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BBGI OPP2 COMPLIANT STRATEGIES & INDICES CHF

A BBGI exclusivity since 1999

September 2022

Annualized performance of **+4.79%** to **+5.41%**

The downward trend continues in September

POSITIVE PERFORMANCES FOR ALL THREE BBGI OPP2 COMPLIANT INDICES IN SEPTEMBER

BBGI OPP2 Compliant Index « Low Risk »	**- 4.17%**	**(YTD -14.55%)**
BBGI OPP2 Compliant Index « Medium Risk »	**- 4.97%**	**(YTD -15.50%)**
BBGI OPP2 Compliant Index « Dynamic Risk »	**- 5.77%**	**(YTD -16.47%)**

Comments (performances in Swiss Francs)

The downward trend continues in September. Indeed, the three BBGI OPP2 Compliant indices fell again this month. The "low risk" index was the worst performer in September, losing -4.17%. The "moderate risk" strategy lost -4.97% this month while the "dynamic risk" approach was the worst performer, falling -5.77%. All three strategies are in negative territory in YTD terms (-14.55%, -15.50% and -16.47% respectively) but are nevertheless outperforming international equities, for example, which have a more negative performance (-19.72%), or Swiss equities (-19.93%). Bond markets are down again.

The domestic segment fell by -2.02%, while internationally the decline was (-4.22%) and is more pronounced than last month (-1.41%). Both asset classes have been in negative territory since the beginning of the year (-11.64% and -13.39% respectively). Real estate markets fell sharply in September. The domestic segment lost -4.38% while the international segment plunged this month (-11.39%), with both asset classes are still more heavily penalized by the rise in interest rates and have posted clearly negative performances since the beginning of the year (-16.76% and-23.75% respectively). The equity markets are also in a difficult position once again.

The Swiss segment did not escape the general trend and fell by -5.98%. The international segment was hit even harder, falling by -8.78%. Both are in the red in YTD terms, losing -19.93% and -19.72%. Commodities were again no exception and also fell in September. The segment suffered from the contraction of crude oil prices during September and lost -8.38%. Alternative investments fell by -1.24%, while private equity plunged by -15.16%, reflecting the current risk aversion of investors.

Financial market developments (performances in local currencies, USD)

September closed the quarter and the first nine months of the year with negative results for most asset classes over the month, the quarter and YTD in a general sentiment marked by extreme investor anxiety. The last few days of the month were further shaken by high volatility in the capital markets which saw US Treasury yields rise above 4% across all medium and long maturities for the first time since November 2007.

The tightening of the Fed's monetary policy remained the main risk factor affecting the financial markets. The Fed's increasingly explicit stance since Jackson Hole left less and less doubt as to its willingness to firmly raise rates to 4.6% by the end of 2023 by 125 bps by the end of 2022, at the risk of causing a recession and a rise in unemployment from 3.7% to 4.4% in 2023.

The growing risks of recession, the energy crisis in Europe and persistent inflation, as well as the UK's political problems, also contributed to the climate of uncertainty that led 32 out of 33 asset classes and regions in our investment universe to record negative performance over the month. There were 29 during the quarter and 30 since the beginning of the year, of which the only rising components were raw materials. Cash in US dollars will have benefited greatly from this situation by imposing itself as one of the very few investment solutions in a context of exceptional correlation in the fall.

PERFORMANCE OF ASSET CLASSES

SEPTEMBER

- 1.24%	Alternative investment
- 2.02%	Swiss Bonds
- 4.22%	International Bonds
- 4.38%	Swiss Real Estate
- 5.98%	Swiss Equities
- 8.38%	Commodities
- 8.78%	International Equities
- 11.39%	International Real Estate
- 15.16%	Private Equity

YTD

+ 11.75%	Commodities
- 6.22%	Alternative investment
- 11.64%	Swiss Bonds
- 13.39%	International Bonds
- 16.76%	Swiss Real Estate
- 19.72%	International Equities
- 19.93%	Swiss Equities
- 23.75%	International Real Estate
- 40.34%	Private Equity

COMMENTS BY ASSET CLASS

Bonds

Strong correlation between bond markets, which are all the same selling pressure in a context strongly affected by the Fed's tightening tone to justify the pace of its monetary tightening.

