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The downward trend continues in May

NEGATIVE PERFORMANCES FOR ALL THREE BBGI OPP2 COMPLIANT INDICES IN MAY

BBGI OPP2 Compliant Index « Low Risk »	**- 1.79%**	**(YTD -8.03%)**
BBGI OPP2 Compliant Index « Medium Risk »	**- 2.01%**	**(YTD -7.80%)**
BBGI OPP2 Compliant Index « Dynamic Risk »	**- 2.23%**	**(YTD -7.58%)**

Comments (performances in Swiss Francs)

The general downward trend in the markets continued during the month of May. All three BBGI OPP2 Compliant indices performed negatively once again. The low-risk index fell by -1.79%, while the moderate risk strategy lost -2.01%. The dynamic risk approach fell more sharply by -2.23% in May. The bond markets are still in the red this month. The domestic segment posted a negative performance of -0.59% while the international market fell by -1.00%. The real estate sector is also in a bad way in May, with the Swiss segment confirming last month's negative performance (-1.13%) and losing -4.42%. At the same time, the international segment fell more heavily and achieved the worst performance of the month (-5.64%). Both equity markets are underperforming in May. The domestic segment ended up in negative territory after a reduction in momentum over the last two months (+2.42% in March, +0.42% in April and finally -4.38% in May). The international class resisted a little better by giving up only -1.30% and reduced its bearish momentum (-3.02% in May). (-3.02% in April). The commodities sector remains one of the only asset classes to continue its upward trajectory in 2022 (+1.35%). The segment continues to be supported by the geopolitical situation in Europe and the increasing sanctions against Russia, which are underpinning the upward trend in energy prices. The private equity segment turned in a positive performance (+2.36%) after collapsing in April (-13.34%).

Financial market developments (performances in local currencies, USD)

The rebound of the equity markets in the last few days of May reversed the negative trend of the previous weeks and allowed the majority of the stock market indices to record a slightly positive monthly close. The S&P500 index ended the month up by a small 0.18% after having fallen by 7.8% in the previous days. During the month, the interest rate markets also experienced significant volatility, with yields initially rising before easing at the end of the month. Ten-year US Treasury rates rose from 2.9% to 3.2% at the beginning of the period before falling back to 2.85%. The Fed's negative comments on inflation and its decision to raise rates a second time on 4 May by 0.5% had an effect on investor sentiment. Concerns that a tightening cycle would intensify and accelerate in response to continued high inflation were the main factor of uncertainty at the beginning of the month. Subsequently, signs of weakness in the US economy have, on the contrary, helped to adjust the outlook for policy rate hikes and reduce fears of overly aggressive monetary policies. In Europe, the ECB's cautious messages announcing a gradual change in policy were rather reassuring. On the geopolitical front, the war in Ukraine remained a source of tension for commodities, which rose again by 1.35%, led by the rise in energy prices (+9.9%). Oil (Brent) temporarily touched $125 a barrel, while gold prices slipped -3.1% with the first potential sign of a loss of momentum in US inflation, down slightly from 8.5% to 8.3% in April. Real estate investments fell by around -4.3%, while private equity managed to remain positive (+2.36%). Equities may have reached their nadir after a drop of -31.4% for the Nasdaq and -20.9% for the S&P500, if lower inflation, signs of economic slowdown and lower interest rate pressures materialize in June.

PERFORMANCE OF ASSET CLASSES

MAY

+ 2.36%	Private Equity
+ 1.35%	Commodities
- 0.59%	Swiss Bonds
- 1.00%	International Bonds
- 1.22%	Hedge Funds
- 1.30%	International stocks
- 4.38%	Swiss Stocks
- 4.42%	Swiss Real Estate
- 5.64%	International Real Estate
- 13.34%	Private Equity

YTD

+ 31.92%	Commodities
- 4.20%	Hedge Funds
- 6.52%	International Bonds
- 8.02%	International Real Estate
- 8.34%	International stocks
- 8.48%	Swiss Bonds
- 9.28%	Swiss Stocks
- 9.44%	Swiss Real Estate
- 21.87%	Private Equity

