

BBGI OPP2 COMPLIANT INDEX CHF

A BBGI exclusivity since 1999

December 2021

Swiss equities were the highlight of the month of December

POSITIVE PERFORMANCE FOR THE THREE BBGI OPP2 COMPLIANT INDICES IN DECEMBER

BBGI OPP2 Compliant Index « Low Risk »	+ 1.17%	(YTD +5.61%)
BBGI OPP2 Compliant Index « Medium Risk »	+ 1.85%	(YTD +9.36%)
BBGI OPP2 Compliant Index « Dynamic Risk »	+ 2.53%	(YTD +13.22%)

Comments (performances in Swiss Francs)

The three BBGI OPP2 2 Compliant indices all ended the year in positive territory. Indeed, the low-risk index increased by +1.17%, the moderate-risk strategy did slightly better and advanced by +1.85%, while the dynamic-risk index posted the best performance by climbing by +2.53%. Throughout the year, the three BBGI OPP2 Compliant strategies have achieved cumulative returns ranging from +5.61% to +13.22%. The bond markets are once again in the red for this last month of the year 2021. The domestic segment slipped by -0.76%, very slightly behind the international counterpart, which fell by -0.79%. The real estate sector is regaining its attractiveness to investors this month. The international class is back above the zero performance mark and jumps by +4.92%. In Switzerland, the movement is similar, the sector is increasing its momentum after a +0.76% growth in November and rose by +3.87%. The equity markets returned to positive values in December after the profit-taking of the previous month. Internationally, the world's stock markets are up on average by +2.99%, which erases the losses that occurred in November (-2.04 %). Swiss equities achieved the best performance of all asset classes combined this month and surged by +5.87% for a cumulated return of +23.38% for the year. Commodities recovered in December (+3.45%) after having suffered a slump during the previous month (-7.46%). The private equity segment is slightly back in the black, but nevertheless achieves the best cumulative performance of the year 2021 (+49.92%). The hedge fund segment ended the year very slightly positive and posted a modest YTD performance of +2.55%.

Financial market developments (performances in local currencies, USD)

Most markets ended the year positively and with a surge of defiance towards the Omicron variant. In spite of the explosion of contaminations in most countries and new sanitary restrictions imposed, sometimes even to the point of confinement, the financial markets were indeed convinced by the less dangerous nature of the new variant. They were quick to dismiss the initially perceived greater risks of a cyclical slowdown. As soon as the severity of the Omicron variant appeared to be without major risk to the economic outlook, optimism again took over. The Covid factor will therefore not have regained its influence on investor psychology for long. The year 2021 ends with a rather satisfactory global economic performance and the outlook for 2022 supports the prevailing optimism. December was nevertheless marked by the first rate hike in the United Kingdom since the emergence of the pandemic. The Fed has also moved the target date for the end of its securities purchase program from June to March. Inflation is now perceived by central banks as more persistent, which has also revived the rising pressure on the capital markets, which was only temporarily interrupted by the appearance of the Omicron variant. The correlation between the bond markets was again materialized by similar adjustments in the yield curves in a number of currencies. In this context, the equity markets (+2.99%) took advantage of the situation to end the year on new records in the United States (+4.4%) and Switzerland (+5.87%) in particular. Swiss (+3.87%) and international (+4.9%) real estate also enjoyed the repositioning of investors, while commodities leapt by +3.45%, driven by a further increase in energy prices (+11%).

PERFORMANCE OF ASSET CLASSES

DECEMBER

+ 5.87%	Swiss Equities
+ 4.92%	International Real Estate
+ 3.87%	Swiss Real Estate
+ 3.45%	Commodities
+ 2.99%	International Equities
+ 0.95%	Private Equity
+ 0.36%	Hedge Funds
- 0.76%	Swiss fixed Income
- 0.79%	International fixed Income

FULL YEAR 2021

+ 49.92%	Private Equity
+ 25.81%	Commodities
+ 25.63%	International Real Estate
+ 23.38%	Swiss Equities
+ 22.05%	International Equities
+ 7.32%	Swiss Real Estate
+ 2.55%	Hedge Funds
- 1.72%	International fixed Income
- 1.82%	Swiss fixed Income

COMMENTS BY ASSET CLASS

Fixed Incomes

Rather negative performances for most bond markets which returned to a bearish trend in December. After the initial uncertainties related to the emergence of the Omicron variant, the general sentiment is now improving. Risks of re-confinement and negative impacts on growth prospects for 2022 have been reassessed and downgraded. The year 2021 has therefore turned out to be negative for the bond markets, with losses in the main currencies ranging from -0.16% (YEN) to -9.01% (AUD) for an average result of -4.71%. Central banks are becoming aware of the persistence of inflation, and we started to observe the first actions of normalization of monetary policies in the United States and the United Kingdom.

Equities

Equity markets ended the year in a clearly bullish mood. The economic outlook is solid for 2022 and the growth of corporate earnings remains unchallenged. The month of December made a very significant contribution to the growth of the stock market indices over the year, with an average increase of +2.99%, bringing the performance of international equities to +22.05% in 2021. Equity PEs with a 12-month timeframe are falling in some countries, but relative historical valuations leave the US and Switzerland at high levels.

Commodities

After the announcement of the discovery of a new variant of Covid-19 at the end of November, crude oil prices were severely punished by a sharp slump of -20.81%. However, in December the panic visibly gave way to a more measured sentiment from investors who are re-considering the long-term impact of this new variant on the economy. Indeed, crude oil prices increased substantially in December (+13.64%), with the black gold gaining +55% over the year. Gold is also in positive territory (+3.08%) despite a disappointing year (-3.64%). Commodities ended the year in positive territory (+3.45% and 25.81% YTD).

