

Julius Bär

ONE-PAGER FOR DONORS

30.06.2021

Market comment

Compared to the beginning of the year, investors' concerns have shifted from risks related to the reopening of the economy in a context where Covid-19 is unfortunately not fully under control, to the risks of a structural increase in inflation in the US, where the Biden administration has prepared a series of unprecedented peacetime public spending initiatives. The economic recovery is therefore proceeding faster than expected and, above all, the normalisation of corporate profits has exceeded the most optimistic expectations.

Despite multiple rotations during the period and seemingly divergent macroeconomic approaches, volatility in bonds, equities, and currencies remained very contained.

In this context, the portfolio has performed well, outperforming the benchmark by 1.09%. We were once more rebalancing the portfolio by taking profit in some well-run stocks such as IDEXX, Trane Technologies, Agilent and Generac that performed over 80% ytd. Further, we increased the position in Darling Ingredients and added Smurfit Kappa to the portfolio. Smurfit Kappa Group is the leading producer of corrugated packaging, containerboard and bag-in-box packaging in Europe. Almost all of their raw materials are sourced from their own paper mills, so the consistency of their products is always a key attribute. Because these products are made 100% renewable and are produced sustainably, they help their customers reduce their environmental footprint. The company's Better Planet Packaging Initiative seeks to proactively replace unsustainable packaging solutions with renewable, recyclable and actually recycled biodegradable paper-based packaging alternatives.

Fundamentally, we believe that inflation will come back, but we also believe that proponents of the structural inflation thesis underestimate the time and money that this will take. The debate on the appropriate fiscal policy is far from over. In our view, it has just begun. So the market seems to be siding with those who believe that the current inflationary surge is temporary and not structural, as we do. If we are wrong, however, the irony is that the answer lies in the adjustment of US fiscal policy, not in the Fed. Volatility is down sharply for equities, bonds and even major currencies. This calm is consistent with a situation of repeated fiscal and monetary support for the normalisation of economies by governments and central banks. For the time being we continue to focus on quality defensive and high-growth segments.

Portfolio summary

	Month - June 21	2021
Initial*	124'280'697.67	117'447'258.83
Deposits	0.00	0.00
Withdrawals	0.00	0.00
Result (performance)	3'215'444.65	10'048'883.49
Final	127'496'142.32	127'496'142.32

*31.12.2020 for "2021"; 31.05.2021 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	11'996'832.98	9.41%	0.93%	1.35%	0.00%	0.05%
Bonds and similar positions	36'523'721.74	28.65%	0.02%	-0.89%	1.23%	-1.51%
Equities and similar positions	76'947'581.99	60.35%	4.34%	14.87%	1.95%	12.85%
Alternative Investments	2'028'005.61	1.59%	0.18%	1.11%	0.08%	0.55%
Total	127'496'142.32	100%	2.67%	8.73%	1.58%	7.07%

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

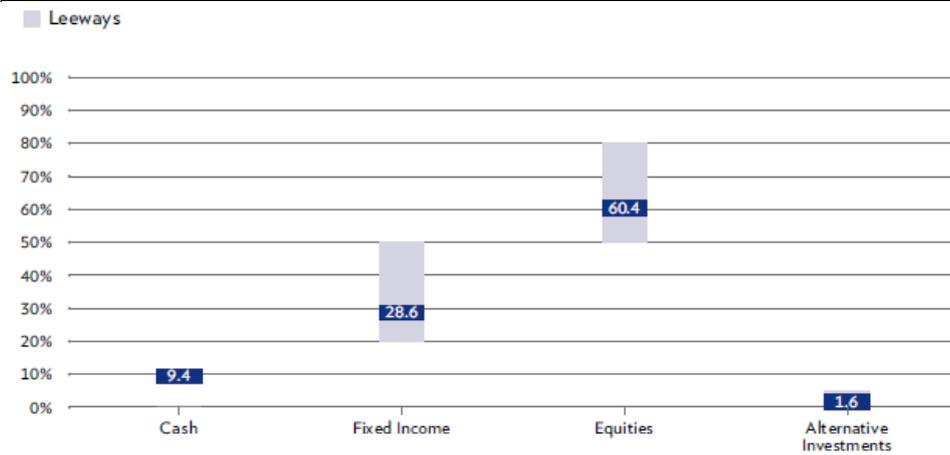
1-month % change (June 21)	0.90%
2021 % change (June 21)	3.60%

Performance

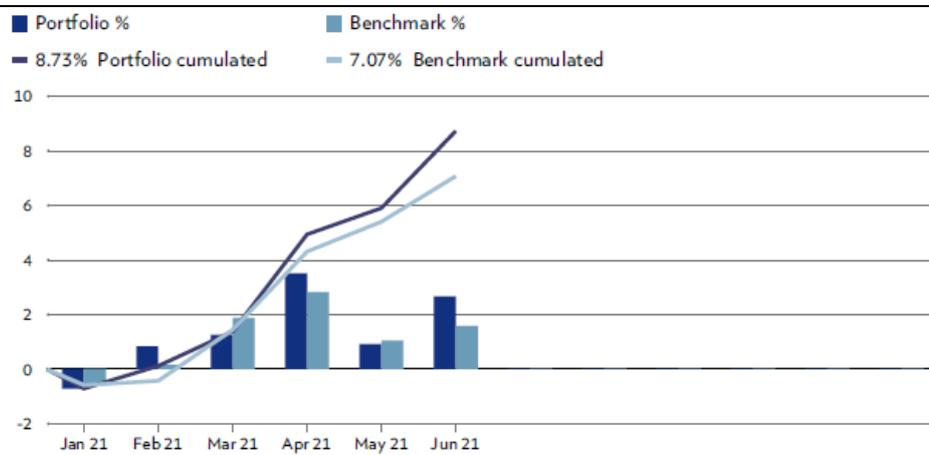
Month (June 21)		Year (2021)	
Nominal	Real	Nominal	Real
2.67%	1.77%	8.73%	5.13%

