

Multi-Asset Performance Summary

Investment Strategy | August 6, 2025

July 2025: Trade tensions but inflation relief

Macroeconomic and market developments in July 2025 were dominated by renewed US tariff threats, persistent inflation volatility, and uneven growth across major economies. President Trump reintroduced sweeping tariffs, after most trade deals stalled during the 90-day negotiation pause. Only Vietnam secured a bilateral deal by the July deadline. The new tariff rates impacting over 20 countries ranging from 10% to 70% were announced, with a revised deadline of August 1. By end of the month, US managed to finalized trade deals with key trading partners including Japan and European Union.

In the US, inflation surprised on the downside in June. Core CPI fell to 2.9% YoY, PPI eased to 2.3% YoY, and retail sales rebounded 0.6% MoM. Industrial production rose 0.3%, and the services activity remained strong in July (according to S&P global US PMI). Labor market data was mixed; US nonfarm payrolls increased a seasonally adjusted 147K in June, higher than the estimate for 110K and just above the upwardly revised 144K in May. Private payrolls lost 33K jobs in June, the ADP report showed, the first decrease since March 2023. The unemployment rate declined to 4.1% in June, while wage growth slowed. Fed minutes revealed divisions over potential rate cuts. US durable goods orders declined by 9.3% MoM in June. This reading followed the 16.5% MoM increase reported in May and came in better than the market expectation for a decrease of 10.8% MoM. Business sentiment remained soft, with the Richmond Fed's manufacturing index falling sharply and the Conference Board's LEI signalling a recession risk for the third month. Meanwhile, a surprise USD27bn June budget surplus, aided by tariff revenues, helped narrow the fiscal deficit.

In the Eurozone, PMIs signalled modest expansion in July. The Eurozone Composite PMI rose to 51.0, led by services. Germany's PMI hovered just above 50, and France neared stabilization at 49.6. Consumer sentiment was mixed—rising in the Eurozone, stable in the UK, but declining in Germany and France. UK retail sales rose 0.9% MoM in June, and the UK posted higher-than-expected borrowing in June. EU officials prepared retaliatory tariffs but made progress toward a 15% average rate deal with the US. German business sentiment improved slightly but less than what markets hoped for, with the IFO Business Climate Index rising to 88.6 in July from 88.4 in June. Companies felt marginally better about current conditions, but expectations stayed mostly the same.

In Asia, China's economy continued to recover, albeit unevenly. Q2 GDP came in at 5.2% YoY and 1.1% QoQ—modestly ahead of expectations. Exporters accelerated shipments ahead of the August 1 tariff implementation, driving a 5.8% YoY surge in June exports. Domestic indicators were mixed, retail sales slowed to 4.8% YoY in June, while industrial output exceeded forecasts at 6.8% YoY. Inflation remained muted in June with PPI falling 3.6% YoY, its steepest drop in a year, and CPI rising only 0.1% YoY. China's Caixin PMI unexpectedly fell to 49.5 in July down from 50.4 in June, indicting a contraction in manufacturing activity. Elsewhere in Asia, Japan's producer prices eased to 2.9% YoY in June while National CPI fell to 3.3% in June. Japan's composite PMI held steady at 51.5 in July. Japan services PMI climbed to 53.6 in July from 51.7 in June, marking the strongest expansion since February, while India's PMI stayed strong at 60.7 in July.

Central banks remained cautious in July. The Fed held its benchmark rate at 4.25–4.50%, citing mixed signals on inflation and labour markets. Internal divisions surfaced, with some members signalling openness to cuts, while others stressed inflation risks. The ECB also kept rates unchanged at 2.00%, pausing after eight consecutive cuts. In Asia, the PBoC kept both the 1 year and 5 year LPRs unchanged at 3.00% and 3.50%, respectively, reflecting policy caution amid sluggish demand. The BoJ maintained its ultra-loose policy at 0.50%, while the RBA held its cash rate at 3.85% and BoC held rates steady at 2.75%. GCC central banks, closely tied to US monetary policy through currency pegs, also left rates unchanged.

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Cross-asset (page 2): Cryptocurrencies led all asset classes in July, rebounding strongly (+26.1%) amid improving sentiment and institutional inflows. Global equities also posted gains (+1.36%), supported by easing trade tensions and firming economic data. Global high yield credit edged up (+0.4%) in line with the equity rally, while global aggregate bonds declined (-1.5%) as long-duration assets came under renewed pressure. Commodities were modestly lower (-0.8%), with losses in agricultural and precious metals offsetting strength in energy and industrial metals. The Dollar Index rose (+3.2%), reflecting relative US resilience and shifting rate expectations.

