

## Objective of the certificate

The Bond Opportunities Basket Certificate Tracker is issued in USD, it comprises a selection of at least 5 bonds or ETFs on bonds but no more than 20. The Certificate is composed of bonds or ETFs on bonds and cash components. It is of an "open-end" type, which means that it has no final fixing date. The Investment universe is composed of government and/or corporate bonds with an S&P rating of at least BB. An exchange-rate hedge may be taken out or wound up during the lifetime of the product.

## Performance summary %

	1 month	3 month	YTD	1 year	3 years	Since launch
■ Certificate tracker MGF	+0.29	+0.03	-0.10	+3.74	+18.05	+31.18
■ SPDR Blmbg HY Bd ETF	-0.15	-0.29	+1.04	+4.65	+0.67	+3.50

## Keys data

<b>Domicile</b>	Guernsey BCV
<b>Issuer</b>	Banque Cantonale Vaudoise (AA)
<b>Investment Manager</b>	Multi Group Finance SA
<b>ISIN</b>	CH03016653
<b>Reference currency</b>	USD
<b>Issuance date</b>	December 2, 2015
<b>Rebalance frequency</b>	36 x per year
<b>Minimum denomination</b>	USD 5,000
<b>Management style</b>	Dynamic
<b>Maximum weight of a bond</b>	20%
<b>Minimum issue volume of a bond</b>	200 M
<b>Entry Fee</b>	No
<b>Exit Fee</b>	No
<b>Performance Fee</b>	No
<b>No value</b>	30166530
<b>Replication method</b>	Full replication
<b>Use of coupons</b>	Accumulation
<b>Benchmark</b>	Barclays USD High Yield Bond
<b>Minimum investment</b>	1 certificate
<b>Maturity</b>	Open end
<b>Volatility p.a.</b>	5.57%

## Comment of the month October

On the bond side, volatility increased as expected. Interest rates rose due to monetary policy expectations, rising inflation and increased risk appetite. Positioning has also changed compared to the end of August. With central bank decisions on everyone's radar, we believe it is time to reduce the underweight in duration. Longer-term bond yields may rise, but consolidation is more likely in the short term. As a result, we now expect the curve to flatten, as labour market pressure may induce further rate hikes in 2022-23.

The most interesting segment to add duration is Europe. Divergence is expected to increase across the Atlantic as economic data and monetary policy will move more quickly in the US. In addition, debt issuance will accelerate sharply if Congress finally passes the Biden tax plan. With the ECB's expectations currently more aggressive than seems reasonable, European bonds look attractive from a tactical point of view and may also be a good way to hedge portfolio risk between now and year-end.

Credit continues to trade in a narrow range, with limited contagion from rate volatility. Short-dated high-yield and floating-rate bonds remain attractive. In a temporary context of headwinds, with defensive management on duration and bond quality, we managed to remain positive over the month and the last quarter, with +0.29%, better than the index, which ended with -0.15%.



## Annual performances %

	2016	2017	2018	2019	2020	2021
Certificate tracker MGF	+11.00	+3.60	-2.20	+11.50	+8.70	-0.53

## Country allocation %

USA	71.26
Cash	15.23
Canada	13.51

## Main positions

USD	6.2 WESTERN UNION 36	Financi	5.24	United-States
USD	6.625 FORD 28	Industry	5.18	United-States
USD	6.25 ICAHN 26	Finance	5.11	United-States
USD	3.90 LASVEGAS SANDS 29	Hotels	5.02	United-States
USD	4.25 FLUOR 28	Industry	5.02	United-States
USD	3.375 COINBASE 28	Financi	5.01	United-States
USD	5.625 SALLY 25	Finance	4.99	United-States

**Past performance is not an indicator of future results.** This product is not a collective investment within the meaning of the Swiss Federal Investment Fund Act (LPCC) and is not subject to the authorization or supervision of the Swiss Financial Market Supervisory Authority (FINMA). Investors are also exposed to the risk of insolvency of the issuer (AA). This Certificate is actively managed on a discretionary basis and has a dynamic structure.