treasury 2-30 Spread*	109.06	-2	-28
10-year US Treasury Real yield* (%)	1.88	-13	-2
10-year Germany Treasury yield* (%)	3.04	3	18
US Breakeven 10 Year*	2.49	18	24
10-year Saudi Arabia Govt USD Bond yield* (%)	4.94	-7	34
8-year Abu Dhabi Govt USD Bond yield* (%)	4.52	-6	39
4-year Kuwait Govt USD Bond yield* (%)	4.24	-17	25
9-year Oman Govt USD Bond yield* (%)	4.82	-46	2
10-year Bahrain Govt USD Bond yield* (%)	6.81	-64	75
7-year Qatar Govt USD Bond yield* (%)	4.35	-15	45
10-year Egypt Govt USD Bond yield* (%)	7.85	-68	107
EIBOR 3M* (%)	3.73	6	25
QAIBOR 3M* (%)	4.08	8	11
Dubai 5 Year CDS* (bps)	82	-9	35
Qatar 5 Year CDS* (bps)	37	-17	9
2-year US Treasury yield* (%)	3.87	8	40

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)	114.01	-3.7%	87.4%
Natural Gas (USD/mmbtu)	2.77	-4.1%	-24.9%
Gold (USD/Ounce)	4,618	-1.1%	6.9%
Copper (USD/MT)	12,911	5.3%	3.7%
Aluminium (USD/MT)	3,530	0.3%	18.9%
Nickel (USD/MT)	19,284	14.0%	16.9%
Urea Middle East (USD/MT)	908	11.7%	137.3%
Methanol China (USD/MT)	421	1.0%	69.1%
SE Asia Polyethylene (USD/MT)	1,510	0.7%	73.6%
Polypropylene (USD/MT)	1,400	-3.4%	64.7%
US Dollar Index	98.06	-1.9%	-0.3%
MSCI EM Currency index	1,864.44	1.8%	0.6%
JPM EM Currency index	47.33	2.4%	1.6%
EGP/USD	0.019	2.2%	-11.0%
TRY/USD	0.022	-1.6%	-4.9%
PKR/USD	0.359	0.2%	0.4%
ILS/USD	0.339	6.6%	8.0%
EUR/USD	1.17	1.5%	-0.1%
GBP/USD	1.36	2.9%	1.0%
USD/JPY	156.59	-1.3%	-0.1%

Global Asset Allocation and Outlook

Global Asset Allocation and Outlook

The ceasefire which was agreed on April 7th, continues to hold on. While we do not rule out the risk of a breakdown in the ceasefire, the political cost associated with higher inflation in the US—driven by rising fuel and food prices, weaker consumer spending and higher mortgage rates—could push toward an agreement with in the next 3–4 weeks.

We expect the Brent oil price to decline gradually and to stay elevated around $80/bbl as supply will take time to come back and some risk premium will stay on a continued high insurance costs. In the near-term we expect the US inflation to rise towards 4% and average around 2.8% this year. We also expect the 10-year yields to head towards 4.7% levels.

Global markets continue to march upwards driven by investor optimism around AI driven capex and resilient economic data in US, despite higher inflation concerns April labor data was also strong. The U.S. economy added 115,000 jobs, topping a consensus estimate for 62,000. Job gains in health care, transportation and warehousing, and retail were notable drivers.

Markets are likely to remain highly sensitive to inflation, yields and geopolitical news in the coming days and weeks, which could keep volatility elevated in the short term.

Equities: We expect the pick and shovel sectors (memory chip makers, GPU and ASIC chips designers and makers, and power equipment makers) across both DM and EM markets to continue to attract further investor inflows.

UAE equities witnessed a partial recovery as the traffic and economic activity has partially recovered over last one month since the ceasefire. In the near-term, the UAE equities could stay range bound as investors await to see a resolution to geopolitical escalation and start of recovery in tourism. We expect a potential resolution in 3- weeks. The UAE benefits from strong fiscal and external buffers, as well as a resilient banking system capable of navigating the current economic turmoil.

We remain overweight on equities on strong AI driven momentum and reduced geopolitical risks. We continue to see the following catalysts supporting the market – i) Fiscal stimulus in DM economies ii) Earnings growth to remain strong on resilient economic growth and AI linked capex and companies benefiting from productivity gains on AI adoption iii) Continued momentum in AI-related stocks. Key risk to the equities is tied to US 10-year yields inching towards 5%.

