

Julius Bär

ONE-PAGER FOR DONORS

31.01.2021

Market comment

Investor sentiment started the New Year on a positive note before valuation concerns and vaccine shortages dragged major equity indices down into the red. Further, end of January, global equities corrected across industries on concerns that recent actions by retail traders might cause market havoc.

Hordes of Reddit-inspired retail traders, using free-of-charge online platforms, stormed into equities that were widely sold short by institutional investors. As a result, some long/short equity hedge fund managers, who often leverage their bets, suffered major losses, affecting the general market. We do not share the notion that this is the end of the current bull market in equities. After the recent up-trend, equity markets have become vulnerable to a correction as flows and positioning have become too optimistic for our taste in the short term.

Most companies that we hold in the portfolio reported earnings above expectations, in particular technology names like ASML and Microsoft but also companies in other sectors. As markets were rather volatile during the month of January, mainly due to profit-taking after the extended post-election rally end of last year, we decided not to react and hence, did not do any transactions in the portfolio.

So far, about half of all S&P 500 companies have reported their results for the fourth quarter of 2020. The average earnings were 14% above consensus estimates, with financial, information technology, and materials companies being the main drivers. Fundamentally, equity markets remain underpinned by the ample liquidity provided by major central banks, the positive earnings reporting season, and the hope that the economy will recover thanks to vaccinations and fiscal stimulus. Due to the pandemic, companies invested considerably less in 2020 than they did a year ago. Overall, we see major catch-up potential in corporate investments, which is fundamentally bullish for the economy.

Portfolio summary

	Month - January 21	2021
Initial*	117'447'258.83	117'447'258.83
Deposits	0.00	0.00
Withdrawals	0.00	0.00
Result (performance)	-836'398.41	-836'398.41
Final	116'610'860.42	116'610'860.42

*31.12.2020 for "2020"; 31.12.2020 for "Month"

The sole legally binding version is the official report.

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Allocation per asset class and performance in USD

Allocation per asset class and performance in USD					Benchmark	
Asset class	Market value	%	MTD	YTD	MTD	YTD
Cash and short-term investments	10'229'796.33	8.77%	0.41%	0.41%	0.02%	0.02%
Bonds and similar positions	31'748'320.83	27.23%	-0.08%	-0.08%	-0.96%	-0.96%
Equities and similar positions	72'622'206.01	62.28%	-1.17%	-1.17%	-0.45%	-0.45%
Alternative Investments	2'010'537.25	1.72%	0.24%	0.24%	0.10%	0.10%
Total	116'610'860.42	100%	-0.71%	-0.71%	-0.58%	-0.58%

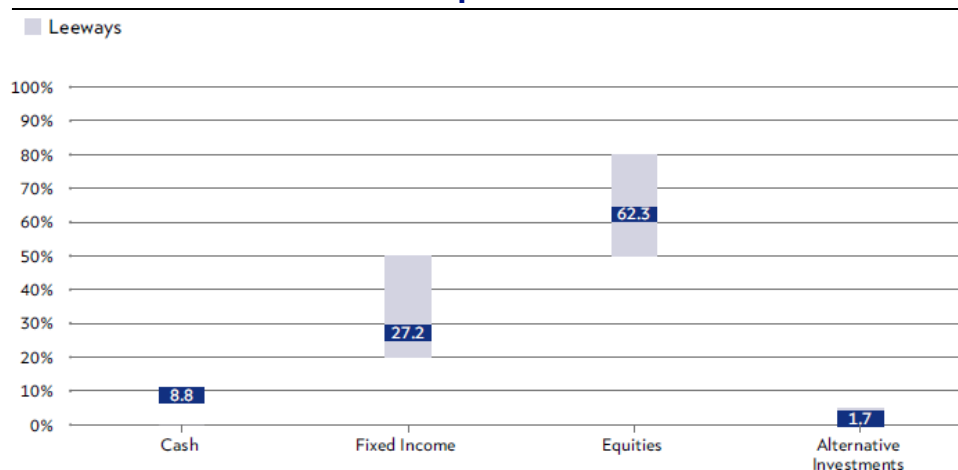
U.S.A. Consumer Price Index (CPI)

