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BBGI GROUP Global Investments

BBGI OPP2 COMPLIANT STRATEGIES & INDICES CHF

A BBGI exclusivity since 1999

March 2024

Annualized performance of +4.86% to +5.56 %

Positive first quarter for OPP2 indices

POSITIVE PERFORMANCES FOR THE THREE BBGI OPP2 COMPLIANT INDICES IN MARCH

BBGI OPP2 Compliant Index « Low Risk »	**+2.21%**	**(YTD +3.90%)**
BBGI OPP2 Compliant Index « Medium Risk »	**+2.65%**	**(YTD +4.96%)**
BBGI OPP2 Compliant Index « Dynamic Risk »	**+3.09%**	**(YTD +6.04%)**

Comments (performances in Swiss Francs)

As the first quarter draws to a close this month, the financial markets are on an upward path to 2024. Indeed, our three BBGI OPP2 Compliant indices all posted positive performances in March and in cumulative terms. The low risk strategy advanced by +2.21% and the moderate risk approach did slightly better, climbing by +2.65% this month. The dynamic risk index turned in the best performance of the month, gaining +3.09%. Since January, the three strategies have also achieved clearly positive performances of +3.90%, +4.96% and +6.04% respectively. Bond markets continued their upward trend in March. The Swiss segment posted a gain of +0.74%, while the trend was much stronger internationally (+2.47%). Since the start of the year, both asset classes have moved into positive territory, by +0.47% and +4.90% respectively. The securitized real estate segment performed well in March, benefiting from the more favorable interest rate environment. In Switzerland, the segment climbed by +3.04%, while internationally the movement was even more intense. Indeed, the asset class jumped +5.34%. Both asset classes are positive YTD at the end of the first quarter (+5.93% and +5.85% respectively). Equity markets were also in the green in March. The domestic segment posted a performance of +3.94%, while the international class performed even better, with +5.26%. Since the beginning of the year, international equities have posted the best cumulative increase, reaching +16.31%. Swiss equities still posted a gain of +5.98%. Commodities are back above the neutral performance mark (+2.98%), after briefly slipping into negative territory in February (-1.80%). Thanks to this rise, the segment is positive YTD (+1.18%). Private equity and hedge funds gained +3.06% and +0.91% respectively.

Financial market developments (performances in local currencies, USD)

Sentiment remained positive in March, underpinned both by favorable elements on the inflation front and by the remarkable resilience of the US economy. The specter of a recession has receded, and the outlook for GDP growth is once again solid for both the first and second quarters. The Fed's decision to leave interest rates unchanged was widely expected and therefore had no noticeable effect on stock market sentiment, which remained upbeat. At the end of the month, the publication of the PCE indexes, the Fed's favorite measures, provided a little more visibility on inflation trends, reinforcing the prospect of the Fed's next pivot in June. Inflation is in fact back on a downward trend after rebounding in January. From now on, the next potential source of uncertainty is likely to be the strength of the US economy and the risk of postponing rate cuts, or their amplitude, by a few months. In Europe, the statistics are also pointing in the right direction, with the decline in inflation now following a more pronounced path, enabling it to fall to +2.6%/year, i.e. a lower level than that observed in the USA (+3.2%/year). Unless there is a major surprise, the improvement in sentiment observed in a growing number of leading indicators is unlikely to translate into an acceleration in economic activity, but rather into a slowdown, except for China, which is probably in the recovery phase. In this environment, commodities (+4.73%) and precious metals (+8.41%) posted excellent performances over the month. Only securitized real estate in Europe (+8.94%) and the UK (+7.97%) came close. In Switzerland (+3.04%) and internationally (+3.18%), real estate progressed more timidly. On the equity markets, Switzerland (+3.94%) slightly outperformed the global index (+3.21%), thanks to the influence of a weaker Swiss franc. Bond indices recovered slightly, with moderate rises of +0.74% in Switzerland and +0.55% internationally.

