ADCB PJSC

Asset Management

ADCB UAE Funds: ADCB Money Market Feeder Sub-Fund

Sub-Fund Performance Report

January to June 2025

ADCB PJSC
Head Office, Abu Dhabi Commercial Bank Building
Sheikh Zayed Street. P. O. Box: 939
Abu Dhabi, United Arab Emirates

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1. Strategic Review

1.1 Sub-Fund Overview

The sub-fund's investment objective is to provide unitholders with a return in line with prevailing money market rates, while preserving capital and maintaining a high degree of liquidity. To achieve this objective, the sub-fund invests its assets in the JPMorgan Liquidity Funds - USD Liquidity LVNAV Fund, which in turn invests in short-term US dollar-denominated debt securities, deposits with credit institutions and reverse repurchase agreements. The weighted average maturity of the underlying fund's investments will not exceed 60 days and the initial or remaining maturity of each debt security will not exceed 397 days at the time of purchase.

1.2 Factors Impacting Performance

During the year, the sub-fund invested exclusively in the JPMorgan Liquidity Funds - USD Liquidity LVNAV Fund, which in turn invests in US dollar-denominated, high quality money market securities. The sub-fund's performance is directly and highly correlated with the prevailing US dollar interest rates. Additionally, the sub-fund aims to eliminate cash drag by being fully invested at all times.

1.3 Sub-Fund Distributions

The sub-fund declared and paid out of profits generated four monthly dividends during the first half of 2025.

The sub-fund has two distributing share classes designed for retail clients, the Class A distributing denominated in UAE dirhams and the Class B distributing denominated in US dollars. Additionally, the sub-fund also has two accumulating share classes designed for institutional clients.

The following is table illustrates the details of dividends paid by each share class during the period:

Payment Date	Class A Distributing (AED)	Class B Distributing (USD)
27-Mar-25	AED 0.2055	$0.0567
24-Apr-25	AED 0.0986	$0.0261
22-May-25	AED 0.1099	$0.0286
30-Jun-25	AED 0.1049	$0.0313

1.4 Adherence to Investment Guidelines

The sub-fund adhered to investment guidelines during the period, and there were no material 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

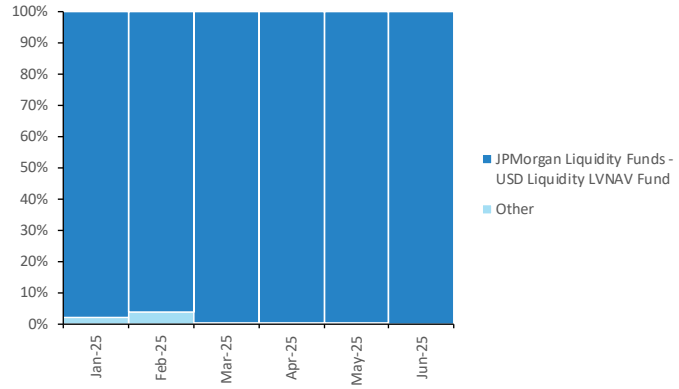
There were no material changes in ownership during the period.

2. Sub-Fund Analysis

2.1 Sub-Fund Top Holdings

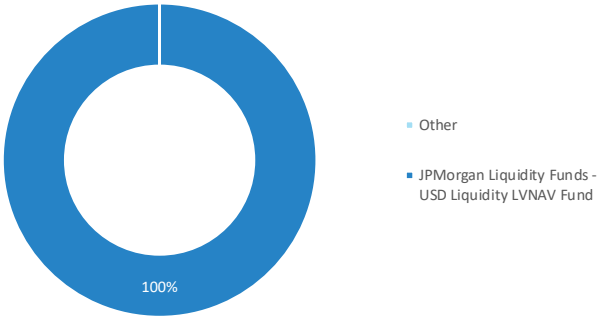
The sub-fund is a feeder fund designed to invest all of its assets in the underlying JPMorgan Liquidity Funds - USD Liquidity LVNAV Fund, which in turn invests in US dollar-denominated, high quality money market securities.