1-month % change (January 21)	0.26%
2021 % change (January 21)	0.26%

Performance

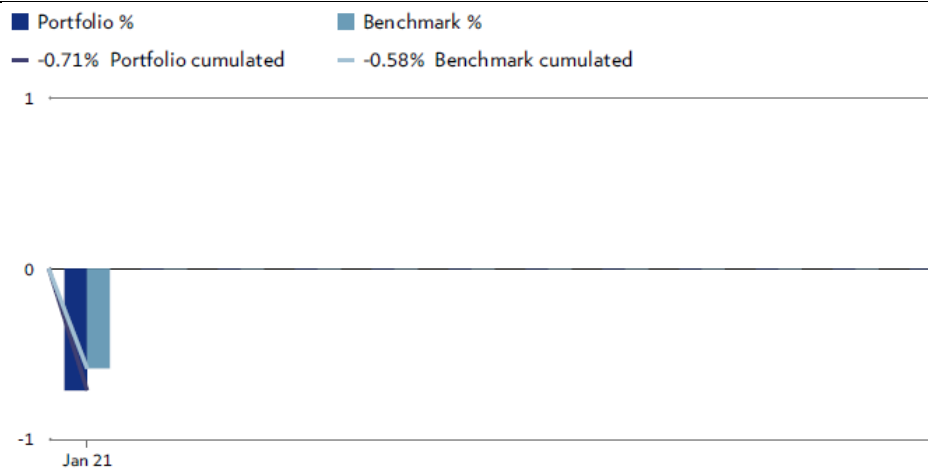
Month (January 21)		Year (2021)	
Nominal	Real	Nominal	Real
-0.71%	-0.97%	-0.71%	-0.97%

Allocation per asset class

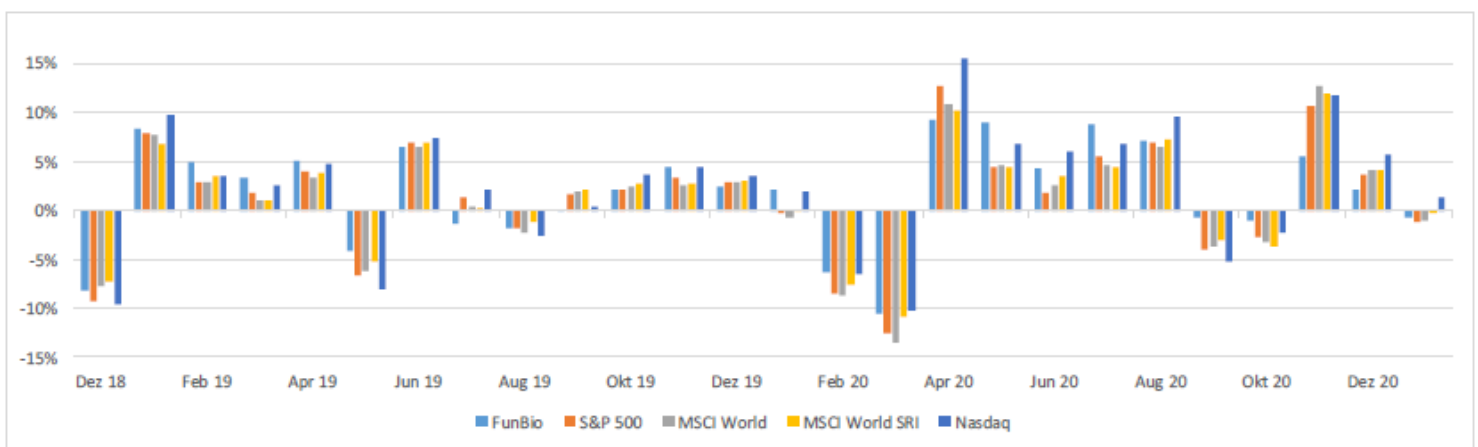
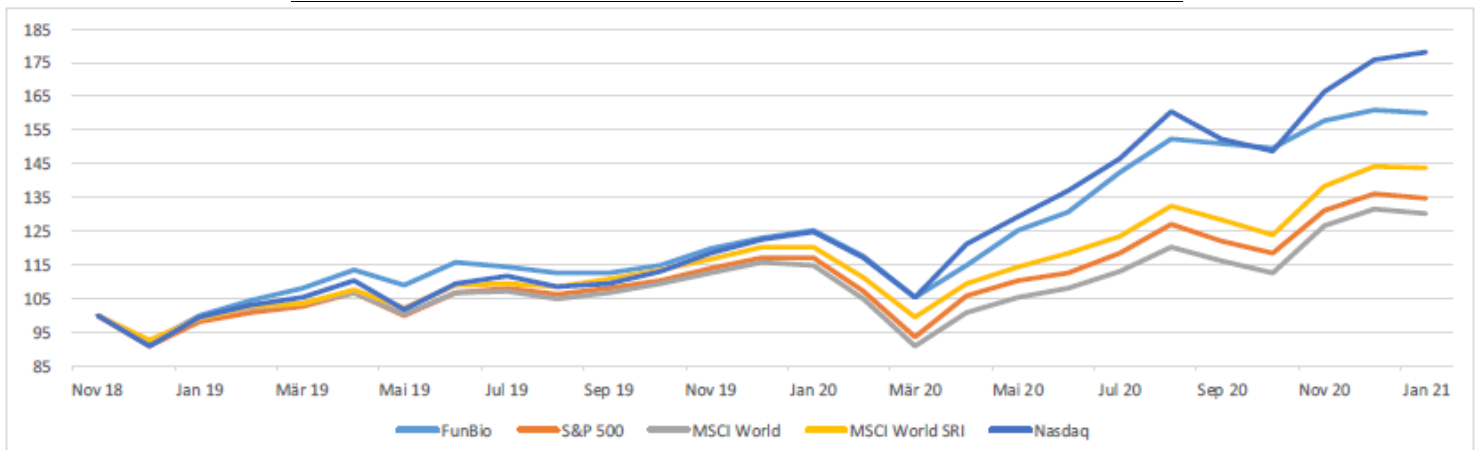


