

AMC ON A DIVERSIFIED HEDGE FUND PORTFOLIO USD

PRODUCT REPORT - 28 FEBRUARY 2025

TERMS

Advisor	JB Investment Management (Zurich)
Issuer	BJB Guernsey
Calculation Agent	Julius Baer Zurich
Valor/ISIN	115064730/CH1150647308
Issue Date	02.03.2022
Maturity Date	open-end
Administration Fee	0.60%
Advisory Fee	0.70%
Performance Fee	n/a
FX Hedging	n/a

KEY FACTS & FIGURES

Currency	USD
Denomination	100'000
NAV (28.02.2025)	112'151
Outstanding Units	178
Net Asset Value	19'962'964
Components	12

PERFORMANCE FIGURES

Since launch	12.15%
Year to date	1.62%
1 month	0.18%
3 months	2.27%
1 year	10.20%
12 month high	112'151.48
12 month low	103'383.27
All-time high	112'151
All-time low	95'219
Max draw-down	-4.78%

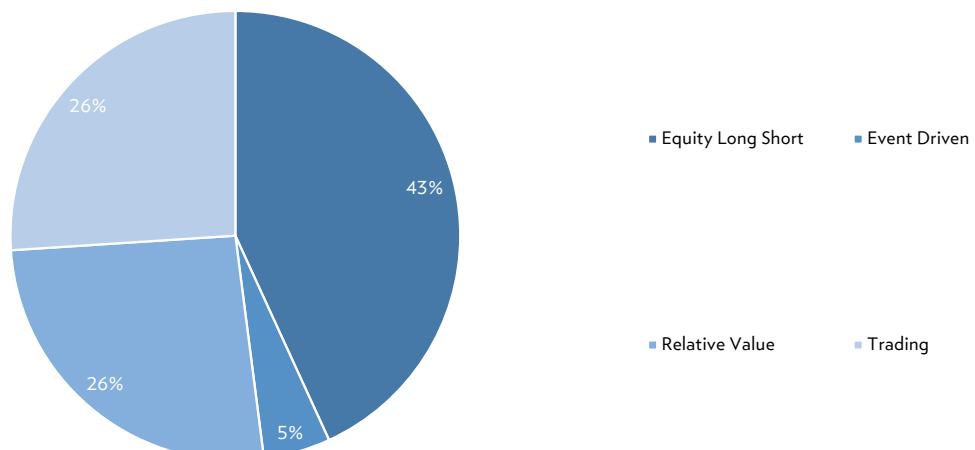
PERFORMANCE CHART



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	1.4%	0.2%											1.6%
2024	1.2%	0.4%	1.6%	0.7%	0.8%	1.3%	-0.1%	0.9%	0.7%	0.1%	1.5%	0.6%	10.2%
2023	1.1%	0.5%	-1.2%	-0.3%	0.3%	0.2%	0.4%	0.2%	0.2%	0.4%	0.9%	1.0%	3.7%
2022			-2.1%	0.1%	-1.7%	-0.8%	-0.1%	0.9%	-0.2%	-0.2%	-0.7%	1.5%	-3.4%

Source: Respective managers, Julius Baer, Bloomberg Finance L.P.

STRATEGIC ALLOCATION



MANAGER COMMENTARY

Summary:

- The AMC posted a return of **just under +0.2% net in February**, in a down month for global equities (MSCI World, -0.7%), thereby outperforming the industry reference index (HFRI Fund Weighted, -0.6%). The AMC is up +1.6% net year to date.
- With **high return dispersion** between the funds, gains were equally generated from equity long/ short and relative value strategies.
- There were no changes to the portfolio in February. The asset allocation maintains its **bias towards trading and relative value strategies** to capitalise on the expected volatility, dispersion, and trading opportunities in the current geopolitical environment.

Key developments last month:

Global equity markets were mixed in February, with US stocks in particular struggling amid economic uncertainty and rapid policy developments. Geopolitics dominated, as President Trump took a more conciliatory stance towards Russia in the Ukraine conflict, straining US-Europe relations. The tech-driven sell-off deepened, with the S&P 500 losing nearly 1.5% and the Nasdaq Composite falling 4% over the month. Trump's plans to impose tariffs on Canada, Mexico, the EU, and China added to concerns. European stocks rose 3.3%, outperforming Wall Street, despite the tariff uncertainty, while Hong Kong stocks surged before tumbling at month-end on fresh US tariff woes. On the month, **the MSCI World index ended down 0.7%**. US Treasury yields fell across the curve, as gold reached record highs mid-month before correcting. The VIX Index rose sharply towards the end of February, peaking above 20 points, reflecting heightened volatility, and the USD index closed 0.7% lower.

