

Julius Bär

ONE-PAGER FOR DONORS 31.05.2023

Market comment

Global equity markets delivered broadly flat returns over the month, although it was a tale of two markets. While value stocks lost ground over the month, growth stocks steamed ahead, strongly outperforming on the back of increased demand in the chip/semiconductor segment, supercharged Q1 earnings and forward guidance from technology companies. The mania around artificial intelligence accelerated towards month-end, with the broadening use of AI looking set to reshape the tech sector. This led to a concentration of the market gains into only a few companies. While fears persist that the US economy could yet enter a soft recession, a backdrop of strong job growth in the US emboldened the US Federal Reserve to tighten monetary policy further for the tenth time in just over a year. Contrary to fears, this did not result in a worsening of the credit crunch in the US regional banking sector. US Treasury yields climbed over the month, and the US dollar staged a surprise rebound.

Further in the US, the White House and Congress appeared to be in the final innings of a deal to suspend the statutory debt ceiling. If agreed, the US Treasury will be allowed to raise as much debt as it needs and wants until the end of next year, a time frame that encompasses two budget rounds and a presidential election.

Related to portfolio action, we further increased the duration of the portfolio on the bond side as communicated in the last meeting. Currently we are at 4 years from 3.6 years a month ago. On the equity side it was quite a busy month. Besides taking some profit to rebalance in Microsoft and Lonza we decided to sell our position in Keysight Technologies after a continued poor performance absolute and relative to its industry and allocated the proceeds to Advanced Micro Devices Inc. AMD serves customers worldwide and as a semiconductor manufacturer, the company is well positioned to capitalise on clean technology opportunities. We bought Visa, a global leader in electronic payments. Visa profits from an ongoing global movement towards a digital infrastructure, also tackling SMEs in developing countries. To finance, we sold our holdings in shares of Bank of Montreal and the healthcare equipment and service provider Agilent.

The US credit cycle remains a cause for concern and the consequences of the regional banking crisis on the availability of credit to the economy are not yet visible. While we remain positive on the markets over the next few months, we expect a bit of a pause in the short term. We see the debt ceiling battle between the White House and Congress as a symbol of the political fight against soaring debt servicing costs. Should a US recession occur, it would likely be soft, as there are no major imbalances in the private sector.

The sole legally binding version is the official report.

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Within the Sustainability Mandate we continue to support the energy transition and are well positioned to benefit from political and regulatory actions. Recently, the European Union has provisionally agreed on regulation to impose sustainable aviation fuel (SAF) adoption requirements on airlines, airports and fuel suppliers (RefuelEU regulation). Given available commercial SAF today is based on bio-feedstocks, our position in Darling Ingredients should benefit from this new regulation, as one of the company's businesses is turning waste cooking oil and meat by-products into renewable diesel.

Portfolio summary

	Month - May 23	2023
Initial*	98'533'189.39	98'072'592.73
Deposits	0.00	0.00
Withdrawals	-1'500'000.00	-6'000'000.00
Result (performance)	-543'618.21	4'416'978.45
Final	96'489'571.18	96'489'571.18

*31.12.2021 for "2023"; 30.04.2023 for "Month"

Asset class	Allocation per asset class and performance in USD				Benchmark	
	Market value	%	MTD	YTD	MTD	YTD
Cash and short-term investments	5'147'235.54	5.33%	-47.03%	-30.70%	0.38%	1.83%
Bonds and similar positions	32'986'566.59	34.19%	-0.49%	1.88%	-0.91%	2.97%
Equities and similar positions	56'206'095.49	58.25%	-1.76%	6.71%	-0.23%	11.27%
Alternative Investments	2'149'673.56	2.23%	0.47%	2.24%	0.49%	2.26%
Total	96'489'571.18	100%	-0.56%	4.59%	-0.41%	7.85%

