



Compagnie
Bancaire
Helvétique

The Big Picture

IFMA

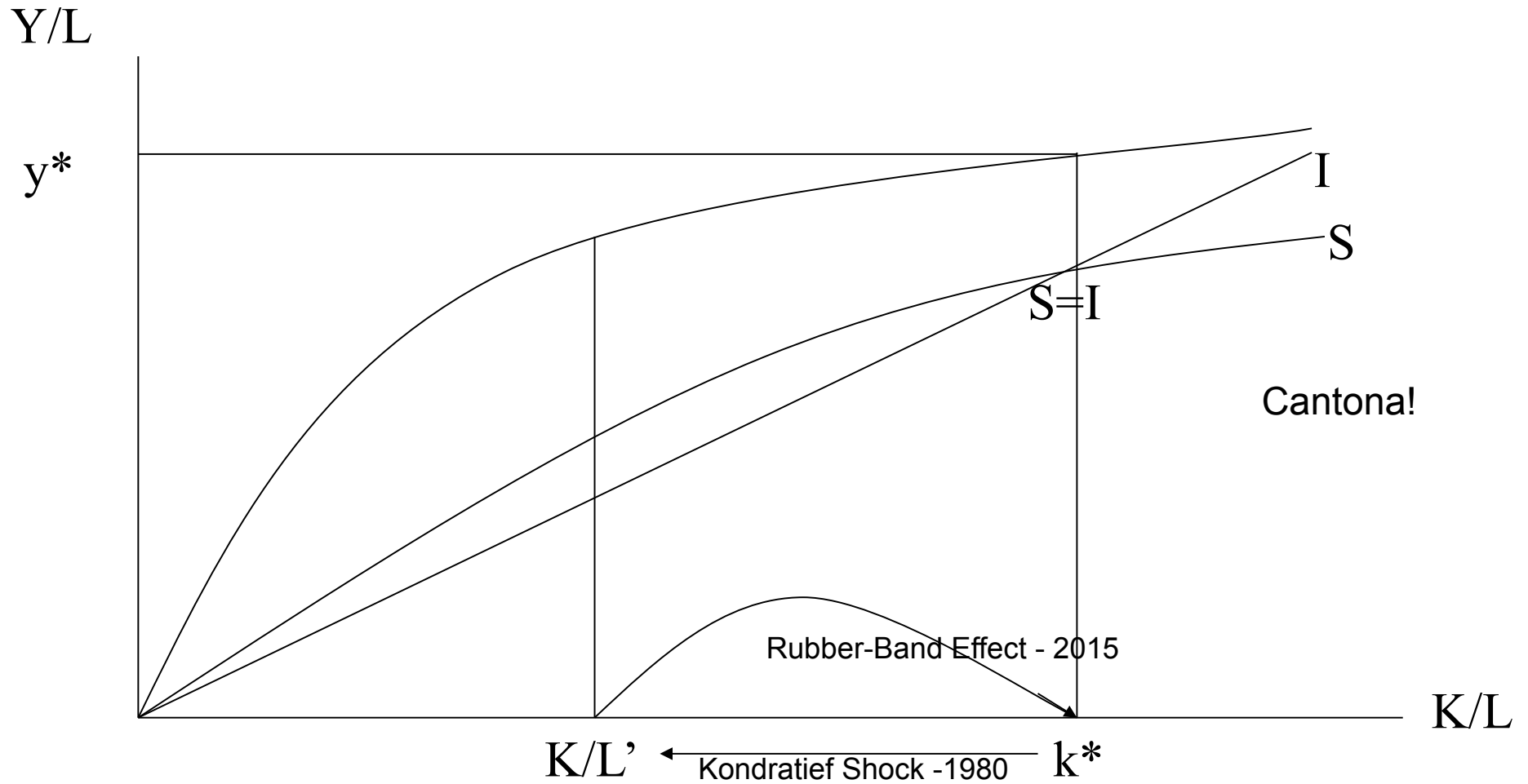
Reading makes a full man, conference a ready man, and writing an exact man.

Sir Francis Bacon



The Big Picture

I. The World Economy



The Big Picture

II. Kondratieff Cycle

Shock

Kondratieff = f(**Démographie, Technologie**)

