

Objective of the certificate

The Equity Opportunities Basket Certificate Tracker comprises a selection of at least 5 stocks or ETFs on stocks but no more than 40, and cash components. The Certificate is of the "Open-End" type, which means that it has no final fixing date. MGF decides on the basket composition and on the weighting of each component. Components of the basket are stocks included in the Stoxx Europe 600, Bloomberg European 500, SPI, S&P 500, Russell 3000, Nasdaq Composite and ETFs.

Keys data

Domicile	Switzerland
Issuer	Banque Cantonale Vaudoise (AA)
Investment Manager	Multi Group Finance SA
ISIN	CH0301665276
Reference currency	USD
Issuance date	November 4, 2015
Rebalance frequency	Weekly
Minimum denomination	USD 1,000
Management style	Dynamic
Maximum weight of a bond	10%
Minimum issue volume of a bond	500 M
Entry Fee / Exit Fee	No
Performance Fee	10%
No value	30166527
Replication method	Full replication
Use of coupons	Accumulation
Benchmark	Stoxx Europe 50
Maturity	Open end
Volatility p.a.	17.53%

Comment of the month June 2023

Although the US market has gained less than the European market since the start of the year, it was still up 8.9% at the end of May. Many studies attribute this rise in the S&P 500 to a small number of stocks, mainly in the technology sector. And this is indeed the case. An analysis of the change in the S&P 500 reveals that this rise is entirely explained by the revaluation of technology stocks.

Both for technology stocks (represented here by the S&P 500 Technology, with the addition of Amazon, Meta and Tesla from other sectors) and for the rest of the market, earnings forecasts have remained virtually stable since the start of the year. The rise in the price/earnings (P/E) ratios of technology stocks accounts for almost all of the overall increase. The hype surrounding artificial intelligence, following the launch of Chat-GPT at the end of November 2022, led to a sharp increase in the valuation multiples of technology stocks.

After correcting post-Covid valuation excesses and returning to a P/E of 20 times forward earnings at the end of last year, these stocks are now trading at 25 times forward earnings per share, halfway to the post-Covid highs of close to 30 times. Is this exuberance? Only time will tell. However, if we exclude these stocks, we can see that the US market has changed little since the start of the year and is applying P/E ratios in line with historical norms, given very high earnings. A recession could lead to a sharp fall in these results.



	Fund	Index	+/-
1 month	+0.03	-4.20	-4.17
3 month	+3.18	+0.71	+2.47
YTD	+9.88	+7.85	+2.03
Since launch	+18.88	+17.62	+1.26

Main positions %

NOVO NORDIC A/S	3.94	Danmark	USD
Shell	3.71	United Kingdom	USD
LVMH	3.57	USA	USD
Swiss Life	3.20	Switzerland	CHF
Microsoft	3.69	USA	USD
McDonald's	3.04	USA	USD

Sector allocation %

Pharma	20.17
Finance	15.73
Energy	14.99
Information technology	11.49
Consumer discretionary	11.03
Non-cyclical consumption	10.52
Industry	9.48
Communication equipment	6.59

Country allocation %

USA	61.21
Switzerland	17.88
Scandinavia	9.47
France	8.19
Cash	3.25

Currency allocation %

USD	55.06
EUR	25.12
CHF	19.82

Past performance is not an indication 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.