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

1-month % change (May 23)	0.12%
2023 % change (May23)	1.44%

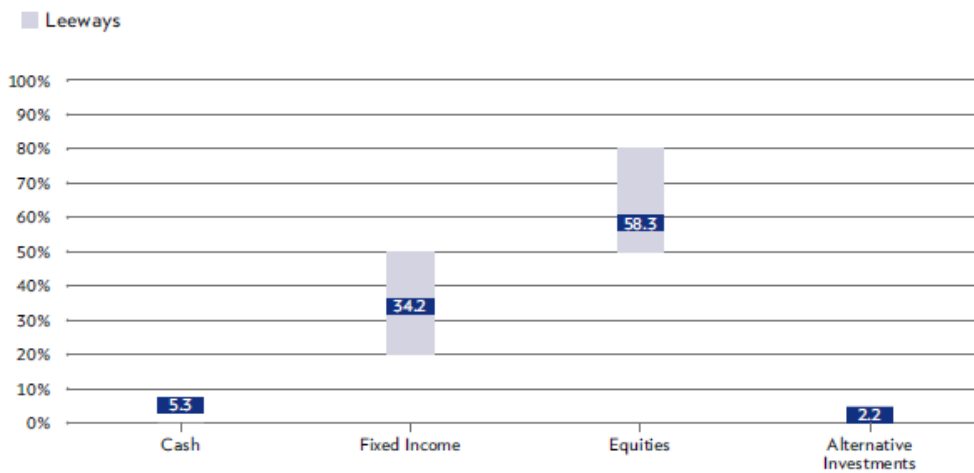
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Performance

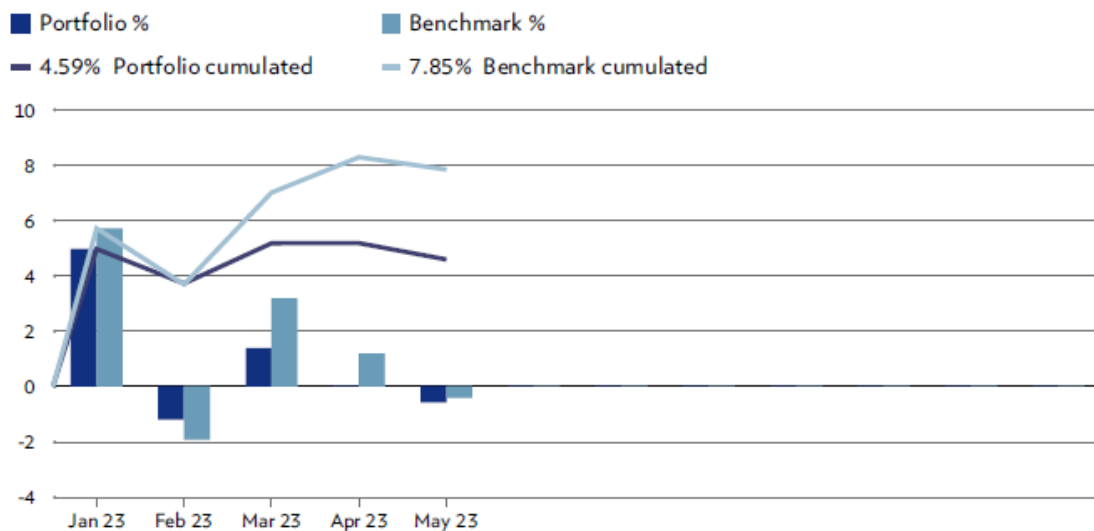
Month (May2023)		Year (2023)	
Nominal	Real	Nominal	Real
-0.56%	-0.68%	4.59%	3.15%

