Jabal Money Market Fund

JABAL ASSET MANAGEMENT

NAV/Unit: 1.068317

Fund Size: RO 81.99 mn

Investment Objective: The Fund aims to preserve capital, maintain liquidity and maximize returns by investing in high-quality, short-term money market instruments principally in GCC markets in GCC local currency and USD.

Fund Details

Asset Classes	Money Market
Fund Manager	Jabal Asset Management LLC
Country of Domicile	Sultanate of Oman
Date of Inception	January 21, 2025
NAV Frequency	Daily
Management Fee	0.5% per annum
Minimum Subscription	1,000 units at NAV multiples of 100
Expected Return**	4.5%

Commentary

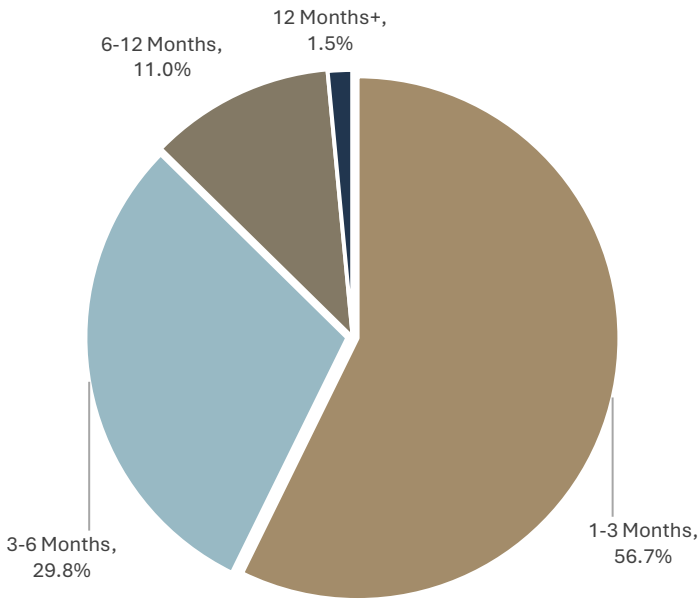
- **Economic and rate update:** US growth and domestic inflation profiles cooled in August—underpinned by below-consensus US core CPI (easing to 2.5%) and weak retail sales (decline of 0.6% m/m). Despite this, monetary policy rhetoric remained hawkish. Fed Chair Kevin Warsh said that underlying inflation has not "meaningfully improved" and that the Fed still has "work to do" if inflation does not retreat to its firm 2% target. This lifted market expectations of a September rate hike above 50%.

- **Yield update:** A combination of hawkish central bank policy in the US and Europe and inflationary pressure in Japan exerted pressure on the Japanese yen, which drifted back toward its weakest levels in nearly 40 years. To halt the currency's slide under mounting domestic inflationary pressure and central bank reluctance to hike rates, Japanese financial authorities engaged in a massive ¥15.4 trillion ($96 billion) FX intervention. On July 31, the US Treasury joined Japan in a rare, joint foreign exchange intervention—the first since 1998—with the New York Fed actively providing a swap facility to purchase yen. Behind this extraordinary coordination lay a deeper systemic threat to the US debt market. To fund unilateral currency defenses, Japan—the largest foreign holder of US debt —could be forced to liquidate significant Treasury holdings, threatening to drive US borrowing costs higher. Despite these swap arrangements, long-end US yields surged to multi-decade highs (with the 30-year yield > 5.3%), forcing Treasury Secretary Scott Bessent's hand. Bessent announced a surprise, mid-cycle quadrupling of long-bond buybacks. While this aggressive buyback plan temporarily stabilized the long end, front-end yields remained anchored at elevated levels due to the Fed's hawkish stance, leading to a net flattening of the yield curve across the month.

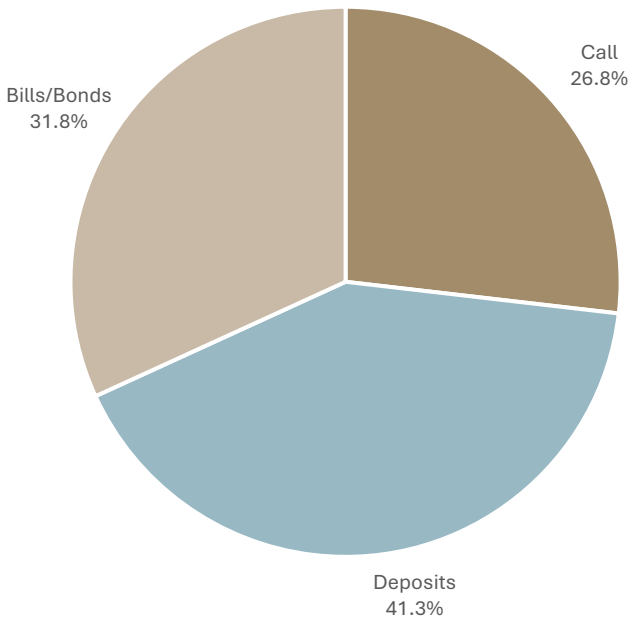
- **Strategy & Performance:** The fund benefited from a lower share of the fund in overnight liquidity (until the final days of the month, when a number of large subscriptions were recorded), generating an annualized return of 5.07% and outperforming the benchmark by 1.37%. The fund ended the month with the share of overnight instruments at 26.8%. We continue to weight toward ultra-short tenors of under 3 months, as we feel we are not yet at the moment to lock in longer terms yields.

Portfolio Allocation

Maturity Profile



Portfolio Composition



Jabal Money Market Fund	1-Month	3-Month	6-Month	9-Month	YoY	Inception
Annualized Performance	**5.07%**	**4.48%**	**3.65%**	**4.15%**	**4.53%**	**4.20%**

**Please note these are mere expectations, real returns may vary basis market conditions

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