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

BBGI GROUP Global Investments

BBGI OPP2 COMPLIANT STRATEGIES & INDICES CHF

A BBGI exclusivity since 1999

January 2025

Annualized performance of +4.90% to +5.64%

Positive start to the year for OPP2 indices

POSITIVE PERFORMANCE FOR ALL THREE BBGI OPP2 COMPLIANT INDICES IN JANUARY

BBGI OPP2 Compliant Index « Low Risk »	**+0.89%**	**(YTD +0.89%)**
BBGI OPP2 Compliant Index « Medium Risk »	**+1.67%**	**(YTD +1.67%)**
BBGI OPP2 Compliant Index « Dynamic Risk »	**+2.44%**	**(YTD +2.44%)**

Comments (performances in Swiss Francs)

The BBGI OPP2 Compliant indices start the year with a month of gains in January. The low-risk index gains +0.89%, the moderate-risk strategy follows a similar path, advancing +1.67%, and the dynamic-risk approach achieves the best performance of the month (+2.44%). Bond markets were again mixed in January. The domestic segment declined by -0.64%, while international bonds posted a positive performance (+0.96%). This month, equity markets are above the neutral performance mark for January. The domestic class jumped +8.20%, posting the biggest gain of the period, while the international segment also advanced e +3.38%. The real estate segment was again mixed in January. The domestic segment interrupted its upward trajectory of recent months and suffered some profit-taking (-1.39%), while the international segment returned to positive territory with +1.43%. Commodities were in the green at the end of the first month of the year, thanks to strong performances by crude oil and gold prices. Private equity rebounded strongly by +6.96%, while alternative investments advanced slightly by +0.66% over the period.

Financial market developments (performances in local currencies, USD)

Whereas in December investors focused on the inflationary risks of Trump's future policy and its effects on interest rates, January began with a reassessment of the possible consequences of tariff hikes. Fixed-income markets benefited from these initial adjustments, rising by around +0.57%, while equities (+3.53%) and securitized real estate (+1.4%) posted their first gains of the year. The rise in commodities (+3.32%) rounded off the picture of trends in the main asset classes. Yet, over the course of the month, Trump's declarations were particularly numerous and surprising in many aspects, without really shocking the financial markets. A plethora of presidential decrees and highly controversial decisions marked the end of January, with chain reactions both in the USA and internationally. Among all the uncertainties that emerged, the tug-of-war with the USA's main economic partners alone could have jeopardized January's positive momentum. The immediate implementation of plans to drastically reduce the federal workforce and halt funding for various federal agencies has also become a major threat to confidence, employment, consumption and growth. The Federal Reserve remained cautious in January in maintaining its key rates, mainly due to the extreme uncertainty posed by Trump's policies. However, it is likely to pay closer attention to the risks of an economic slowdown, which are certain to intensify in the coming weeks. The DOGE's downsizing targets are bound to affect consumer and investor confidence. Q4 GDP had already slipped from +3.1% (Q3) to +2.3%, while industrial imports surged by +18.9% in December alone in anticipation of the introduction of customs duties, sending the US trade deficit soaring by +20% to its highest level ever (122 bn). Against this highly uncertain backdrop, risk scores for bonds, real estate and commodities remain attractive, while they are rising for equities.

PERFORMANCE OF ASSET CLASSES

January

+ 8.20%	Swiss Equities
+ 6.96%	Private Equity
+ 3.64%	Commodities
+ 3.38%	International Equities
+ 1.43%	International Real Estate
+ 0.96%	International Bonds
+ 0.66%	Hedge Funds
- 0.64%	Swiss Bonds
- 1.39%	Swiss Real Estate

YTD

+ 8.20%	Swiss Equities
+ 6.96%	Private Equity
+ 3.64%	Commodities
+ 3.38%	International Equities
+ 1.43%	International Real Estate
+ 0.96%	International Bonds
+ 0.66%	Hedge Funds
- 0.64%	Swiss Bonds
- 1.39%	Swiss Real Estate

COMMENTS BY ASSET CLASS

Bonds

The correlation of interest rate markets was once again very high in January. Despite a general rise in uncertainty, international markets began the year with a downward revaluation of inflationary risks. Rising tensions between the US and its neighbors were followed by declines in long-term yields. Ten-year U.S. Treasury yields fell overall from a high of 4.8% to 4.5%, while Q4 growth eased to +2.3%. We believe that investors and the Federal Reserve should now take greater account of the risks of a slowdown in the US. This factor is likely to emerge as a serious new threat directly linked to D. Trump's policies. This risk, which is not negligible, should now help to affect the rate outlook and lower yield curves. We see greater opportunities in the USA, Australia, Canada, the UK and emerging markets.

Equities

January was a particularly positive month for European equities and the Swiss market, both of which significantly outperformed the US and other markets. Risk-opportunity scores were particularly favorable at the start of the month for these markets, and remain in attractive territory despite the month-on-month rise of over +8%. The yield differential and exchange rate trends partly explain this month's outperformance. Naturally, the uncertainty linked to D. Trump's policies is further affecting the outlook for US stocks in the current environment. Risk scores rose in most markets. Swiss and European markets look even more attractive in international comparison.

Commodities

Positive first month of the year for the commodities segment. The asset class benefited from the good performance of crude oil prices over the period, posting a gain of +3.64%. Precious metals also contributed strongly to this rise, reaching a record $2,817 an ounce, buoyed by uncertainties over US tariff policies.

Real Estate

Securitized real estate retains its appeal in the context of expected adjustments, particularly in Europe and the UK.

BBGI OPP2 Compliant Indices (Monthly Indices)										
	last 3 months			YTD	Current Year				Annualized performances	
Performances in Swiss Francs	January 2025			Year to date	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2024	Annualized perf fm 1984 to date**
BBGI OPP2 Compliant "Low Risk"	0,89%			**0,89%**					9,12%	4,90%
BBGI OPP2 Compliant "Medium Risk"	1,67%			**1,67%**					10,32%	5,29%
BBGI OPP2 Compliant "Dynamic Risk"	2,44%			**2,44%**					11,51%	5,64%
Assets										
Swiss Bonds	-0,64%			**-0,64%**					5,35%	3,51%
International Bonds	0,96%			**0,96%**					6,02%	3,02%
Swiss Real Estate	-1,39%			**-1,39%**					17,59%	6,23%
International Real Estate	1,43%			**1,43%**					8,79%	4,90%
Swiss Stocks	8,20%			**8,20%**					6,18%	8,44%
International stocks	3,38%			**3,38%**					27,09%	6,70%
Commodities *	3,64%			**3,64%**					1,04%	-1,74%
Private Equity *	6,96%			**6,96%**					19,44%	19,41%
Hedge Funds *	0,66%			**0,66%**					0,77%	0,48%
* hedged in Swiss Francs										
Forex										
USD/CHF	0,39%			**0,39%**					7,84%	-2,59%
EUR/CHF	0,43%			**0,43%**					1,21%	-1,31%

****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