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BBGI GROUP Global Investments

BBGI OPP2 COMPLIANT STRATEGIES & INDICES CHF

A BBGI exclusivity since 1999

April 2024

Annualized performance of +4.82% to +5.51 %

Markets dip slightly in April

NEGATIVE PERFORMANCES FOR THE THREE BBGI OPP2 COMPLIANT INDICES IN APRIL

BBGI OPP2 Compliant Index « Low Risk »	**-1.07%**	**(YTD +2.79%)**
BBGI OPP2 Compliant Index « Medium Risk »	**-1.30%**	**(YTD +3.60%)**
BBGI OPP2 Compliant Index « Dynamic Risk »	**-1.54%**	**(YTD +4.40%)**

Comments (performances in Swiss Francs)

Financial markets retreated in April, driven by a change in investor psychology. Indeed, all three BBGI OPP2 Compliant indices fell this month. The low-risk index lost -1.07%, the moderate-risk strategy followed a similar path, falling -1.30%, and the dynamic-risk approach lost -1.54%. Year-to-date, however, performances are still very favorable (+2.79%, +3.60% and +4.40% respectively). Bond markets are in the red, dragged down by concerns about central banks' monetary policies. The domestic segment fell slightly by -0.17%, while international bonds were down by a similar 0.58%. In cumulative terms, the two asset classes are still performing positively despite this bearish episode. Equity markets also bore the brunt of the change in rate cut expectations. The domestic class fell by -2.44%, while the international segment posted a slightly smaller decline (-1.63%). Since January, however, both asset classes have posted excellent cumulative gains, particularly the international segment (+14.41%). The real estate segment was the most severely impacted by the rise in US yields, with the domestic class falling by -2.47%. The international segment also suffered from profit-taking (-3.91%). Despite this decline, the two segments are still posting positive year-to-date performances of +3.31% and +1.71% respectively. Commodities continued their upward trend in April, and were one of the only segments in positive territory in April. The asset class gained +2.34% this month, with a cumulative gain of +3.56% since January. Private equity and hedge funds weakened in April (-3.31% and -1.06% respectively).

Financial market developments (performances in local currencies, USD)

Significant change in investor sentiment and stock market climate in April. Price consolidations in most asset classes were once again triggered by a change in investor sentiment in April, when US economic statistics reinforced uncertainties about the Fed's expected change in monetary policy in June. The interruption of the downward trend in inflation and the resilience of the labor market were enough to completely alter expectations of interest rate cuts by the Fed, despite 1st quarter GDP growth (+1.6%) falling well short of expectations (+2.5%). The Fed's pivot, which was due to start in June and be followed by five cuts in 2024, is now only expected by consensus in December, even as fears of a rate hike resurfaced. This radical change in sentiment led to profit-taking on virtually all financial assets, after five consecutive months of gains that had pushed the S&P500 +25% above its late-October 2023 low. The -4.08% consolidation of the US index in April seems relatively limited in this context, as does that of the MSCI world index, down -3.71% after a similar five-month rise. Bond markets fared no better, slipping -2.52% overall. There was also a very high correlation of performance, similar to that of the equity markets. Most markets slipped by -1 to -3%, with US bonds falling by -2.53%, while the UK market suffered the sharpest contraction (-3.21%) of the developed markets. Securitized real estate also suffered significant sell-offs (-5.55%), particularly in the US (-7.16%), in direct correlation with the change in investor sentiment regarding the evolution of US monetary policy. In Switzerland, the decline was limited to -2.47%, in a more positive context supported by the already-actualized change in the SNB's monetary policy. Commodities once again played their role as performance stabilizers in diversified strategies, posting a positive performance (+1.16%), thanks to the contribution of precious metals (+3.63%) and industrial metals (+12.56%).