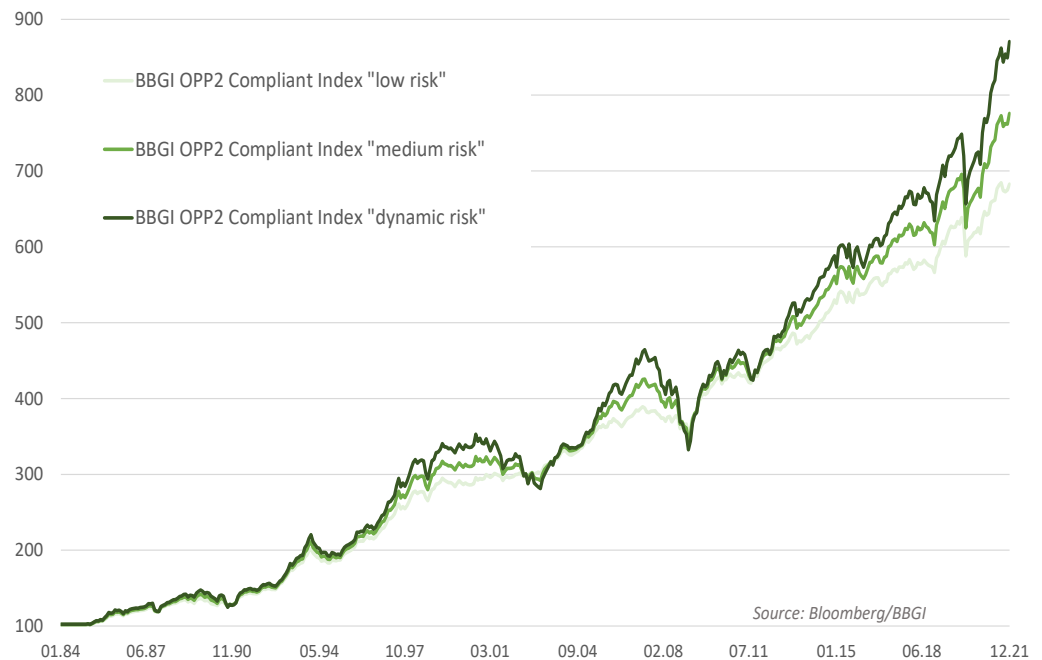
Private Equity

During a year of extremely accommodative monetary policy and zero interest rates, the high-risk private equity segment attracted investors looking for yield. This movement underpinned the sector's stratospheric flight to value during the period and allowed it to post a YTD gain of +49.92%.

BBGI OPP2 Compliant Indices (Monthly Indices)										
Performances in Swiss Francs	last 3 months			YTD	Current Year				Annualized performances	
	October 2021	November 2021	December 2021	Year to date	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2020	Annualized perf from 1984 to date**
BBGI OPP2 Compliant "Low Risk"	-0.24%	0.35%	1.17%	5.61%	1.82%	2.82%	-0.37%	1.34%	2.63%	5.33%
BBGI OPP2 Compliant "Medium Risk"	0.50%	-0.11%	1.85%	9.36%	3.11%	4.14%	-0.29%	2.41%	3.03%	5.69%
BBGI OPP2 Compliant "Dynamic Risk"	1.25%	-0.57%	2.53%	13.22%	4.40%	5.50%	-0.21%	3.53%	3.37%	6.02%
Swiss Bonds	-0.78%	1.42%	-0.76%	-1.82%	-1.20%	-0.04%	-0.44%	-0.14%	2.92%	3.84%
International Bonds	-1.91%	0.01%	-0.79%	-1.72%	1.84%	-0.70%	-0.17%	-2.70%	5.85%	3.74%
Swiss Real Estate	-3.66%	0.76%	3.87%	7.32%	0.43%	6.31%	-0.29%	0.88%	20.68%	6.67%
International Real Estate	3.29%	-1.88%	4.92%	25.63%	12.48%	6.49%	-0.83%	7.48%	20.46%	5.51%
Swiss Stocks	3.78%	-0.51%	5.87%	23.38%	5.16%	9.99%	-2.27%	10.50%	30.59%	9.12%
International stocks	3.16%	-2.04%	2.99%	22.05%	11.29%	6.12%	-0.16%	4.79%	24.48%	6.73%
Commodities *	2.51%	-7.46%	3.45%	25.81%	6.65%	13.91%	7.65%	-2.40%	4.19%	-2.10%
Private Equity *	12.31%	-3.09%	0.95%	49.92%	12.52%	18.49%	5.43%	13.48%	38.24%	17.78%
Hedge Funds *	0.80%	-1.38%	0.36%	2.55%	1.01%	2.15%	-0.37%	-0.24%	3.13%	1.01%
* hedged in Swiss Francs										
Forex										
USD/CHF	-1.67%	0.31%	-0.65%	3.81%	6.60%	-2.10%	0.76%	-1.45%	-8.42%	-2.79%
EUR/CHF	-1.87%	-1.58%	-0.39%	-3.66%	2.38%	-0.94%	-1.69%	-3.42%	-0.40%	-1.95%

**Annualized data for international bonds, commodities, private equity and alternative investments are calculated from their introduction on January 1, 2009. International real estate was introduced in November 1989. The annualized performance of the EUR/CHF exchange rate has been calculated since December 1999.

Sources : Bloomberg/BBGI



The systematically diversified strategies of the BBGI OPP2 Compliant Indices have generated annualized returns from +5.33 % to +6.02 % since 1984 to date

The composition of our indices is available upon request