

Julius Bär

ONE-PAGER FOR DONORS 31.08.2020

Market comment

In August, central bank liquidity remained the number-one factor supporting risk assets. Sentiment was additionally buoyed by the improving economic backdrop as well as continued optimism regarding the development of coronavirus vaccines. As a result, global equity markets again showed a strong performance and major indices such as the S&P 500 as well as the Nasdaq-100 reached new all-time highs. Meanwhile, the yields on 10-year US and German government bonds rose on supply concerns, but remained within their recent trading ranges.

In this context, we decided to take profit and to sell one of our long dated supranational USD green bonds, we initially bought in January as a hedge against the COVID-19 pandemic. We will reallocate the proceeds into single sustainable corporate bonds with higher credit spreads. There was no activity on the equity side during the entire month.

Global equity markets have held up well lately and leading indicators have improved. Nonetheless, the recovery of gross domestic product (GDP) losses will be more laborious and, above all, more heterogeneous from now on. The number one risk in markets today remains a premature withdrawal of fiscal stimulus rather than excessive public deficits. Fiscal support measures need to be renewed continuously until the private sector is able to ensure growth, otherwise the economy could find itself on the edge of a fiscal cliff. Current valuations of the five largest stocks of the S&P 500 index leave little room for error in the event of tighter liquidity conditions (unlikely for now) or sector rotation. Overall, we remain constructive for equity markets, even though more volatility may be on the horizon as we enter a seasonally weaker period.

Portfolio summary

	Month - August 20	2020
Initial*	105'797'723.01	104'557'338.49
Deposits	0.00	0.00
Withdrawals	0.00	-10'000'000.00
Result (performance)	4'399'365.87	15'639'750.39
Final	110'197'088.88	110'197'088.88

*31.12.2019 for "2020"; 31.07.2020 for "Month"

The sole legally binding version is the official report.

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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	8'103'503.35	7.35%	-0.75%	-2.70%	0.01%	0.92%
Bonds and similar positions	31'925'081.55	28.97%	-0.11%	6.96%	-1.02%	6.06%
Equities and similar positions	68'173'611.44	61.87%	7.05%	23.84%	7.06%	8.52%
Alternative Investments	1'994'892.54	1.81%	0.25%	0.71%	0.10%	1.59%
Total	110'197'088.88	100%	4.16%	16.39%	3.91%	7.54%

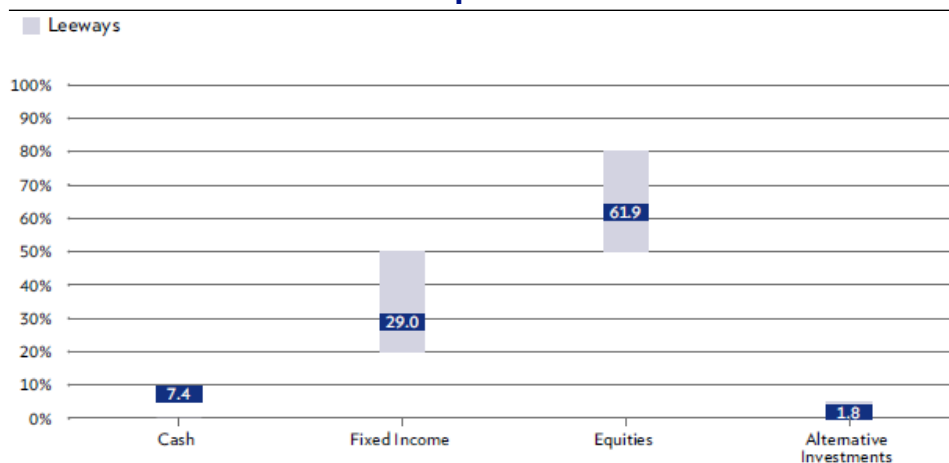
U.S.A. Consumer Price Index (CPI)

