

## BCV FONDS STRATÉGIQUE – BCV Stratégie Dynamique

Recovering from their mood of darkest pessimism in summer 2011, investors eventually decided against going for the worst-case scenario, and events in the first quarter of 2012 confirmed the rallies on which shares had first embarked in autumn last year. Once again, some encouraging US economic data helped to restore a sense of calm to the markets. Wall Street understandably reacted most enthusiastically to the news and, after being one of the only markets to deliver a gain for 2011, US equities extended their uptrend in the first 3 months of this year. This rally had been expected, so, at the outset of 2012, the sub-fund was already overweight in US shares. In spite of the uncertainties prevailing in Europe, we did undertake some buying during February and toned down the extent of their underweighting. According to our analysis, today's valuations would appear to have broadly priced in all the troubles facing the eurozone.

The sub-fund's exposure to the Swiss market remained below the long-term benchmark level in spite of the enviable state of the country's economy overall. During recovery phases, the Swiss market, which is heavily weighted in defensive stocks (primarily food and pharmaceuticals), generally speaking, tends to make smaller gains than those more economically sensitive markets.

As for the bond position, the average duration for Swiss franc bonds was shortened to close to 4 years. This move takes due account of the historically rock-bottom yields on paper denominated in Swiss francs. In expectation of global economic growth ahead, we increased the sub-fund's direct exposure to commodities. Overall, the sub-fund's tactical allocation has a position in risk assets, equities and commodities, which, in percentage terms, is slightly below the proportion advocated according to long-term strategy.

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