

Julius Bär

ONE-PAGER FOR DONORS

30.11.2021

Market comment

The balance sheets of the G4 central banks (i.e. Fed, European Central Bank, Bank of England, and Bank of Japan) have grown massively in 2021. This abundant liquidity situation benefited digital assets, whose market capitalisation reached a new record high of USD 2,500 billion, or 1.5% of total financial assets. Just behind crypto assets, commodities have benefited fully from the economic recovery. US assets again outperformed all their peers in an unchanged strong USD environment. Bonds posted modest losses, but credit spreads managed to offset the modest rise in yields.

In November, headlines about a new mutation of the coronavirus triggered a strong downward movement and we closed our mandate in the negative with minus 2.2%. As already at the beginning of 2021 when we experienced a similar correction in the markets a style rotation from growth to value stocks took place. In fact, quality and growth stocks have consolidated or given back their recent gains, while cyclical and depressed stocks have made a spectacular catch-up. In terms of transactions, we sold Encompass Health early November due to deteriorating margins and low medium-term visibility.

The Fed Chairman's latest testimony before the US Congress revealed growing concerns among US officials that inflation may be more persistent than expected. We have not changed our diagnosis on the subject. The post-pandemic global economy is not affected by a permanent shock to the supply or demand of goods and services, including in the US. The great disinflation is probably over, but we have not switched to chronic inflation overnight, as the short-term effects of the pandemic might suggest. The Omicron variant of the coronavirus has raised new fears of extended supply-chain disruptions. Should current inflation levels continue beyond the next few months, the pressure on the US central bank to act will be very high. Unfortunately, here lies one of the main macroeconomic policy risks in 2022. If the central bank gives in and accelerates monetary tightening, it will indirectly kill demand. In the context described above, we expect 2022 to be characterized by alternating fears of inflation and then deflation as growth shows signs of slowing. That said, each year brings with it its share of unpredictable external shocks.

Portfolio summary

	Month - November 21	2021
Initial*	135'210'241.12	117'447'258.83
Deposits	0.00	0.00
Withdrawals	0.00	0.00
Result (performance)	-2'996'203.79	14'766'778.50
Final	132'214'037.33	132'214'037.33

*31.12.2020 for "2021"; 31.10.2021 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	10'178'011.69	7.70%	1.54%	5.41%	-0.01%	0.05%
Bonds and similar positions	40'998'320.76	31.01%	-0.07%	-1.65%	0.46%	-1.07%
Equities and similar positions	78'989'071.68	59.74%	-3.80%	21.96%	-1.90%	21.27%
Alternative Investments	2'048'633.20	1.55%	0.19%	2.13%	0.08%	0.96%
Total	132'214'037.33	100%	-2.22%	12.84%	-0.99%	12.12%

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

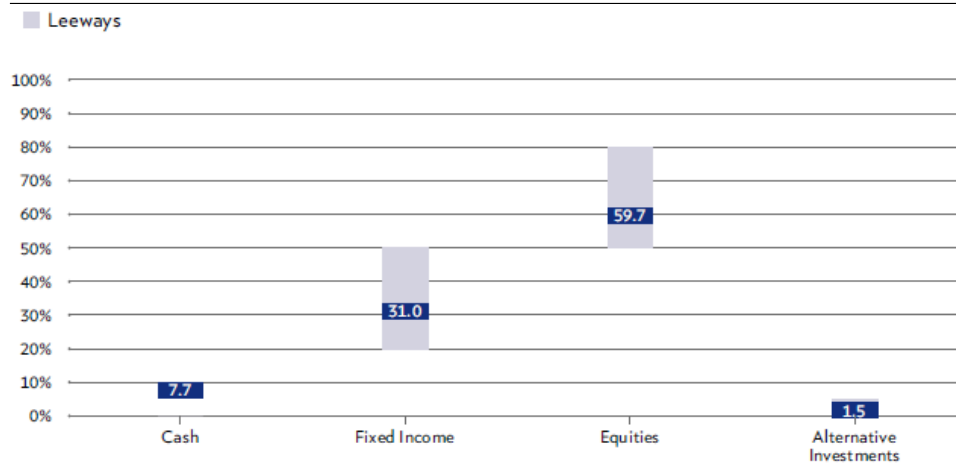
1-month % change (November 21)	0.78%
2021 % change (November 21)	6.62%

