

# Julius Bär

## ONE-PAGER FOR DONORS 31.12.2021

### Market comment

In view of persistent inflationary pressures, the major central banks adopted a more hawkish stance and the Federal Reserve now projects three interest rate hikes in 2022. Meanwhile, growing concerns about the spread of the Omicron variant of the coronavirus temporarily dampened investor sentiment, but later dissipated. Against this backdrop, developed market equities trended higher towards the end of the year. In the bond markets, yields on 10-year US Treasury bonds and German bunds rose.

In December, we took partial profits in ASML and sold S&P Global, which will merge with IHS Markit in early 2022, a company we also hold in the portfolio. We continue to like the company, but wanted to limit the concentration risk. We used the proceeds to increase the position in Darling Ingredients Inc, as the company plays an important role in the agri-food industry by collecting and recycling animal by-products and other natural materials. Further we initiated a position in Aker Carbon Capture ASA, a Norway-based carbon capture technology provider. Its services and technologies covering the entire value chain from capture, transport, utilization through to storage of CO<sub>2</sub> and enhanced oil recovery. Aker Carbon is directly contributing to decarbonization of fossil energy by enabling blue hydrogen and to decarbonization of hard to-abate industries such as cement and bio/waste to energy. Another initiation was Trimble Inc. The company is transforming the way the world works by delivering products and services that connect the physical and digital worlds. Trimble software, hardware and services are transforming industries such as agriculture, construction, geospatial and transportation and logistics.

From where we stand today, we can state that some tightening is a given, the road to quantitative tightening is far from assured, and the most important price in financial markets is now more in line with economic reality.

The door for the normalisation of US Fed policy remains wide open. Last week's release of the Federal Open Market Committee (FOMC) minutes suggests that the Fed's readiness to normalise monetary policy, including the discussion about shrinking their balance sheet. "How will financial markets weather the prospect of tighter monetary policy and, in particular, the shrinking of the balance sheet?" We expect that the Fed will back away from aggressive tightening as soon as financial markets begin to signal their discomfort with the speed of tightening. The earnings season in the US will kick off this week. As usual, the bank behemoths are dominating earnings in the first week. Looking at early reports, we are off to a good start and expect a good earnings season ahead with strong beats, which could act as a circuit breaker for the current consolidation phase from mid-January onwards.

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

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## Portfolio summary

	Month - December 21	2021
Initial*	132'214'037.33	117'447'258.83
Deposits	0.00	0.00
Withdrawals	0.00	0.00
Result (performance)	2'727'765.79	17'494'544.29
<b>Final</b>	<b>134'941'803.12</b>	<b>134'941'803.12</b>

\*31.12.2020 for "2021"; 30.11.2021 for "Month"

## Allocation per asset class and performance in USD

## Benchmark

Asset class	Market value	%	MTD	YTD	MTD	YTD
Cash and short-term investments	11'104'469.56	8.23%	-0.85%	4.51%	0.00%	0.05%
Bonds and similar positions	40'949'376.37	30.35%	-0.06%	-1.71%	-0.37%	-1.44%
Equities and similar positions	80'835'754.92	59.90%	3.80%	26.60%	4.13%	26.27%
Alternative Investments	2'052'202.27	1.52%	0.17%	2.31%	0.08%	1.05%
<b>Total</b>	<b>134'941'803.12</b>	<b>100%</b>	<b>2.14%</b>	<b>15.26%</b>	<b>2.36%</b>	<b>14.77%</b>

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

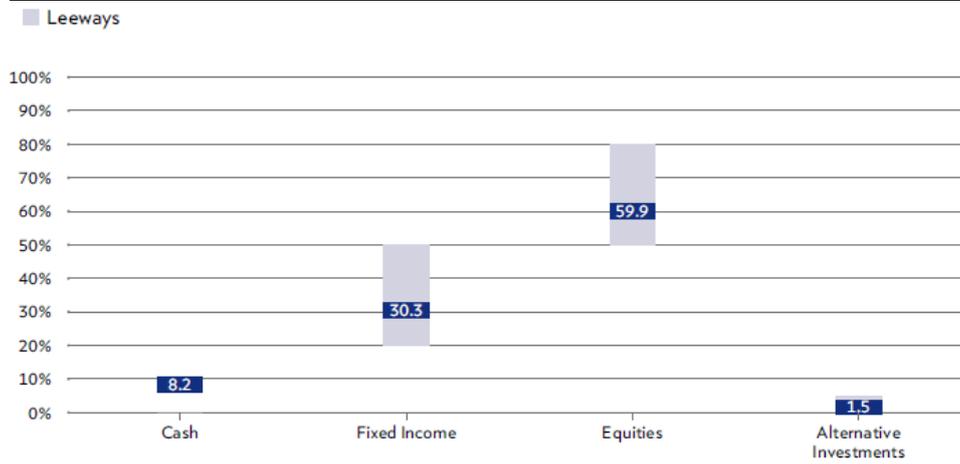
1-month % change (December 21)	0.47%
2021 % change (December 21)	7.12%

