

Multimanager-Strategies zweiplus Quarterly Report

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Equity

The stock market held surprisingly well during the first quarter of 2012, helped by a more expansive European monetary policy and corporate earnings which remain buoyant. A key element to this good performance was the decision by the European Central Bank (ECB) to grant commercial banks a three-year loan program amounting to over € 1 trillion. This move helped curb systemic risk related to the European banks situation and their exposure to heavily indebted countries in the Euro zone. Moreover, Greece bailout plan, ensuring the country's financing needs are covered in the medium-term, also removed a major uncertainty which had been hanging over the markets since last summer. In this environment, all markets posted positive returns, with Japan leading with a performance of over 18 % in yen, followed by the German market (18 %) and emerging markets (14 %). Overall Europe has lagged behind, particularly the British and Swiss markets. It should be noted that this increased risk appetite has led to an outperformance of the cyclical (consumer discretionary, hi-tech and industrial) and financial sectors which benefited from the ECB decision and positive earnings prospects for the 1st quarter of 2012

Bond market

Sovereign bonds performed well in Europe thanks to the buoyant markets of Southern Europe, notably Italy and Spain, which had no major difficulties to refinance their debt after the Greece bailout plan was announced. During the quarter, corporate bonds put in very solid performances and outperformed sovereign bonds both in Europe and the United States. Convertible bonds benefited from strong support from equity markets and delivered double-digit growth over the quarter.

Currencies

The CHF firmness, which appreciated against all major currencies (+9,7 % against JPY, +3,3 % against USD) adversely affected returns on CHF denominated accounts. The significant weakness of the yen stood out, reflecting a more accommodating monetary policy by the Bank of Japan

Commodities

Commodities performed well overall (in USD) over the quarter, but with a particularly sharp rise in oil prices and prices of industrial metals and gold. The uncertainties in the Middle East, notably in Iran and Syria induce a geopolitical risk premium on oil prices, despite the fact that overall supply seems assured. Industrial metals made good progress supported by solid growth in global manufacturing.

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Outlook and strategies for the 2nd quarter of 2012

The overall economic cycle continues to be impacted by the debt reduction process in the sovereign and private sector, which is still at an early stage and therefore will continue to weigh on global growth prospects. Unsurprisingly, the austerity measures initiated in recent months in the Euro zone countries are pushing this region gradually into recession while tax measures will also need to be taken in the U.S., early next year, to curb the steady progression of the U.S. government debt. In this context, and given a slowdown in Chinese growth, which the country's authorities estimate at 7,5 % for the current year, the world economy is projected to decrease, although, in the short term, the recovery in the U.S. labour market firmly propped up U.S. consumption. The environment in which markets have evolved in recent years, namely, on the one hand an extremely high level of systemic debt and, on the other, the political will to fund this debt at a cost of money close to zero, should not fundamentally change. The deflationary forces resulting from excessive debt will continue to be confronted with massive reflationary policies implemented by central banks. These trends will therefore continue to weigh on the markets and justify a cautious yet constructive approach. In other words, in this environment it is advisable to take risk in a disciplined manner. That's how we managed the portfolios during the first quarter, increasing our exposure to emerging markets, which are lagging behind American stocks, and purchasing convertible bonds. Considering current bond yields, sovereign bonds offer little potential for appreciation and we still favour corporate bonds. However, after the strong performance of recent months, a more selective approach in this segment is in order.

With regard to Forex markets, our views are unchanged, namely that the Eurozone needs a weak currency if it is to allow peripheral countries to regain competitiveness, without letting them down into a harmful recessionary/deflationary spiral. That is why we favour the USD vs. the EUR over the long term. We also remain cautious on the JPY, although a technical rebound is possible in the short term. The CHF will remain strong and the SNB will certainly have to step in to defend the EUR/ CHF floor of 1.2.

Performance (in %)

from 01.01.2012 to 31.03.2012

| Strategy | CHF | EUR |
|--------------|--------|--------|
| Conservative | 2,34 % | 2,87 % |
| Balanced | 3,47 % | 4,58 % |
| Growth | 5,10 % | 6,07 % |