

ADCB PJSC

## **Asset Management**

### **ADCB UAE Funds: ADCB Income Sub-Fund**

Sub-Fund Performance Report

November 2024 to December 2025

ADCB PJSC

Head Office, Abu Dhabi Commercial Bank Building

Sheikh Zayed Street. P. O. Box: 939

Abu Dhabi, United Arab Emirates

# Contents

<b>1. Strategic Review</b>	<b>3</b>
1.1 Sub-Fund Overview	3
1.2 Factors Impacting Performance	3
1.3 Sub-Fund Distributions	3
1.4 Adherence to Investment Guidelines	3
1.5 Material Changes in Ownership	3
<b>2. Sub-Fund Analysis</b>	<b>4</b>
2.1 Sub-Fund Top Holdings	4
2.2 Sub-Fund Allocations	4
2.3 Sub-Fund Size	5
2.4 Sub-Fund Performance	5
2.5 Sub-Fund Flows	6
2.6 Sub-Fund Expense Ratio	6
<b>3. Market Analysis</b>	<b>7</b>
3.1 Market Overview	7
3.2 Market Outlook	7

# 1. Strategic Review

---

## 1.1 Sub-Fund Overview

The sub-fund's investment objective is to provide regular income with medium to long-term capital growth by investing predominantly in open-ended funds and exchange traded funds listed on global markets. The sub-fund is actively managed, while the investment restrictions and strategies followed imply a characteristically moderate to low risk level. The Fund Manager develops, implements and monitors the strategic asset allocation targets while actively rebalancing the strategy to identify opportunities over the short to medium term. In identifying underlying funds and target weights, the Fund Manager considers both quantitative measures and qualitative factors.

As of December 2025, the sub-fund has, on a look-through basis, an equal allocation to global equity and fixed income funds, which reflects the strategic asset allocation determined by the Fund Manager. The underlying funds invest in growth and value stocks of companies, fixed income securities and a range of other securities and derivatives.

## 1.2 Factors Impacting Performance

The sub-fund is actively managed and invests in open-ended funds and exchange traded funds that invest in global equity and fixed income securities. The sub-fund is invested in funds listed in Ireland and Luxembourg. Furthermore, the sub-fund has an equal allocation to global equity and fixed income funds, which reflects the strategic asset allocation determined by the Fund Manager. Therefore, performance has been equally influenced by the performance of global equity and fixed income asset classes during the period.

Global macroeconomic and political events routinely impact the performance of developed and emerging markets. Both equity and fixed income markets reacted sharply to US tariff headlines in April 2025, while performance of global asset classes normalized during the second quarter. The sub-fund generated a net return of approximately 10.0% year to date and paid out dividend distributions during the period.

## 1.3 Sub-Fund Distributions

The sub-fund's strategy aims to provide unitholders with regular income and long-term capital growth. Accordingly, the sub-fund declared and paid dividends out of profits generated during the year, in line with the Fund Manager's intentions to pay dividends. While dividends were paid on a quarterly basis in the first half of 2025, the sub-fund was paying dividends on a monthly basis from June 2025.

For full-year 2025, total dividends amounted to \$0.4936 per share and were paid to active unitholders of the Class A distributing share class.

## 1.4 Adherence to Investment Guidelines

The sub-fund adhered to investment guidelines during the period, and there were no breaches recorded. In the event of any breaches, the Fund Manager will perform the necessary corrective actions to bring the sub-fund back into compliance in the most efficient manner, while taking into account the best interests of unitholders.

## 1.5 Material Changes in Ownership

There were no material changes in ownership of the sub-fund during the period.

