



# Non-CHF fixed-income management approach

## Our fixed-income products in currencies other than the Swiss franc

We have created two products that share the same investment methodology.

- AMC Pro International Bonds, a subfund of the umbrella AMC PROFESSIONAL FUND, invested in bonds denominated in currencies other than the Swiss franc.
- The World Bonds Management Mandate, for investors interested in a dedicated institutional management approach.

These products are designed to make the best use of opportunities on international bond markets and to exploit existing performance potential to the full.

## Investment approach

Our investment approach is both semi-active and dynamic. In addition to the safety associated with fixed-income investments, we aim for two other objectives:

- To offer a higher yield than Swiss franc bonds.
- To outperform the benchmark over the long term.

The fund is not hedged against its base currency, the Swiss franc.

## Benchmark

Our benchmark is a synthetic index made up of the Barclays Global Aggregate (1/3) and the Barclays Euro Aggregate (2/3). The euro portion is therefore high, between 75% and 80%. The advantage of the Barclays Aggregate is that it offers a very large universe of issuers (around 11,000 securities).

## What we offer

- Ability to exploit sources of added value.
- Dynamic risk monitoring.
- Optimum management of duration, yield-curve positioning and foreign currency risk.
- Optimisation of overall portfolio volatility for Swiss franc-based investors.

## How we work

### Strategic allocation

- Predominant share (2/3) of euro-denominated bonds
- Other bonds mainly denominated in USD, JPY and GBP

### Tactical allocation

#### Interest-rate exposure

##### Forecasting models

- Duration
- Yield-curve positioning

#### Currency exposure

##### Forecasting models

- Currency weighting

#### Credit risk

##### Rating agencies

- Issuer quality
- ##### Liquidity

### Strategic allocation

We aim to optimise the bond allocation by determining the weight accorded to each currency.

- The majority of our fixed-income investments, i.e., an average of two-thirds of our portfolio, are made in euros.
- The US dollar, the yen and sterling are the other base currencies for our bonds. We invest in US, Japanese and UK bonds to maximise our portfolio's performance over time in terms of risk/reward.
- We only overweight bonds in other currencies, such as Australian or Canadian dollars, if they represent an investment opportunity, i.e., a source of outperformance during a given period.

### Tactical allocation

Tactical management of the fund is based on the following three methods: interest-rate exposure, currency exposure and credit risk.

#### Interest-rate exposure

We pay particular attention to duration and yield-curve positioning. We analyse international interest-rate developments and movements in the yield curve, using forecasting models based on different methods (valuation-based, technical and behavioural). These analyses allow us to spot potential rate movements and areas along the yield curve which should be overweight or underweight.

We believe that managing duration and yield-curve positioning is a good way to enhance performance.

## Investment process

### Fixed-income investment committee

- Duration
- Yield-curve positioning
- Currency positioning
- Sector breakdown
- Credit risk



### Implementation

- Execution of operations and application of decisions
- Monitoring of decisions taken by the Fixed-Income Investment Committee
- Monitoring of active risk and specific risk

### Currency exposure

Alongside our strategic allocation, we take active positions on currencies. Accordingly, we engage in forward currency transactions. Our decision-making process is driven by a model-based approach, and we only conduct forex transactions after rigorous monitoring of the fund's risk profile.

We believe that management of currency exposure enhances the fund's overall performance. The fund is not hedged against the Swiss franc.

### Credit risk

As part of our approach to fixed-income portfolio management, we select top-rated bonds (mainly government bonds with AAA and AA ratings). Another important factor is the security's liquidity. The final choice will be made on the basis of a comparative and historical analysis of the security in order to determine its valuation level.

Credit risk is monitored on a daily basis by our fixed-income managers, who also draw on the resources of rating agencies and analyses conducted by research services.

## Fund features

Name of fund	AMC PROFESSIONAL FUND- AMC Pro International Bonds
Legal status	Swiss-registered fund
Fund manager	BCV Asset Management
Fund Management Company	Gérifonds SA
Custodian bank	BCV
Launch date	Class A: 26/09/03 Classes B and C: 25/08/05
Base currency	CHF
Close of financial year	31 March
Issue/redemption	Every business day
All-in commission	Class A: 0.70% Class B: 0.55% (minimum investment of CHF 5m) Class C: 0.40% (minimum investment of CHF 30m)
Issue and redemption commissions	See your advisor
Benchmark index	Barclays Aggregate (synthetic): 1/3 Barclays Global Aggregate, 2/3 Barclays Euro Aggregate
Security number	Class A: 1 571 802 Class B: 2 172 208 Class C: 2 172 227
Publication of prices	Le Temps, L'AGEFI, Cash, NZZ, Finanz und Wirtschaft Reuters: 0#GERI1= Bloomberg: GERI1
Fund reports	Quarterly

### Contact

For advice and the latest updates, please contact a BCV advisor on +41 21 212 20 51 or go to [www.bcv.ch/am](http://www.bcv.ch/am)



#### Legal information

The fund's interim and annual reports, along with its prospectus and regulations, may be obtained free of charge from the fund manager Gérifonds SA ([www.gerifonds.com](http://www.gerifonds.com)) or from BCV (place St-François 14, 1003 Lausanne, Switzerland). The information contained in this document was obtained from reliable sources at the time of publication. We disclaim all liability or responsibility for any loss or damage that may result directly or indirectly from this information, which may be changed at any time without notice. This document was drawn up by BCV's Asset Management Department purely for information purposes, and does not constitute an invitation to make an offer, an offer to buy or sell, a piece of financial analysis within the meaning of the Swiss Bankers Association's "Directives on the independence of financial research" or a personalised investment recommendation. The risks involved in certain investments—particularly derivatives of any type, non-traditional funds and emerging-market investments—are not suitable for all investors, and we recommend that you consult your advisors to obtain a specific evaluation of your risk profile. We also recommend that you seek information regarding the risks inherent in investments, particularly by reading the Swiss Banking brochure on special risks in securities trading, before embarking on any transaction. The value of investments can go up or down for many reasons, and investors may not recover their investment. Past performance is no guarantee of current or future returns. In addition, exchange rate fluctuations can cause the value of an investment to rise or fall. The contents of this publication may have been used by BCV Group prior to their communication. The dissemination of this document and/or the sale of certain products may be prohibited or subject to restrictions for persons in jurisdictions other than Switzerland (including but not limited to Germany, the UK, the USA, and "US persons"). The BCV logo and trademark are protected. This document is subject to copyright and may not be reproduced unless the reproduction mentions its author, copyright and all the legal information it contains. Prior written authorisation from BCV is required to use this document for public or commercial purposes. Telephone calls to the Bank may be recorded. By using this means of communication, you accept this procedure. Source: BCV