

# Julius Bär

## ONE-PAGER FOR DONORS

31.03.2021

### Market comment

The beginning of 2021 will be remembered for the inauguration of the Biden administration and the immediate implementation of a stimulus package totaling USD 1.9 trillion. Combined with the Trump administration's fiscal packages since the beginning of the pandemic, America has injected the equivalent of 25% of its gross domestic product in response to the Covid-19 recession. This massive fiscal activism has triggered a repricing of interest-rate expectations in the US. Ten-year US Treasury bond yields have risen from 0.9% to 1.75% since the beginning of this year. Against this background, all instruments in the bond universe have posted negative returns, especially US Treasuries and investment-grade corporate bonds denominated in US dollars. Meanwhile, in the world of equities, we have seen a rotation from the winners to the losers of the pandemic. In the absence of tightening liquidity, this style rotation from growth to value stocks is the friendliest on record. In fact, quality and growth stocks have consolidated or given back their recent gains, while cyclical and depressed stocks have made a spectacular catch-up. The most important point is that risk assets have confirmed a major breakout in their relative performance versus defensive assets after a three-year consolidation.

Toward end of March we slightly reduced the equity quota in the mandate and invested in short-term bonds, this after the rise of interest rates in the US came to an (ad interim) peak. We sold the position in Roper Technologies after weak Q4 results. Further we realized some gains in Deckers Outdoor Corp and rebalanced the position in the mandate. With Trex Company Inc we added a really sustainable US small-/mid-cap company that is one of the world's largest non-wood decking manufacturer using uniquely waste wood fibers and reclaimed plastic for its products.

Equity markets should continue to be well supported by favorable earnings momentum in the coming months. The most accurate indicator of earnings momentum is the global manufacturing new order component, which will rise to record levels in the third quarter, supporting equities in general but the more cyclical sectors in particular. Admittedly, many cyclical stocks are already discounting some further pickup in global growth dynamics, suggesting that a more selective approach to economically sensitive stocks is warranted at this stage. We continue to argue that small caps remain an attractive segment to benefit from the rotation into economically sensitive stocks due to their attractive risk-reward profile. However, a correction at that point is increasingly likely, as growth indicators will come down from record-high levels, in line with our boom-and-bust cycle scenario. Against this backdrop, we remain constructive on global equities.

### Portfolio summary

	Month - March 21	2021
Initial*	117'587'357.02	117'447'258.83
Deposits	0.00	0.00
Withdrawals	0.00	0.00
Result (performance)	1'385'534.88	1'525'633.07
<b>Final</b>	<b>118'972'891.90</b>	<b>118'972'891.90</b>

\*31.12.2020 for "2021"; 28.02.2021 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	Allocation per asset class and performance in USD				Benchmark	
	Market value	%	MTD	YTD	MTD	YTD
Cash and short-term investments	9'006'883.00	7.57%	0.93%	1.46%	0.00%	0.03%
Bonds and similar positions	36'333'122.16	30.54%	-0.39%	-1.78%	-1.21%	-3.84%
Equities and similar positions	71'616'846.87	60.20%	2.14%	2.86%	3.79%	4.56%
Alternative Investments	2'016'039.87	1.69%	0.19%	0.51%	0.09%	0.28%
<b>Total</b>	<b>118'972'891.90</b>	<b>100%</b>	<b>1.26%</b>	<b>1.38%</b>	<b>1.88%</b>	<b>1.45%</b>

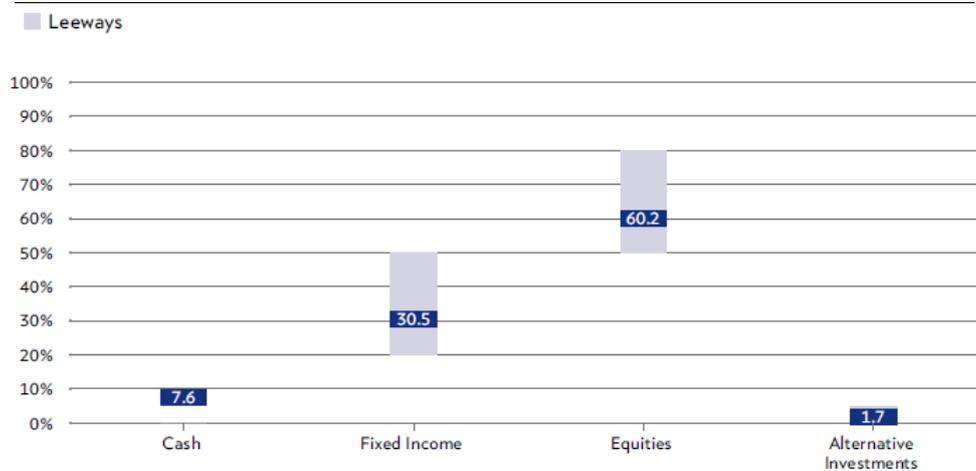
## U.S.A. Consumer Price Index (CPI)