We stay neutral on fixed income: Given the expected increase in the US inflation, we believe the fed will continue to remain on hold this year. The bar to raise rate is high if inflation sticks above 3%. US Treasury yield curve to further steepen during H1 on fiscal deficit, inflation and high debt concerns. Long term yields would continue to stay above 4% and potentially touching 4.7% during H1 on fiscal deficit and high debt concern.

GCC high yield fixed income witnessed a partial recovery. We continue to see attractive opportunities to lock in attractive yields in bank perpetuals and real estate names.

We still remain cautious on duration and 5 year remains our sweet spot to avoid overexposure to heavier movements in long duration. In our asset allocation, we continue to remain well-diversified across asset classes, countries, and sectors.

We stay overweight on HY fixed income and underweight on IG fixed income.

Global Asset Allocation and Outlook

	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 Equites:

We stay overweight on DM and neutral on EM equities as EM economies will see increased inflation and reduced economic growth due to their high dependency on imports via Strait of Hormuz.

With in DM we stay overweight on the US and neutral on Europe. In EM, we stay overweight MENA and upgrade (China, Korea and Taiwan) to overweight from neutral. We remain overweight LatAm (Brazil, Chile and Peru) and underweight EMEA.

Preferred Picks:

Technology and communication services: Microsoft, Nvidia, Amazon, META, Netflix, Broadcom, Alphabet, Micron

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

Utilities: Nextra Energy

Consumer Staples: Walmart

Energy: Chevron, Exxon, Valero, Occidental Petroleum

MENA Equities:

We stay positive on UAE markets due to attractive valuation and country's strong fiscal and external buffers. We are selective in our exposure to names in Saudi and Kuwait. We prefer exposure to top banks in both countries and top healthcare and insurance names in Saudi. We also like exposure to top pipe making companies as we expect Aramco to expand oil and gas transport pipeline network.

We expect the UAE's decision to exit from OPEC , will positively impact ADNOC Drilling, ADNOC L&S, ADNOC Gas, ALEC, NMDC Energy, & Banks. Further capacity expansion beyond current target of 5mbpd will benefit UAE as it has a low fiscal breakeven oil price is around $50/barrel as per the latest IMF estimate.

UAE real estate players such as Emaar Properties and Aldar Properties have substantial cash held in escrow accounts to fund ongoing construction projects. EMAAR confirmed that default rates are at 0.7% & no slowdown in construction progress giving confidence to the market about project pipeline even if a slowdown is expected as current valuations are effectively pricing in little to no future off-plan sales from these developers.

Our preferred plays include:

- **Banks**: ADCB, FAB, ENBD, GBK, KFH, NBK, SNB
- **Consumer Discretionary**: Spinneys, Almarai.
- **Energy**: ADNOC Drilling,, ADNOC L&S, NMDC Energy
- **Healthcare/Insurance**: HMG, Tawuniya.
- **Real Estate**: TECOM, Aldar Prop, Dubai Residential, Emaar Dev, Emaar Prop, RAK Prop.
- **Industrials**: AD Ports, SGS, East Pipes.
- **Transportation**: Parkin.
- **Utilities**: DEWA, Empower

Global Fixed Income:

Extended geopolitical tensions have continued to weigh on investor confidence in the US allied markets, including GCC region. Elevated energy prices remain a persistent theme, sustaining inflationary pressures and reinforcing stagflation concerns, with a gradual deterioration in key macroeconomic indicators and an upward bias in term premiums. US Treasury yields have remained volatile within a higher range, Sustained inflation concerns due to higher oil prices may test 4.5% barrier level, 4.7% becomes the next important barrier to watch out for.

GCC fixed income has demonstrated relative resilience despite global uncertainty, supported by strong regional fundamentals and oil-linked fiscal strength. However, periodic risk-off sentiment during the month has led to selective spread widening and price softness, particularly across longer-duration assets.

Against this backdrop, a disciplined and staggered investment approach remains appropriate to manage timing risk and near-term volatility. Periodic drawdowns provide opportunities to deploy capital into fundamentally strong, non-cyclical issuers at more attractive yield levels, with potential for price appreciation as conditions stabilize.

Opportunities continue to emerge across high-quality GCC credits, particularly among large real estate developers and well-capitalized banks, including Emaar Properties, Aldar Properties, Binghatti Holding, Emirates NBD, and Banque Saudi Fransi. UAE real estate developers maintain strong liquidity positions, with sufficient free cash to meet near-term debt obligations, while medium-term maturities are supported by escrow-backed

Global Asset Allocation and Outlook

customer advances and collections from pre-sold properties—even under a moderate stress scenario (10% default assumption). Credit metrics remain conservative, with net debt-to-EBITDA ratios generally below 2x.