In this, once again, volatile environment, **hedge funds delivered mixed performance in February**, posting an overall negative performance as the **HFRI Fund Weighted declined by approximately 0.6%**. Relative value and arbitrage strategies were the winners of the month, benefiting from the heightened volatility, while equity long/short and event-driven strategies were negatively impacted by their long bias exposure to US equity markets. Within the macro space, gains by discretionary strategies were mostly driven by interest rate trading, but were more than offset by the negative performance generated by quantitative trend-following strategies, which lost ground mainly due to directional positions in interest rates and commodities.

In this environment, **the HF AMC posted a return of just under +0.2% net in February**, outperforming the industry reference index (HFRI Fund Weighted, -0.6%). The AMC is up 1.6% net year to date. The funds in the portfolio exhibited return dispersion this month, with returns evenly split between positive and negative contributors. Gains came equally from equity long/short and relative value strategies. Trading strategies ended up flat in aggregate, while the event-driven component of the portfolio was marginally down for the month.

The equity long/short bucket was up 0.35%, contributing 15bps of gross return to the AMC. Two out of five funds were in positive territory. Schroder GAIA Contour (+2.4% net), our TMT specialist, was the main contributor thanks to a strong performance across its short book, particularly in the internet, IT services and business services subsectors. FengHe Asia (+1.0% net), on the other hand, offset the negative contribution of its short book with gains on its long book in Hong Kong / China, mainly on key long positions in Alibaba and AIA Group. The manager has sought to build a trade war resilient portfolio with companies that would be relatively insulated from the potential outcomes of the trade war. On the negative side, North Rock, with its multi-portfolio manager, diversified and market-neutral approach, was affected by significant factor volatility towards the end of the month, in particular pressure on the long momentum factor, and gave up some returns, ending February with a net loss of -0.4%.

Relative value strategies added 14bps gross to the AMC's performance, with all three managers posting gains. Lazard Rathmore Alternative (+1.0% net), our convertible arbitrage specialist, was the main contributor, as convertible valuations remained well supported in February and the convertible market is currently benefiting from an increase in volatility, largely driven by the Trump administration's policy initiatives. Obsidian, our fixed income relative value specialist, notched its remarkable fourteenth positive month (+0.5% net) in a row, able to capitalise on a diversified set of opportunities in interest rates, mortgage-backed securities and volatility, while also taking some profits. Two Sigma ended the month in positive territory (+0.4% net), mainly thanks to its equity market neutral strategies, while the trend-following models were the main detractors, due to their exposure to interest rates and commodities.

The trading strategies were unchanged overall as gains from Stenham Macro Focus Alpha (+0.6% net) offset losses from the other two funds in this category. Within the Stenham basket of funds, gains came from Caxton's long European equity, long JPY, and short Japanese rates positions, while Wellington Macro Strategies (-1.3%, net) was the AMC's main detractor for the month. Losses came from across the equity (long tech), commodity (gas spread trading, long coffee) and interest rate books (short bonds in the US and UK).

The event-driven fund within the portfolio, Tiedemann, was only very slightly negative (-0.2% net), with no specific position driving returns during the month, although deal flow is picking up.

What actions did we take?

There were no changes to the portfolio in February.

How are we positioned for the future?

Given current market conditions and geopolitical uncertainty, the AMC is **tactically positioned to navigate the far-reaching implications of rapidly changing policies**. While we anticipate a surge in M&A activity, and more favourable business policies under the new US administration, we also anticipate continued inflationary pressure and fewer interest rate cuts than previously expected. We therefore maintain a preference for equity strategies with low net market exposure, combined with relative value (including opportunistic merger arbitrage) and trading/macro approaches across asset classes.

Allocation remains stable at the end of February, with 43% in equity long/short, 26% in trading, 26% in relative value and 5% in event driven.

The **two largest positions** remain Stenham Macro Focus Alpha (15.4%) and North Rock (12.6%), two multi-manager products in their respective fields of global macro and equity long/short (with low net market exposure).

PORTFOLIO COMPOSITION

NAME	STRATEGY	CURRENCY	1M PERF.	1M ATTR.	VALUE USD	WEIGHT
North Rock	Equity Long Short	USD	-0.37%	-0.05%	2'506'817	12.6%
Eleva UCITS Fund - Eleva Absolute Return Europe	Equity Long Short	USD	-0.03%	0.00%	1'294'987	6.5%
Schroder GAIA Contour Tech Equity	Equity Long Short	USD	2.35%	0.19%	1'597'716	8.0%
FengHe Asia Fund	Equity Long Short	USD	1.10%	0.08%	1'543'496	7.7%
Covalis Capital Enhanced	Equity Long Short	USD	-0.79%	-0.06%	1'479'322	7.4%
Amundi Tiedemann Arbitrage	Event Driven	USD	-0.17%	-0.01%	932'652	4.7%
Lazard Rathmore Alternative	Relative Value	USD	0.51%	0.05%	967'448	4.8%
Premium Selection - Two Sigma	Relative Value	USD	0.37%	0.04%	2'122'515	10.6%
Obsidian Relative Value Strategy	Relative Value	USD	0.41%	0.04%	1'990'420	10.0%
Stenham Investment Funds - Macro Focus Alpha	Trading	USD	0.61%	0.09%	3'080'604	15.4%
Iguazu Investors	Trading	USD	-0.57%	-0.03%	950'687	4.8%
Wellington Macro Strategies Fund	Trading	USD	-1.24%	-0.07%	1'029'447	5.2%
COMPONENTS		USD		0.28%	19'496'111	97.7%
CASH (incl. Accrued Fees and Transaction Cost)		USD		-0.10%	466'853	2.3%
NET ASSET VALUE		USD		0.18%	19'962'964	100.0%

