

# Julius Bär

**ONE-PAGER FOR DONORS**  
**31.03.2022**

## **Market comment**

The Russian invasion of Ukraine is a massive external shock to financial markets, but more importantly to the real economy. The war in Ukraine and the Western response to Russia are now definitely plunging us into a new regime of supply-constrained economies where the state is omnipresent and hyper-interventionist. The European Union (EU) appears to be the big loser in this historic turning point. It has adopted policies that have made it dependent on the United States for its defense, on Russia for its energy supply, and on China for low-value-added manufactured goods. From now on, EU countries will have to invest in energy independence, via renewables, and in their own defense, in particular. Europe is going to have to use fiscal levers and public spending to get out of its double impasse. As a result, supplies in many areas within the democratic countries of the West will be constrained by the need to invest more and faster in the energy transition, defense, and essential goods, such as agricultural products.

At the end of the quarter, the sentiment on financial markets improved due to hopes of an imminent end to the war in Ukraine. In addition, global stock markets recovered significantly in the wake of the US Federal Reserve's moderate interest-rate hike. Against this backdrop, we sold Orsted since the company is sensitive to rising interest rates and on top it also faces continuous headwinds from rising commodity prices and inflationary pressures. Since we did not profit from the nice performance of financials earlier this year, we finally found a real sustainable Canadian bank with Bank of Montreal which we bought after financials corrected downwards in March. BoM provides more accessible financial products and services to small businesses, women entrepreneurs, and underserved communities and has a very experienced stewardship team, providing services also for external institutions. As we have kept the duration of the bond investments quite short, the raise of US yields did only affect the bond investments of the mandate marginally. However, on the equity side in general sustainable investment and so in the mandate could only partially profit from the nice raise as the top performance contributors came from the energy sector, up over 7% in March and 30% year-to-date.

Russia's decision to attack Ukraine on 24 February 2022 has brought us into a new era, with a radically different investment regime than the one that has characterized the last three decades. During that time, the West benefited from peace and was able to delegate capital-intensive activities that had low added value or were harmful to the environment to other countries. Now, the US and Europe have

*The sole legally binding version is the official report.*

# Julius Bär

become aware of their dependence on countries whose regimes may prove hostile to liberalism and democracy, and they are ready to change that. Politics has gained in importance, and the reactionary function of central banks has changed. On 16 March, the US Federal Reserve raised interest rates for the first time during an external shock. Nevertheless, we believe that the recovery in yields will be gradual. There are many reasons for this, including record debt, technological progress, and the cyclical effects of changes in the prices of financial and real estate assets. This environment will be structurally favorable to equities, which will benefit from higher nominal economic growth than in the last 20 years.

## Portfolio summary

	Month - March 22	2022
Initial*	119'417'646.15	134'941'803.12
Deposits	0.00	0.00
Withdrawals	0.00	-3'000'000.00
Result (performance)	174'875.10	-13'849'281.87
<b>Final</b>	<b>119'592'521.25</b>	<b>118'092'521.25</b>

\*31.12.2021 for "2022"; 28.02.2021 for "Month"

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Allocation per asset class and performance in USD					Benchmark	
Asset class	Market value	%	MTD	YTD	MTD	YTD
Cash and short-term investments	9'249'312.94	7.83%	1.80%	3.59%	-0.05%	-0.09%
Bonds and similar positions	39'092'734.71	33.10%	-1.83%	-3.88%	-2.56%	-7.26%
Equities and similar positions	67'693'625.76	57.32%	1.36%	-15.17%	3.25%	-6.95%
Alternative Investments	2'056'847.84	1.74%	0.03%	0.23%	0.03%	0.16%
<b>Total</b>	<b>118'092'521.25</b>	<b>100%</b>	<b>0.23%</b>	<b>-10.28%</b>	<b>1.11%</b>	<b>-6.51%</b>