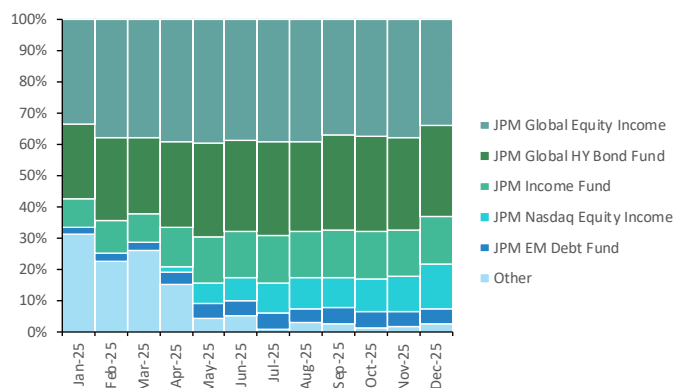
## 2. Sub-Fund Analysis

### 2.1 Sub-Fund Top Holdings

The sub-fund has an almost equal allocation to global equity and fixed income funds at present. Top holdings are principally comprised of 34% allocation to the JP Morgan Global Equity Income ETF and 29% allocation to the JP Morgan Global High-Yield Bond fund.

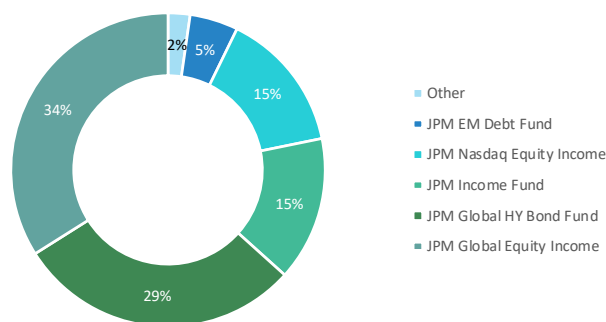
The Fund Manager follows a top-down approach in determining the appropriate target asset allocation, which is largely based on the analysis of global macroeconomic trends. This is followed by a bottom-up approach to selecting suitable securities and allocating risk. The investment process involves conducting the necessary due diligence on target funds and securities prior to capital deployment. The Fund Manager subsequently allocates risk to suitable securities depending on the adopted target asset allocation model. Risk management is later conducted on an ongoing basis to ensure that allocations remain aligned with the Fund Manager’s views and overall targeted portfolio risk level. Consequently, top holdings evolve from and are a product of the recursive application of fundamental and risk analysis by the Fund Manager.

**Evolution of Fund Holdings**  
(% of Portfolio)



Source: Fund Administrator, ADCB

**Top Fund Holdings**  
(% of Portfolio)

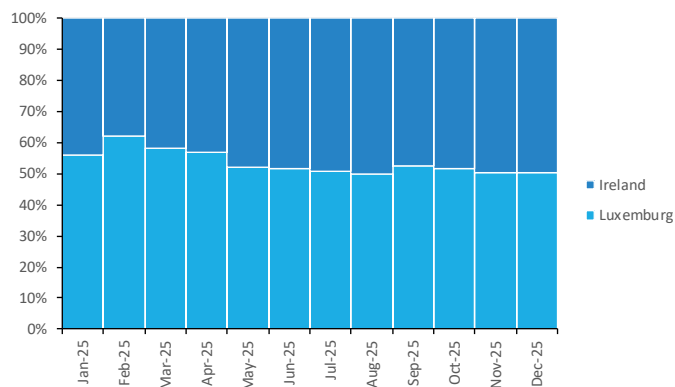


Source: Fund Administrator, ADCB

### 2.2 Sub-Fund Allocations

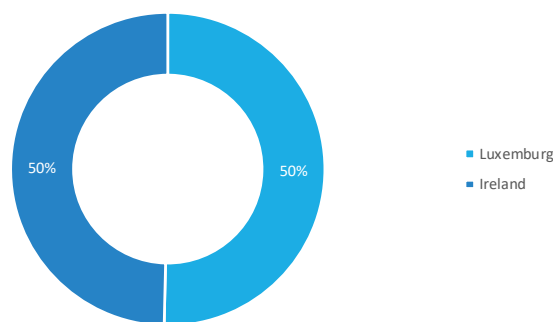
The sub-fund is actively managed and invests in open-ended funds and exchange traded funds that invest in global equity and fixed income securities, while target asset allocation is based the ADCB Asset Management global asset allocation approach. As of December 2025, the sub-fund is invested in funds listed in Ireland and Luxembourg. Since July 2025, the sub-fund has had an approximately equal allocation to global equity and fixed income funds.

