

PLANETARIUM ALTERNATIVE STRATEGIES PAS LOW VOL (EUR) (CHF) (USD)

The first quarter of 2012 turned out to be an outstanding one for equity markets in spite of persistent doubts surrounding European debt. However, the dependability of investors' weightings in the asset class, a 'habit' effect and determination being shown on the policymaking front to lower debt levels helped to drive the rally. The MSCI World index advanced by 11%, the S&P 500 by 12% and the Europe Stoxx 600 by 11%. Nevertheless, several factors argue in favour of volatility persisting. To start with, underlying macroeconomic pressures are still quite significant and there is a high chance of several European countries falling short of their targets.

2012 is an election year in a number of key countries, which implies plenty of fierce public battles on campaign trails at a time when political unanimity would be particularly desirable. Lastly, investors have split into two quite distinct camps: those who missed out on the rally and those looking to cash in gains made during the quarter.

From a macroeconomic perspective, we do not believe that all the targets will be achieved, but the cost of assisting the weaker countries will be bearable for the rest. The debt problem looks set to be solved gradually, but not without its fair share of crises along the way.

Up to 31 March 2012, the sub-fund posted gains of 0.3% for its USD unit and 0.1% for the EUR unit, but a decline of 0.2% on its CHF unit. The strategy pursued during 2011 to decorrelate the sub-fund from the markets did not pay off in the opening quarter this year when markets made strong progress. The sub-fund's assets under management totalled USD 72.91 m as at 31 March 2012, down by roughly 12% on end-2011 levels.

PKB Privatbank
31/03/2012