Performance

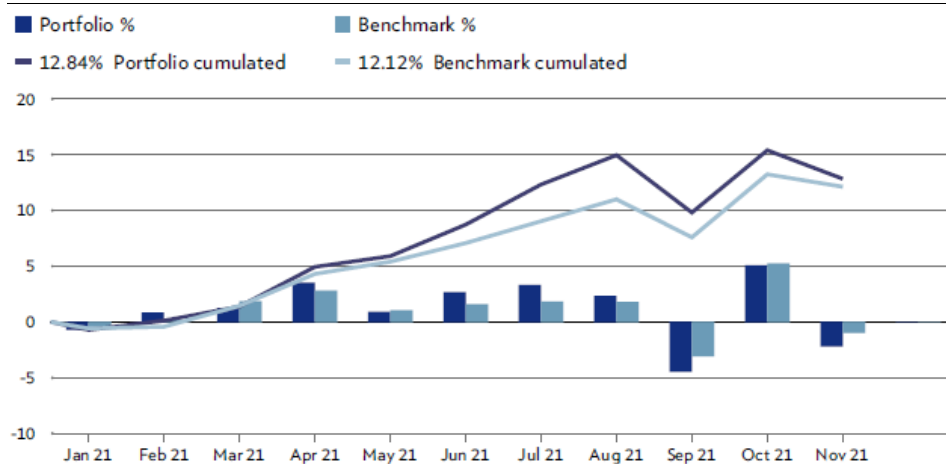
Month (November 21)		Year (2021)	
Nominal	Real	Nominal	Real
-2.22%	-3.00%	12.84%	6.22%

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Allocation per asset class

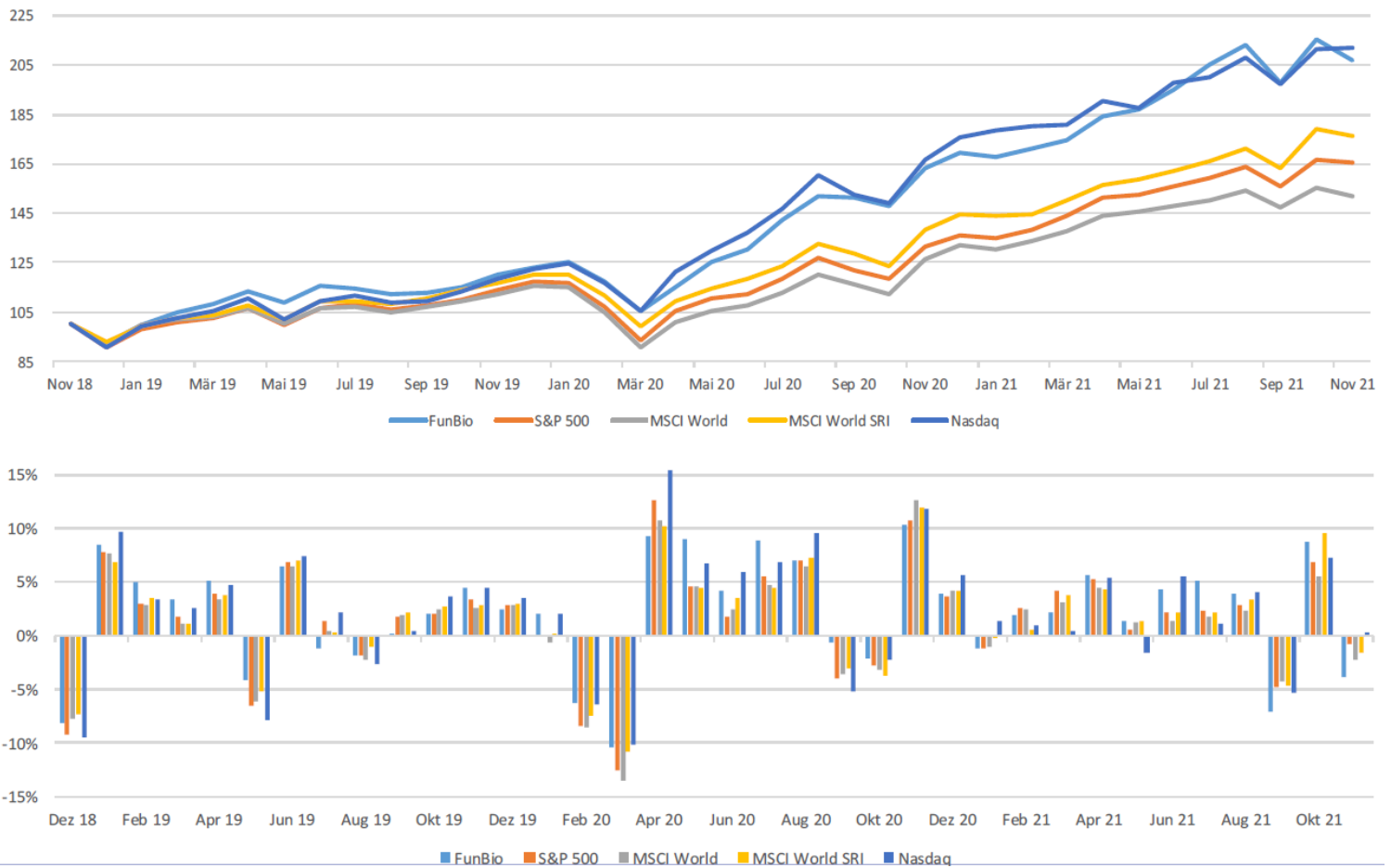


Monthly gross performance YTD - Benchmark and portfolio



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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	-6.32%	-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%
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%