Despite a likely spike in price indices, which should now benefit from falling commodity prices, fears of inflation have pushed long rates to new highs. UK bonds fall by -8.4% this month, while the global index corrected by -5.14%. This sharp rise in yields at the end of the month seems excessive to us and offers attractive new investment opportunities. Already in October we are likely to see adjustments taking place and a decline in yields caused by further purchases of securities.

Equities

The equity markets were obviously not immune to this rise in interest rates and reacted logically to the increase in uncertainties. They quickly lost their early summer enthusiasm to sink into the red figures, with US and international equities falling by around -9.2%.

The asset class was therefore penalized by the rise in long-term rates and the prospect of further significant increases in key interest rates. As a result, risk appetite has declined sharply and there has been a generalized sell-off in virtually all sectors.

Commodities

The commodities segment confirms the downward trend started in August (-0.16%) and falls more sharply by -8.38%. Indeed, the sector is weakening under the pressure of falling oil prices once again in September. Expectations of a recession revise crude oil demand projections downwards.
However, the recent decision by OPEC+ to cut their crude oil production by about 1 million barrels from November is already supporting a return to higher oil prices.

Real Estate

The real estate segment is increasingly suffering from the monetary policy of central banks. They to combat inflation, which they believe is struggling to slow down.
However, some of the figures released in August could indicate that the upward momentum is beginning to wane in some geographical areas, which would mean that the pressure on securitized property is easing.

BBGI OPP2 Compliant Indices (Monthly Indices)										
	last 3 months			YTD	Current Year				Annualized performances	
Performances in Swiss Francs	July 2022	August 2022	Sept 2022	Year to date	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2021	Annualized perf fm 1984 to date**
BBGI OPP2 Compliant "Low Risk"	3.74%	-2.29%	**-4.17%**	**-14.55%**	-4.96%	-2.40%	-2.86%		5.61%	4.79%
BBGI OPP2 Compliant "Medium Risk"	4.18%	-2.27%	**-4.97%**	**-15.50%**	-4.49%	-3.10%	-3.25%		9.36%	5.12%
BBGI OPP2 Compliant "Dynamic Risk"	4.62%	-2.26%	**-5.77%**	**-16.47%**	-4.02%	-3.80%	-3.65%		13.22%	5.41%
Assets										
Swiss Bonds	3.36%	-2.84%	**-2.02%**	**-11.64%**	-6.06%	-7.02%	-1.61%		-1.82%	3.43%
International Bonds	1.84%	-1.41%	**-4.22%**	**-13.39%**	-5.17%	-7.34%	-3.84%		-1.72%	3.68%
Swiss Real Estate	3.27%	-0.97%	**-4.38%**	**-16.76%**	-4.17%	-11.68%	-2.21%		7.32%	6.03%
International Real Estate	6.76%	-3.78%	**-11.39%**	**-23.75%**	-2.39%	-10.28%	-8.98%		25.63%	4.59%
Swiss Stocks	4.42%	-3.06%	**-5.98%**	**-19.93%**	-5.51%	-8.81%	-4.83%		23.38%	8.31%
International stocks	6.82%	-1.36%	**-8.78%**	**-19.72%**	-4.24%	-10.56%	-3.88%		22.05%	5.99%
Commodities *	4.01%	-0.16%	**-8.38%**	**11.75%**	25.17%	1.86%	-4.86%		25.81%	-1.19%
Private Equity *	14.74%	-7.61%	**-15.16%**	**-40.34%**	-11.92%	-24.56%	-10.06%		49.92%	12.82%
Hedge Funds *	0.35%	0.75%	**-1.24%**	**-6.22%**	-1.98%	-3.83%	-0.15%		2.55%	0.47%
* hedged in Swiss Francs										
Forex										
USD/CHF	-0.28%	2.64%	**0.97%**	**8.12%**	4.21%	3.32%	3.34%		3.81%	-2.54%
EUR/CHF	-2.80%	1.00%	**-1.58%**	**-6.76%**	-5.55%	-3.37%	-3.37%		-3.66%	-2.19%
****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