

Julius Bär

ONE-PAGER FOR DONORS 31.10.2019

Market comment

In October, the Federal Reserve Board announced to buy USD 60bn of Treasury Bills and -Bonds per month for at least the next six months. With this lengthening of its balance sheet, the Fed addressed the tightness on the US money market in a pragmatic and efficient manner. It is reassuring to know that the world's most important central bank has returned to its proven, pragmatic conduct of monetary policy. The US earnings season gathered momentum. Once again, the US companies managed to lower the expectations to a level that is easy to beat. Equity markets overall continued their upward trend and the main global government bond yields continued to creep higher.

In this context, we reshuffled some of our equity positions by taking partial profits in Ansys Inc and ServiceMaster Global. Additionally we sold the position in Qiagen, which reported disappointing Q3 results, and bought Adidas, one of the leading sporting goods manufacturers. The company shows strong supply chain and sustainable sourcing practices. We slightly reduced the fixed income exposure and purchased a new position in the Responsibility Microfinance Leaders Fund in the alternative asset class.

On the back of rising optimism for a Sino-US trade deal, major equity market indices such as the S&P 500, the Nasdaq 100 and the SMI reached new all-time highs. European equity market indices also trade at a 52-week high. Given that market technical factors have remained positive and in view of a still rather cautious stance of investors, which is evident in portfolio flows, we remain constructive for equities.

Portfolio summary

	Month - October 19	2019
Initial*	98'806'646.98	86'036'201.99
Deposits	0.00	0.00
Withdrawals	0.00	0.00
Result (performance)	1'405'451.66	14'175'896.65
Final	100'212'098.64	100'212'098.64

*31.12.2018 for "2019"; 30.09.2019 for "Month"

Allocation per asset class and performance in USD

Asset class	Allocation per asset class and performance in USD				Benchmark	
	Market value	%	MTD	YTD	MTD	YTD
Cash and short-term investments	577'688.71	0.58%	-13.18%	-2.00%	0.20%	2.17%
Bonds and similar positions	32'082'695.76	32.01%	0.50%	6.28%	0.24%	19.47%
Equities and similar positions	63'549'914.70	63.42%	2.06%	24.99%	2.69%	22.09%
Alternative Investments	4'001'799.47	3.99%	0.31%	1.79%	0.29%	3.02%
Total	100'212'098.64	100%	1.42%	16.74%	1.71%	19.95%

The sole legally binding version is the official report.

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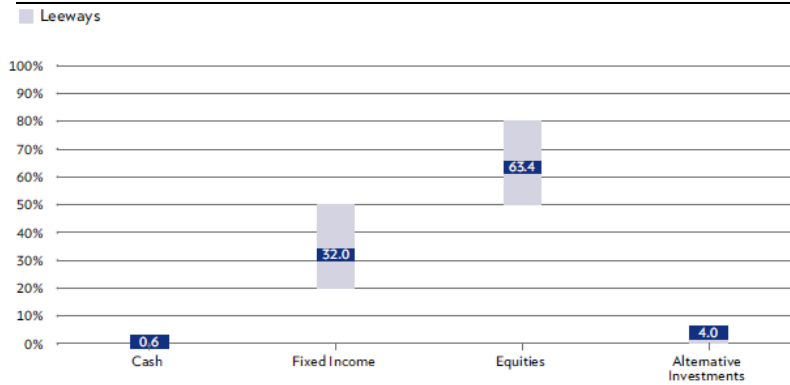
U.S.A. Consumer Price Index (CPI)

1-month % change (October 19)	0.4%
2019 % change (October 19)	1.8%

Performance

Month (October 19)		Year (2019)	
Nominal	Real	Nominal	Real
1.42%	1.02%	16.74%	14.94%

Allocation per asset class



Net return YTD - Benchmark and portfolio

