BBGI Group SA – Place de Longemalle 1 - 1204 Geneva - Switzerland
www.BBGI.ch

BBGI GROUP Global Investments

BBGI PRIVATE BANKING STRATEGIES & INDICES USD

A BBGI exclusivity since 1999

March 2023

Annualized performance of +5.28% to +6.45%

Private Banking indices rebound in March

POSITIVE PERFORMANCE FOR THE THREE BBGI PRIVATE BANKING USD INDICES IN MARCH

BBGI Private Banking Index « Low Risk »	**+2.63%**	**(YTD +3.80%)**
BBGI Private Banking Index « Medium Risk »	**+2.03%**	**(YTD +3.93%)**
BBGI Private Banking Index « Dynamic Risk »	**+1.43%**	**(YTD +4.04%)**

Comments (performances in USD)

The financial markets were subject to a lot of uncertainty during the month of March. Nevertheless, all three BBGI Private Banking USD strategies achieved positive performance this month. Indeed, the low risk index benefits from its higher exposure in bonds and achieves the best performance (+2.63%). The moderate risk strategy follows a similar path, gaining +2.03%. The dynamic risk approach is also in the green this month and climbs +1.43%. The three strategies are clearly positive in cumulative terms and end the first quarter positively (+3.80%, +3.93% and +4.04% respectively). The bond markets are back on the rise after a period of weakness in the previous period. The domestic segment climbed by +2.87% this month, while the international segment showed an even stronger trend, jumping by +3.78% and achieving the best performance of the month for all asset classes combined. Since the beginning of the year, both segments are clearly positive (+3.23% and +3.51% respectively). The equity markets, which experienced very high volatility during the month, nevertheless posted positive performances. Indeed, the domestic market jumped by +3.50% in March and even erased the losses incurred during the February slump (-2.44%). Internationally, the trend is less marked but remains positive (+2.44%). Since the beginning of the year, both segments are in positive territory (+7.59% and +6.87% respectively). The private equity segment is paying the price for the uncertainty and fell heavily by -4.59%, posting the worst performance of the month. Hedge funds continued the downward trend that started in February and lost -1.42%. Securitized real estate is suffering from fears of tighter credit availability and fell by -3.08% but the sector remains positive in cumulative terms since the beginning of the year (+1.04%). Commodities also fell below the neutral performance mark (-1.07%) for the 5th consecutive time. Since the beginning of the year, the segment has made a cumulative loss (-4.94%).

Financial market developments (performances in local currencies)

Uncertainty soared in March after a month of February already marked by the appearance of a no landing scenario that was nevertheless unlikely. The collapse of the SVB and the shock of the disappearance of Credit Suisse in a week of very high risks for the global banking sector and the financial system had repercussions on most financial markets, causing exceptional volatility. They were particularly massive in the capital markets, where yields fell as much as a result of the influx of capital in search of greater security as the return of the more likely soft landing scenario. The fall in bond yields was accompanied by a very significant adjustment in Fed Funds rate, which is now already lower than the current Fed Funds rate for the June maturity. This is a new paradigm for monetary policy, which is now seen as having already reached its zenith and is close to an easing phase. Equity markets were also caught up in this wave of uncertainty about the stability of the financial system, before recovering with the assurance that central banks would provide the liquidity needed to support the financial system. The financial markets have certainly overreacted to the risks of crisis, causing exceptional situations in the equity and real estate indices in particular, but also in the commodities segment. The overall scenario now seems to be more balanced again to envisage more positive developments for risky assets in the coming months.

PERFORMANCE OF ASSET CLASSES (USD)

MARCH

+ 3.78%	International Bonds
+ 3.50%	US Equities
+ 2.87%	US Bonds
+ 2.44%	International Equities
- 1.07%	Commodities
- 1.42%	Alternative Investments
- 3.08%	International Real Estate
- 4.59%	Private equity

YTD

+ 7.59%	US Equities
+ 6.87%	International Equities
+ 6.58%	Private equity
+ 3.51%	International Bonds
+ 3.23%	US Bonds
+ 1.04%	International Real Estate
- 0.24%	Alternative Investments
- 4.94%	Commodities

COMMENTS BY ASSET CLASS

Bonds

The rebound in monthly inflation and job creation had rekindled uncertainty about the sustainability of the more positive regime change observed in the second half of 2022. The banking crisis and questions about the stability of the financial system in March caused a complete reversal of forecasts on the next monetary policy and a strong readjustment of expectations on the bond markets. The drop in short-term yields was sharp and completely correlated with the adjustment of expectations for Fed Funds Future, but it was also very significant at longer maturities. Scores remain low, the main risks are in Europe and the UK, which should suffer from further upward adjustments in yields.