Investors may also consider selective exposure to neutral-stanced markets as a diversification tool to hedge developed market volatility. We continue to favor medium-duration instruments, with a preference for the 5-year segment to balance yield capture while limiting sensitivity to long-duration volatility.

A sustained escalation in geopolitical tensions could trigger broader market sell-offs, amplifying stagflation risks globally—characterized by persistently high inflation alongside slowing economic growth.

EM Fixed Income:
We remain cautious on EM fixed income, as EM markets rely on petroleum imports that were disrupted due to ongoing escalations and the prices too drove sharply higher. U.S. Treasury yields rose higher and remained elevated and the yield curve steep, while the Federal Reserve has kept policy rates unchanged at 3.50%–3.75%, signaling a data-dependent approach.

Bonds at elevated yields provide healthy income and diversification and continue to play a core role in portfolios, considering volatility coupled with softening growth or weaker labor market conditions. Markets currently price no Fed cuts for the remainder of the year, the risk-reward for extending duration appears unfavorable, particularly as inflation risks could re-emerge amid ongoing escalations.

Against this backdrop, we continue to emphasize quality and flexibility, focusing on capturing carry-through high-quality credit while actively managing interest rate exposure through curve positioning. We remain selective on duration and continue to view an average portfolio duration of around five years as optimal to balance carry, roll-down potential, and volatility.

Saudi Arabia dominated the GCC fixed-income market for the April 2026 Year-to-Date (YTD) period, capturing 59.1% of all regional issuances.

The National Debt Management Center (NDMC) successfully closed its April SAR-denominated sukuk issuance, allocating SAR 16.95 billion ($4.52 billion) across five distinct tranches maturing between 2031 and 2041.

UAE. The UAE Ministry of Finance successfully raised AED 1.1 billion in its April auction. The sale attracted total bids of AED 5.2 billion, representing an oversubscription rate of 4.7 times.

What we like: Emaar Properties, Aldar Properties, Binghatti Holding, Emirates NBD.

KUWAIT – Kuwait's bond and sukuk issuances saw significant activity, driven by the need to fund the fiscal shortfall. To help cover an estimated KD 9.8 billion ($32.4 billion) budget deficit for the 2026–27 fiscal year, the government raised $1.3 billion through a major bond issuance in April..

INDIA – The 10-year Indian government security (G-Sec) held steady around 6.96% in mid-April, supported by consistent debt supply and a wait-and-see approach ahead of scheduled central and state government debt auctions. India reaffirmed its inflation target, maintaining a 4% retail inflation goal with a 2–6% tolerance band through 2031. Food inflation saw a minor uptick, keeping consumer price pressures on the radar. The market absorbed sizable liquidity through weekly central government benchmark bond auctions and regular state development loans. For example, a mid-April auction sought to raise ₹34,000 crore specifically through the benchmark 10-year paper.

What we like: INCLEN, 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 4.6% for the month. The highest contributions to return were Parkin, Emaar Dev, ADCB, Talabat, AD Ports and Arabian Pipes. Meanwhile, SNB, SGS and DTC were the key detractors to return.
In fixed income the largest contributors to return were OMNIYAT'31 and BINHLD'27.

	2026	**Inception (30 Jul 2020) (Class I)**
Total Return	-3.8%	90.9%
Annualized Return	-	11.8%
Annualized Volatility	-	8.8%
Sharpe Ratio	-	1.0

NAV as of 30th Apr 2026

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 7.4% for the month. During the month the highest contributors to the return were Parkin, AD Ports, NMDC Energy, Tecom, Talabat and ADNOC L&S. On the negative side, Amak and DTC were the key detractors to returns.

	2026	**Inception (Aug 2022) (Class A)**
Total Return	-5.0%	14.3%
Annualized Return	-	3.6%
Annualized Volatility	-	10.4%
Shape Ratio	-	-0.1

NAV as of 30th Apr 2026

About Daman Investments

Daman Investments stands as a preeminent regional investment firm, distinguished for its comprehensive suite of non-banking financial services catering to institutional clients, corporations, SMEs, and high-net-worth individuals. Our overarching objective is to assume a pivotal role in the burgeoning new Arab World Economy. Propelled by unwavering commitment to ethics, excellence, and client-centricity, we offer innovative and bespoke solutions to assist you in not only meeting but surpassing your financial aspirations. With a legacy spanning over 27 years, Daman Investments has consistently redefined the contours of the financial services landscape.

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