PERFORMANCE OF ASSET CLASSES

APRIL

+ 2.34%	Commodities
- 0.17%	Swiss Bonds
- 0.58%	International Bonds
- 1.06%	Hedge Funds
- 1.36%	International Equities
- 2.44%	Swiss Equities
- 2.47%	Swiss Real Estate
- 3.31%	Private Equity
- 3.91%	International Real Estate

YTD

+ 14.41%	International Equities
+ 4.29%	International Bonds
+ 3.82%	Private Equity
+ 3.56%	Commodities
+ 3.40%	Swiss Equities
+ 3.31%	Swiss Real Estate
+ 1.71%	International Real Estate
+ 0.46%	Hedge Funds
+ 0.30%	Swiss Bonds

COMMENTS
BY ASSET CLASS

Bonds

10-year government yields tightened again in April, by around 40 bps in the USA and the UK, and by 30 bps in Europe. Against this backdrop, all bond indices recorded declines of around -1 to -3%, with the high yield index achieving the best result in the universe opposite. The resilience of inflation in the US and its labor market is overshadowing the slowdown in growth in Q1, prompting the Fed to remain in wait-and-see mode before implementing its policy change. Despite even weaker economic conditions in Europe and a downward trend in inflation, correlation between markets remained high, also pushing up yields in euros and sterling. Risk scores are positive and remain in the buy zone. Prospects of capital gains are present at these yield levels.

Equities

Equity markets had not reacted to the change in expectations regarding the Fed's pivot date and the contraction of rate cuts from six to one in 2024 until early April. Today's consolidation of around -4% in the equity indices takes this factor into account without giving it primary importance. Earnings growth prospects still seem to be the main trend-setting factor for equity markets. In this respect, the results published to date for Q1 seem rather encouraging. Valuations are high, particularly in the US. Quantitative and technical risk scores have fallen after the April price consolidation. Overall scores have improved.

Commodities

The commodities segment was one of the few to break the neutral performance barrier in April. Indeed, the asset class continued its upward trend with a gain of +2.54%. Precious metals, and gold in particular, drove the segment higher this month. The positive rally in precious metal prices continued in April, with gold briefly surpassing its all-time high of $2431 an ounce on April 12, despite a shift in market sentiment away from expectations of a rate cut in June.

Real Estate

Securitized real estate followed the trend in the interest-rate markets, falling by -4.29%. In our view, this downturn reinforces the segment's attractiveness against a backdrop of falling interest rates. Nevertheless, the asset class posted a YTD gain of +11.87%.

BBGI OPP2 Compliant Indices (Monthly Indices)

Performances in Swiss Francs	last 3 months			YTD	Current Year				Annualized performances	
	February 2024	March 2024	April 2024	Year to date	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2023	Annualized perf fm 1984 to date**
BBGI OPP2 Compliant "Low Risk"	1.10%	2.21%	-1.07%	**3.90%**	3.90%				5.40%	4.82%
BBGI OPP2 Compliant "Medium Risk"	1.47%	2.65%	-1.30%	**4.96%**	4.96%				5.88%	5.18%
BBGI OPP2 Compliant "Dynamic Risk"	1.83%	3.09%	-1.54%	**6.04%**	6.04%				6.34%	5.51%
Assets										
Swiss Bonds	0.30%	0.74%	-0.17%	**0.47%**	0.47%				7.36%	3.47%
International Bonds	1.39%	2.47%	-0.58%	**4.90%**	4.90%				-3.79%	3.52%
Swiss Real Estate	0.33%	3.04%	-2.47%	**5.93%**	5.93%				5.03%	6.11%
International Real Estate	2.40%	5.31%	-3.91%	**5.85%**	5.85%				-1.08%	4.76%
Swiss Stocks	0.56%	3.94%	-2.44%	**5.98%**	5.98%				6.09%	8.39%
International stocks	7.23%	5.26%	-1.63%	**16.31%**	16.31%				11.24%	6.50%
Commodities *	-1.80%	2.98%	2.34%	**1.18%**	1.18%				-11.62%	-2.02%
Private Equity *	3.80%	3.06%	-3.31%	**7.38%**	7.38%				37.71%	17.69%
Hedge Funds *	0.59%	0.91%	-1.06%	**1.54%**	1.54%				-0.48%	0.49%
* hedged in Swiss Francs										
Forex										
USD/CHF	2.68%	1.91%	2.00%	**7.13%**	7.13%				-8.99%	-2.61%
EUR/CHF	2.56%	1.81%	0.78%	**4.76%**	4.76%				-6.13%	-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