1950: Baby Boom
1980: x2 Population active

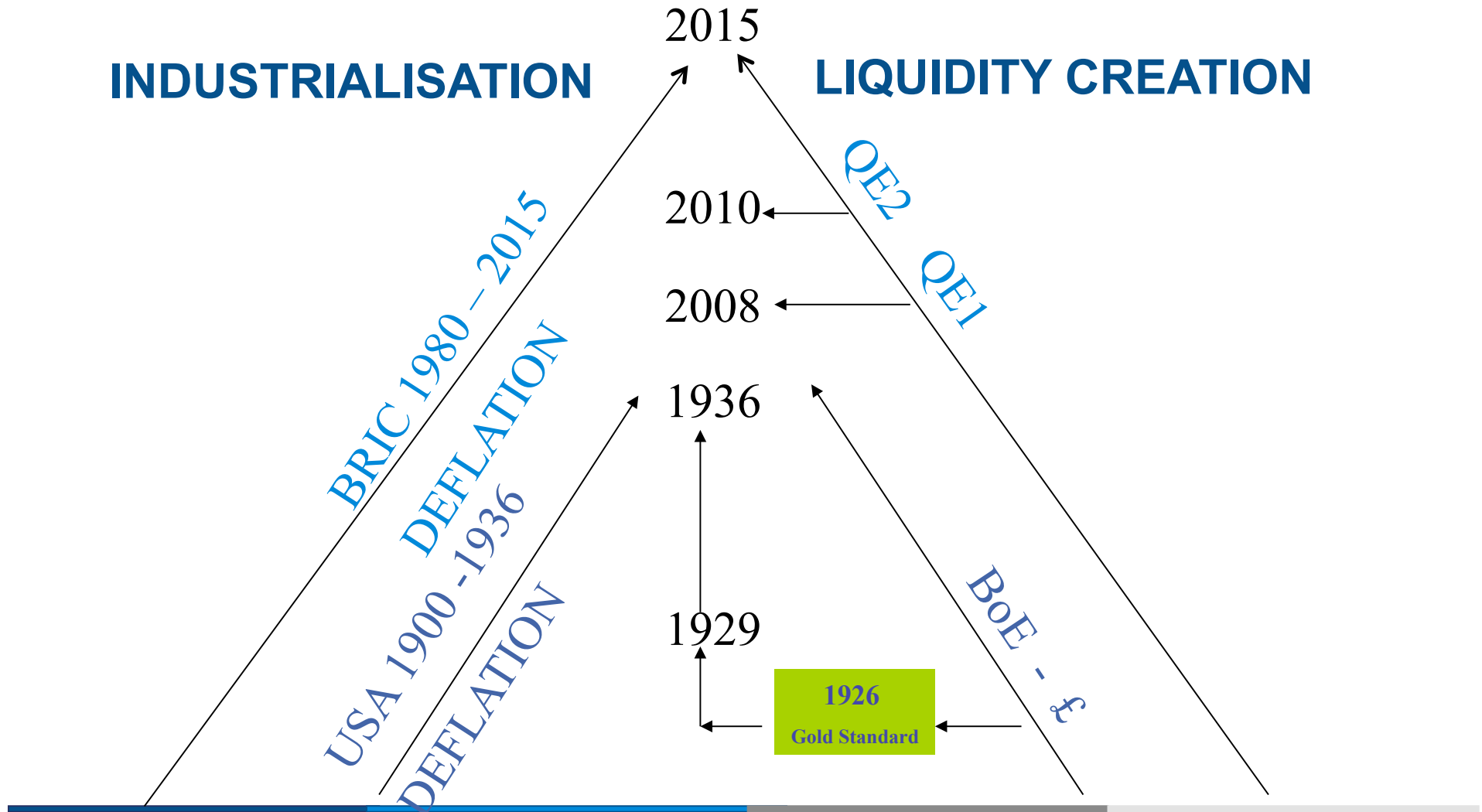
1780: Machine à vapeur
1840: Chemin de fer
1895: Electricité
1945: Atome
1980: PC/Internet/Mobile

Ruber-Band Effect
↓
Industrialisation



The Big Picture

III. The Gordian Knot





The Big Picture

IV. Macro-Investment Strategy

Macro-Picture

1. Deflation
2. Liquidity (QE1, QE2, QE3)

Macro-Strategy

- ➔ Long Bonds
- ➔ Long Gold
- ➔ Short US\$
- ➔ Long Equities



Investment Philosophy Filter

Investment vs. Speculation



"Investment" Portfolio

Pléiade Euro Balanced



The Big Picture

V. Investment Philosophy

I. Guidelines

1. Investment Class

There exist only 4 investment classes, namely, Cash, Bonds, Stocks and Real-Estates. They all have a common characteristic, i.e., they all generate some kind of a cash flow for investors. Cash returns interests. Bonds return coupons. Stocks return dividends. Real-estates return rents. In our book, investment is the art to buy those cash-flow generating assets at a price. We exclusively invest our clients' fortune into this class.

2. Speculative Asset

There exist other classes of assets, which can provide investors with handsome profits due to price differentiation, namely, gold, silver, oil or currencies. None of them generate any kind of cash flows. Investors make or lose money on the sole price movements. We do not invest in this speculative class unless requested by our clients.

