

## BDG FUND – BDG Balanced (CHF)

Investors' aversion to risk diminished quite noticeably on financial markets, especially in the USA and in the emerging world. As a corollary of the low interest rates and plentiful supplies of liquidity, the world's leading stock markets extended their uptrends during the opening three months of this year, taking their rally since their low points last October to almost 25%. At the conclusion of its last Federal Open Market Committee meeting, the US Federal Reserve reiterated that it did not intend to lift the Fed funds rate before the end of 2014. As for the ECB, it kept its official rates unchanged at 1%, but continued to pump unlimited supplies of liquidity into the financial sector. These mass injections of liquidity by central banks in the West helped to keep benchmark bond yields down at historically rock-bottom levels.

As of 30 March 2012, the BDG Balanced sub-fund's NAV stood at CHF 991.4, a rise 3.3% for the year so far. We continued to make some tactical moves during the opening quarter of 2012 in a drive to take advantage of market volatility. We continue to expect growth to slow temporarily, but no recession.

Banque de Dépôts et de Gestion, Lausanne

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