

# Julius Bär

## ONE-PAGER FOR DONORS 28.02.2019

### Market comment

The impressive rebound in equities since the Christmas lows has erased the losses registered in the fourth quarter of 2018 and technical factors suggest that last quarter's setback was a bull market correction.

Further, hopes for an end to the US-Sino trade conflict have increased, but only an announcement of a trade deal should provide further impetus for equity markets. As global monetary conditions remain accommodative for longer, the search for yield continues. For the time being, we keep the asset allocation unchanged.

In the portfolio we started the month with a neutral equity position, the same is true for bonds. However, we kept the rather short duration for now; this might change whenever we have more clarity on the US interest environment. On the equity side, we continue to search for less cyclical stocks. Furthermore, the portfolio manager decided to hedge half of the EUR exposure, considering our short-term negative outlook on the EUR currency.

Lately there was positive news from the political side. US President Donald Trump announced that he would postpone the 1 March deadline for a US tariff increase on imports from China. As echoed by Chinese media, he cited that substantial progress in recent trade talks was made. Given the rather positive news flows of recent weeks, markets have already partially discounted an agreement. Although this helps to underpin positive investor sentiment, only the announcement of a deal that ends the trade conflict has the potential to stimulate markets further.

In summary, the cocktail of financial repression, technological disruption and the impossibility for valuations to return to their historical average requires a diversified portfolio construction, and a highly structured approach to asset allocation, paradoxically stable most of the time.

### Portfolio summary

	Month - Feb 19	2019
Initial*	90'075'907.05	86'036'201.99
Deposits	0.00	0.00
Withdrawals	0.00	0.00
Result (performance)	2'670'990.13	6'710'695.19
<b>Final</b>	<b>92'746'897.18</b>	<b>92'746'897.18</b>

\*31.12.2018 for "2019"; 31.01.2019 for "Month"

### Allocation per asset class and performance in USD

Asset class	Market value	%	MTD	YTD
Cash and short-term investments	4'144'380.48	4.47%	-0.84%	-0.68%
Bonds and similar positions	31'009'606.96	33.43%	0.22%	0.74%
Equities and similar positions	57'592'909.74	62.10%	4.94%	13.76%
<b>Total</b>	<b>92'746'897.18</b>	<b>100.00%</b>	<b>2.97%</b>	<b>7.80%</b>

The sole legally binding version is the official report.

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## Benchmark

Asset class	MTD	YTD
Cash and short-term investments	0.23%	0.47%
Bonds and similar positions	0.22%	2.58%
Equities and similar positions	3.29%	10.73%
<b>Benchmark Composition</b>	<b>2.14%</b>	<b>9.22%</b>

## U.S.A. Consumer Price Index (CPI)

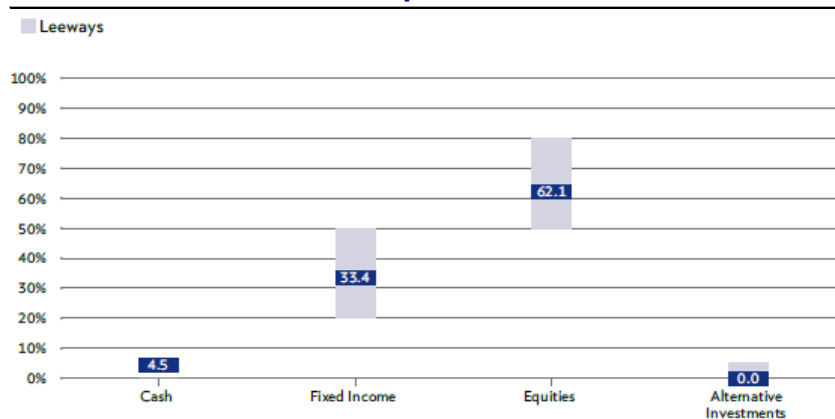
1-month % change (Feb. 19)	0.2%
12-month % change (Feb. 19)	1.5%

## Performance

Month (Feb 19)		Year (2019)	
Nominal	Real	Nominal	Real
2.97%	2.77%	7.80%	7.60%

CPI feb/19: 0.2%

## Allocation per asset class



## Net return YTD - Benchmark and portfolio