**Evolution of Country Allocations**  
(% of Portfolio)



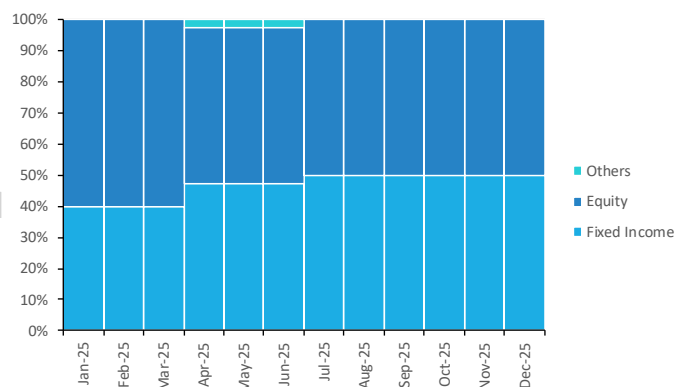
Source: Fund Administrator, ADCB

**Country Allocations**  
(% of Portfolio)



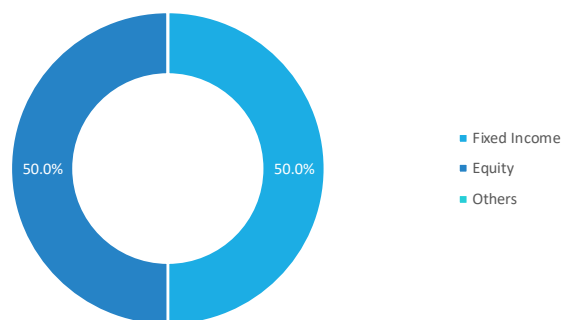
Source: Fund Administrator, ADCB

### Evolution of Target Asset Allocation (% of Portfolio)



Source: Fund Administrator, ADCB

### Target Asset Allocation (% of Portfolio)

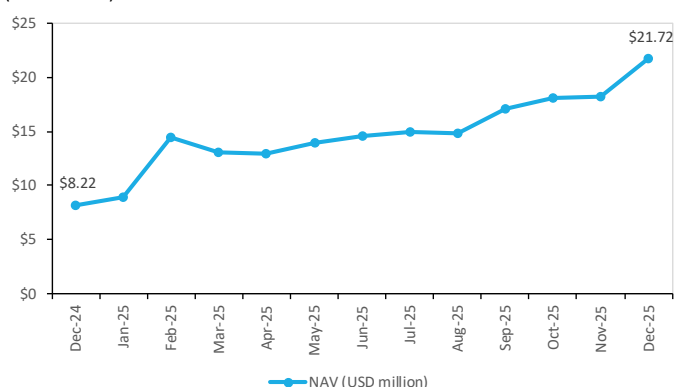


Source: Fund Administrator, ADCB

## 2.3 Sub-Fund Size

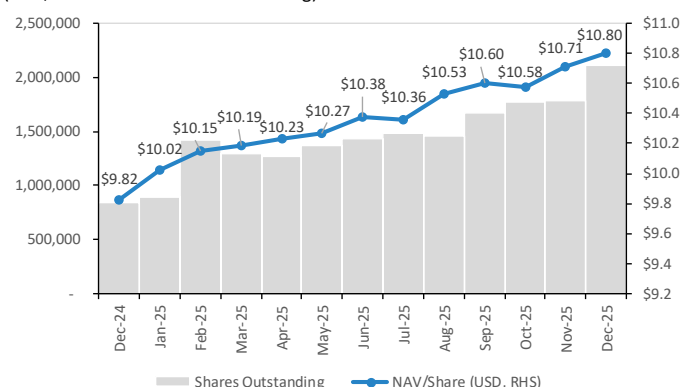
The sub-fund was launched in late 2024 and began deploying initial proceeds in early December 2024. Total size grew from approximately \$8.2 million to approximately \$21.7 million by the end of December 2025, demonstrating a robust growth during the period. The net asset value per share on a sub-fund level grew by approximately 10% during the same period, reaching \$10.80 per share, net of expenses and adjusted for dividends.