Fixed income (page 3): Global bond performance was mixed in July. Global high yield and EM USD sovereign debt continued to post moderate gains, rising (+0.38%) and (+0.94%) respectively. US Treasuries fell (-0.39%), with longer maturities underperforming due to rising real yields. Global Treasuries underperformed broadly (-2.03%) while global inflation-linked bonds declined sharply (-1.68%). EU Treasuries were marginally negative (-0.23%), dragged by weakness in long-dated issues. European credit outperformed US credit given the former's short-duration characteristics. EM local currency sovereign bonds fell (-0.84%) as FX volatility resurfaced. Credit spreads were stable, but rate moves weighed on aggregate bond returns.

Currencies (page 3): The USD strengthened in July, with the Dollar Index gaining (+3.2%), reversing much of its prior month losses. USD/JPY rose sharply (+4.5%) as the yen weakened on diverging policy expectations. EUR/USD strengthened moderately (+3.2%), while GBP/USD weakened (-2.9%) amid UK growth concerns. EM currencies posted modest gains (+0.7%), supported by stable risk appetite and commodity-related flows. FX markets reflected diverging central bank outlooks and rising global interest rate differentials.

Commodities (page 4): Commodity markets saw mixed performance in July. Energy commodities led gains, with WTI crude rising (+2.1%) on tightening supply dynamics while Brent crude ended flat (+0.02%). Industrial metals also rose (+6.4%) amid improving demand signals. However, precious metals declined sharply (-5.0%), with gold falling (-1.3%) and silver down (-6.7%) as real yields rose and the USD strengthened. Agriculture commodities slipped (-4.3%) due to improving crop conditions. Overall, the commodity aggregate index posted a modest gain (+1.7%).

Equities (pages 4): Global equities posted modest gains in July, with the MSCI ACWI up (+1.4%). US equities rose (+2.3%) and outperformed DM peers amid strong earnings and resilient macro data. Europe ex-UK (-2.5%) and Japan (-1.4%) underperformed, dragged by weak industrial sentiment and trade uncertainty. In EM, the GCC (+2.4%) and EM EMEA (+2.4%) were the best performers. Sector-wise, IT (+4.2%), energy (+2.1%), and communication services (+1.8%) led gains, while consumer staples (-2.5%) and healthcare (-2.5%) lagged. Factor-wise, large-cap growth (+4.0%) outperformed, while momentum stocks declined (-0.7%).

Digital Assets (page 5): Digital assets extended their rally in July, led by Bitcoin (+49.2%) and Ether (+32.9%). Solana also rebounded (+12.0%), while XRP gained (+8.3%). The broader digital asset space benefited from improving risk sentiment, anticipation of regulatory clarity, and continued institutional interest. Ether's performance was particularly strong, contributing to its year-to-date leadership. Overall, the digital asset space posted its strongest monthly performance of 2025.

Cross-asset

Exhibit 1: Performance of major asset classes

Major asset classes	1Y	YTD	6M	3M	1M
Cryptocurrencies index	34.25%	11.27%	4.59%	50.19%	26.07%
Dollar Index spot	-3.97%	-7.85%	-7.75%	0.50%	3.19%
Global Equities	14.18%	10.49%	6.97%	11.53%	1.28%
Global HY Credit	11.29%	7.23%	5.78%	4.40%	0.38%
Commodity Aggregate	4.91%	2.45%	-1.08%	0.26%	-0.82%
Global REIT	-0.23%	1.58%	0.04%	1.33%	-0.83%
Global Aggregate Bonds	4.40%	5.67%	5.08%	0.02%	-1.49%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of August 01, 2025.

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Fixed Income

Exhibit 2: Performance of major global bond indices

Global bond indices*	1Y	YTD	6M	3M	1M
EU HY	8.28%	3.92%	3.27%	2.99%	1.16%
EM USD sovereign	10.11%	6.43%	4.99%	4.09%	0.94%
EM USD Corp + Quasi-Sov	7.69%	5.40%	4.60%	3.00%	0.90%
EU IG	5.10%	2.34%	1.89%	1.34%	0.53%
US HY	8.90%	5.04%	3.62%	4.02%	0.45%
Global High Yield	11.57%	7.23%	5.78%	4.40%	0.38%
US IG	5.17%	4.24%	3.67%	1.92%	0.07%
EU Treasury	2.34%	0.29%	0.50%	-0.33%	-0.23%
US Treasury	3.34%	3.39%	2.85%	-0.18%	-0.39%
Global Corporate	6.92%	6.72%	6.05%	1.84%	-0.63%
Global Aggregate Credit	6.84%	6.87%	6.25%	1.66%	-0.73%
EM LCY sovereign	8.05%	6.19%	4.70%	2.03%	-0.84%
Global Aggregate	5.17%	5.67%	5.08%	0.02%	-1.49%
Global Infl-Linked	3.39%	6.45%	5.44%	0.32%	-1.68%
Global Treasuries	4.38%	5.37%	4.76%	-0.91%	-2.03%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of August 01, 2025.

