

## BDG FUND – BDG Bonds Opportunities (EUR)

### Review

Just as on equity markets, investors' perceptions of risk on bond markets turned quite noticeably for the better, which worked to the advantage of fixed-income paper offering the highest returns. Investors' rekindled interest in depressed assets focused on high-yield bonds, emerging-market debt and senior debt issued by banks. The trend-reversal was most striking on sovereign debt issued by peripheral eurozone member states. By way of example, the yield on benchmark 2-year Italian bonds has sunk from 7% in December to below 2% today. Corporate bonds of cyclical companies, which comprise the bulk of the sub-fund's portfolio, performed well in this climate.

### Outlook

As of 31 March 2012, the BDG Bonds Opportunities sub-fund's NAV stood at EUR 1,035, a 4.4% increase since the start of the year. Sticking with its short duration, the sub-fund will remain keenly focused on the all-important aspect of bond issuers' creditworthiness as yield spreads between corporates and government bonds have already narrowed noticeably for borrowers with lower-grade credit ratings.

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31.03.2012