### Evolution of Fund Size (USD million)



Source: Fund Administrator, ADCB

### Evolution of Net Asset Value per Share (USD, Number of Shares Outstanding)



Source: Fund Administrator, ADCB

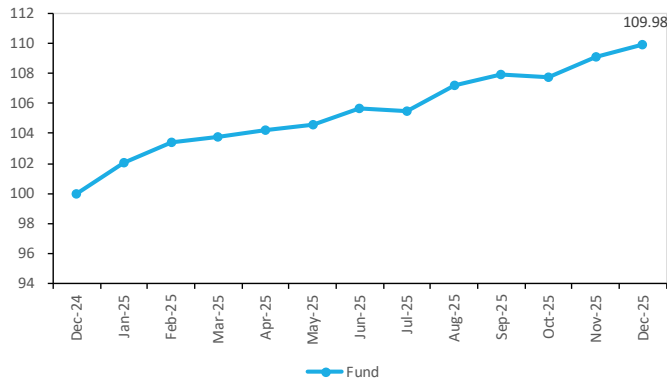
## 2.4 Sub-Fund Performance

During the period, the sub-fund generated a net return of approximately 10.0% with an estimated annualized total expense ratio of approximately 1.5%. The sub-fund is actively managed and invests in global equity and fixed income funds, while target asset allocation is based on the ADCB Asset Management global asset allocation approach. The sub-fund has an equal allocation to global equity and fixed income funds. Consequently, performance has been equally influenced by the performance of these asset classes.

For full-year 2025, total dividends amounted to \$0.4936 per share and were paid to active unitholders of the Class A distributing share class.

## Fund Performance

(Rebased)



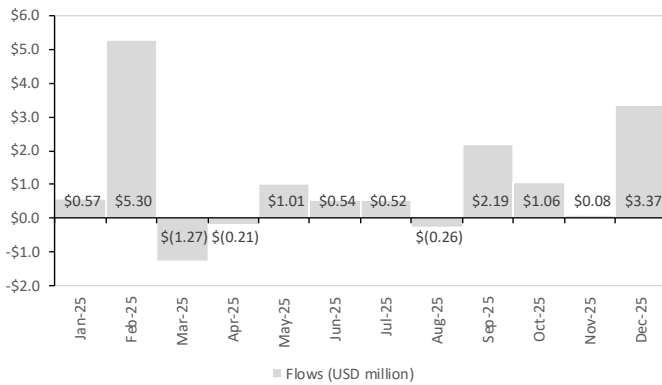
Source: Fund Administrator, ADCB

## 2.5 Sub-Fund Flows

Inflows showed steady growth during 2025. The sub-fund was fully invested based on the intended asset allocation model, with a minor cash balance retained for the purpose of managing redemptions.

### Fund Flows

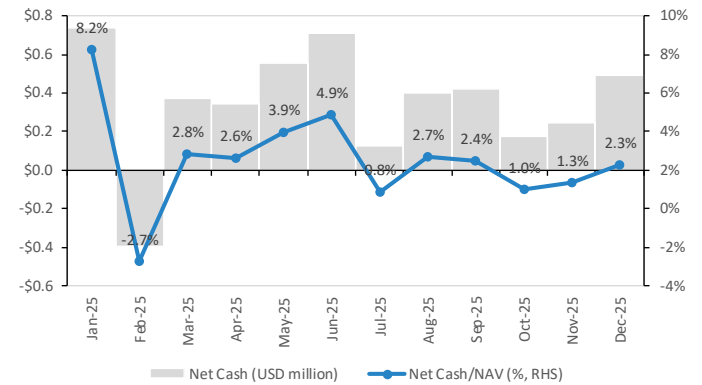
(USD million)



Source: Fund Administrator, ADCB

### Fund Net Cash Position

(USD million, % of NAV)



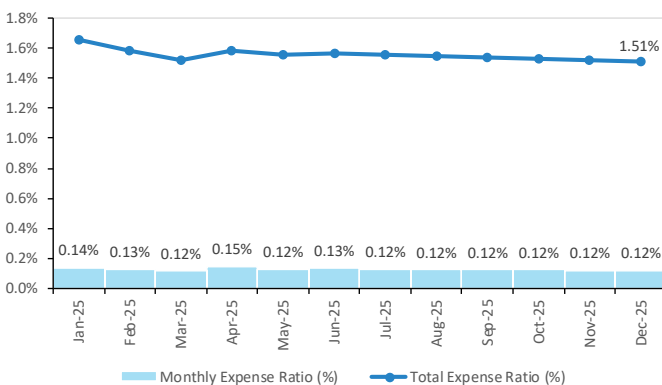
Source: Fund Administrator, ADCB

## 2.6 Sub-Fund Expense Ratio

The estimated sub-fund total expense ratio is approximately 1.5% at the end of December 2025 and gradually declined by year-end as a result of asset growth.