COMMENTS
BY ASSET CLASS

Fixed Incomes

Expectations in the bond markets changed rapidly in May. Yield curves rose again as inflationary pressures continued, before falling as the growing risks of a cyclical slowdown were taken into account. Ten-year US Treasury yields initially rose by 30 bps to 3.2% before returning to their 2.9% level at the end of the month. In Europe, inflationary pressures appear to be more acute, which has supported a more upward trend in yields above 1%. Yield spreads with USD and CHF rates have thus increased in favors of euro bonds. The spread between 2-year euro and Swiss franc yields reversed by 70 bps to 47 bps, the highest spread seen since late 2015.

Equities

Equity markets ended the month by ending one of the longest sequences of negative weekly performance in history. While investors have continued to pull back sharply from equity markets, the corresponding price declines had already been very significant for many companies, including many of those in the Nasdaq index, with corrections often exceeding -50%. Confidence is improving and investors seem to be more willing to take risks, reinforcing the likelihood that the low point of the last few days will indeed be a bottom for a few weeks at least.

Commodities

The commodities sector is the only asset class to continue on a positive trajectory in 2022. The segment is still favored by the European geopolitical situation and the ongoing war in Ukraine. Sanctions against Russia were stepped up again in May and a total embargo on Russian oil by the end of the year has been announced, raising fears of new tensions on the energy market. The segment recorded an exceptional gain of +31.92%, placing it well ahead of other asset classes.

Real Estate

The sector did not benefit from the rebound at the end of the month and continues its negative trend. Indeed, international real estate underwent a strong correction, falling by -5.64% and continuing the negative trend that began last month. The asset class achieved the worst performance of the month and has accumulated a loss of -8.02% since the beginning of the year in a context of rising interest rates which potentially threatens the yield of real estate.

BBGI OPP2 Compliant Indices (Monthly Indices)										
Performances in Swiss Francs	last 3 months			YTD	Current Year				Annualized performances	
	March 2022	April 2022	May 2022	Year to date	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2021	Annualized perf fm 1984 to date**
BBGI OPP2 Compliant "Low Risk"	-0.97%	-1.47%	**-1.79%**	**-8.03%**	-4.96%				5.61%	5.03%
BBGI OPP2 Compliant "Medium Risk"	-0.15%	-1.49%	**-2.01%**	**-7.80%**	-4.49%				9.36%	5.40%
BBGI OPP2 Compliant "Dynamic Risk"	0.67%	-1.51%	**-2.23%**	**-7.58%**	-4.02%				13.22%	5.73%
Assets										
Swiss Bonds	-2.73%	-1.99%	**-0.59%**	**-8.48%**	-6.06%				-1.82%	3.55%
International Bonds	-2.44%	-0.43%	**-1.00%**	**-6.52%**	-5.17%				-1.72%	3.70%
Swiss Real Estate	-0.56%	-1.13%	**-4.42%**	**-9.44%**	-4.17%				7.32%	6.31%
International Real Estate	4.55%	-0.15%	**-5.64%**	**-8.02%**	-2.39%				25.63%	5.22%
Swiss Stocks	2.42%	0.42%	**-4.38%**	**-9.28%**	-5.51%				23.38%	8.74%
International stocks	2.54%	-3.02%	**-1.30%**	**-8.34%**	-4.24%				22.05%	6.40%
Commodities *	8.55%	4.00%	**1.35%**	**31.92%**	25.17%				25.81%	0.18%
Private Equity *	0.17%	-13.34%	**2.36%**	**-21.87%**	-11.92%				49.92%	15.38%
Hedge Funds *	0.37%	-1.06%	**-1.22%**	**-4.20%**	-1.98%				2.55%	0.65%
* hedged in Swiss Francs										
Forex										
USD/CHF	0.62%	5.34%	**-1.27%**	**8.39%**	4.21%				3.81%	2.63%
EUR/CHF	-0.72%	0.48%	**0.34%**	**-4.77%**	-5.55%				-3.66%	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