

Julius Bär

ONE-PAGER FOR DONORS 28.02.2021

Market comment

Declining Covid-19 infections rates and the ongoing vaccination campaigns fuelled investor optimism that the global economy will enjoy a boost after the lockdown measures are lifted. As a result, inflation expectations reached multi-month highs in both the US and Eurozone. Against this backdrop, global equity markets continued to rise early in the month, but later consolidated. Moreover, the outperformance of emerging equity markets, which ended the month little changed, versus developed equity markets came to a halt. The yields on 10-year US Treasury and German governments bonds increased significantly, with the yield curve steepening. On foreign exchange markets, the strengthening of the British pound against all major currencies stood out.

At the beginning of the month we took partial profits on ASML, Generac and Schneider Electric after a very strong performance. On the fixed income side, we reinvested the proceeds from a maturing bond into a green bond issued by the development bank KfW and a corporate bond from Intel Corp.

When the economy reopens, some of the savings that households have unwillingly accumulated will eventually be spent, triggering a short-lived services-led consumption boom. Our basic assumption is that post this upcoming boom, secular forces at work in economies and markets will resume. The rapid rise in US yields has further supported the recovery of so-called value stocks, which have experienced another strong run year-to-date and, in particular, since mid-February. At the other end of the spectrum, growth stocks have experienced rapid valuation compression. In 2020, we enjoyed good markets while economies suffered one of their worst contractions on record. 2021 is the recovery year for Main Street and Wall Street needs to adjust. This transition is volatile, as peak liquidity means peak valuation soon for both long duration and cyclical assets. We are witnessing investors exiting from safe-haven assets as markets are pricing in a full recovery post Covid-19. Hopefully, policymakers will be mindful of avoiding destabilizing policy mistakes. We think this is a transition phase, not the start of a bear market.

Portfolio summary

	Month - February 21	2021
Initial*	116'610'860.42	117'447'258.83
Deposits	0.00	0.00
Withdrawals	0.00	0.00
Result (performance)	976'496.60	140'098.19
Final	117'587'357.02	117'587'357.02

*31.12.2020 for "2021"; 31.01.2021 for "Month"

The sole legally binding version is the official report.

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Allocation per asset class and performance in USD

Asset class	Market value	%	Allocation per asset class and performance in USD		Benchmark	
			MTD	YTD	MTD	YTD
Cash and short-term investments	11'136'798.39	9.47%	0.11%	0.53%	0.01%	0.03%
Bonds and similar positions	32'396'869.83	27.55%	-1.31%	-1.39%	-1.72%	-2.67%
Equities and similar positions	72'041'450.02	61.27%	1.89%	0.70%	1.21%	0.75%
Alternative Investments	2'012'238.78	1.71%	0.08%	0.32%	0.09%	0.19%
Total	117'587'357.02	100%	0.84%	0.12%	0.16%	-0.42%

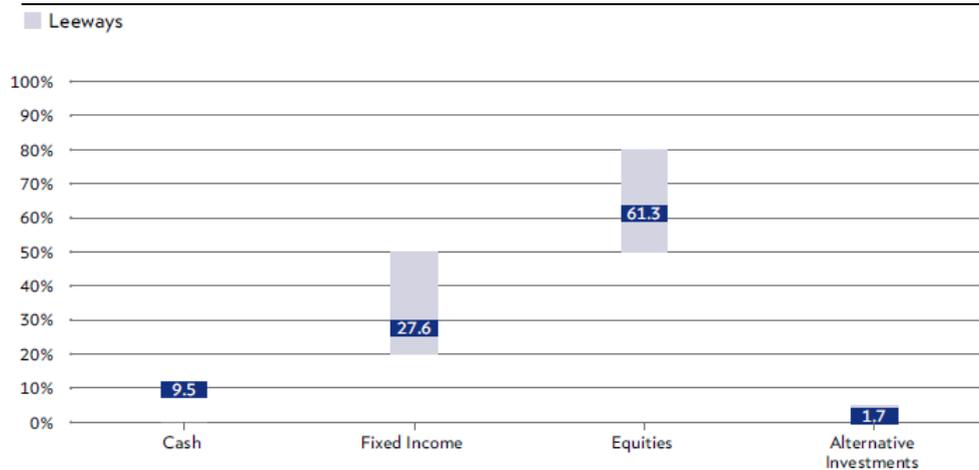
U.S.A. Consumer Price Index (CPI)

1-month % change (February 21)	0.35%
2021 % change (February 21)	0.61%

Performance

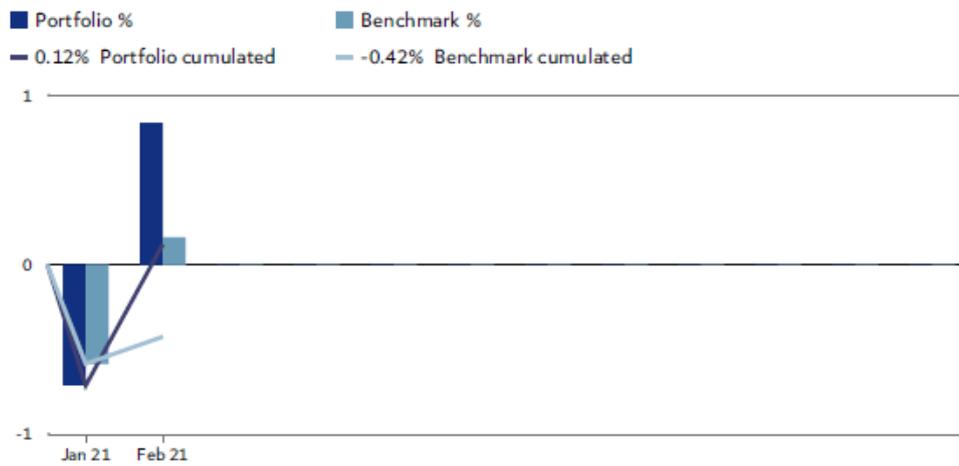
Month (February 21)		Year (2021)	
Nominal	Real	Nominal	Real
0.84%	0.49%	0.12%	-0.49%

