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

February 2025

Annualized performance of +5.34% to +6.75%

Positive February for Private Banking indices

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

BBGI Private Banking Index « Low Risk »	**+1.18%**	**(YTD +2.62%)**
BBGI Private Banking Index « Medium Risk »	**+0.69%**	**(YTD +2.73%)**
BBGI Private Banking Index « Dynamic Risk »	**+0.20%**	**(YTD +2.83%)**

Comments (performances in USD)

The BBGI Private Banking indices remain in positive territory in February. The low-risk index gained +1.18%, the best performance of the month. The moderate-risk strategy followed a similar path, advancing by +0.69%, while the dynamic-risk approach advanced by +0.20%. Since the beginning of the year, the three strategies have also achieved positive performances of +2.62%, +2.73% and +2.83%, respectively. Bond markets continue their positive trend. The domestic segment gained +2.16% and the international segment +1.40%. Since the beginning of the year, these two asset classes have outperformed the neutral point, with a rise of +2.67% domestically and +1.87% internationally. Equity markets were mixed in February. The domestic segment posted a negative return of -1.61%, while the international segment posted a positive return of +1.39%. Nevertheless, both segments have been positive since the beginning of the year. The domestic class advanced by +1.36%, while the international class jumped by +5.47%. International real estate recorded the best performance in February, up +2.27%. This trend has continued since the beginning of the year, with a cumulative performance of +4.09% for the sector. Commodities, on the other hand, are in the red, with a negative performance of -1.34%. The asset class nevertheless posted a cumulative gain of +1.93% in 2025. Private equity suffered a sharp reduction in momentum (-5.24%) in February, following an excellent performance of +7.59% in January. However, its cumulative performance remains positive (+1.95%). Alternative investments advanced slightly by +0.28%.

Financial market developments (performances in local currencies)

Donald Trump arrived at the White House on January 20, 2025 with high hopes for the economy and a “pro-business” image, which the markets hoped would soon herald a pro-growth economic policy. Unfortunately, since then, a plethora of political decisions with potentially disastrous economic effects has given rise to growing concerns that run counter to the initial hopes that have now been dashed. Against this striking backdrop of new concerns, the deterioration in the investment climate was reflected in a marginally positive trend for US equities, followed by a rapid bearish consolidation phase in February, which put the equity indices back at their November 6th morning levels. The financial world was disillusioned after betting far too much on the promises of America's new strongman. The month of February was not kind to US equities (-1.3%), as economic expectations were only just beginning to take into account the growing risks of an economic slowdown caused by Donald Trump's policies. On the other hand, bond markets benefited, rising by +2.2% in the United States. After fearing the inflationary effects of the Fed's policy of raising tariffs, it's now time to worry about a slowdown caused by the risk of a downturn in household consumption, which is both increasingly worried about rising prices and also frightened by the waves of public layoffs decided by the DOGE. While in January the outlook was still solid for US growth, justifying stable Fed rates, the end of February saw the emergence of a real risk of recession, with the Atlanta Fed's GDPNow index contracting by -2.8%. After a deceleration in GDP growth from +3.1% to +2.3% in Q4, H1 2025 could already greet D. Trump's election with a first sign of recession. In this increasingly uncertain context, risk scores for equities suggest a reduction in allocations, while bond scores suggest opportunities.

PERFORMANCE OF ASSET CLASSES (USD)

February

+ 2.27%	International real estate
+ 2.16%	US bonds
+ 1.40%	International bonds
+ 1.39%	International equities
+ 0.28%	Hegde funds
- 1.34%	Commodities
- 1.61%	US equities
- 5.24%	Private equity

YTD

+ 5.47%	International equities
+ 4.09%	International real estate
+ 2.67%	US bonds
+ 1.95%	Private equity
+ 1.93%	Commodities
+ 1.87%	International bonds
+ 1.36%	US equities
+ 1.28%	Hegde funds

COMMENTS BY ASSET CLASS

Bonds

The situation in the United States is also affecting regional rates markets, which remained highly correlated in February. Back in January, we noted that inflationary risks were overestimated, while the likelihood of a downturn in consumption was underestimated. February saw a partial rebalancing of these two factors. The evidence pointing to a slowdown in the economy grew stronger, supporting the expected change in trend. Ten-year US Treasury yields fell from a high of 4.8% to 4.15% in the space of a few weeks, while GDPNow growth estimates for Q1 2025 recently dropped to -2.8%. The gradual recognition of the risk of recession in the United States is likely to emerge as a serious new threat directly linked to D. Trump's policies. This non-negligible risk should now help to affect the rate outlook and lower yield curves. We see greater opportunities in the USA, Australia, the UK and emerging markets.

BBGI Group Private Banking Indices - Historical Performances in USD

	Last three months			YTD	Full Year				Annualized Perfomances	
	January 2025	February 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%	1.18%		2.62%					4.23%	5.34%
BBGI Group PBI "Medium risk" (48% fxd income)	2.02%	0.69%		2.73%					6.88%	6.09%
BBGI Group PBI "Dynamic risk" (25% fxd income)	2.62%	0.20%		2.83%					9.58%	6.75%
Sub-Indices										
US Bonds	0.49%	2.16%		2.67%					0.65%	3.98%
International Bonds	0.46%	1.40%		1.87%					-2.87%	3.33%
US Equities	3.02%	-1.61%		1.36%					24.58%	10.04%
International Equities	4.03%	1.39%		5.47%					5.53%	5.45%
Private equity	7.59%	-5.24%		1.95%					24.22%	9.91%
Hedge Funds	1.00%	0.28%		1.28%					5.27%	5.42%
International Real Estate	1.78%	2.27%		4.09%					2.00%	6.72%
Commodities	3.32%	-1.34%		1.93%					9.25%	1.86%
Forex										
USD/EUR	-0.09%			6.39%					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

In our view, February marks a transition towards the consideration of new uncertainties for the earnings and valuations of US-listed companies. Risk/opportunity scores were particularly favorable at the start of the month for these markets, but they deteriorated in February, including for the Swiss and European markets. Now, if the uncertainty linked to D. Trump's policies affects US stocks more clearly, the risks of profit-taking in a more uncertain environment should also be transmitted to other markets. As risk scores have risen in most regions, we recommend a reduction in equity allocations.

Sources : Bloomberg, BBGI Group SA

Commodities

Commodity prices rose slightly in February after a month marked by considerable volatility. Indeed, crude oil prices were strongly impacted by geopolitics, and more particularly by the evolution of tariffs between the USA and its economic partners. The positive performance of gold, which always enjoys particular appeal in times of uncertainty, succeeded in driving the segment upwards.

Real Estate

Securitized real estate retains some appeal, with the international class gaining +2.27%, but it could quickly become a risky asset in the event of a recession.