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BBGI PRIVATE BANKING STRATEGIES & INDICES USD

A BBGI exclusivity since 1999

March 2025

Annualized performance of +5.30% to +6.67%

Widespread decline in financial markets in March

NEGATIVE PERFORMANCES FOR ALL THREE BBGI PRIVATE BANKING USD INDICES IN MARCH

BBGI Private Banking Index « Low Risk »	**-0.62%**	**(YTD +1.99%)**
BBGI Private Banking Index « Medium Risk »	**-1.20%**	**(YTD +1.50%)**
BBGI Private Banking Index « Dynamic Risk »	**-1.78%**	**(YTD +1.00%)**

Comments (performances in USD)

The BBGI Private Banking indices decline in March. Indeed, the virulence of the Trump administration's methods of implementing its policies has finally taken its toll on the optimism that reigned in the financial markets at the start of the year. Diversified private banking strategies moved into negative territory in March. The low-risk approach fell slightly by -0.62%, the moderate-risk strategy lost -1.20% and the dynamic-risk index posted the worst performance of the month (-1.78%). Nevertheless, cumulative performance since January remains positive (+1.99%, +1.50% and +1.00%). Bond markets remained positive during the month. The domestic segment advanced slightly by +0.23%, while the international segment did slightly better (+0.68%). In cumulative terms, both asset classes achieved positive performances (+2.90% and +2.57%, respectively). Equity markets are bearing the brunt of global uncertainty, falling back this month. The international segment held up well, losing just -0.23%, but the US equity market fell sharply by -5.89%. Since the beginning of the year, the US market has lost -4.60%, while international performance remains positive (+5.23%) despite this slight setback. The real estate segment also fell below neutral performance, losing -2.15%. The commodities segment was one of the only holdouts this month, returning to positive territory with an increase of +2.90%. Since January, this asset class has gained +4.89%. As ever, private equity acts as a barometer of market anxiety, with investors once again showing their distrust of risky assets this month (-7.75%). Hedge funds fell slightly by -0.75%.

Financial market developments (performances in local currencies)

At the end of February, after just a few weeks of Trump's presidency, investors were already disillusioned by the realization 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, the DOGE's actions also provoked a veritable tsunami of hostile reactions, to the extent that the new president obtained, after less than 100 days in office, the worst satisfaction ratio in recent political history. On the economic front, according to the Atlanta Fed's GDPNow, the outlook went from likely GDP growth of +3% to -2.8%, while published economic statistics regularly disappointed. The growing risks of recession were finally taken into account, allowing, for example, ten-year Treasury yields 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 profits, with the S&P500 falling by -10%, while the Nasdaq was down -15%. Our last recommendations in February, which favored 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 US under Trump's influence. European and Swiss stocks thus benefited from the deterioration in the situation and the repositioning towards less uncertain markets. In our view, Trump's policies are far from having a negative impact on growth and investor psychology, and we continue to recommend a cautious approach, particularly when it comes to underweighting US equities.

PERFORMANCE OF ASSET CLASSES (USD)

March

+ 2.90%	Commodities
+ 0.68%	International bonds
+ 0.23%	US bonds
- 0.23%	International equities
- 0.75%	Hegde funds
- 2.15%	International real estate
- 5.89%	US equities
- 7.75%	Private equity

YTD

+ 5.23%	International equities
+ 4.89%	Commodities
+ 2.90%	US bonds
+ 2.57%	International bonds
+ 1.85%	International real estate
+ 0.52%	Hegde funds
- 4.60%	US equities
- 5.95%	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 rates are low in euros and could support a cyclical upturn, which will, by contrast, be at risk in the USA.

Equities

Equity markets have gradually come to grips with the growing 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 United States. Indeed, US indices fall more sharply in March, and are subject to 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 continue the upward trend begun 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 due to the announcement of a gradual production increase by OPEC+ countries, 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 concerning world growth and the impact of tariffs, and the precious metal reached a new record.

BBGI Group Private Banking Indices - Historical Performances in USD

	Last three months			YTD	Full Year				Annualized Perfomances	
	January 2025	February 2025	March 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%	-0.62%	1.99%	1.99%				4.23%	5.30%
BBGI Group PBI "Medium risk" (48% fxd income)	2.02%	0.69%	-1.20%	1.50%	1.50%				6.88%	6.03%
BBGI Group PBI "Dynamic risk" (25% fxd income)	2.62%	0.20%	-1.78%	1.00%	1.00%				9.58%	6.67%
Sub-Indices										
US Bonds	0.49%	2.16%	0.23%	2.90%	2.90%				0.65%	3.97%
International Bonds	0.46%	1.40%	0.68%	2.57%	2.57%				-2.87%	3.32%
US Equities	3.02%	-1.61%	-5.89%	-4.60%	-4.60%				24.58%	10.01%
International Equities	4.03%	1.39%	-0.23%	5.23%	5.23%				5.53%	5.43%
Private equity	7.59%	-5.24%	-7.75%	-5.95%	-5.95%				24.22%	9.88%
Hedge Funds	1.00%	0.28%	-0.75%	0.52%	0.52%				5.27%	5.40%
International Real Estate	1.78%	2.27%	-2.15%	1.85%	1.85%				2.00%	6.71%
Commodities	3.32%	-1.34%	2.90%	4.89%	4.89%				9.25%	1.86%
Forex										
USD/EUR	-0.09%	-0.09%	-0.12%	2.05%	2.05%				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

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