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BBGI GROUP Global Investments

BBGI OPP2 COMPLIANT STRATEGIES & INDICES CHF

A BBGI exclusivity since 1999

March 2025

Annualized performance of +4.86% to +5.58%

Widespread downturn on financial markets

POSITIVE PERFORMANCE FOR ALL THREE BBGI OPP2 COMPLIANT INDICES IN MARCH

BBGI OPP2 Compliant Index « Low Risk »	**-1.37%**	**(YTD +0.2%)**
BBGI OPP2 Compliant Index « Medium Risk »	**-1.75%**	**(YTD +0.58%)**
BBGI OPP2 Compliant Index « Dynamic Risk »	**-2.14%**	**(YTD +0.95%)**

Comments (performances in Swiss Francs)

The BBGI OPP2 Compliant indices moved into negative territory in March. The low-risk index lost -1.37%, the moderate-risk strategy followed a similar path, declining by -1.75%, and the dynamic-risk approach posted the lowest performance of the month (-2.14%). Since the beginning of the year, all three strategies have nevertheless achieved positive performances of +0.2%, +0.58% and +0.95%, respectively. Bond markets ended the month in the red. The domestic segment contracted by -0.63%, while the decline was more pronounced internationally (-1.48%). The trend has been mixed since the beginning of 2025, with the Swiss market moving into negative territory (-1.38%), while the international segment posted a slight rise (+0.02%). The real estate sector is also in retreat this month. The Swiss segment fell slightly by -0.06%, while the international decline was more pronounced (-4.05%). Over the year as a whole, trends diverged. The domestic class rose by +1.92%, while the international class fell by -1.20%. Swiss equities fell by -2.04%, and international equities by -5.81%. However, since January, domestic equities have posted the best performance (+8.58%), while international equities are down (-3.87%). Commodities were the only positive monthly performer (+3.57%). They also recorded a notable year-on-year performance of +7.79%. Private equity continued its downward trend during the month (-8.22%). The negative trend is reflected in performance over the year (-7.08%). Alternative investments fell by -0.90% in March, with an annual performance of -0.28%.

Financial market developments (performances in local currencies, USD)

Investors were already disillusioned at the end of February after just a few weeks of Trump's presidency, realizing that campaign promises were giving way to a chaotic political and economic program, more excessive than many Republicans themselves could have imagined. In the space of a few days, the Trump 2.0 style took hold, provoking widespread astonishment and reactions as extreme as they were unexpected, which did not fail to affect the financial markets. International relations were brutally shaken by his foreign policy, while at home in the United States, DOGE's actions also provoked a tsunami of hostile reactions, to the extent that the new president obtained the worst satisfaction ratio in recent political history after less than 100 days in office. On the economic front, the outlook went from likely GDP growth of +3% to -2.8% according to the Atlanta Fed's GDPNow, while published economic statistics regularly disappointed. The growing risks of recession were finally taken into account, allowing ten-year Treasury yields, for example, to fall from 4.8% to 4.15% over the same period. On the equities front, the risk of recession was clearly seen as having a negative impact on corporate earnings, with the S&P500 falling by -10% and the Nasdaq by -15%. Our last recommendations in February, favoring bonds over equities, proved particularly well-suited to market trends in March. Since the start of the year, while equity indices in the US have fallen by -5.3%, dollar-denominated bonds have gained +2.5% and outperformed by +7.8%. Internationally, the differential was significantly smaller, underlining the peculiarity of the movements recorded in the USA under Trump's influence. European and Swiss stocks thus benefited from the deterioration in the situation and the repositioning towards less uncertain markets. We believe that Trump's policy is far from having had its negative effects on growth and investor psychology, and still suggest a cautious policy, under-exposed to US equities in particular.

