

# Julius Bär

## ONE-PAGER FOR DONORS

31.07.2021

### Market comment

Investors became more cautious, amid concerns that the spread of the delta variant could jeopardise the global economic recovery. Later, the concerns evaporated thanks to the overall very good corporate earnings reports for the second quarter. The beat/miss ratio has set a new record. Particularly, cyclical sectors have delivered better-than-expected outcomes. In light of the strong earnings, consensus has further revised up their earnings estimates, now expecting 86.5% of earnings growth compared to Q2 last year, up from 50% at the beginning of the earnings season. Against this backdrop, global equity markets continued their upward trend, with a number of indices reaching new all-time highs. Growth stocks again outperformed value stocks, while emerging market equities lagged significantly behind those of the industrialised countries.

In this context the portfolios has performed very well, outperforming its benchmark by 1.48%. The only transaction during the month of July was the sale of the insurance company Progressive Corporation. The reopening of the economies and people returning to work are clear near term headwinds for the company. We see this trend continuing and hence decided to sell the stock.

The Q2 earnings season likely marks the top in terms of earnings growth and we expect a deceleration going forward. Profit margins have likely peaked in Q2 and are facing increasing head-winds from higher input costs. The peak in earnings growth and economic momentum supports our view that the rotation out of value and cyclicals into defensives and growth will likely continue for the second half of this year. In light of the better-than-expected profitability, many companies have increased shareholder remuneration in the form of higher share buy-backs. We expect buy-backs to rise further over the next couple of years.

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

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## Portfolio summary

	Month - July 21	2021
Initial*	127'496'142.32	117'447'258.83
Deposits	0.00	0.00
Withdrawals	0.00	0.00
Result (performance)	4'218'121.87	14'267'005.36
<b>Final</b>	<b>131'714'264.19</b>	<b>131'714'264.19</b>

\*31.12.2020 for "2021"; 31.06.2021 for "Month"

## Allocation per asset class and performance in USD

## Benchmark

Asset class	Market value	%	MTD	YTD	MTD	YTD
Cash and short-term investments	13'941'921.59	10.58%	0.59%	1.94%	0.01%	0.06%
Bonds and similar positions	36'719'200.14	27.88%	0.54%	-0.36%	1.47%	0.05%
Equities and similar positions	79'019'910.50	59.99%	5.16%	20.80%	2.23%	15.37%
Alternative Investments	2'033'231.96	1.54%	0.26%	1.37%	0.09%	0.64%
<b>Total</b>	<b>131'714'264.19</b>	<b>100%</b>	<b>3.31%</b>	<b>12.33%</b>	<b>1.83%</b>	<b>9.04%</b>

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

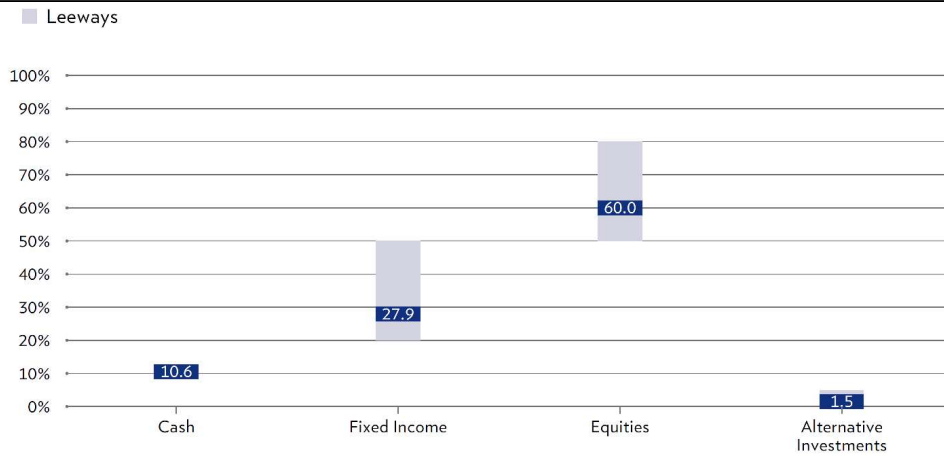
1-month % change (June 21)	0.90%
2021 % change (June 21)	3.60%

## Performance

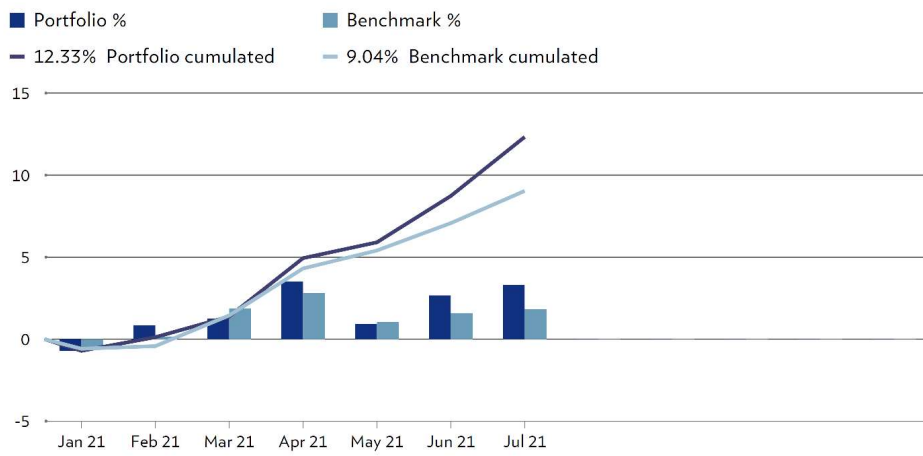
Month (July 21)		Year (2021)	
Nominal	Real	Nominal	Real
3.31%	2.41%	12.33%	8.73%

