



Belvoir
Global Allocation II
Universal

Monthly Update

- Macroeconomics – Strong US and China hard data, softer in Europe, weak in Switzerland
- Equities – Positive month for all regions, particularly the US, erased on August 1st
- Bonds – Struggling Government bonds but strong recovery on August 1st, higher corporate bond prices
- Currencies – USD rebounded and lost 1/3 of the July performance on August 1st
- Other – Cryptos up, BTC reaches \$120,000 to then retrieve, Gold up above \$3,300
- Belvoir Global Allocation II Universal Fund at **+1.9% in July**, now **-0.1% YTD**

Global equity markets extended gains in July, supported by resilient economic data and solid corporate earnings. U.S. consumer spending and business activity remained firm, despite ongoing concerns around inflation and monetary policy tightening. The MSCI World Index advanced by 4.5%, though volatility persisted due to geopolitical uncertainty, mixed signals from central banks and the usual discussions regarding U.S. tariffs, ahead of the August 1st deadline. U.S. markets performed strongly, with the S&P 500 and Nasdaq up 2.6% and 3.7%, respectively. Tech stocks continued to lead, buoyed by strong results in semiconductors, AI, and cloud services. European indices posted moderate gains, averaging 1.7%. In Asia, Japan and China recorded healthy gains, while India lagged.

However, on the night of July 31st, with a sweep executive order, D.J. Trump imposed or confirmed reciprocal tariffs on 69 countries, ranging from 10% (e.g. United Kingdom) to 41% (Syria). The most notable ones are Brazil (50% overall), Canada (35% from 25% on April 2nd), Switzerland (39% from 31% on April 2nd), South Africa (30%), India (25%), Taiwan (20%), Vietnam (20%). Markets reacted strongly on August 1st, with the MSCI World index down almost 3%, the Eurostoxx 50 -2.9%, the Swiss SMI -0.8%, S&P500 -1.6%, and the Nikkei -0.7%. The US Treasury and the German Bund saved the day, with a strong recovery, while the USD shed on average 1.3% in one day after negative U.S. labor market data.

Bond markets remained volatile. The U.S. 10-year Treasury yields eased to 4.38% after touching higher levels, as investors recalibrated Fed expectations. The German Bund yield closed at 2.7%, with modest movement during the month. Sovereign debt levels in developed markets continue to drive caution. However, on the first day of August, the situation radically changed, with the U.S. Treasury now selling at a yield of 4.22% and the Bund at 2.66%.

Commodities saw mixed performance. WTI crude recovered slightly to above \$69 amid hopes of sustained demand and a modest OPEC+ supply increase. Gold remained above \$3,300/oz, supported by inflation concerns and safe-haven flows amid persistent global risks, and rebounded on August 1st due to weak macro data.

Currency markets reflected divergent economic signals. The U.S. dollar edged higher on strong domestic data and a hawkish Fed but erased 1/3 of the monthly gains in just one day (again, August 1st).

Performance and positioning

The fund successfully gained ground during the month and is now virtually flat for the year. During the first day of August, we have been able to limit the losses thanks to our conservative bond positions and further actions (see below).

Throughout the month, we have been active, taking advantage of rebounds in stocks such as Nvidia, GE Aerospace, Swissquote, Rolls-Royce, Broadcom, and Astrazeneca. In July, we have reduced some positions, as valuations looked stretched, such as in Zinzino (+32% since purchase), Nvidia (+22% since purchase) and DWS (+2% since purchase). We also sold Tesla and Spotify, as we expected weak news flow, which turned out to be the right decision given the end-of-the-month and August 1st performance.

In the morning of August 1st, we have decided to de-risk the fund, selling seven equity positions (equivalent to 9% of the portfolio, increasing cash) and two index futures (German DAX and U.S. Nasdaq) for a total of 10% of the portfolio. All actions have been beneficial, so far, to performance.

Top positive contributors to July's performance included Nvidia (+16%), Microsoft (+11%), Amazon (+10%), and newly bought Arista (+17%). On the other hand, ASML, Novo Nordisk (both sold on August 1st) and Spotify detracted.

Looking ahead, we remain cautious for the month of August. Despite solid economic momentum and strong corporate numbers, equity markets have appreciated very fast since April 8th and opportunities are currently not as abundant. Tariff-related news as well as risks of a slowdown both in the U.S. and in the rest of the world, coupled with a typically weak month of August, suggest a careful stance. We remain positive overall for the medium term but prefer to play conservative, mindful that any weakness will lead to opportunities both in bond and equity markets.

Further information on the Belvoir Global Allocation II Universal Fund can be found on our [Website](#). Feel free to contact us with any questions about the fund—we appreciate all feedback.

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This prospectus, including the basic information sheet and the current reports, the current unit prices as well as further information on the Fund and, if applicable, other unit classes of the Fund, can be found free of charge in German on the following page: <https://fondsfinder.universal-investment.com>

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