Evolution of Fund Holdings
(% of Portfolio)



Source: Fund Administrator, ADCB

Top Fund Holdings
(% of Portfolio)

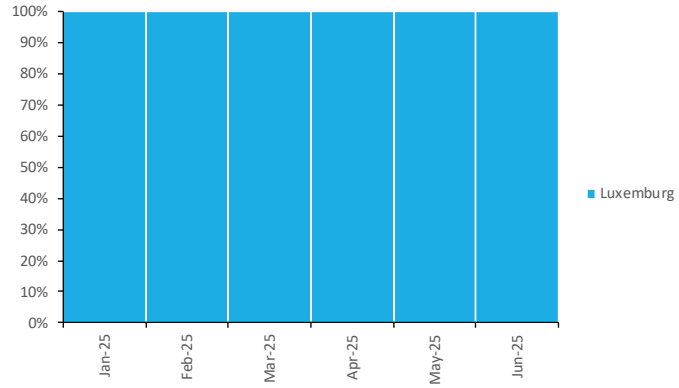


Source: Fund Administrator, ADCB

2.2 Sub-Fund Allocations

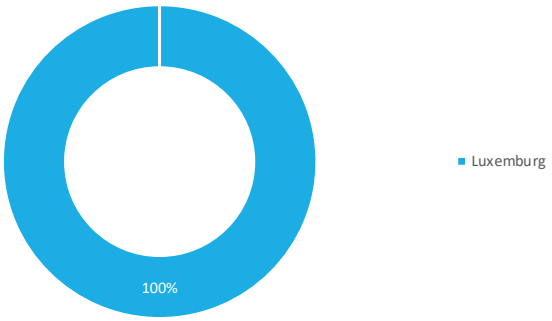
At present, the sub-fund is fully invested in the underlying JPMorgan Liquidity Funds - USD Liquidity LVNAV Fund, which is domiciled in Luxembourg.

Evolution of Country Allocations
(% of Portfolio)



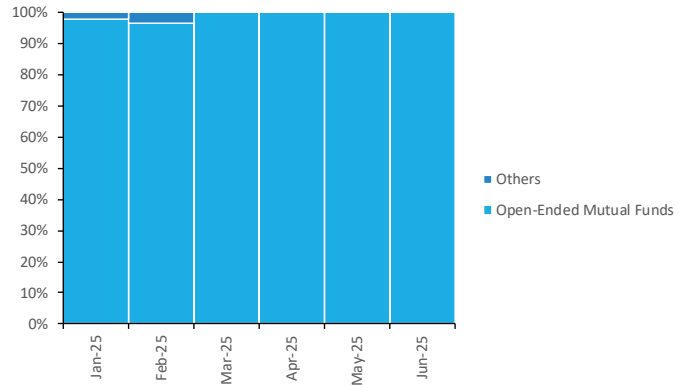
Source: Fund Administrator, ADCB

Country Allocations
(% of Portfolio)



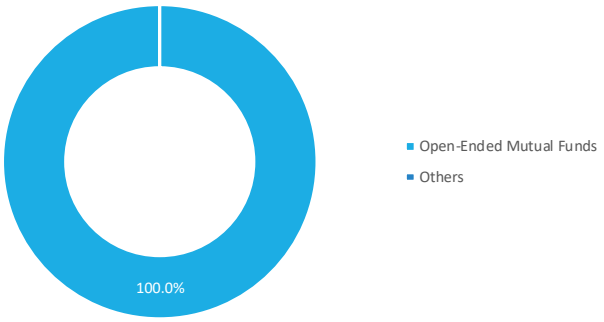
Source: Fund Administrator, ADCB

Evolution of Asset Allocation
(% of Portfolio)



Source: Fund Administrator, ADCB

Asset Allocation
(% of Portfolio)

