

# Julius Bär

## ONE-PAGER FOR DONORS

31.10.2020

### Market comment

As the northern hemisphere headed firmly into autumn, the October news flow was dominated by two topics: the resurgence of Covid-19 in Europe, and the upcoming US elections. Markets spent much of the month in wait-and-see mode, before the announcement of widespread restrictions across Europe in the final days of the month tipped the balance of risks to the downside. In the US, while the virus has remained prevalent the news flow has focused primarily on the upcoming elections. Over the month, the Democratic nominee Joe Biden extended his lead in the national polls and ended October eight points ahead, as well as holding his lead in a number of the key swing states. Markets responded positively to polls indicating an increased likelihood of a Democratic sweep of the House, Senate and the presidency against a backdrop of continued gridlock in Washington on a new fiscal package.

Unlike the previous month, October was a rather active month in terms transactions. We were taking profits by rebalancing SAP, Sika, Vestas and DSM and by selling full positions of Visa and Align Technologies, both having reported extraordinary good results for Q3 and Align rose over 34% on that day. We also decided to divest from TJX as the Covid-19 situation in the USA still worsens, hence, the company's medium-term prospects do not look promising as it is relatively little active in online retailing. We replaced it by Deckers Outdoor Corp, a company that offers footwear, a.o., the iconic UGG brand of luxury sheepskin footwear. Another new position we bought is S&P Global, one of the big three rating agencies. And last but not least, we increased the position in Generac after it reported very good figures for Q3 and raised its full year 2020 guidance.

If all goes well, we will have a clear result on 4 November. Because if we do not, it is clearly the worst scenario for the markets, that of a very tight result, subject to contestation, legal proceedings, multiple vote recounts and even riots across the country. In this scenario, risky assets will clearly not react well. In case Mr. Trump will be re-elected, this favors the greenback and growth stocks, particularly high-growth stocks, that are expected to maintain their multi-year leadership. If, on the other hand, the 'blue wave' breaks over America, we can expect the first exploitable rally in cyclical and US small-cap stocks to begin in years. More fundamentally, the underlying structural trends in the economy and society will persist beyond the tenant who will occupy the oval office for the next four years. Same destination, slightly different journey.

### Portfolio summary

	Month - October 20	2020
Initial*	109'755'142.50	104'557'338.49
Deposits	0.00	0.00
Withdrawals	0.00	-10'000'000.00
Result (performance)	-1'227'241.99	13'970'562.02
<b>Final</b>	<b>108'527'900.51</b>	<b>108'527'900.51</b>

\*31.12.2019 for "2020"; 30.09.2020 for "Month"

The sole legally binding version is the official report.

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## Allocation per asset class and performance in USD

Asset class	Market value	%	Allocation per asset class and performance in USD		Benchmark	
			MTD	YTD	MTD	YTD
Cash and short-term investments	14'482'954.79	13.43%	-0.02%	-1.40%	0.01%	0.94%
Bonds and similar positions	31'739'571.14	29.25%	-0.22%	6.67%	0.05%	6.19%
Equities and similar positions	60'309'768.45	55.57%	-2.08%	20.44%	-2.95%	2.07%
Alternative Investments	1'995'606.13	1.84%	0.09%	0.74%	0.00%	1.69%
<b>Total</b>	<b>108'527'900.51</b>	<b>100%</b>	<b>-1.12%</b>	<b>14.72%</b>	<b>-1.75%</b>	<b>3.73%</b>

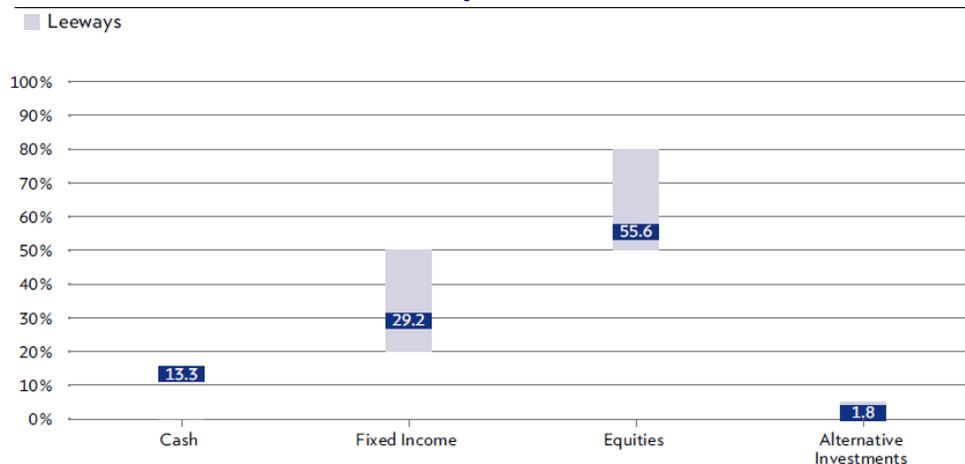
## U.S.A. Consumer Price Index (CPI)