PERFORMANCE OF ASSET CLASSES

MARCH

+ 5.31%	International Real Estate
+ 5.26%	International Equities
+ 3.94%	Swiss Equities
+ 3.06%	Private Equity
+ 3.04%	Swiss Real Estate
+ 2.98%	Commodities
+ 2.47%	International Bonds
+ 0.91%	Hedge Funds
+ 0.74%	Swiss Bonds

YTD

+ 16.31%	International Equities
+ 7.38%	Private Equity
+ 5.98%	Swiss Equities
+ 5.93%	Swiss Real Estate
+ 5.85%	International Real Estate
+ 4.90%	International Bonds
+ 1.54%	Hedge Funds
+ 1.18%	Commodities
+ 0.47%	Swiss Bonds

COMMENTS
BY ASSET CLASS

Bonds

Yields are easing slightly, allowing indexes to post slight gains. Emerging markets and high yield advanced over the month, posting good quarterly performances in a still uncertain environment. The resilience of the U.S. economy prevents us from taking a closer look at falling inflation in the U.S. and the rest of the still highly correlated capital markets. The cut in US key rates is likely to wait until June, without calling into question the easing planned for 2024. Risk scores are relatively stable and remain in the buy zone. Prospects of capital gains are once again present at these yield levels, suggesting a renewed attractiveness of fixed-income markets.

Equities

Equity markets are focused on earnings trends and remain motivated by the expected change in monetary policy. The postponement by a few weeks or months of the first key rate cut in the United States is not enough to dampen the current enthusiasm. Indexes continue to rise for the fifth consecutive month. Valuations are now higher however, and quantitative risk scores suggest the approach of the next phase of potential price consolidation. Overall scores remain in the orange zone for the main international markets. Risks are increasing marginally, but the uptrend still seems valid to us.

Commodities

Crude oil prices continued to rise, supporting the asset class in March. Chinese import and export data released during the period reinforced optimism about a potential recovery in the country's economic activity and demand for crude oil.

Real Estate

Securitized real estate fared well this month, benefiting from the positive trend in interest rates, particularly in the eurozone and the UK. The domestic class climbed +3.04% in March, while the international class did even better, jumping +5.31%.

BBGI OPP2 Compliant Indices (Monthly Indices)										
	last 3 months			YTD	Current Year				Annualized performances	
Performances in Swiss Francs	January 2024	February 2024	March 2024	Year to date	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2023	Annualized perf fm 1984 to date**
BBGI OPP2 Compliant "Low Risk"	0.55%	1.10%	2.21%	**3.90%**	3.90%				5.40%	4.86%
BBGI OPP2 Compliant "Medium Risk"	0.78%	1.47%	2.65%	**4.96%**	4.96%				5.88%	5.22%
BBGI OPP2 Compliant "Dynamic Risk"	1.01%	1.83%	3.09%	**6.04%**	6.04%				6.34%	5.56%
Assets										
Swiss Bonds	-0.56%	0.30%	0.74%	**0.47%**	0.47%				7.36%	3.48%
International Bonds	0.96%	1.39%	2.47%	**4.90%**	4.90%				-3.79%	3.53%
Swiss Real Estate	2.46%	0.33%	3.04%	**5.93%**	5.93%				5.03%	6.12%
International Real Estate	-1.83%	2.40%	5.31%	**5.85%**	5.85%				-1.08%	4.76%
Swiss Stocks	1.40%	0.56%	3.94%	**5.98%**	5.98%				6.09%	8.41%
International stocks	3.04%	7.23%	5.26%	**16.31%**	16.31%				11.24%	6.51%
Commodities *	0.07%	-1.80%	2.98%	**1.18%**	1.18%				-11.62%	-2.02%
Private Equity *	0.38%	3.80%	3.06%	**7.38%**	7.38%				37.71%	17.69%
Hedge Funds *	0.03%	0.59%	0.91%	**1.54%**	1.54%				-0.48%	0.49%
* hedged in Swiss Francs										
Forex										
USD/CHF	2.38%	2.68%	1.91%	**7.13%**	7.13%				-8.99%	-2.66%
EUR/CHF	0.32%	2.56%	1.81%	**4.76%**	4.76%				-6.13%	-1.26%

**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