Exhibit 3: Performance of US Treasury index – by maturity

US Treasury Index by maturity*	1Y	YTD	6M	3M	1M
1-3 Year	4.69%	2.77%	2.32%	0.31%	-0.06%
3-5 Year	4.85%	4.06%	3.45%	0.05%	-0.31%
5-7 Year	4.54%	4.79%	4.12%	-0.02%	-0.47%
7-10 Year	3.64%	4.73%	4.03%	-0.21%	-0.59%
10-20 Year	0.26%	2.97%	2.39%	-0.96%	-0.68%
20+ Year	-2.87%	1.48%	1.18%	-1.64%	-1.08%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of August 01, 2025.

Exhibit 4: Performance of EU Treasury index – by maturity

EU Treasury Index by maturity*	1Y	YTD	6M	3M	1M
1-3 Year	3.68%	1.58%	1.44%	0.15%	0.02%
3-5 Year	4.04%	1.79%	1.72%	-0.05%	-0.09%
5-7 Year	3.89%	1.69%	1.67%	-0.07%	-0.12%
7-10 Year	3.01%	1.13%	1.16%	-0.08%	-0.15%
10+ Year	-1.07%	-2.95%	-2.06%	-1.21%	-0.64%
20+ Year	-4.67%	-6.36%	-4.93%	-2.63%	-1.10%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of August 01, 2025.

Currencies

Exhibit 5: Currency performance

Currency pairs and Currency index*	1Y	YTD	6M	3M	1M
USD-JPY	-2.11%	-4.24%	-2.90%	5.61%	4.48%
EUR-USD	-4.40%	-7.85%	-7.75%	0.50%	3.19%
Dollar Index spot	-8.33%	-10.51%	-10.81%	-1.20%	2.29%
EM FX	2.61%	4.50%	3.33%	1.53%	0.72%
USD-CHF	6.19%	5.91%	5.03%	2.32%	-1.18%
GBP-USD	5.56%	10.38%	10.24%	0.59%	-2.89%
EUR-GBP	2.87%	5.62%	6.68%	-0.93%	-3.58%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of August 01, 2025.

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Commodities

Exhibit 6: Commodities performance

Commodities agg. and individual commodities*	1Y	YTD	6M	3M	1M
Energy	-9.09%	-2.83%	-5.51%	14.91%	7.28%
Industrial Metals	-8.64%	-3.43%	-4.51%	18.98%	6.37%
WTI USD/bbl	0.11%	-1.18%	-2.53%	7.81%	2.14%
Commodity Aggregate	31.77%	27.03%	17.28%	12.56%	1.67%
Brent USD/bbl	29.33%	21.46%	13.28%	1.02%	0.02%
Copper USD/MT	38.56%	25.56%	17.75%	-0.47%	-0.07%
Platinum USD/t oz	6.05%	2.45%	-1.08%	0.26%	-0.82%
Gold USD/t oz	16.30%	1.08%	-1.49%	7.40%	-1.31%
Aluminum	-1.81%	-5.81%	-9.82%	-7.45%	-1.73%
Agriculture	7.86%	10.34%	7.34%	4.37%	-4.32%
Precious Metals	35.63%	42.37%	31.50%	33.21%	-4.96%
Silver USD/t oz	1.00%	-1.20%	-2.18%	-0.82%	-6.65%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of August 01, 2025.

Equities

Exhibit 7: Performance of equities – by region

Equities: Regions*	1Y	YTD	6M	3M	1M
GCC	10.26%	6.79%	3.62%	3.36%	2.41%
EM EMEA	19.38%	18.98%	13.83%	8.29%	2.35%
US	17.78%	8.53%	5.35%	14.38%	2.27%
APac ex Japan	18.96%	16.58%	14.99%	13.48%	2.19%
EM	18.01%	17.51%	15.45%	12.69%	1.95%
ACWI	17.29%	11.54%	7.92%	11.99%	1.36%
DM	17.20%	10.88%	7.10%	11.91%	1.29%
UK	17.13%	20.28%	14.32%	6.81%	0.86%
Canada	23.65%	15.83%	12.68%	9.77%	0.31%
Japan	10.04%	10.17%	8.47%	4.34%	-1.40%
Europe ex UK	14.78%	21.04%	12.72%	4.24%	-2.53%
EM LatAm	8.18%	24.09%	13.31%	2.98%	-4.44%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of August 01, 2025.