3. Investment Style

Hedge funds are not considered an asset class, nor are they considered as a speculative type. They provide investors with a specific investment style. We do not buy any single hedge fund but we provide our clients with a diversified portfolio of hedge funds – our fund of hedge funds -, within a SICAV, headquartered in Luxembourg and managed by CBH.

4. Idea vs. Product

Investment products of any kinds – Structured or Derivative - are not part of our investment process. We take investment positions based on ideas not on products!

II. Process

5. Macro-Framework

Understanding the world economy and its many interactions provide us with the best investment ideas, whose implementations and unfolding provide multi-year out-performances.

6. Asset Allocation

Our asset allocation for a Balanced Portfolio is 40 to 60, i.e., 40% in stocks and 60% in bonds. It varies rarely.

7. Re-Balancing

When the asset allocation is being changed either because markets rally or because they correct, portfolios are being re-balanced in a discipline manner without emotional interventions.

8. Decision Process

Professionals in charge of managing portfolios and funds gather on a weekly basis with the sole objective of exchanging investment ideas. In the end, the Chief Investment Officer makes decisions based on his judgment and is accountable for them.

III. Management

9. Forecasts

We do not make forecasts. We analyze macro-facts such as GDP growth and inflation rates to assert “where the economy is” and not where it goes. At the micro-level, facts such as valuations and dividends play a crucial part in our decision process. Earnings forecasts do not.

10. Risk

Risk management consists in hedging our bond or equity exposure in times of market volatility without changing the central strategic idea and therefore the portfolio's structure. Protections are being used as an insurance policy against unexpected severe market downturns.

11. Currency

We are currency agnostic. Portfolios are therefore mono-currency and, as a result, all investments made outside the currency of reference are systematically hedged.

12. Timing

We consider timing markets essential, yet impossible. Therefore being out of the stock markets for timing consideration is to us a very risky proposition, to which we do not want to expose our clients' portfolios.