1-month % change (March 21)	0.62%
2021 % change (March 21)	1.24%

## Performance

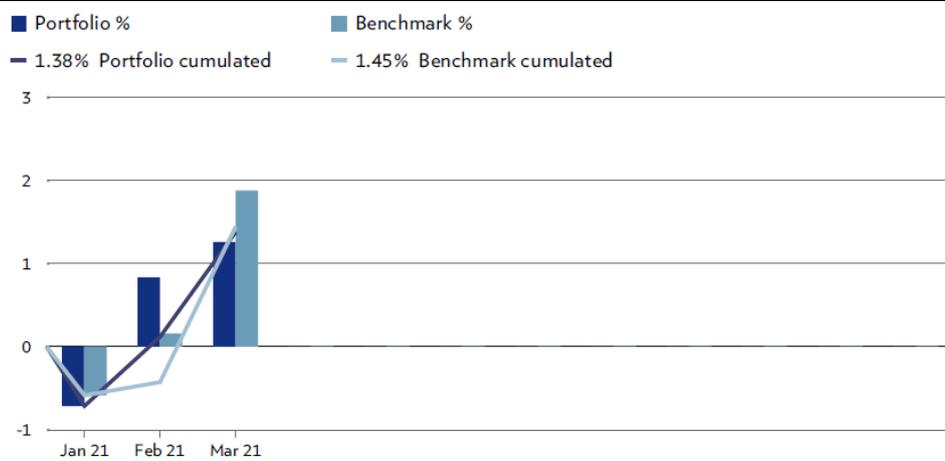
Month (March 21)		Year (2021)	
Nominal	Real	Nominal	Real
1.26%	0.64%	1.38%	0.14%

## Allocation per asset class

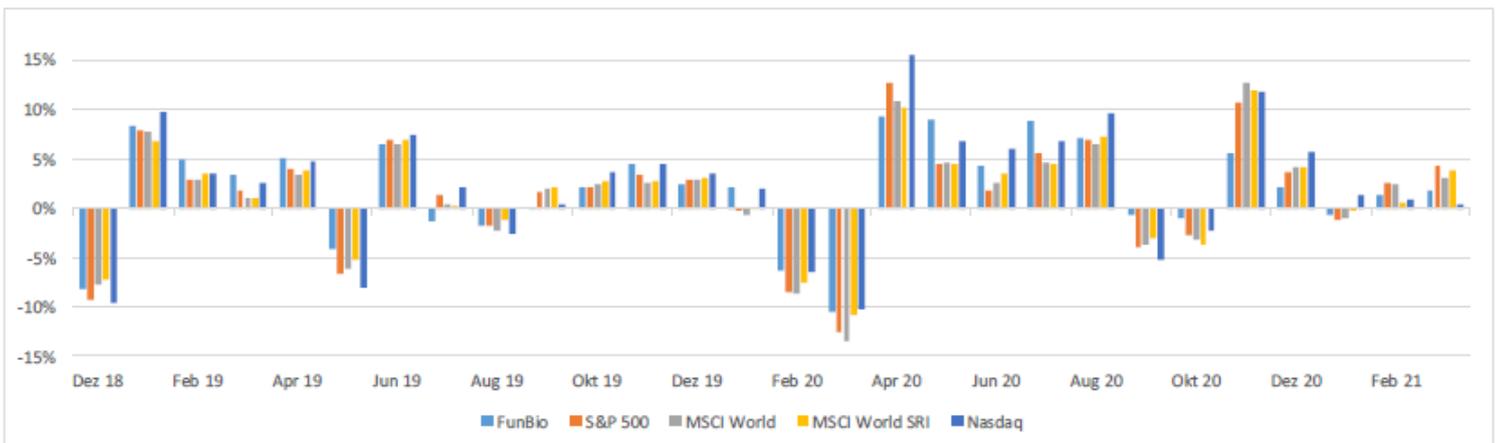
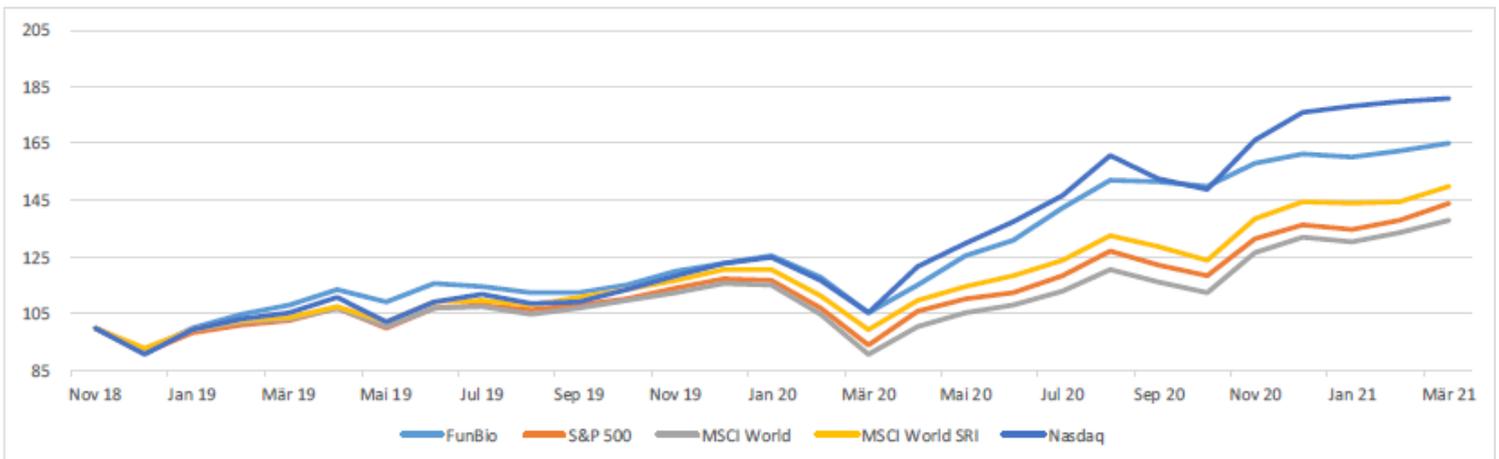


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## Monthly gross performance YTD - Benchmark and portfolio



## 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%
Mär 21	1.76%	4.24%	3.11%	3.78%	0.41%