### Fund Total Expense Ratio

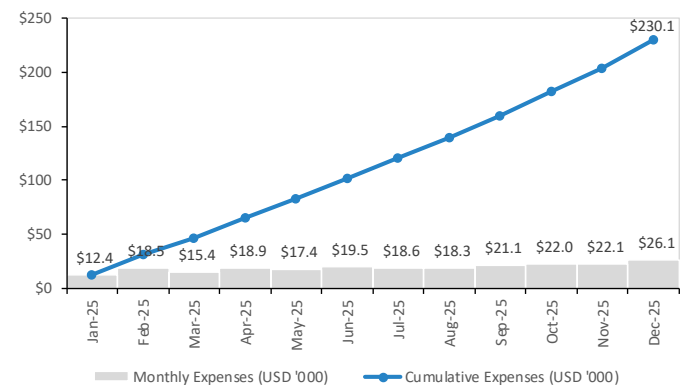
(% of NAV)



Source: Fund Administrator, ADCB

### Fund Monthly Expenses

(USD '000)



Source: Fund Administrator, ADCB

## 3. Market Analysis

---

### 3.1 Market Overview

Global equities delivered strong gains in the second half of 2025, adding more than 10% and bringing full-year 2025 returns to roughly 20%, supported by resilient earnings, favorable macro sentiment and fading recession risks. Sector performance was similarly broad-based: materials, IT, communication services, and industrials were among the strongest contributors in both the second half of 2025 and full-year 2025, while consumer staples was the only sector to register negative returns in the second half of 2025.

Global bonds delivered a weak performance in the second half of 2025, weighed down by widening fiscal deficits and uncertainty around the timing of interest-rate cuts. Despite this soft patch, full-year 2025 returns were strong overall, driven largely by the robust gains recorded in the first half. Global Treasuries came under pressure in the second half of 2025 as rising debt levels and shifting policy expectations pushed yields higher. Across credit markets, Global HY and EM external debt were the standout performers for both 2025 and the second half of 2025, supported by investors' search for carry and signs of improving fundamentals. Within credit, Global HY outpaced Global IG, with EUR HY leading the pack due to its shorter-duration profile.

The broad commodity index posted strong performance in 2025, driven by the rally in precious and industrial metals. Precious metals dominated, with Silver and Gold delivering exceptional gains, supported by strong safe-haven demand, falling real yields, and heightened geopolitical risk. Copper also performed strongly, reflecting resilient industrial demand and ongoing supply constraints. Energy prices were a major drag with WTI crude and Brent crude declined, pointing to persistent oversupply and weaker global demand conditions.

### 3.2 Market Outlook

The global economy has entered 2026 on a steady, robust footing – with a growth rate strong enough to support risk assets. While we expect developed-market growth to soften slightly in second half of 2026, overall conditions remain resilient, broad, and supportive enough to justify a more risk-on stance. Inflation is likely to prove sticky in the near term, especially in the US, but the medium-term trajectory still points towards central bank targets.

At present, significant uncertainty surrounds US tariff policy, with recently announced rates retreating slightly but still at their highest levels since the late 1930s. Despite legal challenges, the Trump administration appears committed to its trade policy goals, particularly as it aligns these with fiscal planning. We expect uncertainty over trade and fiscal policy to weigh on the global market sentiment in the medium term.

Market pricing and policy commentary continue to point towards additional Fed easing in the second half of 2026, even though Fed might pause in its upcoming meetings. Fed funds futures still embed a path of gradual reductions, consistent with inflation drifting lower and growth remaining resilient rather than collapsing.

