

## BCV DYNAMIC FUND – BCV DYNAGEST International Bond Expo (CHF)

### Review

During the third quarter, we witnessed further intensification in the euro-zone sovereign debt crisis with all its serious repercussions for a debilitated financial system. The slowdown in the US economy unnerved investors even further, and they turned towards safe-haven assets such as US, German and Swiss government bonds and away from risk assets as a whole: equities, corporate bonds, commodities and emerging markets. In this climate, only monetary authorities seemed prepared to take any swift action, but these measures nonetheless failed to restore confidence on the markets.

During Q3 2011, the sub-fund's exposure to long-bond markets fluctuated between 71% and 84%, with the average for the quarter working out at 78.8%. The sub-fund's investment positions in long-dated bonds as of 30 September 2011 were Europe (50%), the USA (5%), the UK (2%) and Japan (12%).

### Performance

For Q3 2011, the sub-fund registered a gross return of 6.44% and net returns of 6.11% for Class A, 6.20% for Class B and 6.31% for Class C units. The benchmark index generated returns of 7.47% on a non-hedged basis and 3.18% on a hedged basis in Swiss francs.

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