Equities

The rapid fall of the banking sectors after the SVB bankruptcy led to increased uncertainty in most other sectors, pushing the markets down at the beginning of the month. Already in risk-off mode, the markets initially fell further before being reassured by central bank statements and the fairly rapid removal of systemic risks. The downward adjustment of yields, the probable end of monetary tightening in the United States and a macroeconomic scenario oriented towards a moderate economic slowdown should support the equity markets. Risk scores have improved in this context, with Europe retaining the highest risk.

Commodities

Commodities continued their decline and posted a negative performance for the 5th consecutive time. Indeed, the trend was exacerbated by the severe disruption in the banking sector that took place during the month of May as well as the growing recession fears that pulled the energy market down. China's economic recovery remains a major factor in the evolution of crude oil demand and it still seems to be below expectations. However, the very recent announcement of OPEC production cuts could tip the balance in the coming weeks and support crude prices.

Real Estate

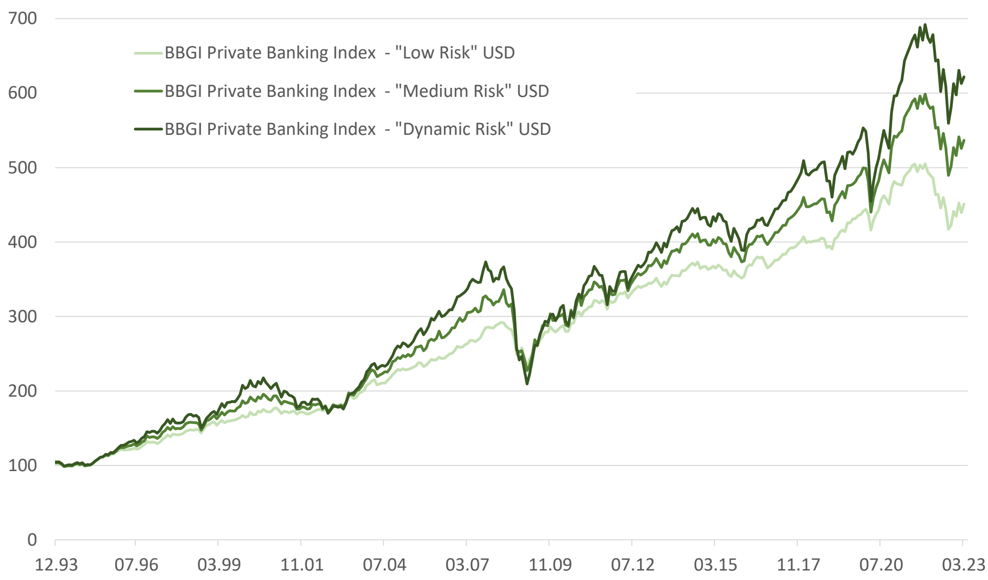
The real estate segment suffered from the tensions in the banking sector and fears of access to credit restrictions in March and fell by -3.08%. Nevertheless, the downward adjustment of Fed Funds should still benefit the sector, which is very sensitive to rate changes.

BBGI Group Private Banking Indices - Historical Performances in USD

	Last three months			YTD	Full Year				Annualized Perfomances	
	January 2023	February 2023	March 2023	Current Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	2022	1993 to date
BBGI Group PBI "Low risk" (65% fxd income)	4.11%	-2.86%	2.63%	3.80%	3.80%				-14.00%	5.28%
BBGI Group PBI "Medium risk" (45% fxd income)	4.83%	-2.84%	2.03%	3.93%	3.93%				-13.79%	5.91%
BBGI Group PBI "Dynamic risk" (25% fxd income)	5.55%	-2.82%	1.43%	4.04%	4.04%				-13.65%	6.45%
Sub-Indices										
US Bonds	2.72%	-2.31%	2.87%	3.23%	3.23%				-12.61%	4.10%
International Bonds	3.19%	-3.33%	3.78%	3.51%	3.51%				-18.26%	3.54%
US Equities	6.55%	-2.44%	3.50%	7.59%	7.59%				-19.85%	9.25%
International Equities	8.11%	-3.51%	2.44%	6.87%	6.87%				-16.00%	5.14%
Private equity	12.06%	-0.32%	-4.59%	6.58%	6.58%				-30.93%	8.60%
Hedge Funds	1.67%	-0.47%	-1.42%	-0.24%	-0.24%				-4.73%	5.42%
International Real Estate	9.02%	-4.37%	-3.08%	1.04%	1.04%				-24.42%	6.62%
Commodities	-0.09%	-3.83%	-1.07%	-4.94%	-4.94%				25.99%	1.58%
Forex										
USD/EUR	-1.46%	2.73%	-2.43%	-1.23%	-1.23%				6.23%	-1.09%

The **BBGI Group Private Banking indices** can be obtained free of charge from the BBGI Group Analysis & Research Department (reception@bbgi.ch).
They provide the first objective benchmarks for the performance of the wealth management industry.

Sources : Bloomberg, BBGI Group SA



Sources : Bloomberg, BBGI Group SA