Elsewhere, we expect the European Central Bank to remain on hold for the foreseeable future. In the United Kingdom, weaker growth dynamics and improving inflation trends should allow the Bank of England to deliver up to three rate cuts, although the pace will remain data dependent. We continue to expect two rate hikes from the Bank of Japan, although the probability of fewer moves is rising.

<p>Abu Dhabi Commercial Bank PJSC ("ADCB", "The Bank") is licensed by the Central Bank of the United Arab Emirates under license number 13/2461/2005 to provide banking services to its clients, and by the Securities and Commodities Authority to promote investment securities and provide investment related services under license number 601001.</p>	<p>بنك أبوظبي التجاري ش.م.ع. ("البنك") مرخص من قبل مصرف الإمارات العربية المتحدة المركزي بالرخصة رقم 13/2461/2005 لتقديم الخدمات المالية والمصرفية إلى عملائه، ومرخص أيضاً من قبل هيئة الأوراق المالية والسلع بالرخصة رقم 601001 لتوفير خدمات ومنتجات الاستثمار والترويج لها.</p>
<p>The content herein is for information and illustrative purposes only and does not constitute any form of advice, commitment or engagement on behalf of the Abu Dhabi Commercial Bank PJSC and It should not be construed as an offer or solicitation to buy or sell any investment products, nor is it to be considered as personalized investment advice.</p>	<p>هذا العرض التقديمي هو لأغراض تقديم المعلومات ولأغراض وتوضيحية فقط، ولا يعتبر بأي شكل تقديماً لنصيحة أو التزاماً أو مشاركة بالنيابة عن بنك أبوظبي التجاري، كما يجب ألا تُفسر الرسالة على أنها عرض أو دعوة لشراء أي منتجات استثمارية أو بيعها، وكذلك يجب ألا تُعتبر على أنه نصيحة استثمارية شخصية.</p>
<p>It should be read in conjunction with offering documents and respective terms and conditions for potential investor to understand the terms and information contained therein.</p>	<p>ويجب أن يُقرأ جنباً إلى جنب مع المستندات ذات الصلة والأحكام والشروط ذات الصلة حتى يتسنى للمستثمرين المحتملين فهم الأحكام والمعلومات الواردة.</p>
<p>Persons reviewing the contents are instructed to discuss it with their professional legal, financial and tax advisors before they make any financial commitments and shall be deemed to have made a reasonable assessment of the potential risks and rewards in making such a commitment.</p>	<p>ويتعين على الأشخاص الذين يصلهم هذا العرض التقديمي مناقشته مع المختصين القانونيين وكذلك مستشاريهم في الشؤون المالية والضريبية قبل القيام بأي التزامات مالية، حيث سيُعتبر أنهم قاموا بإجراء التقييمات المعقولة للمخاطر المحتملة والعوائد الناتجة عن مثل هذا الالتزام.</p>
<p>ADCB does not guarantee any third party service provider, and investors invest at their own risk and bear all risks involved in any product purchased.</p>	<p>إن بنك أبوظبي التجاري لا يضمن أي خدمة مقدمة من مزود طرف ثالث. كما يتحمل المستثمرون مخاطر الاستثمار على مسؤوليتهم الشخصية ويتحملون كافة المخاطر ذات العلاقة بأي منتج تم شراؤه.</p>
<p>ADCB will not hold any responsibility for the outcome of any investment decisions taken.</p>	<p>كما لا يتحمل بنك أبوظبي التجاري أي مسؤولية عن نتيجة أي قرارات استثمار يتم اتخاذها.</p>
<p>Past performance does not guarantee future results.</p>	<p>الأداء السابق لا يضمن النتائج المستقبلية.</p>
<p>Investment products are not Bank deposits and are not guaranteed by ADCB, they are subject to investment risks, including possible loss of the principal amount invested.</p>	<p>إن منتجات الاستثمار ليست ودائع مصرفية وليست مضمونة من قبل بنك أبوظبي التجاري، هذه المنتجات تخضع لمخاطر الاستثمار التي تشمل خسارة محتملة لرأس المال المستثمر.</p>
<p>Please refer to ADCB Wealth Services Terms and Conditions.</p>	<p>يرجى الرجوع إلى أحكام وشروط خدمات إدارة الثروات من بنك أبوظبي التجاري.</p>