*assuming CPI data from May2023

Allocation per asset class

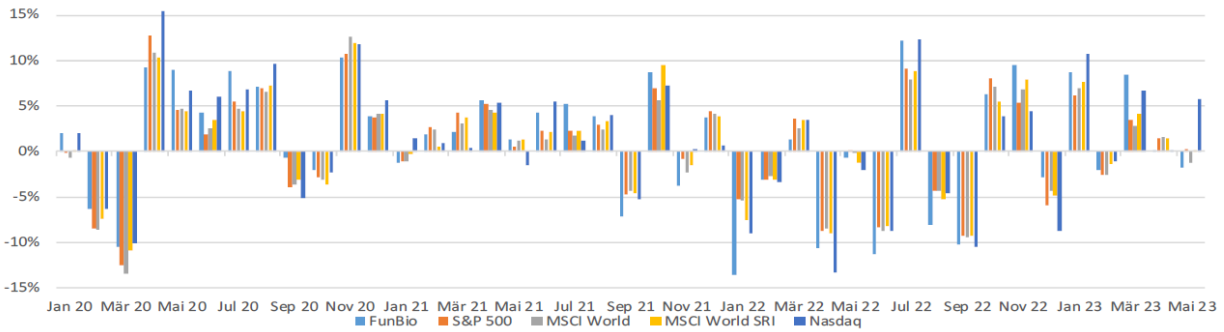
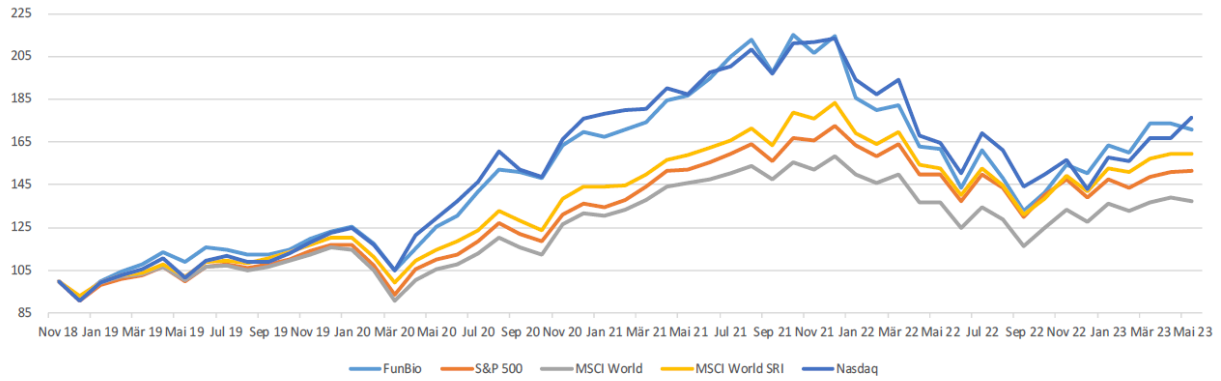


Monthly gross performance YTD - Benchmark and portfolio



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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%

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Date	FunBio	S&P 500	MSCI World	MSCI World SRI	Nasdaq
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%
Apr 22	-10.57%	-8.80%	-8.43%	-9.00%	-13.26%
Mai 22	-0.69%	0.01%	-0.16%	-1.25%	-2.05%
Jun 22	-11.34%	-8.39%	-8.77%	-8.19%	-8.71%
Jul 22	12.26%	9.11%	7.86%	8.83%	12.35%
Aug 22	-8.10%	-4.24%	-4.33%	-5.23%	-4.64%
Sep 22	-10.28%	-9.34%	-9.46%	-9.33%	-10.50%
Okt 22	6.27%	7.99%	7.11%	5.53%	3.90%
Nov 22	9.52%	5.38%	6.80%	7.84%	4.37%
Dez 22	-2.83%	-5.90%	-4.34%	-4.78%	-8.73%

Date	FunBio	S&P 500	MSCI World	MSCI World SRI	Nasdaq
Jan 23	8.72%	6.18%	7.00%	7.68%	10.68%
Feb 23	-2.07%	-2.61%	-2.53%	-1.38%	-1.11%
Mär 23	8.50%	3.51%	2.83%	4.13%	6.69%
Apr 23	0.12%	1.46%	1.59%	1.53%	0.04%
Mai 23	-1.76%	0.25%	-1.25%	0.03%	5.80%

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