CONTACTS

Structured Products

Private Assets Solutions

derivatives@juliusbaer.com
derivatives.juliusbaer.comBANK JULIUS BAER & CO. LTD.
Bahnhofstrasse 36
P.O. Box
8010 Zurich
Switzerland**IMPORTANT LEGAL NOTICE**

This statement shall be deemed correct and approved unless the Bank receives written notification of disagreement within four weeks from the date of dispatch. This publication constitutes marketing material and is not the result of independent financial research. Therefore the legal requirements regarding the independence of financial research do not apply. The information and opinions expressed in this publication were produced by Bank Julius Baer & Co. Ltd., Zurich, as of the date of writing and are subject to change without notice.

This publication is intended for information purposes only and does not constitute an offer, a recommendation or an invitation by, or on behalf of, Julius Baer to make any investments. Opinions and comments of the authors reflect their current views, but not necessarily of other Julius Baer entities or any other third party. Services and/or products mentioned in this publication may not be suitable for all recipients (i.e. retail clients) and may not be available in all countries. Clients of Julius Baer are kindly requested to get in touch with the local Julius Baer entity in order to be informed about the services and/or products available in such country. This publication has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Before entering into any transaction, investors should consider the suitability of the transaction to individual circumstances and objectives. Any investment or trading or other decision should only be made by the client after a thorough reading of the relevant product term sheet, subscription agreement, information memorandum, prospectus or other offering document relating to the issue of the securities or other financial instruments. Nothing in this publication constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate for individual circumstances, or otherwise constitutes a personal recommendation for any specific investor. Julius Baer recommends that investors independently assess, with a professional advisor, the specific financial risks as well as legal, regulatory, credit, tax and accounting consequences. Past performance is not a reliable indicator of future results. Performance forecasts are not a reliable indicator of future performance. The investor may not get back the amount invested. Although the information and data herein are obtained from sources believed to be reliable, no representation is made that the information is accurate or complete. Bank Julius Baer & Co. Ltd., Zurich, its subsidiaries and affiliated companies do not accept liability for any loss arising from the use of this publication.

This publication may only be distributed in countries where its distribution is legally permitted. This publication is not directed to any person in any jurisdiction where (by reason of that person's nationality, residence or otherwise) such publications are prohibited. Bank Julius Baer & Co. Ltd., Zurich is authorised and regulated by the Swiss Financial Market Supervisory Authority FINMA, its subsidiaries and affiliated companies are duly licenced and regulated by the local authorities. This publication has not been reviewed or approved by any regulatory authority. Further information can be obtained from the local entity or be found at www.juliusbaer.com.

Actively Managed Certificates (AMCs) are complex financial products which involve a high degree of risk. They are intended exclusively for investors who have the knowledge and experience necessary to understand all risks and merits involved. AMCs are not comparable with conventional debts or equity securities and will not be covered by any financial compensation or insurance scheme. In particular, the AMC does not constitute a participation in a collective investment scheme. It constitutes a direct, unconditional, unsecured and unsubordinated obligation of the issuer. The product's value is not only dependent on the development of the underlying(s), but also on the credit-worthiness of the issuer. As AMCs may be denominated in another currency than the one of the investor's home member state, fluctuations in exchange rates may adversely affect the market value of the product. AMCs were not registered with the local regulator and are not publicly distributable outside of Switzerland. Not all the risks and merits associated with an AMC can be disclosed in this publication. Therefore, potential investors should consult the entire product documentation related to the specific issuance before making any investment decision. The documentation can be obtained free of charge from your relationship manager or be requested at derivatives@juliusbaer.com. Bank Julius Baer & Co. Ltd. makes no representation as to the suitability or appropriateness of the product for any particular investor.

United States: NEITHER THIS PUBLICATION NOR ANY COPY THEREOF MAY BE SENT, TAKEN INTO OR DISTRIBUTED IN THE UNITED STATES OR TO ANY US PERSON. This publication may contain information obtained from third parties, including ratings from rating agencies such as Standard & Poor's, Moody's, Fitch and other similar rating agencies. Reproduction and distribution of third-party content in any form is prohibited except with the prior written permission of the related third-party. Third-party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third-party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third-party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content, including ratings. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the market value of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice. Copyright © Julius Baer Group, 2024