



LET'S TALK ABOUT...

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Investments 2011

The performances of the asset classes – that is to say the various types of investments – in 2011 may be the object of some comments. First of all the best investment of the just ended *annus horribilis*, and the most demanded safe haven, unexpectedly was the US 10 year Treasury, which posts a 16.7% performance. For an EUR based investor a USD appreciation of about 3% over the common currency is to be further considered.

The Brent crude quote increased almost 14% over the year, and gold about 9%, both of them in USD. The results of those two “special” items are not in line with the general CRB commodity index, -8.4% and the even worse trend of soft commodities average, -15.5%.

2011 has been pretty negative for equity: the best relative result is for the NASDAQ index (-1.4%). The equities in developed countries performed better (-5.4%) than emerging markets (-18%), but their results have been widely diversified, with the Italian bourse in the lagging position (-25%).

Also in the fixed income markets, which did better than equity in general terms, trends and final scores have been much diversified: the German 10 year Bund, the choice of quality for most European savers who were facing the sovereign debt storm, posts a +13.7% year-end performance, obviously in EUR; instead the so much quoted spread did not save the Italian 10 year Bond, which posted a huge 8.2% yearly loss. Among the fixed income categories which most attracted the investors' interest, the emerging debt issues closed the year with an average performance of +8.4%, despite the rally slowing, that is twice the average result of corporate bonds (about 4%).

During 2011 the currency components were not determinant in contributing to the portfolios' performances. The USD Index increased 1.8% against the basket of major global currencies, despite the many uncertainties surrounding the American economic and financial scenarios. The USD appreciation over EUR was just about 3%, and even less the CHF increase over EUR, as a result of the stabilizing SNB action. The USD/CHF rate, despite its volatility throughout the year, was finally back at its initial value. - GLT

The views expressed are not necessarily those of the Swiss Association of Asset Managers