Exhibit 8: Performance of equities – by sector

Equities: Sectors*	1Y	YTD	6M	3M	1M
IT	24.36%	13.47%	14.69%	25.91%	4.16%
Energy	0.87%	7.25%	4.59%	9.22%	2.07%
Comm. Services	33.14%	16.92%	8.41%	17.79%	1.83%
Utilities	19.00%	17.24%	14.97%	6.12%	1.81%
Industrials	22.45%	19.78%	14.73%	14.07%	1.62%
Cons. Discr.	17.37%	1.62%	-2.54%	9.46%	1.17%
Financials	28.38%	17.63%	11.00%	9.91%	0.48%
Real Estate	6.65%	6.15%	4.40%	2.26%	-0.16%
Materials	1.64%	10.93%	5.73%	4.68%	-0.38%
Health Care	-10.08%	-1.43%	-7.14%	-4.43%	-2.48%
Cons. Staples	5.31%	6.52%	4.71%	-2.88%	-2.54%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of August 01, 2025..

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Exhibit 9: Performance of equities – by factors and themes

Equities: Factors and themes*	1Y	YTD	6M	3M	1M
US Large Cap Growth	26.07%	9.90%	8.32%	20.83%	4.00%
Nasdaq-100*	21.82%	10.50%	8.10%	18.64%	2.38%
Growth	21.92%	11.56%	8.74%	16.19%	2.10%
HK Tech**	57.31%	22.05%	15.44%	9.30%	2.09%
NYSE FANG+*	38.53%	15.98%	12.38%	23.18%	1.55%
Large cap	17.53%	11.36%	7.83%	12.21%	1.43%
Small cap	9.81%	9.11%	6.36%	12.52%	1.12%
Mid cap	15.99%	12.55%	8.40%	10.86%	0.95%
Value	12.52%	11.48%	6.99%	7.67%	0.54%
Quality	9.19%	6.30%	2.46%	9.46%	0.24%
Dividend yield	10.56%	10.34%	7.19%	4.42%	-0.24%
Momentum	20.27%	13.18%	8.16%	11.76%	-0.67%

Source: MSCI, NYSE, Hang Seng, Nasdaq, Bloomberg, and ADCB Asset Management | Notes: based on MSCI total return indices in USD terms as at August 01, 2025; *price return indices in USD terms as at close of August 01, 2025.

Exhibit 10: Performance of select country equity indices

Equities: Select countries*	1Y	YTD	6M	3M	1M
UAE	48.61%	32.34%	26.05%	19.27%	9.68%
Qatar	19.12%	11.77%	12.35%	10.63%	7.22%
Taiwan	25.78%	16.15%	12.44%	29.76%	5.43%
China	43.66%	22.97%	21.85%	11.68%	4.80%
Hong Kong	40.63%	26.70%	29.67%	21.31%	4.80%
South Korea	12.13%	44.82%	36.24%	31.86%	4.01%
China A	23.35%	7.37%	9.70%	10.58%	3.92%
Kuwait	25.44%	23.36%	16.77%	10.42%	2.40%
US	17.78%	8.53%	5.35%	14.38%	2.27%
Spain	44.58%	45.01%	34.27%	10.31%	1.41%
UK	17.13%	20.28%	14.32%	6.81%	0.86%
South Africa	32.61%	30.21%	23.66%	10.31%	0.68%
Canada	23.65%	15.83%	12.68%	9.77%	0.31%
Australia	10.20%	12.14%	6.71%	7.86%	0.09%
Mexico	13.30%	30.73%	26.03%	6.57%	-0.10%
France	13.80%	19.07%	10.19%	4.40%	-1.17%
Saudi Arabia	-4.60%	-4.65%	-7.02%	-4.21%	-1.19%
Japan	10.04%	10.17%	8.47%	4.34%	-1.40%
Germany	36.06%	31.92%	20.64%	6.19%	-1.81%
Switzerland	9.05%	16.84%	8.03%	0.13%	-2.48%
India	-7.48%	0.59%	4.30%	-1.11%	-5.10%
Netherlands	2.73%	13.30%	7.65%	6.25%	-6.02%
Brazil	3.48%	20.35%	7.05%	0.45%	-6.87%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of August 01, 2025.

Digital Assets

Exhibit 11: Performance of digital assets

Digital assets*	1Y	YTD	6M	3M	1M
Bitcoin (USD)	12.45%	11.60%	12.55%	108.10%	49.16%
Ether (USD)	404.25%	45.64%	0.48%	38.78%	32.93%
Solana (USD)	-5.59%	-8.97%	-23.79%	19.31%	11.99%
XRP (USD)	72.92%	24.30%	14.08%	23.17%	8.26%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of August 01, 2025.

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