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www.BBGI.ch

BBGI PRIVATE BANKING STRATEGIES & INDICES USD

A BBGI exclusivity since 1999

January 2025

Annualized performance of +5.31% to +6.76%

January in the green for Private Banking

POSITIVE PERFORMANCES FOR ALL THREE BBGI PRIVATE BANKING USD INDICES IN JANUARY

BBGI Private Banking Index « Low Risk »	**+1.42%**	**(YTD +1.42%)**
BBGI Private Banking Index « Medium Risk »	**+2.02%**	**(YTD +2.02%)**
BBGI Private Banking Index « Dynamic Risk »	**+2.62%**	**(YTD +2.62%)**

Comments (performances in USD)

The BBGI Private Banking indices returned to positive territory in January after a brief dry spell at the end of 2024. The low-risk index rose by +1.42%, the moderate-risk strategy followed a similar path, advancing by +2.02%, and the dynamic-risk approach achieved the best performance of the month (+2.62%). Bond markets are once again positive in this first month of 2025. The domestic segment gained +0.49%, and international performance followed the same positive trend (+0.46%). Equity markets are up in January. The domestic and international classes jumped by +3.02% and +4.03% respectively. The real estate segment returned to positive territory, climbing +1.78%. Commodities continued their upward trend in January (+3.32%), buoyed by the strong performance of gold and crude oil prices. Private equity rose sharply by +7.59%, representing the best performance of the beginning of 2025, and hedge funds performed well (+1.00%).

Financial market developments (performances in local currencies)

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, gaining 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 respects, 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 have 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 also became a major threat to confidence, employment, consumption and growth. The Federal Reserve remained cautious in January by not changing its key rates, mainly due to the extreme uncertainty posed by Trump's policies. But it is likely to start looking more closely at the risks of a cyclical slowdown, which are sure to increase in the coming weeks. The DOGE's downsizing targets are bound to affect consumer and investor's 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 (USD)

January

+ 7.59%	Private equity
+ 4.03%	International equities
+ 3.32%	Commodities
+ 3.02%	US equities
+ 1.78%	International real estate
+ 1.00%	Hegde Funds
+ 0.49%	US bonds
+ 0.46%	International Bonds

YTD

+ 7.59%	Private equity
+ 4.03%	International equities
+ 3.32%	Commodities
+ 3.02%	US equities
+ 1.78%	International real estate
+ 1.00%	Hegde Funds
+ 0.49%	US bonds
+ 0.46%	International Bonds

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 non-negligible risk should now contribute to affecting the rate outlook and lowering yield curves. We see greater opportunities in the USA, Australia, Canada, the UK and emerging markets.

BBGI Group Private Banking Indices - Historical Performances in USD

	Last three months			YTD	Full Year				Annualized Perfomances	
	January 2025			Current Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	2024	1993 to date
BBGI Group PBI "Low risk" (65%fxd income)	1.42%			1.42%					4.23%	5.31%
BBGI Group PBI "Medium risk" (48%fxd income)	2.02%			2.02%					6.88%	6.08%
BBGI Group PBI "Dynamic risk" (25%fxd income)	2.62%			2.62%					9.58%	6.76%
Sub-Indices										
US Bonds	0.49%			0.49%					0.65%	3.92%
International Bonds	0.46%			0.46%					-2.87%	3.30%
US Equities	3.02%			3.02%					24.58%	10.12%
International Equities	4.03%			4.03%					5.53%	5.41%
Private equity	7.59%			7.59%					24.22%	10.12%
Hedge Funds	1.00%			1.00%					5.27%	5.42%
International Real Estate	1.78%			1.78%					2.00%	6.67%
Commodities	3.32%			3.32%					9.25%	1.91%
Forex										
USD/EUR	-0.09%			-0.09%					6.62%	-0.93%

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

Equities

January was a particularly positive month for European equities and the Swiss market, both of which significantly outperformed the US and other markets. United States 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%. Yield differentials and exchange rate trends partly explain this month's outperformance. The uncertainty linked to D. Trump's policies logically has a greater impact on the outlook for US stocks in the current context. Risk scores rose in most markets. Swiss and European markets look even more attractive in international comparison.

Sources : Bloomberg, BBGI Group SA

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 +3.32%. 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 remains attractive in the context of expected adjustments, particularly in Europe and the UK. The international segment started the year up +1.78%.