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

1-month % change (February 22)	0.80%
2022 % change (February 22)	1.45%

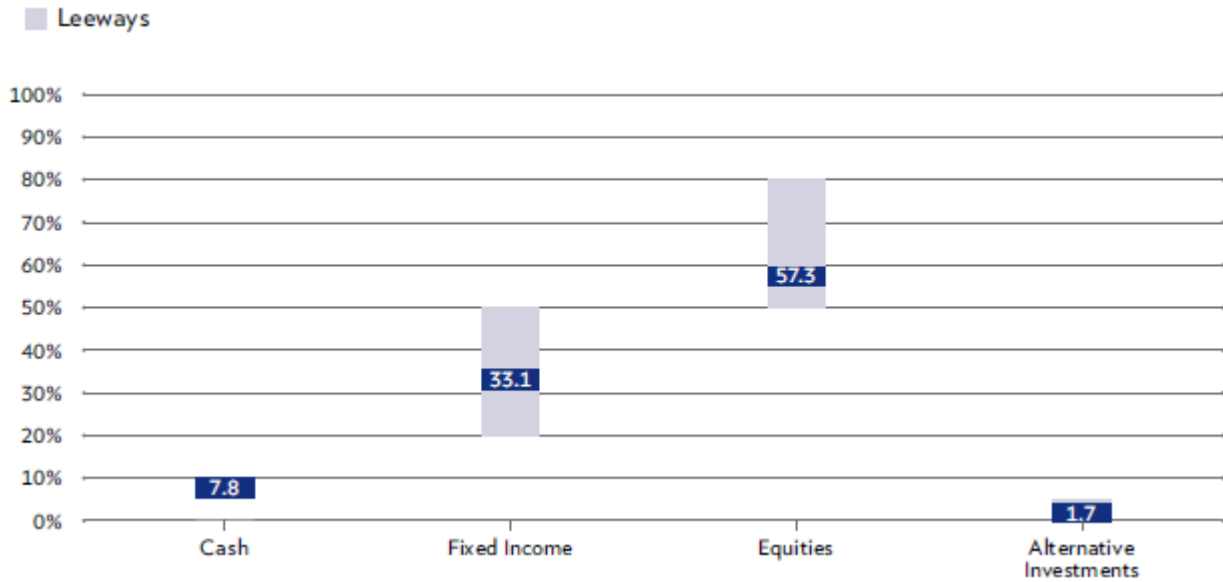
## Performance

Month (March 2022)		Year (2022)	
Nominal	Real	Nominal	Real
0.23%	-0.57%	-10.28%	-11.73%

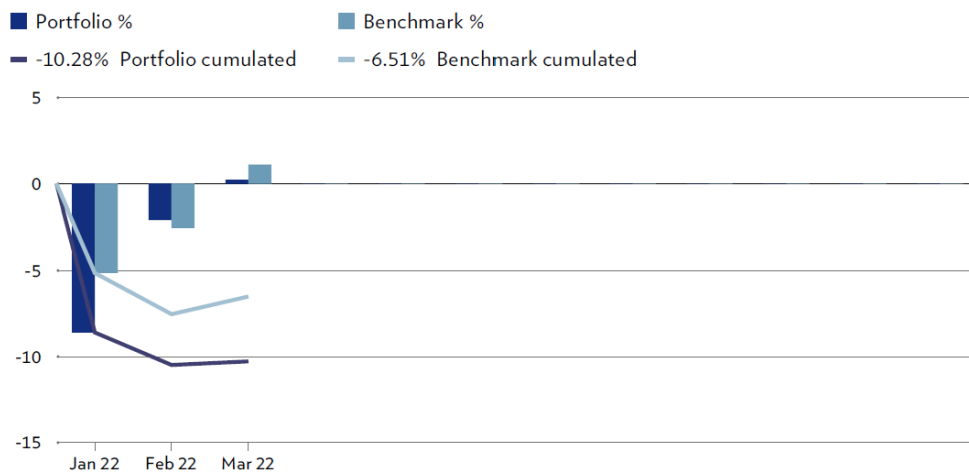
\*assuming CPI data from February 2022

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## Allocation per asset class