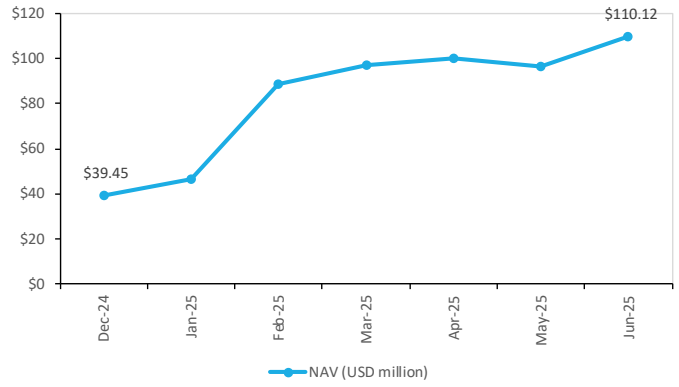


Source: Fund Administrator, ADCB

2.3 Sub-Fund Size

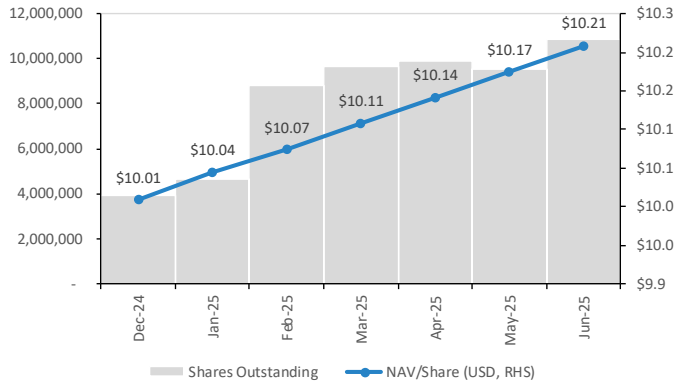
The sub-fund was launched in late 2024 and began deploying initial proceeds in early December 2024. Total size grew from $39.5 million to $110.1 million by the end of June 2025, demonstrating a growth rate of 179% during the period. The net asset value per share of the institutional accumulating US dollar share class grew by 2.0% year to date, reaching $10.21 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 - Accumulating USD Share Class
(USD, Number of Shares Outstanding)

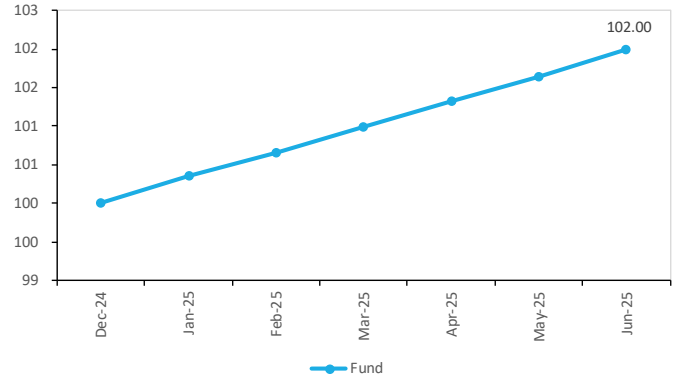


Source: Fund Administrator, ADCB

2.4 Sub-Fund Performance

During the period, the sub-fund generated a net return of 2.0% with an estimated annualized total expense ratio of 0.32%. The sub-fund is a feeder fund designed to invest all of its assets in the underlying JPMorgan Liquidity Funds - USD Liquidity LVNAV Fund, which in turn invests in US dollar-denominated, high quality money market securities.

Fund Performance
(Rebased)

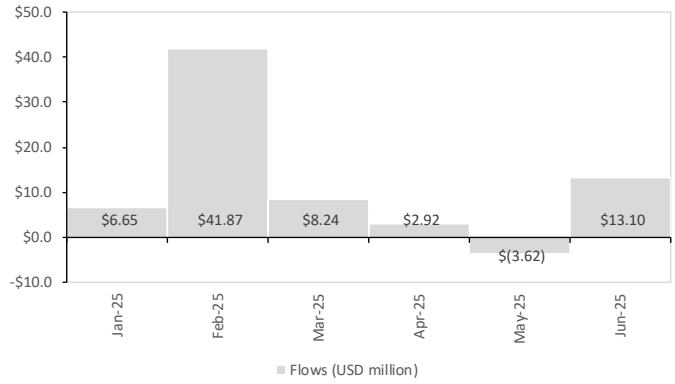


Source: Fund Administrator, ADCB

2.5 Sub-Fund Flows

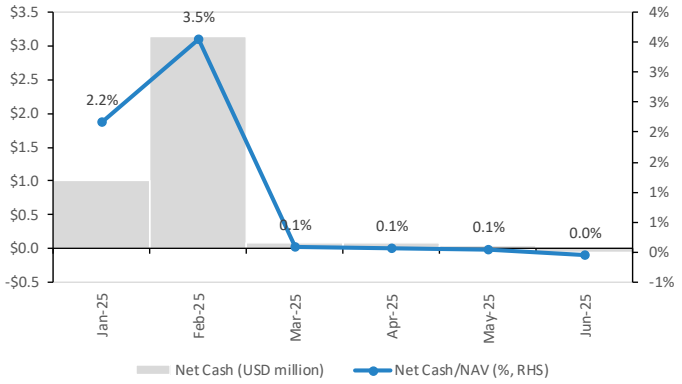
Inflows showed steady growth during the first half of 2025. The sub-fund aims to be fully invested at all times, with a minor cash balance retained for the purpose of managing redemptions.