PERFORMANCE OF ASSET CLASSES

March

+ 3.57%	Commodities
- 0.06%	Swiss Real Estate
- 0.63%	Swiss Bonds
- 0.90%	Hedge Funds
- 1.48%	International Bonds
- 2.04%	Swiss Equities
- 4.05%	International Real Estate
- 5.81%	International Equities
- 8.22%	Private Equity

YTD

+ 8.58%	Swiss Equities
+ 7.79%	Commodities
+ 1.92%	Swiss Real Estate
+ 0.02%	International Bonds
- 0.28%	Hedge Funds
- 1.20%	International Real Estate
- 1.38%	Swiss Bonds
- 3.87%	International Equities
- 7.08%	Private Equity

COMMENTS BY ASSET CLASS

Bonds

Donald Trump's policies have been so disruptive over the past few weeks that they have sometimes had completely unexpected effects, both politically and economically. In the United States, falling consumer confidence could push the economy into recession. In Europe, Trump's pressure has raised awareness and forced closer ties, particularly on defense issues. Germany is now moving towards the end of its legendary austerity and fiscal rigorism, a political shock and a new paradigm with potentially far-reaching effects for European growth. Despite relatively similar risk scores, we believe that the likelihood of further rate declines is higher in the USA, Canada, Australia and the UK than in the Eurozone. Real interest rates are low in euros and could support an economic recovery, which will be at risk in the US.

Equities

Equity markets have gradually come to grips with the increasing risk of recession in the US and its potential impact on corporate earnings prospects. Despite margins averaging over 15%, US companies are unlikely to absorb the rise in import costs, and will largely pass these costs on to consumers. The risks of a price correction are greater in the US, with US indices falling more sharply in March and experiencing more headwinds. Since the start of the year, Europe has clearly outperformed (+10%) and could well continue to do so in Q2. Risk scores have fallen only marginally. A temporary short-term rebound cannot be ruled out, but we recommend maintaining a reduced exposure to equity risk.

Commodities

Commodities are continuing the upward trend they began in January. Indeed, despite a month marked by a degree of volatility, crude oil prices ended the period higher. The beginning of March had been relatively negative, following the announcement of a gradual increase in OPEC+ production, but geopolitical tensions in the Red Sea and the Middle East caused crude oil to surge in the second half of the month. Over the period, gold benefited greatly from global uncertainty about world growth and the impact of tariffs, and the precious metal reached new record highs.

BBGI OPP2 Compliant Indices (Monthly Indices)

Performances in Swiss Francs	last 3 months			YTD	Current Year				Annualized performances	
	January 2025	February 2025	March 2025	Year to date	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2025	Annualized perf fm 1984 to date**
BBGI OPP2 Compliant "Low Risk"	0.89%	0.68%	-1.37%	**0.20%**	0.20%				9.12%	4.86%
BBGI OPP2 Compliant "Medium Risk"	1.67%	0.69%	-1.75%	**0.58%**	0.58%				10.32%	5.24%
BBGI OPP2 Compliant "Dynamic Risk"	2.44%	0.70%	-2.14%	**0.95%**	0.95%				11.51%	5.58%
Assets										
Swiss Bonds	-0.64%	-0.11%	-0.63%	**-1.38%**	-1.38%				5.35%	3.48%
International Bonds	0.96%	0.56%	-1.48%	**0.02%**	0.02%				6.02%	3.01%
Swiss Real Estate	-1.39%	3.41%	-0.06%	**1.92%**	1.92%				17.59%	6.29%
International Real Estate	1.43%	1.52%	-4.05%	**-1.20%**	-1.20%				8.79%	4.81%
Swiss Stocks	8.20%	2.44%	-2.04%	**8.58%**	8.58%				6.18%	8.42%
International stocks	3.38%	-1.27%	-5.81%	**-3.87%**	-3.87%				27.09%	6.47%
Commodities *	3.64%	0.42%	3.57%	**7.79%**	7.79%				1.04%	-1.42%
Private Equity *	6.96%	-5.35%	-8.22%	**-7.08%**	-7.08%				19.44%	18.01%
Hedge Funds *	0.66%	-0.03%	-0.90%	**-0.28%**	-0.28%				0.77%	0.40%
* hedged in Swiss Francs										
Forex										
USD/CHF	0.39%	-0.86%	-2.08%	**5.10%**	5.10%				7.84%	-2.65%
EUR/CHF	0.43%	-0.75%	2.06%	**2.96%**	2.96%				1.21%	-1.27%

****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