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BBGI GROUP Global Investments

BBGI PRIVATE BANKING STRATEGIES & INDICES USD

A BBGI exclusivity since 1999

April 2025

Annualized performance of +5.32% to +6.66%

April under high volatility

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

BBGI Private Banking Index « Low Risk »	**+0.92%**	**(YTD +2.93%)**
BBGI Private Banking Index « Medium Risk »	**+0.53%**	**(YTD +2.04%)**
BBGI Private Banking Index « Dynamic Risk »	**+0.14%**	**(YTD +1.15%)**

Comments (performances in USD)

The BBGI Private Banking indices move forward in April. Between panic and rebound on Liberation Day, April was marked by high volatility and contrasting performances. Diversified private banking strategies moved into positive territory in April. The low-risk approach advanced by +0.92%, the moderate-risk strategy gained +0.53% and the dynamic-risk index posted the worst performance of the month (+0.14%). In addition, cumulative performance since January has been positive (+2.93%, +2.04% and +1.15%, respectively). Bond markets remained positive during the month. The domestic segment advanced slightly by +0.62%, while the international segment outperformed (+3.34%). In cumulative terms, both asset classes achieved positive performances (+3.54% and +5.99%, respectively). Equity markets diverged this month. The international segment performed best, with an increase of +3.61%, while the US equity market fell slightly by -0.54%. Since the start of the year, the US market has lost -5.12%, while international performance remains positive (+9.03%). The real estate segment also broke through the neutral performance barrier, with a gain of +1.00%. However, the commodities segment fell drastically in April, with a loss of -8.43%, mainly due to fears of renewed trade tensions. This negative trend has continued since January, with a performance of -3.96%. Private equity continues, as usual, to reflect market anxiety, with investors once again expressing their distrust of risky assets this month, with a decline of -6.72%. Alternative investments fell slightly by -0.43%.

Financial market developments (performances in local currencies)

The month of April was initially marked by global stupefaction and the shock of the announcement of the most extreme and insane tariffs since the Depression of the 1930s. Equity markets, which had already begun to take the measure of the risks before April 2, quickly plunged in the days that followed, only to be reassured by Trump's 90-day postponement of the biggest tariff negotiation in history with dozens of countries simultaneously. This announcement triggered a “relief rally” which, in some cases, returned stock market indices to levels similar to those they had reached previously. However, a basic tariff of 10% has come into force on virtually all imports, although some exemptions have been granted. However, there is still a significant risk that higher tariffs will eventually be imposed on many countries, including China. At the end of the month, US GDP was published, showing a -0.3% decline, reinforcing the likelihood of a recession in the 1st half. Leading indicators suggest a further slowdown in April, while US West Coast ports are already reporting a 40% drop in traffic. The tug-of-war with China doesn't seem to be going Trump's way at all, as he has yet to face any supply chain disruptions, which will no doubt be more severe than in 2020. There is little chance of a rapid resolution to this tug-of-war, the consequences of which we believe will be more severe for the USA. The predicted recession is materializing, but will not have a major impact on the yield curve, given the persistent inflationary risks associated with rising tariffs. Our strategy of favoring bonds over equities proved appropriate, with most fixed-income markets recording positive performances in April, such as the international bond index, up +2.9%, while the MSCI World ended slightly up +0.89%. That said, we mentioned earlier that the month had been particularly volatile, and this small rise masked a 12% fall during the month before the recovery in the 2nd half. Having taken advantage of this decline to normalize our equity allocation during the rebound phase, we are once again recommending a reduction in risk in an increasingly uncertain environment.

PERFORMANCE OF ASSET CLASSES (USD)

APRIL

+ 3.61%	International equities
+ 3.34%	International bonds
+ 1.00%	International real estate
+ 0.62%	US bonds
- 0.43%	Hedge funds
- 0.54%	US equities
- 0.82%	Private equity
- 8.43%	Commodities

YTD

+ 9.03%	International equities
+ 5.99%	International bonds
+ 3.54%	US bonds
+ 2.87%	International real estate
+ 0.09%	Hedge funds
- 3.96%	Commodities
- 5.12%	US equities
- 6.72%	Private equity

COMMENTS BY ASSET CLASS

Bonds

Trump's first 100 days in office have been chaotic on many fronts, and have particularly affected economic confidence and prospects. For the bond markets, it is ultimately fears of recession that have rekindled a fall in long rates, after an initial rise probably supported by the risks of a rebound in inflation and targeted sales of Treasury securities by China. The ongoing tug-of-war may be pushing Sino-American relations towards a quicker outcome than anticipated. In Europe, inflation is now under control, providing a favorable trend for interest rates. 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 an unlikely economic recovery in the US.

Equities

Equity markets had reacted sharply the day after Trump's tariff announcements with a legitimate stock market panic. All it took was a 90-day postponement to reignite speculation and push prices back up just as quickly. Unless Trump does an about-face, we believe that the tariffs already in place, as well as the standoff with China, will have consequences for supply chains in the US that will be largely damaging to growth and corporate profits. For the first time in a long time, Trump's policies may well provoke lasting mistrust and underperformance in US equities. Risk/reward profiles seem more favorable in other markets. We suggest increased vigilance and a more cautious equity exposure policy.

Commodities

Commodities interrupted their upward trajectory that had been running for several months. Indeed, with the announcement of the White House's "reciprocal" tariffs, fears of a shock to international trade increased sharply. Recession risks soared in the US, and inflationary risks returned to the fore. Crude oil prices were strongly impacted by this announcement and expectations of falling demand. At the same time, OPEC+ announced its intention to increase production, which reinforced selling pressure. Gold obviously benefited from this climate of tension and uncertainty and ended up setting a new price record during the month, but this was not enough to pull the segment higher in April.

BBGI Group Private Banking Indices - Historical Performances in USD

	Last three months			YTD	Full Year				Annualized Perfomances	
	February 2025	March 2025	April 2025	Current Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	2024	1993 to date
BBGI Group PBI "Low risk" (65%fxd income)	1.18%	-0.62%	0.92%	2.93%	1.99%				4.23%	5.32%
BBGI Group PBI "Medium risk" (48%fxd income)	0.69%	-1.20%	0.53%	2.04%	1.50%				6.88%	6.03%
BBGI Group PBI "Dynamic risk" (25%fxd income)	0.20%	-1.78%	0.14%	1.15%	1.00%				9.58%	6.66%
Sub-Indices										
US Bonds	2.16%	0.23%	0.62%	3.54%	2.90%				0.65%	3.99%
International Bonds	1.40%	0.68%	3.34%	5.99%	2.57%				-2.87%	3.45%
US Equities	-1.61%	-5.89%	-0.54%	-5.12%	-4.60%				24.58%	9.75%
International Equities	1.39%	-0.23%	3.61%	9.03%	5.23%				5.53%	5.53%
Private equity	-5.24%	-7.75%	-0.82%	-6.72%	-5.95%				24.22%	9.54%
Hedge Funds	0.28%	-0.75%	-0.43%	0.09%	0.52%				5.27%	5.35%
International Real Estate	2.27%	-2.15%	1.00%	2.87%	1.85%				2.00%	6.65%
Commodities	-1.34%	2.90%	-8.43%	-3.96%	4.89%				9.25%	1.66%
Forex										
USD/EUR	-0.09%	-0.12%	-4.52%	-2.56%	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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