## Performance

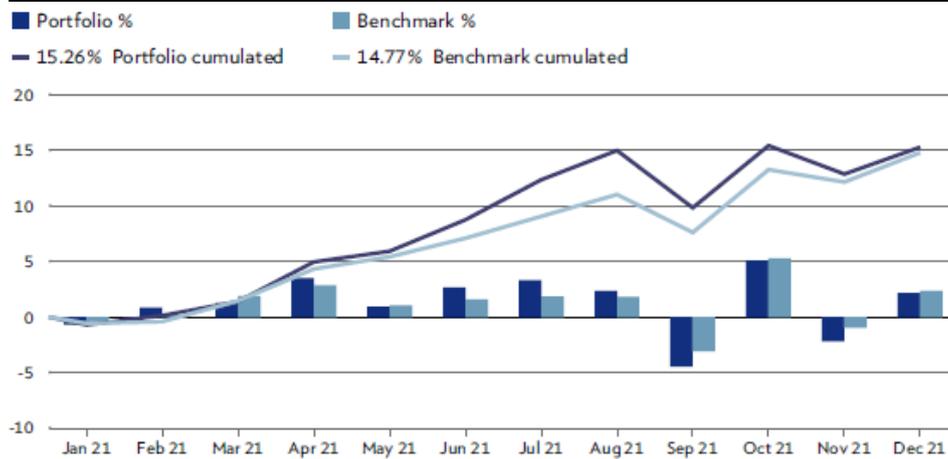
Month (December 21)		Year (2021)	
Nominal	Real	Nominal	Real
2.14%	1.67%	15.26%	8.14%

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## Allocation per asset class

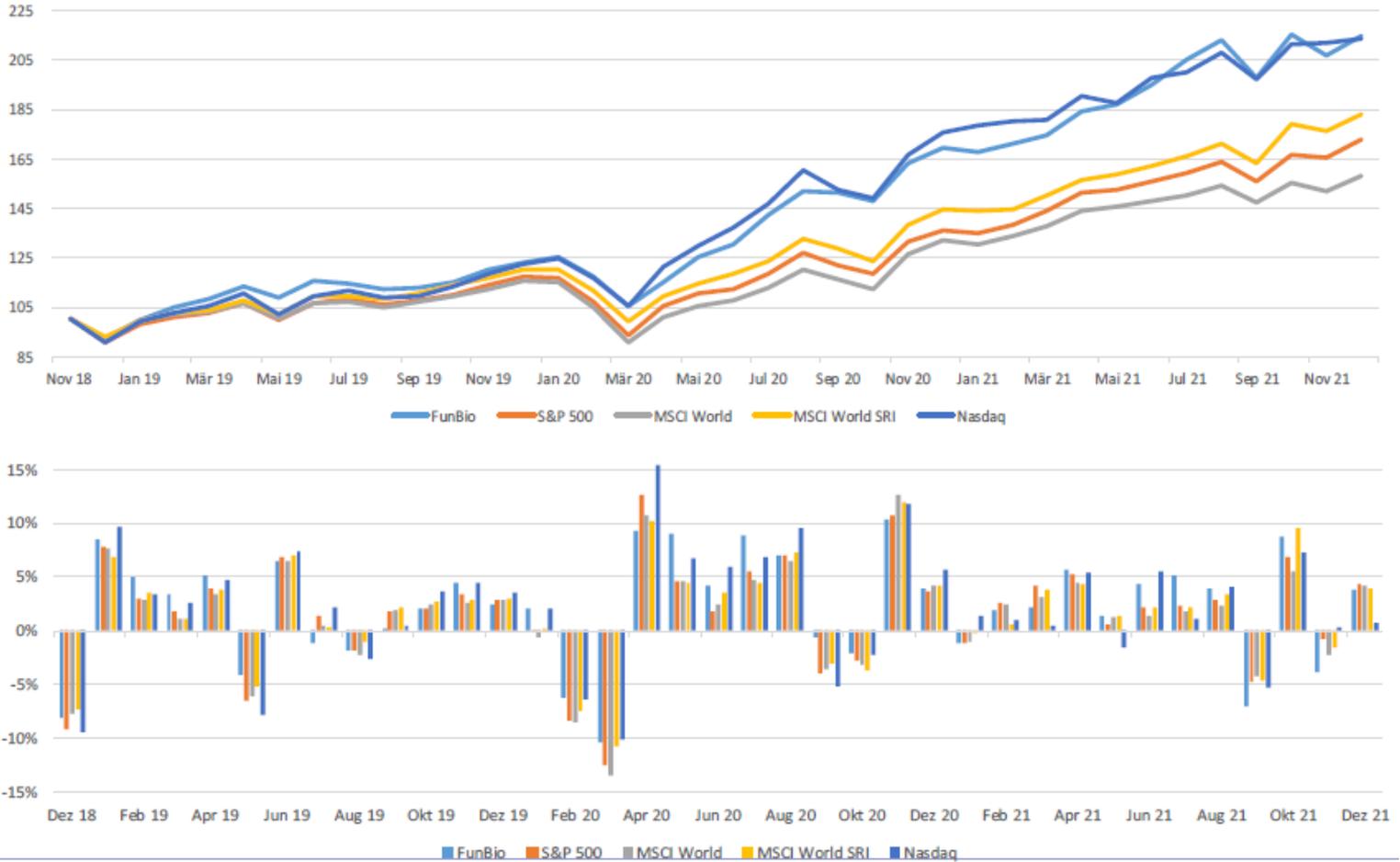


## Monthly gross performance YTD - Benchmark and portfolio



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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%
Dez 21	3.80%	4.36%	4.19%	3.94%	0.69%