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VI. Pléiade Euro-Balanced

Asset Classes	Ccy	Maturity/Sector	Description	Cpn %	Cost Price	Last Price	Price Change in (%)	Contribution	Weight
CASH	CCY						0.00%	0.00%	14.60%
FIDUCIARY DEPOSIT	EUR							0.00%	14.60%
BONDS	CCY	Maturity	Cpn %					3.56%	40.57%
BUNDESREPUB. DEUTSCHLAND	EUR	04.01.2015	3.75	109.09	108.57	2.77%	0.12%	4.57%	
BUNDESREPUB. DEUTSCHLAND	EUR	04.01.2037	4.00	94.05	110.27	21.26%	0.26%	1.57%	
BUNDESREPUB. DEUTSCHLAND	EUR	04.01.2018	4.00	111.26	109.97	2.23%	0.15%	6.95%	
EXANE FINANCE	EUR	17.12.2010	0.00	87.29	82.39	(5.61)%	(0.09)%	1.45%	
GAZPROM (GAZ CAPITAL SA)	EUR	09.12.2012	4.56	98.76	103.44	9.10%	0.12%	1.46%	
Q-CELLS SE	EUR	21.10.2015	6.75	4.29	3.44	1.13%	1.95%	0.82%	
VTB BANK (VTB CAPITAL SA)	EUR	15.02.2016	4.25	100.80	100.45	3.63%	0.10%	2.81%	
VTB BANK (VTB CAPITAL SA)	EUR	30.06.2011	8.25	105.38	103.33	5.45%	0.07%	1.45%	
CHINA WATER AFFAIRS GRP	HKD	15.04.2015	2.50	103.38	106.50	5.31%	0.07%	1.41%	
SAS AB	SEK	01.04.2015	7.50	111.70	90.00	(13.09)%	(0.20)%	1.34%	
RUBY ASSETS PTE LTD	SGD	01.02.2017	1.60	102.50	101.74	0.73%	0.01%	0.79%	
AFRICAN EXPORT-IMPORT BA	USD	13.11.2014	8.75	98.52	113.38	23.46%	0.04%	0.23%	
ALLIANCE OIL CO LTD	USD	16.07.2014	7.25	126.00	119.11	(0.04)%	(0.00)%	1.21%	
REPUBLIC OF ARGENTINA	USD	28.03.2011	7.00	95.92	102.00	13.23%	0.12%	1.05%	
BLT INTERNATIONAL CORP	USD	10.02.2015	12.00	101.88	103.00	12.23%	0.14%	1.30%	
BLD INVESTMENTS PTE LTD	USD	23.03.2015	8.63	97.89	87.22	(2.38)%	(0.04)%	1.81%	
EX-IM BK UKRAINE (CS)	USD	07.09.2011	7.65	97.63	100.98	10.84%	0.10%	1.06%	
DTEK FINANCE BV	USD	28.04.2015	9.50	99.03	101.41	11.46%	0.05%	0.53%	
ENERCOAL RESOURCES PTE	USD	25.11.2016	5.00	97.88	104.65	11.75%	0.11%	1.03%	
EZRA HOLDINGS	USD	25.11.2014	4.00	105.50	102.94	1.15%	0.01%	0.64%	
PETROTEMEX SA DE CV	USD	19.08.2014	9.50	106.50	111.25	12.88%	0.13%	1.17%	
KAZKOMMERTSBANK	USD	27.07.2016	8.63	88.63	79.69	(0.89)%	(0.00)%	0.42%	
BK OF MOSCOW (KUZNETSKI)	USD	25.11.2015	5.97	100.35	96.50	1.78%	0.03%	1.99%	
PORSCHE INTL FINANCING	USD	--	7.20	100.63	99.75	5.89%	0.06%	1.03%	
STANDARD BANK PLC	USD	02.12.2019	8.13	103.00	107.75	12.06%	0.12%	1.15%	
TMK BONDS SA	USD	11.02.2015	5.25	103.70	109.00	9.89%	0.12%	1.33%	
EQUITIES		Sector						-1.33%	38.32%
CHF								(0.24)%	8.56%
ARYZTA AG	CHF	Food-Baking		41.55	43.00	3.50%	0.04%	1.24%	
NESTLE SA-REG	CHF	Food-Misc/Diversified		53.31	55.20	3.55%	0.04%	1.16%	
NOVARTIS AG-REG	CHF	Medical-Drugs		52.94	53.45	0.96%	0.02%	1.97%	
ROCHE HOLDING AG-GENUSSCHEIN	CHF	Medical-Drugs		156.04	138.40	(11.30)%	(0.33)%	2.59%	
ZURICH FINANCIAL SERVICES AG	CHF	Multi-line Insurance		235.74	233.10	(1.12)%	(0.02)%	1.60%	
EUR								(1.09)%	25.43%
ALSTOM	EUR	Machinery-General Indust		46.00	32.43	(29.50)%	(0.40)%	1.04%	
BOUYGUES SA	EUR	Buildings&Construct-Misc		32.57	31.76	(2.48)%	(0.05)%	1.88%	
CARREFOUR SA	EUR	Food-Retail		37.67	33.11	(12.12)%	(0.25)%	1.85%	
CISCO SYSTEMS INC	EUR	Networking Products		14.48	14.28	(1.41)%	(0.02)%	1.60%	
ENI SPA	EUR	Oil Comp-Integrated		16.89	15.75	(5.63)%	(0.08)%	1.27%	
FRANCE TELECOM SA	EUR	Telephone-Integrated		16.40	15.91	(3.02)%	(0.05)%	1.76%	
HEINEKEN NV	EUR	Brewery		36.92	35.49	(3.89)%	(0.08)%	1.97%	
KONINKLIJKE KPN NV	EUR	Telephone-Integrated		11.68	11.08	(5.14)%	(0.10)%	1.86%	
MERCK KGAA	EUR	Medical-Drugs		60.60	60.85	0.41%	0.01%	2.15%	
PERNOD-RICARD SA	EUR	Beverages-Wine/Spirits		61.78	64.85	4.97%	0.09%	1.91%	
RWE AG	EUR	Electric-Integrated		50.89	49.00	(3.71)%	(0.07)%	1.72%	
TOTAL SA	EUR	Oil Comp-Integrated		39.09	38.06	(2.64)%	(0.08)%	3.07%	
UNILEVER NV-CVA	EUR	Food-Misc/Diversified		22.58	22.39	(0.87)%	(0.02)%	2.82%	
VINCI SA	EUR	Building-Heavy Construct		37.50	38.73	3.28%	0.02%	0.53%	
GBP								0.04%	1.51%
DIAGEO PLC	GBP	Beverages-Wine/Spirits		1112.70	1146.00	2.99%	0.04%	1.51%	
USD								(0.04)%	2.82%
ELI LILLY & CO	USD	Medical-Drugs		34.25	34.14	(0.33)%	(0.01)%	1.82%	
PFIZER INC	USD	Medical-Drugs		17.24	16.72	(3.02)%	(0.03)%	1.00%	
ETF	CCY	Sector						-0.33%	5.90%
JAD EUROPE DYNAMIC-I	EUR	Region Fund-European		102.66	106.65	3.88%	0.05%	1.43%	
PROSHARES ULTRASHORT 20+Y TR	USD	Government/Agency-LT		38.72	37.03	(4.36)%	(0.01)%	2.94%	
PROSHARES QQQ ULTRASHORT	USD	Growth-Large Cap		14.99	11.95	(20.24)%	(0.37)%	1.53%	
Portfolio Performance (YTD)							Net	4.71%	104.71%

Be brief, for no discourse can please when too long.

Miguel de Cervantes

Bon appétit

PhC

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