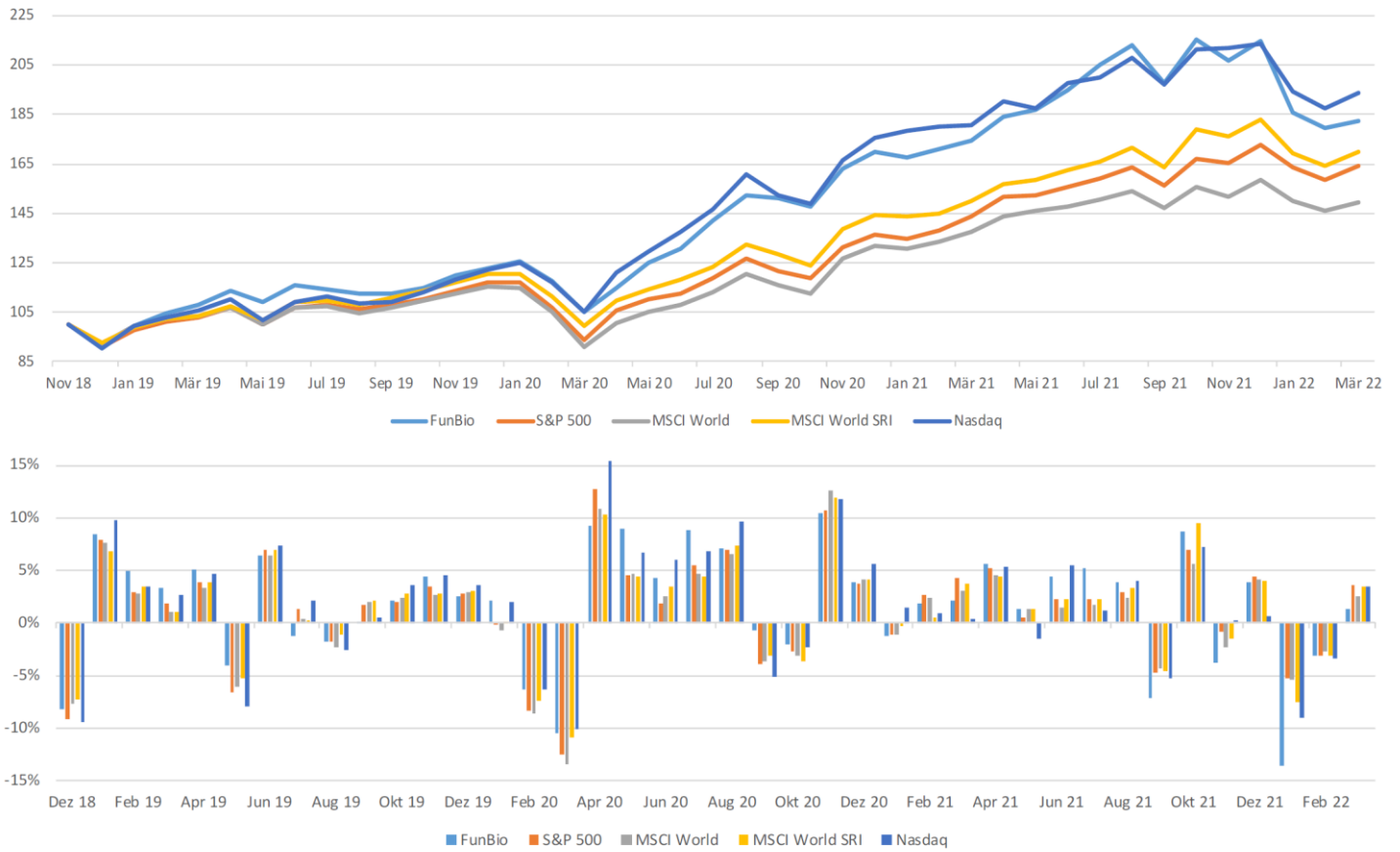


## Monthly gross performance YTD - Benchmark and portfolio



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## 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	-6.32%	-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	-2.08%	-2.77%	-3.14%	-3.68%	-2.29%
Nov 20	10.38%	10.75%	12.66%	11.94%	11.80%
Dez 20	3.91%	3.71%	4.14%	4.15%	5.65%
Jan 21	-1.17%	-1.11%	-1.05%	-0.24%	1.42%
Feb 21	1.89%	2.61%	2.45%	0.51%	0.93%
Mär 21	2.14%	4.24%	3.11%	3.78%	0.41%
Apr 21	5.61%	5.24%	4.52%	4.35%	5.40%
Mai 21	1.36%	0.55%	1.26%	1.37%	-1.53%
Jun 21	4.34%	2.22%	1.40%	2.19%	5.49%
Jul 21	5.16%	2.27%	1.72%	2.21%	1.16%
Aug 21	3.92%	2.90%	2.35%	3.36%	4.00%
Sep 21	-7.12%	-4.76%	-4.29%	-4.62%	-5.31%
Okt 21	8.73%	6.91%	5.59%	9.51%	7.27%
Nov 21	-3.80%	-0.83%	-2.30%	-1.53%	0.25%
Dez 21	3.80%	4.36%	4.19%	3.94%	0.69%
Jan 22	-13.63%	-5.26%	-5.34%	-7.56%	-8.98%
Feb 22	-3.09%	-3.14%	-2.65%	-3.05%	-3.43%
Mär 22	1.36%	3.58%	2.52%	3.42%	3.41%