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BBGI OPP2 COMPLIANT STRATEGIES & INDICES CHF

A BBGI exclusivity since 1999

September 2024

Annualized performance of +4.88% to +5.58%

Positive performance of OPP2 Compliant Indices

POSITIVE PERFORMANCES FOR THE THREE BBGI OPP2 COMPLIANT INDICES IN SEPTEMBER

BBGI OPP2 Compliant Index « Low Risk »	**+1.06%**	**(YTD +7.20%)**
BBGI OPP2 Compliant Index « Medium Risk »	**+1.08%**	**(YTD +8.55%)**
BBGI OPP2 Compliant Index « Dynamic Risk »	**+1.10%**	**(YTD +9.90%)**

Comments (performances in Swiss Francs)

The BBGI OPP2 Compliant indices showed renewed vitality in September, following a month of flat trends in August. The low-risk index gained +1.06%, the moderate-risk strategy followed a similar path, advancing +1.08%, and the dynamic-risk approach achieved the best performance of the month (+1.10%). Since the beginning of the year, performances have been very favorable (+7.20%, +8.55% and +9.90% respectively). Bond markets were positive in September. The domestic segment continued its upward trend, gaining +0.69%, while international bonds performed slightly better (1.22%). In cumulative terms, the two asset classes are still performing satisfactorily (+3.99% and +4.11% respectively). Equity markets were on either side of neutral in July. The domestic class declined by -1.59%, while the international segment advanced by +1.57%. Since January, both asset classes have nevertheless made excellent cumulative gains (+11.47% and +19.41% respectively). The real estate segment is once again keeping pace with interest-rate markets. Indeed, the Swiss segment continued its upward trajectory, climbing by +2.62%. Internationally, the segment also advanced by +2.86%. Both segments continue to post positive year-to-date performances of +9.83% and +12.30% respectively. Commodities finally halted their downward trend (+4.48%), driven mainly by gold prices. Private equity rebounded (+3.79%), while alternative investments remained stable (+0.63%).

Financial market developments (performances in local currencies, USD)

Virtually all the major bond, equity, international real estate, private equity and commodity indices posted positive performances in September. On the contrary, this month, often synonymous with high volatility in the financial markets, turned out to be rather positive this time, with little fluctuation except at the beginning of the period. The fall in US job creation to below 100,000, and inflation increasingly under control (PCE +2.2%), largely contributed to reassuring investors that the Fed would soon pivot. This finally occurred on September 18. By lowering its key rates by 50bp, we believe that the US central bank probably implicitly admitted that it could already have made a 0.25% cut in July, in view of the better evolution of the job market which finally materialized after its summer meeting. Against this backdrop, the financial markets logically took the view that it was not seeking to counter any growing recession risks, and continued their positive trend until the end of the month. Long-term US Treasury yields were still able to slide, reaching a temporary low of 3.6%. Overall, bond markets benefited from an improvement in monetary policy expectations and a further fall in yields, also rising by 1.7%. Lower yields also benefited real estate markets, which rose by +3.63% overall, while securitized real estate in Switzerland also advanced by +2.62%. On the equity markets, enthusiasm was more subdued, with international performance up by a modest +1.83% and the Swiss market down by -1.59%. Private equity regained the ground lost in August with an increase of +3.32%, while in commodities, precious metals (+5.89%) and industrials (+6.25%) outperformed the decline in energy (-4.66%). It should also be noted that the latest geopolitical developments in the Middle East are undoubtedly the main threat likely to counteract the positive effects of key rate cuts and trigger a market downturn.

PERFORMANCE OF ASSET CLASSES

September

+ 4.48%	Commodities
+ 3.79%	Private Equity
+ 2.86%	International Real Estate
+ 2.62%	Swiss Real Estate
+ 1.57%	International Equities
+ 1.22%	International Bonds
+ 0.69%	Swiss Bonds
+ 0.62%	Hedge Funds
- 1.59%	Swiss Equities

YTD

+ 19.41%	International Equities
+ 15.95%	Private Equity
+ 12.30%	International Real Estate
+ 11.47%	Swiss Equities
+ 9.83%	Swiss Real Estate
+ 4.11%	International Bonds
+ 3.99%	Swiss Bonds
+ 2.57%	Commodities
+ 1.60%	Hedge Funds

