



UNION BANCAIRE PRIVÉE

UBAM (CH) - GOLD +

Monthly Report | March 2021

For Qualified Investors in Switzerland or Professional Investors or Eligible Counterparties as defined by the relevant laws

Performance

As of 31.03.2021	Fund	Bench
March-21	-2.87%	-2.97%
Past 3 Months	-4.32%	-4.06%
Past 6 Months	-10.78%	-10.38%
YTD	-10.85%	-10.68%
Since take Over (29.06.2012)	5.35%	5.79%

Source: UBP, Past performance is not an indicator of current or future results.

Manager Comments

In March 2021, the UBAM (CH) - Gold + fund returned -2.8% (USD I Class, net of fees). During that time, gold prices went from 1742.85 to 1691.05 USD/oz i.e. -2.9%, within the 1680 – 1743 USD/oz range.

In this environment, we kept our slightly bullish scenario with some convexity within the fund while actively managing the overall exposure in the 90% - 120% range relying on qualitative and quantitative inputs. On the quantitative side, the directional strategy brought some alpha from the downside trend of gold prices during the month as well as the non-directional carry strategy. The macro and risk reduction strategy suffered. Overall, the fund was slightly above its benchmark.

The recent decline in the gold price was largely driven by changes in investor positioning. Speculators have reduced long positioning significantly and ETFs experienced severe outflows.

On the physical front, the World Gold Council reported the premium between Chinese and LMBA international price were trading at premium in March. Indian gold prices were also trading at premium vs. LBMA in March.

In terms of flows, Gold ETFs holdings were down -135 tonnes i.e. -4.2% m/m. CFTC reports showed that net long positioning was down during the month. Lastly, implied volatility (6-month maturity) was down during the month (16.13 at the end of month i.e. -2.18 pts m/m) while demand for upside participation (skew) was still supported (at 1.1 pts in favour of the upside calls).

At the end of March 2021, we were considering a slightly bullish scenario on gold prices, considering the worldwide sanitary situation, the low real yields i.e. low opportunity cost, potential retail gold demand catching up, and Gold ETF inflows. This translates into a dynamically managed exposure between 90% and 120% with some positive convexity via listed options versus the benchmark.



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