1-month % change (August 20)	0.37%
2020 % change (August 20)	0.48%

Performance

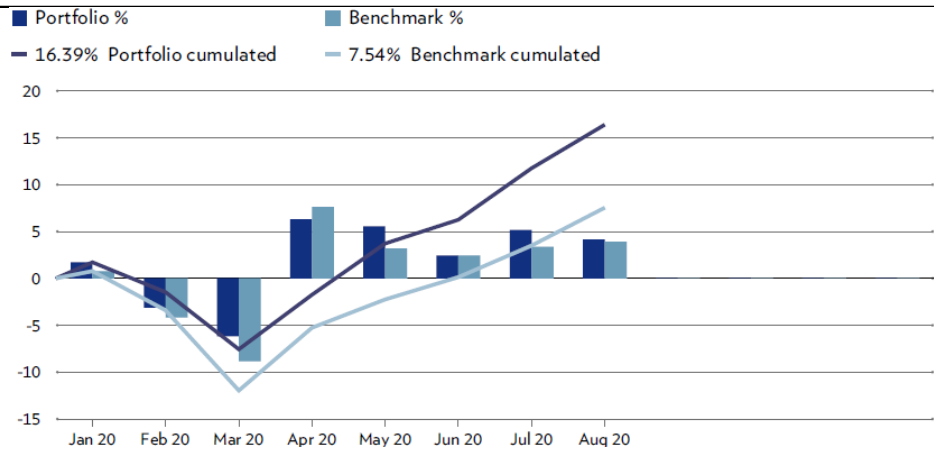
Month (August 20)		Year (2020)	
Nominal	Real	Nominal	Real
4.16%	3.79%	16.39%	15.91%

Allocation per asset class

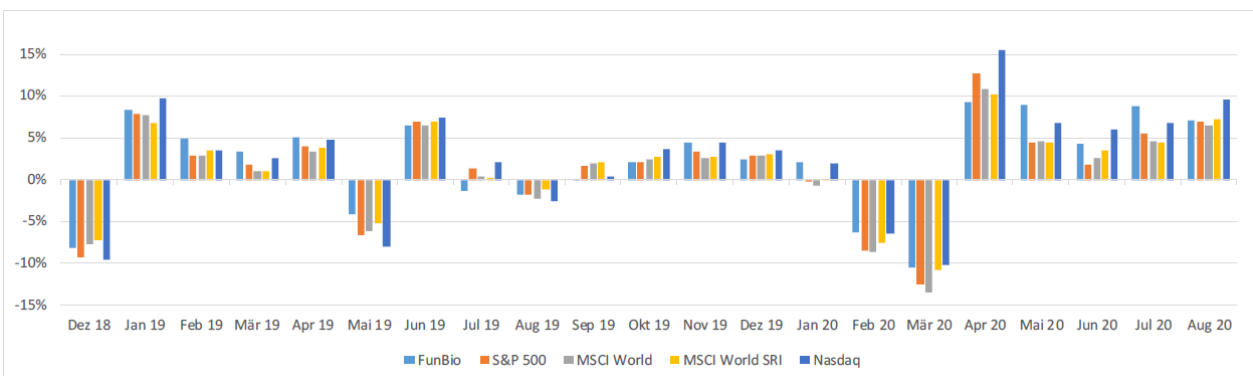
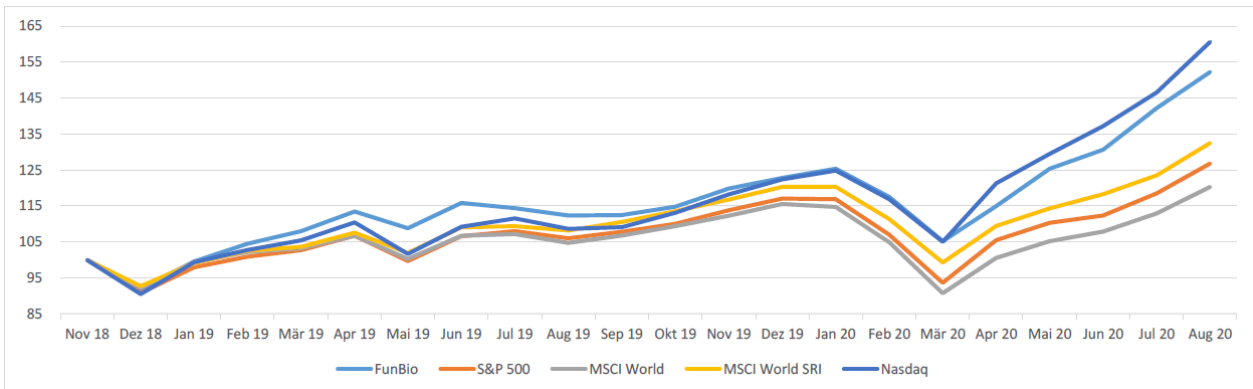


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Monthly gross performance YTD - Benchmark and portfolio



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%