COMMENTS BY ASSET CLASS

Bonds

Another good month for bond markets, with average gains of +1.7%. The more encouraging economic statistics already published in August on the inflation front and in the job market were confirmed in September by other data pointing to a continuation of existing trends. The fall in new job creation and PCE inflation at +2.2%, virtually on target for the Fed, were clearly factors supporting the rates markets. The Fed was finally able to join the ECB, BoE and SNB in adopting its first rate cut. Against this backdrop, all bond markets recorded gains in September, enabling all but Japan and the UK to generate a positive performance since the start of the year. After an average rise of +3.6% over the year, risks remain in neutral territory, with monetary policy the main positive influence.

Equities

Few changes in risk parameters in September. Most markets are already in the vigilance zone, with the exception of Australia and Canada. China's sharp rise at the end of the month pushed emerging markets from a low-risk zone to a vigilance zone. Overall, equity markets can continue to be supported by still-solid US growth, albeit at a slower pace. But it is above all good inflation figures and a positive environment of declining interest rates that should enable them to continue their ascent. The sharp rise in geopolitical risks may have an impact on crude oil prices and the risk of a resurgence in inflation, which would call into question the baseline scenario.

Commodities

The commodities segment is finally breaking the downward trend it has been following for several months. Indeed, the segment jumped +4.48% in September. Precious metals pulled the asset class up this month, thanks in particular to another excellent performance by gold during the period. The precious metal reached new highs following the US central bank's rate cut. Silver is also on an upward trajectory, gaining +7.94% in dollar terms this month.

Real Estate

Securitized real estate retains its appeal against a backdrop of expected rate cuts. The Swiss market continued its upward trend, gaining +2.62%. Internationally, the trend is similar, with the segment gaining +2.86%. Since the beginning of the year, performances have been clearly positive (+9.83% and +12.30%).

BBGI OPP2 Compliant Indices (Monthly Indices)										
Performances in Swiss Francs	last 3 months			YTD	Current Year				Annualized performances	
	July 2024	August 2024	September 2024	Year to date	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2023	Annualized perf fm 1984 to date**
BBGI OPP2 Compliant "Low Risk"	1.34%	0.08%	1.06%	**7.20%**	3.90%	0.67%			5.40%	4.88%
BBGI OPP2 Compliant "Medium Risk"	1.37%	0.09%	1.08%	**8.55%**	4.96%	0.83%			5.88%	5.25%
BBGI OPP2 Compliant "Dynamic Risk"	1.41%	0.10%	1.10%	**9.90%**	6.04%	0.99%			6.34%	5.58%
Assets										
Swiss Bonds	1.22%	0.29%	0.69%	**3.99%**	0.47%	1.26%			7.36%	3.52%
International Bonds	0.38%	-0.95%	1.22%	**4.11%**	4.90%	-1.39%			-3.79%	2.95%
Swiss Real Estate	2.09%	-0.09%	2.62%	**9.83%**	5.93%	-0.94%			5.03%	6.14%
International Real Estate	3.58%	2.36%	2.86%	**12.30%**	5.85%	-2.73%			-1.08%	4.96%
Swiss Stocks	2.75%	0.90%	-1.59%	**11.47%**	5.98%	3.09%			6.09%	8.43%
International stocks	-0.42%	-0.92%	1.57%	**19.41%**	16.31%	2.46%			11.24%	6.50%
Commodities *	-4.41%	-0.30%	4.48%	**2.57%**	1.18%	1.80%			-11.62%	-1.91%
Private Equity *	6.40%	-1.52%	3.79%	**15.95%**	7.38%	-0.70%			37.71%	18.45%
Hedge Funds *	0.35%	0.10%	0.63%	**1.60%**	1.54%	-1.01%			-0.48%	0.49%
* hedged in Swiss Francs										
Forex										
USD/CHF	-2.31%	-3.23%	-0.47%	**0.50%**	7.13%	-0.29%			-8.99%	-2.79%
EUR/CHF	-1.26%	-1.22%	0.27%	**1.37%**	4.76%	-1.05%			-6.13%	-1.33%

**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