1-month % change (October 20)	0.04%
2020 % change (October 20)	0.73%

## Performance

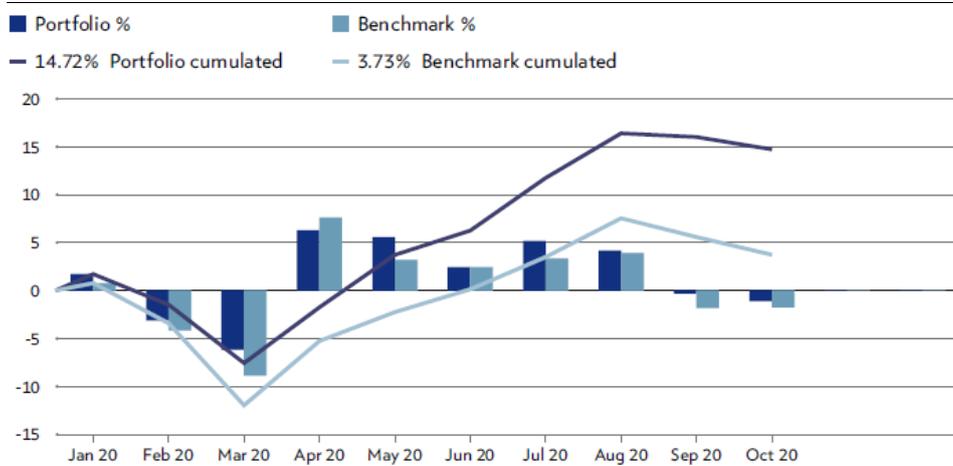
Month (October 20)		Year (2020)	
Nominal	Real	Nominal	Real
-1.12%	-1.16%	14.72%	13.99%

## Allocation per asset class

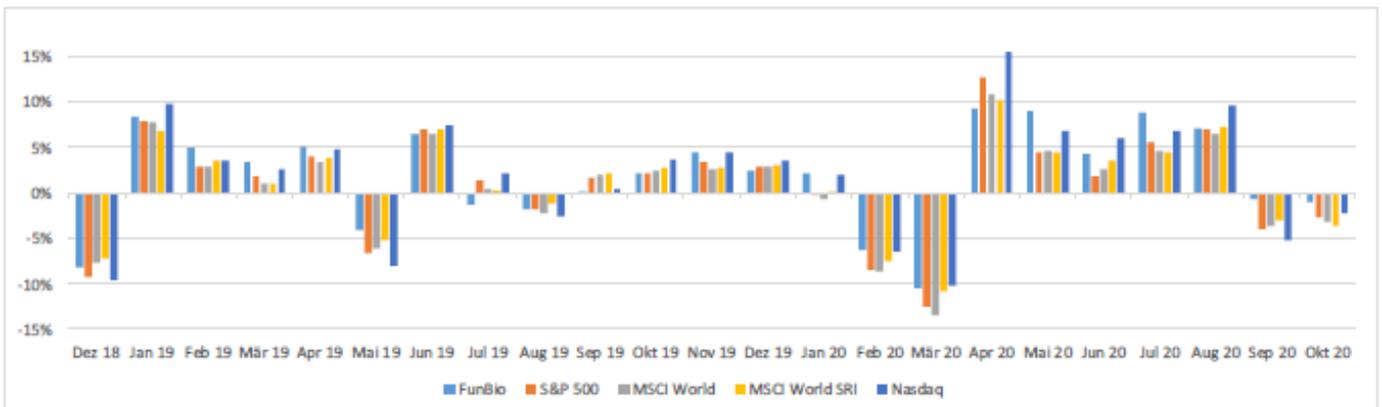
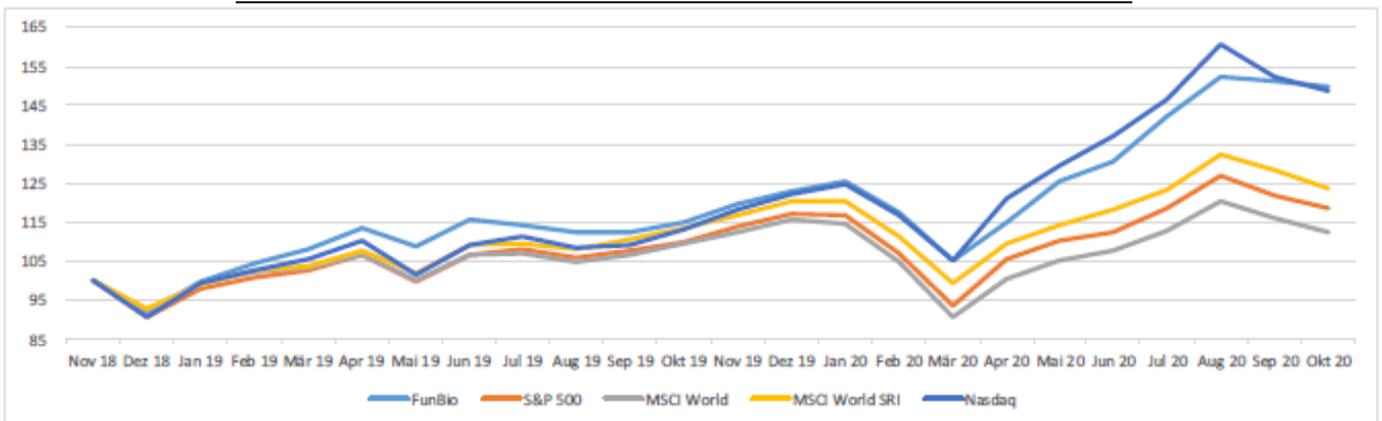


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## Monthly gross performance YTD - Benchmark and portfolio



## 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%
Sep 20	-0.67%	-3.92%	-3.59%	-3.09%	-5.16%
Okt 20	-1.03%	-2.77%	-3.14%	-3.68%	-2.29%