Allocation per asset class

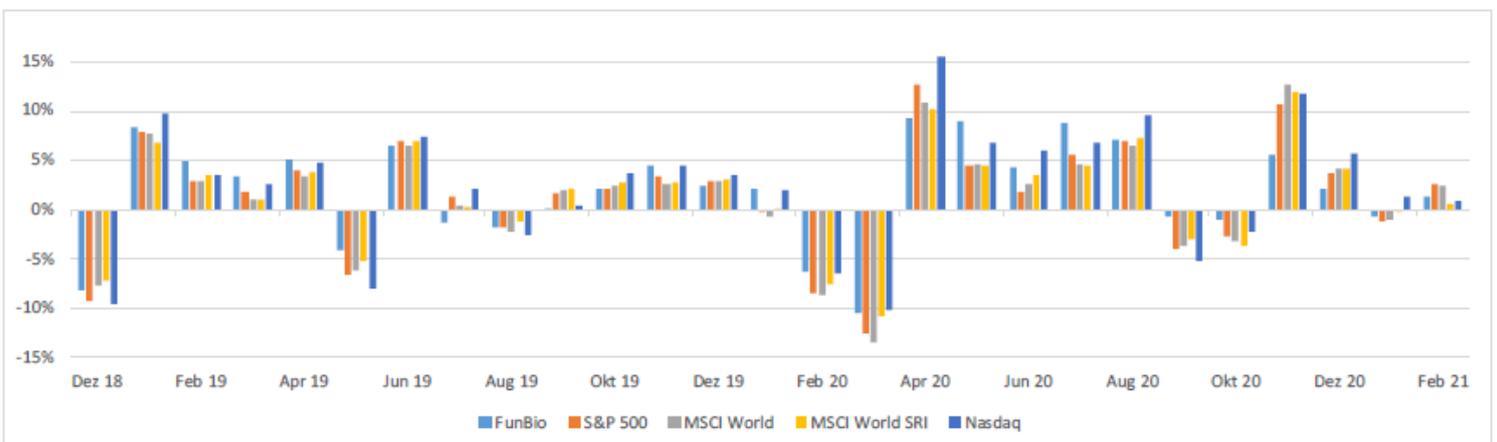
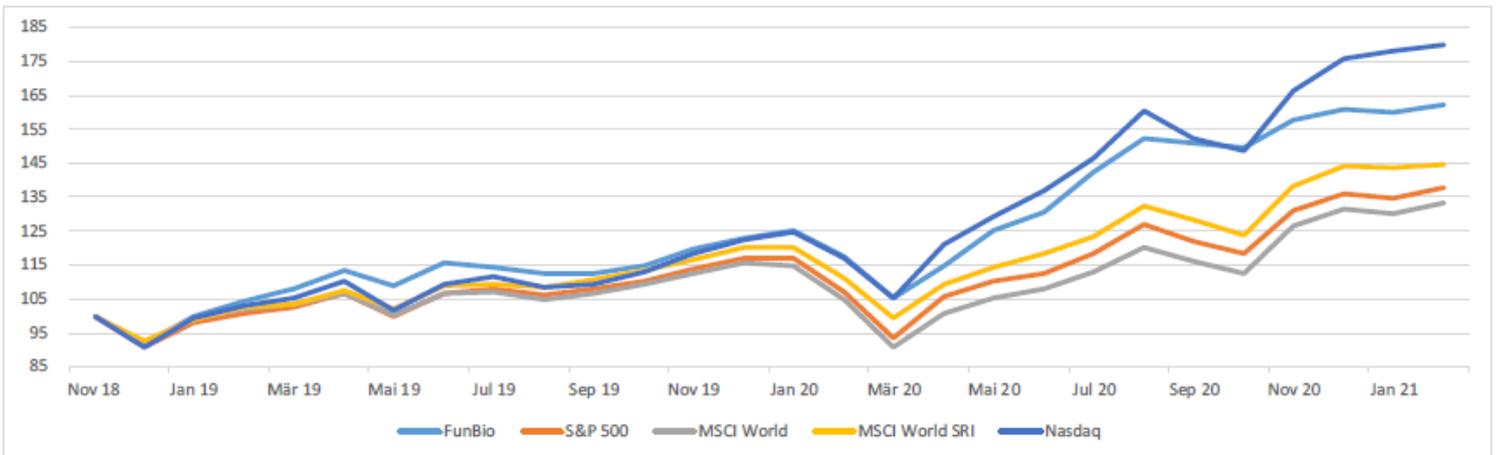


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Monthly gross performance YTD - Benchmark and portfolio



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%
Feb 21	1.31%	2.61%	2.45%	0.51%	0.93%