

# BBGI OPP2 COMPLIANT STRATEGIES & INDICES CHF

A BBGI exclusivity since 1999

April 2023

Annualized performance  
of **+4.80%** to **+5.46%**

## Slight rebound in OPP2 strategies in April

### POSITIVE PERFORMANCES FOR THE THREE BBGI OPP2 COMPLIANT INDICES IN APRIL

BBGI OPP2 Compliant Index « Low Risk »	+ 0.67%	(YTD + 2.60%)
BBGI OPP2 Compliant Index « Medium Risk »	+ 0.79%	(YTD + 3.09%)
BBGI OPP2 Compliant Index « Dynamic Risk »	+ 0.91 %	(YTD + 3.57%)

### Comments (performances in Swiss Francs)

After two consecutive months of correction, the BBGI OPP2 Compliant strategies interrupt the downward trend. Indeed, the Low Risk index advances by +0.67% and the moderate risk strategy follows a similar path and gains +0.79%. The dynamic risk approach achieves the best performance of the month by gaining +0.91%. Since the beginning of the year, the three BBGI OPP2 Compliant strategies have moved into positive territory, with cumulative gains of +2.60%, +3.09% and +3.57% respectively. The bond markets are on either side of neutral performance in April. The domestic segment gained +0.84% and continued the trend that began in March (+0.55%). The international segment, on the other hand, fell by -1.83% and erased the small gains of last month (+0.22%). Both asset classes are still positive since the beginning of the year (+2.25% and +0.12% respectively). The real estate markets are also mixed in April. The domestic segment rebounded this month (+1.67%) and almost erased the losses incurred in March (-1.85%). Internationally, the downward trend continues, but we note a weakening of the negative momentum (-5.51% in March and -0.55% in April). In cumulative terms, the domestic segment is in the green (+1.24%) but the international segment is below the neutral performance (-0.92%). The equity markets also posted mixed performances. In Switzerland, the performance was clearly positive (+3.62%), while the international segment fell back into the red (-0.95%) after a positive jump in March (+0.50%). Since the beginning of the year, the two asset classes have nevertheless remained clearly positive with performances of +9.74% and +5.35%. Commodities are down again in our index (-1.13%) and have had six consecutive months of correction. Since the beginning of the year, the segment has had the worst performance of all asset classes combined (-7.35%). Private equity is back in positive territory (+2.58%) and alternative investments are moving horizontally (+0.04%).

### Financial market developments (performances in local currencies, USD)

A few weeks after the shock of the SVB bankruptcy and the outbreak of the banking crisis, the reactions of governments and central banks seem to have been sufficient to reassure investors. The month of April is therefore nothing like the previous weeks full of uncertainty and worries about both inflation and the future evolution of interest rates. Some better statistics in the labor market and a return of inflation to the more reasonable regime observed in the 2nd half of 2022 have together allowed a return to calm. While the effects of the banking crisis appear to be contained, the resulting tightening of access to credit will have a sufficiently restrictive impact to tempt central banks to modify their monetary policies. The consensus view is that the cycle is now more likely to be near its end in the US, paving the way for a further period of policy rate stabilization before a possible decline. The rapid adjustments seen in bond yield curves in March and April supported a rise in prices in most financial markets. April thus marks the return of a soft-landing scenario with positive repercussions for Swiss bonds (+0.84%), as well as for the equity markets. The SPI's rebound in Switzerland (+3.62%) outperformed international equities, which fell slightly (-0.95%), while real estate is just beginning to take into account the lower financing costs of recent weeks. The economic recovery in China has not yet had a major impact on commodities, which declined slightly by -1.13%. April's trends should offer a favorable outlook for "risky" assets over the next few months.

### PERFORMANCE OF ASSET CLASSES

#### APRIL

+ 3.62%	Swiss Equities
+ 2.58%	Private Equity
+ 1.67%	Swiss Real Estate
+ 0.84%	Swiss Bonds
+ 0.04%	Hedge Funds
- 0.55%	International Real Estate
- 0.95%	International Equities
- 1.13%	Commodities
- 1.83%	International Bonds

#### YTD

+ 9.74%	Swiss Equities
+ 8.63%	Private Equity
+ 5.90%	International Equities
+ 2.25%	Swiss Bonds
+ 1.24%	Swiss Real Estate
+ 0.12%	International Bonds
- 0.92%	International Real Estate
- 1.13%	Hedge Funds
- 7.35%	Commodities

## COMMENTS BY ASSET CLASS

### Bonds

Bond markets did not react significantly to the weak US economy in Q1 and the drop in monthly inflation to only +0.1% in March. The two-year (4.07%) and ten-year (3.45%) US Treasury yields remained relatively stable, pausing after the more than 100 bps drop in mid-March on expectations of a more substantial improvement in inflation and confirmation of the end of the restrictive US monetary policy cycle. Scores remain neutral to positive with the exception of the more uncertain eurozone and UK markets, which are likely to suffer from further upward adjustments in yields needed to curb inflation more drastically. Emerging markets and high yields look the most attractive.