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Allocation per asset class

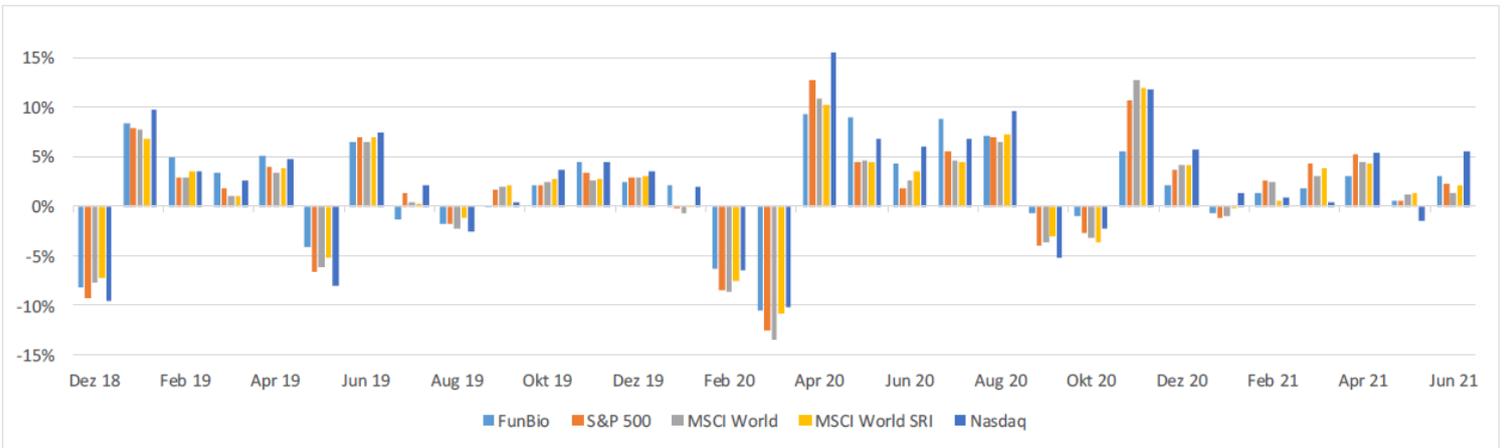
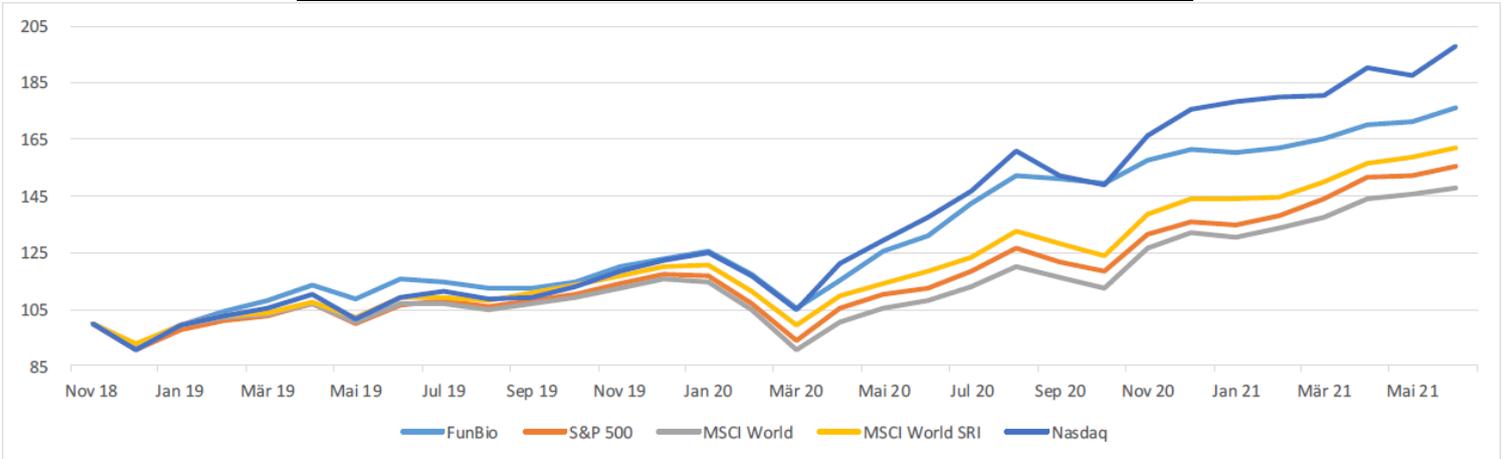


Monthly gross performance YTD - Benchmark and portfolio



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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	-6.23%	-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%
Apr 21	3.03%	5.24%	4.52%	4.35%	5.40%
Mai 21	0.60%	0.55%	1.26%	1.37%	-1.53%
Jun 21	3.03%	2.22%	1.40%	2.19%	5.49%