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## Allocation per asset class

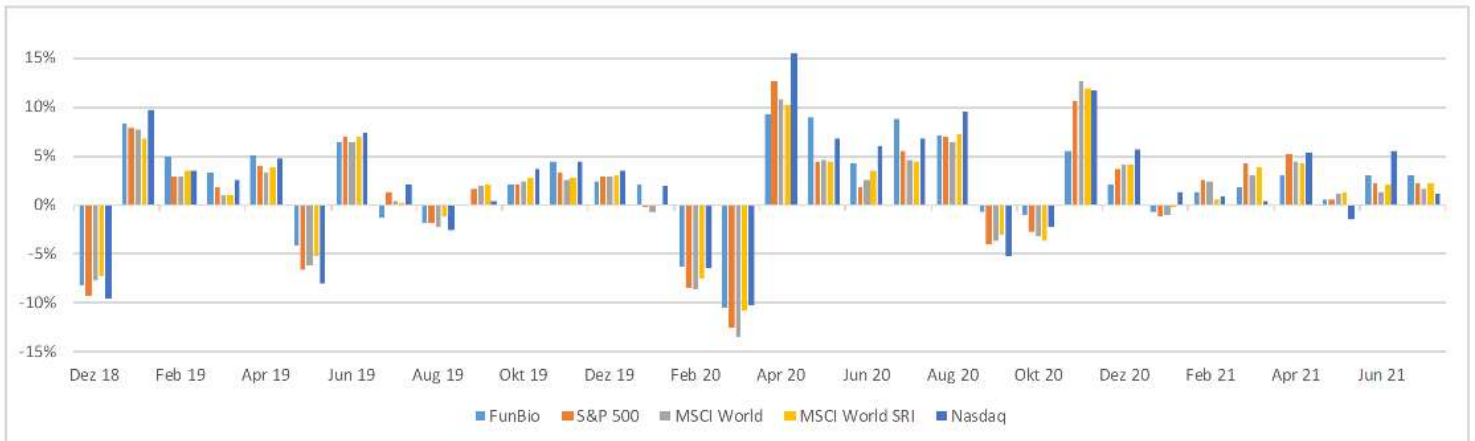
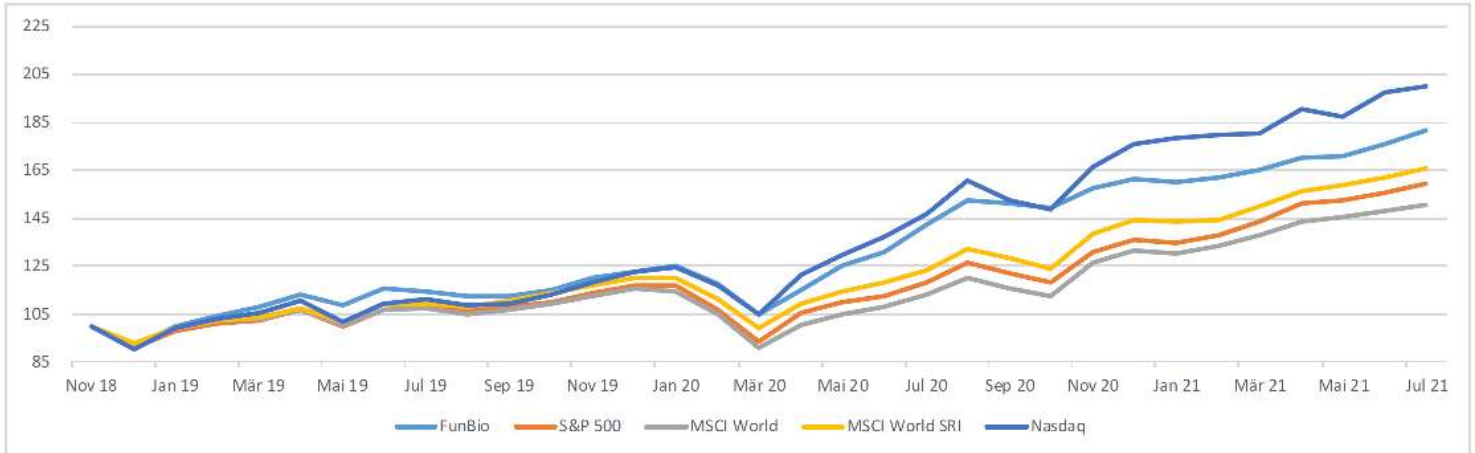


## Monthly gross performance YTD - Benchmark and portfolio



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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%
Jul 21	3.03%	2.27%	1.72%	2.21%	1.16%