### Equities

We expected a change in momentum at the end of March, which materialized with the return of some optimism largely supported by interest rate factors. The downward adjustment of yields, the probable end of monetary tightening in the US and a macroeconomic scenario oriented towards a moderate economic slowdown should support the equity markets. The risk scores were only marginally altered by the moderate overall rise in the month. Europe retains the riskiest score, along with the UK and Japan. The US and emerging markets have the highest scores and look the most attractive.

### Commodities

The commodities segment of our index fell once again in April (-1.13%). Indeed, the small rise in crude oil during the month was clearly not enough to pull the whole sector up. The initial upward movement following the announcement of OPEC+ production cuts was later partially erased by fears of a global economic slowdown.

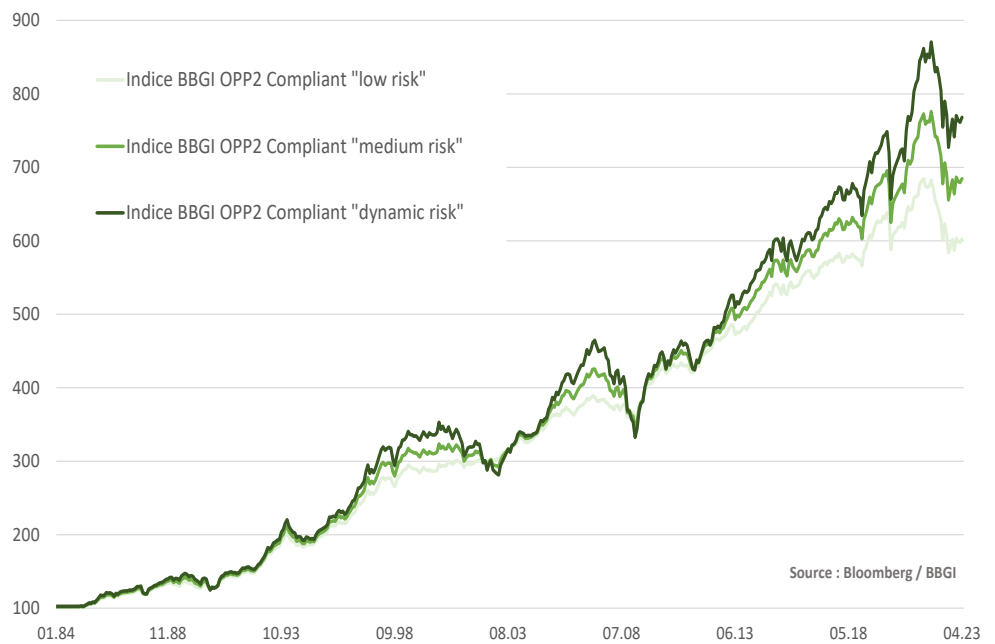
### Real Estate

Despite the downward movement in interest rates during the month, the international segment does not yet seem to reflect the resulting improvement in financing costs and fell by -0.55%. The domestic segment, on the other hand, gained +1.67%. Despite these mixed performances, we note a clear improvement and even a reversal of the negative momentum compared to last month (-5.51% internationally and -1.85% in Switzerland).

BBGI OPP2 Compliant Indices (Monthly Indices)										
Performances in Swiss Francs	last 3 months			YTD Year to date	Current Year				Annualized performances	
	February 2023	March 2023	April 2023		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2022	Annualized perf fm 1984 to date**
BBGI OPP2 Compliant "Low Risk"	-0.82%	-0.08%	0.67%	2.60%	1.92%				-14.01%	4.80%
BBGI OPP2 Compliant "Medium Risk"	-0.85%	-0.20%	0.79%	3.09%	2.28%				-14.40%	5.15%
BBGI OPP2 Compliant "Dynamic Risk"	-0.89%	-0.32%	0.91%	3.57%	2.63%				-14.82%	5.46%
<b>Assets</b>										
Swiss Bonds	-1.41%	0.55%	0.84%	2.25%	1.40%				-12.10%	3.42%
International Bonds	-0.58%	0.22%	-1.83%	0.12%	1.98%				-15.18%	3.61%
Swiss Real Estate	1.82%	-1.85%	1.67%	1.24%	-0.42%				-15.17%	6.01%
International Real Estate	-2.45%	-5.51%	-0.55%	-0.92%	-0.37%				-23.37%	4.57%
Swiss Stocks	-1.29%	1.70%	3.62%	9.74%	5.91%				-16.48%	8.55%
International stocks	-0.77%	0.50%	-0.95%	5.35%	6.36%				-17.42%	6.10%
Commodities *	-5.05%	-0.53%	-1.13%	-7.35%	-6.30%				12.97%	-1.73%
Private Equity *	-0.64%	-4.94%	2.58%	8.63%	5.90%				-32.99%	14.70%
Hedge Funds *	-0.78%	-1.72%	0.04%	-1.13%	-1.17%				-6.98%	0.31%
* hedged in Swiss Francs										
<b>Forex</b>										
USD/CHF	2.84%	-2.86%	-2.26%	-3.23%	0.26%				3.59%	-2.69%
EUR/CHF	0.14%	-0.44%	-0.68%	-0.42%	-4.37%				-5.15%	-1.24%

\*\*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 systematic diversified strategies of the BBGI OPP2 COMPLIANT indexes have produced returns of +4.80% to +5.46% annualized since 1984 to date.**

The composition of our indices is available upon request.