Fund Flows
(USD million)



Source: Fund Administrator, ADCB

Fund Net Cash Position
(USD million, % of NAV)

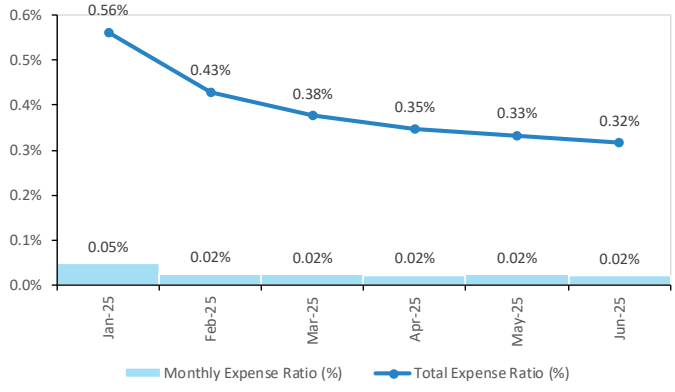


Source: Fund Administrator, ADCB

2.6 Sub-Fund Expense Ratio

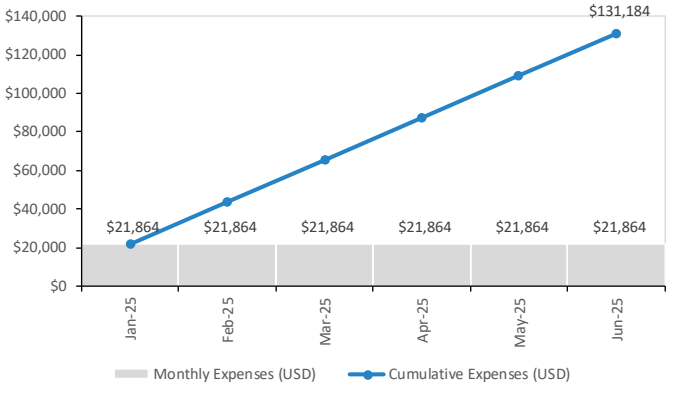
The estimated total expense ratio is 0.32% at the end of June 2025, while we expect the ratio to decline by year end as a result of asset growth. The monthly expense ratio during the most recent month was 0.02%.

Estimated Fund Total Expense Ratio
(% of NAV)



Source: Fund Administrator, ADCB

Estimated Fund Monthly Expenses
(USD)



Source: Fund Administrator, ADCB

3. Market Analysis

3.1 Market Overview

Global equities posted strong gains in the first half of 2025, supported by resilient earnings, improving macro sentiment, and declining recession risks. The rally was broad-based, with both developed and emerging market equities advancing, with the latter outperforming on a relative basis. In terms of sectors, financials, communications and industrials led gains, while healthcare and consumer discretionary lagged. From a factor perspective, momentum and technology stocks outperformed.

Global bonds also performed well during the first half and were supported by peaking interest rates and moderating inflation expectations. Long-duration assets including inflation-linked bonds, global corporate credit and global treasuries performed notably well. Credit spreads tightened across both investment-grade and high-yield markets as investors rotated selectively into immediate duration bonds and credit. Additionally, emerging market local currency bonds US dollar-denominated sovereign bonds also performed well, helped by a weakening in the US dollar.

The commodity complex rose during the period, with performance led by precious and industrial metals. Gold, silver and platinum surged amid strong safe-haven demand, falling real yields, and broad US dollar weakness. Copper rose as green infrastructure and supply constraints supported prices, while energy prices were a major drag. Crude oil prices resumed a steady decline, reflecting weak global demand and ample supply.

3.2 Market Outlook

Inflation is showing encouraging signs of easing despite ongoing tariff uncertainty. Higher inventory ratios among US corporations, a cooling labor market and evidence of slowing consumer spending has helped cushion the short-term impact of tariffs. However, tariff risks could exert upward pressure on inflation in the second half. We anticipate that tariffs will dampen growth first before driving inflation higher, with price pressures are likely to intensify gradually rather than immediately.

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.

We maintain our view that tariffs contribute to weaker economic growth before they feed into heightened inflation. We believe the Federal Reserve will likely prioritize measures to address the slowdown. Therefore, we expect the Federal Reserve will cut the policy rate by 75 basis points over the course of 2025. Meanwhile, we believe the European Central Bank is approaching the end of its easing cycle, having already implemented eight rate cuts. As for the United Kingdom, downside risks to growth have increased recently even as wage growth and inflation remain somewhat elevated. Consequently, we anticipate further easing from the Bank of England in the near term. Finally, we see the Bank of Japan staying on hold for the rest of the year, and expect two rate hikes during 2026.

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