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Monthly gross performance YTD - Benchmark and portfolio



Development of equity - comparison with equity indices



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Date	FunBio	S&P 500	MSCI World	MSCI World SRI	Nasdaq
Dez 18	-8.15%	-9.18%	-7.71%	-7.28%	-9.48%
Jan 19	8.41%	7.87%	7.68%	6.86%	9.74%
Feb 19	4.94%	2.97%	2.83%	3.46%	3.44%
Mär 19	3.35%	1.79%	1.05%	1.09%	2.61%
Apr 19	5.08%	3.93%	3.37%	3.82%	4.74%
Mai 19	-4.10%	-6.58%	-6.08%	-5.24%	-7.93%
Jun 19	6.42%	6.89%	6.46%	6.99%	7.42%
Jul 19	-1.23%	1.31%	0.42%	0.28%	2.11%
Aug 19	-1.79%	-1.81%	-2.24%	-1.08%	-2.60%
Sep 19	0.13%	1.72%	1.94%	2.16%	0.46%
Okt 19	2.06%	2.04%	2.45%	2.77%	3.66%
Nov 19	4.41%	3.40%	2.63%	2.79%	4.50%
Dez 19	2.46%	2.86%	2.89%	3.04%	3.54%
Jan 20	2.06%	-0.16%	-0.68%	0.02%	1.99%
Feb 20	-6.23%	-8.41%	-8.59%	-7.46%	-6.38%
Mär 20	-10.48%	-12.51%	-13.47%	-10.84%	-10.12%
Apr 20	9.27%	12.68%	10.80%	10.26%	15.45%
Mai 20	9.02%	4.53%	4.63%	4.43%	6.75%
Jun 20	4.24%	1.84%	2.51%	3.47%	5.99%
Jul 20	8.85%	5.51%	4.69%	4.41%	6.82%
Aug 20	7.05%	7.01%	6.53%	7.30%	9.59%
Sep 20	-0.67%	-3.92%	-3.59%	-3.09%	-5.16%
Okt 20	-1.03%	-2.77%	-3.14%	-3.68%	-2.29%
Nov 20	5.48%	10.75%	12.66%	11.94%	11.80%
Dez 20	2.08%	3.71%	4.14%	4.15%	5.65%
Jan 21	-0.63%	-1.11%	-1.05%	-0.24%	1.42%