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BBGI GROUP Global Investments

BBGI OPP2 COMPLIANT STRATEGIES & INDICES CHF

A BBGI exclusivity since 1999

January 2023

Annalized performance of +4.83% to +5.51%

Renewed optimism in the markets in January

POSITIVE PERFORMANCE FOR THE THREE BBGI OPP2 COMPLIANT INDICES IN JANUARY

BBGI OPP2 Compliant Index « Low Risk »	**+ 2.84%**	**(YTD + 2.84%)**
BBGI OPP2 Compliant Index « Medium Risk »	**+ 3.36%**	**(YTD + 3.36%)**
BBGI OPP2 Compliant Index « Dynamic Risk »	**+ 3.88%**	**(YTD + 3.88%)**

Comments (performances in Swiss Francs)

The financial markets have had a positive start to the year. Indeed, after having corrected in December, the three BBGI OPP2 Compliant indices made gains in January. The Low Risk index is up +2.84% this month while the moderate risk strategy is doing better by gaining +3.36%. The dynamic risk approach achieves the best performance of the period and climbs +3.88%. The bond markets continue their rise from last month, with the domestic segment gaining +2.29%, while the international segment follows a similar path, climbing +2.36%. The real estate segment is on either side of the neutral performance. The Swiss segment continued its negative trend in December (-1.11%) and is in the red in January (-0.36%). The international real estate segment continued its momentum to achieve an excellent performance of +8.08%. Equity markets are starting the year with more optimism than in 2022. The Swiss and international markets are clearly in the green in January (+5.50% and +6.66% respectively). Commodities were one of only two asset classes to lose ground this month (-0.79%). Fears of recession are still weighing on the development of crude oil prices, which are still hovering around $77 a barrel. The good performance of gold was not enough to push the segment up this month. The private equity segment repeated its excellent performance of December (+10.01%) by jumping again by +12.12% during the period. The segment that suffered the most last year (-34.37% in 2022) seems to testify to the change in investor psychology, as they seem to be looking forward to 2023 in a more positive way than before, and are showing renewed interest in risky assets. Hedge funds also outperformed in January and advanced by +1.35%.

Financial market developments (performances in local currencies, USD)

The year 2023 is starting with a positive trend for all asset classes. After the window dressing and tax optimization in December, which temporarily penalized asset prices, investors are regaining confidence and reinvesting in the financial markets. The emergence of a macroeconomic scenario favoring a soft landing for the US economy and a less worrying outlook on the inflation front means that the monetary tightening cycle that began in March 2022, which pushed key rates from 0.25% to 4.75%, will soon come to an end. January 2023 is already the best month of January for diversified strategies in over 20 years. The possibility of an upcoming pause in central bank activity and the continuation of a moderate inflation regime in line with the data published over the past six months thus support the assessment of a decrease in risks. The three factors that penalized the markets in 2022 therefore seem to be fading, and the main risk that remains is that of further economic weakness with potentially negative effects on corporate profits. The fall in valuations (PE) and reduced profit expectations for the current year may be enough to reassure investors for the time being. The return of Chinese growth will also help improve sentiment.

PERFORMANCE OF ASSET CLASSES

JANUARY

+ 12.12%	Private Equity
+ 8.08%	International Real Estate
+ 6.66%	International Equities
+ 5.50%	Swiss Equities
+ 2.36%	International Bonds
+ 2.29%	Swiss Bonds
+ 1.35%	Hedge Funds
- 0.36%	Swiss Real Estate
- 0.79%	Commodities

YTD

+ 12.12%	Private Equity
+ 8.08%	International Real Estate
+ 6.66%	International Equities
+ 5.50%	Swiss Equities
+ 2.36%	International Bonds
+ 2.29%	Swiss Bonds
+ 1.35%	Hedge Funds
- 0.36%	Swiss Real Estate
- 0.79%	Commodities

COMMENTS
BY ASSET CLASS

Bonds

The decline in monthly inflation continued in December and confirms the shift from a worrying regime in the first half of 2022 to a significantly more positive regime in the second half of the year. The first negative monthly inflation result was published for December in the US (-0.1%). The capital markets reacted positively and recorded gains of around +3.3%. The correlation between the various bond markets remained high, but ten-year US Treasury yields reacted more strongly than European bonds. Australian dollar yields fell even more sharply, bringing the segment's gain to +7.1%.

Equities

The equity markets started the year in risk on mode in this more positive context by recording gains of +7% on average. The prospect of an upcoming pause in the Fed's monetary policy and an economic scenario centered on a soft landing are supporting investors' repositioning in equities after a year marked by an 18% drop in global indices. Risk scores are logically rising with the increase in technical and quantitative factors, but they remain in a neutral investment-friendly zone.

Commodities

Commodities are starting the first month of 2023 in a negative way. Indeed, despite the good performance of gold over the period (+5.72%), the segment is still slightly below the neutral performance (-0.79%). At the same time, we see a decline in crude oil (-1.73%) in a context of fears of recession that partially cloud the estimates for the commodity in 2023. However, several factors could support the development of the asset, such as the more or less strong recovery of the Chinese economy, which could have a positive impact on demand.

Real Estate

During the year 2022, the securitized real estate segment was strongly penalized by the inflationary environment and the multiple rate hikes that followed, resulting in a negative performance of -24.80% internationally and -17.68% in Switzerland. Recent inflation data pointing to a weaker regime and a lull in inflation have been beneficial for the sector, which has been enjoying positive momentum since December and is enjoying successive increases.

BBGI OPP2 Compliant Indices (Monthly Indices)

Performances in Swiss Francs	last 3 months			YTD	Current Year				Annualized performances	
	January 2023	2023	2023	Year to date	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2022	Annualized perf fm 1984 to date**
BBGI OPP2 Compliant "Low Risk"	2,84%			**2,84%**					-14,01%	4,83%
BBGI OPP2 Compliant "Medium Risk"	3,36%			**3,36%**					-14,40%	5,19%
BBGI OPP2 Compliant "Dynamic Risk"	3,88%			**3,88%**					-14,82%	5,51%
Assets										
Swiss Bonds	2,29%			**2,29%**					-12,10%	3,44%
International Bonds	2,36%			**2,36%**					-15,18%	3,64%
Swiss Real Estate	-0,36%			**-0,36%**					-15,17%	6,01%
International Real Estate	8,08%			**8,08%**					-23,37%	4,87%
Swiss Stocks	5,50%			**5,50%**					-16,48%	8,49%
International stocks	6,66%			**6,66%**					-17,42%	6,18%
Commodities *	-0,79%			**-0,79%**					12,97%	-1,17%
Private Equity *	12,12%			**12,12%**					-32,99%	15,01%
Hedge Funds *	1,35%			**1,35%**					-6,98%	0,51%
* hedged in Swiss Francs										
Forex										
USD/CHF	-0,90%			**-0,90%**					3,59%	-2,69%
EUR/CHF	0,56%			**0,56%**					-5,15%	-2,07%

****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