BBGI Group SA – Place de Longemalle 1 - 1204 Geneva - Switzerland
www.BBGI.ch

BBGI GROUP Global Investments

BBGI OPP2 COMPLIANT STRATEGIES & INDICES CHF

A BBGI exclusivity since 1999

May 2025

Annualized performance of **+4.85%** to **+5.55%**

Markets rebound in May

POSITIVE PERFORMANCE FOR ALL THREE BBGI OPP2 COMPLIANT INDICES IN MAY

BBGI OPP2 Compliant Index « Low Risk »	**+1.38%**	**(YTD +0.41%)**
BBGI OPP2 Compliant Index « Medium Risk »	**+1.83%**	**(YTD +0.64%)**
BBGI OPP2 Compliant Index « Dynamic Risk »	**+2.29%**	**(YTD +0.87%)**

Comments (performances in Swiss Francs)

The BBGI OPP2 Compliant indices returned to positive territory in May. The low-risk index gained +1.38%, the moderate-risk strategy followed a similar path, advancing by +1.83%, and the dynamic-risk approach achieved the best performance of the month at +2.29%. Since the beginning of the year, the three strategies have also recorded positive performances of +0.41%, +0.64% and +0.87%, respectively. Bond markets diverged in May. The domestic segment posted a performance of +0.37%, while the international segment declined by -0.77%. A similar trend has been observed since the beginning of 2025, with the Swiss market moving into positive territory (+0.49%), while the international segment is down by -4.59%. The real estate sector recovered this month. The Swiss segment is up +3.49%, while the international segment is up (+2.42%). Over the year, however, trends diverge. The domestic class is up by +2.97%, while the international class is down by -4.78%. Swiss equities jumped by +2.25%, and international equities posted the biggest gain of the month at +5.74%. However, since January, domestic equities remain in the lead with a performance of + 8.91%, while international equities posted a result of -4.78%. Commodities went into the red with a decline of -0.95%, but remained positive for the year (+ 1.24%). Private equity was positive in May (+3.49%), but declined over the year (-5.00%). Hegde funds advanced by +0.79%, with an annual performance of +0.01%.

Financial market developments (performances in local currencies, USD)

At the end of May, it seems that the panicked investors of April 3 decided to bet again on a positive outcome to Trump's arm wrestling with the whole world. Negotiations with Chinese representatives, held in Geneva, certainly contributed to the new slogan "TACO" (Trump always chickens out) to describe Trump's policy and negotiating strategy. More than two months after announcing a pause in the introduction of tariffs, Trump still can't boast any convincing results that could lift the massive uncertainties that exist about the health of the US economy. We've long predicted that the Trump-Musk duo wouldn't last; the divorce is now consummated, and Musk's criticism of the 3.9 billion "Big Beautiful Bill", which may well be passed by the Senate, seem to be seen as a positive factor for US equities. In May, the tax cut factor was more important than the macroeconomic one. Investors no longer seem to fear a cyclical setback, despite negative growth at +1, perhaps betting too quickly on Trump backing down before the 90-day pause announced to allow for negotiation. While some indicators suggest a resilient economy, others, such as job creation, are once again at record lows. Against a still highly uncertain backdrop, the rebound in US equities continued in May at a reduced pace. Having been in a "risk on" phase for several weeks, risky assets benefited more from the month's rebounds, with a relatively limited dispersion of performances. International equities advanced by +5.92%, with most markets posting similar gains, for a YTD result of +4.95%. The same was true of the bond markets, which performed within +-1% around the average of -0.36%, for a net year-on-year rise of +5.58%. Finally, real estate markets finally benefited from this environment, advancing by +2.43% on average and with little dispersion, with the exception of Europe, up by +6.72%, which was virtually on par over the year (+12.1%) with Asia (+13.39%). Due to US underperformance, equities continue to lag bonds and real estate YTD. With only a few weeks to go before the next potential tariff shock, we favor a cautious approach to risky assets.

PERFORMANCE OF ASSET CLASSES

MAY

+5.74%	International equities
+3.49%	Swiss real estate
+3.27%	Private equity
+2.42%	International real estate
+2.25%	Swiss equities
+0.79%	Hedge Funds
+0.37%	Swiss bonds
-0.77%	International bonds
-0.95%	Commodities

YTD

+8.91%	Swiss equities
+2.97%	Swiss real estate
+1.24%	Commodities
+0.49%	Swiss bonds
+0.01%	Hedge Funds
-4.59%	International bonds
-4.61%	International equities
-4.78%	International real estate
-5.00%	Private equity

COMMENTS
BY ASSET CLASS

Bonds

While April and early May saw US long rates jump again to 4.6% with growing uncertainty over the financing of US debt, the last few weeks have been more favorable. The rise in US CDSs bore witness to this defiance, jumping from 40 to 60 in a short period of time, before showing the expected signs of easing tensions and concerns by falling back to 52 and 4.38% for the ten-year Treasury bonds. After these tensions, we believe that the easing underway can continue in Europe. Inflation is now under control, allowing rates to trend upwards. Despite relatively similar risk scores, we believe that the likelihood of further rate declines is higher in the United States, Canada, Australia and the United Kingdom than in the Eurozone. Real rates are low in euros and could support a less likely economic recovery in the US.

Equities

The rebound in equity markets since the announcement of the 90-day postponement in the introduction of "reciprocal" tariffs continued into May, but as we approach the previous March highs, we believe it may well lack support. The prospect of Trump's "BBB" coming into effect and its effects on US corporate taxation supported this rise. But the risks remain in June, both in terms of a new tariff shock and of corporate growth and profits. We believe that the risk/return profiles of other markets are more favorable, as evidenced by the underperformance of the United States. Risks increased in May, and we suggest increased vigilance and a more cautious equity exposure policy.

Commodities

Commodities fell again in May, confirming the correction phase that began in April. This is because, gold continues to benefit from an uncertain environment, supported by ongoing central bank purchases and strong safe-haven demand. However, the extreme macroeconomic risk associated with Sino-American relations has eased, while the trade agreements proposed by the United States, suggesting potentially lower effective tariff rates than initially forecast, have limited its ability to pull the segment as a whole upwards. This combination of pressure on the energy segment and consolidation in precious metals explains the month's slightly negative performance (-0.95%), marking a lull after the rally seen at the start of the year.

BBGI OPP2 Compliant Indices (Monthly Indices)

Performances in Swiss Francs	last 3 months: March 2025	April 2025	May 2025	YTD: Year to date	Current Year: 1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annualized performances: 2024	Annualized perf fm 1984 to date**
BBGI OPP2 Compliant "Low Risk"	-1.37%	-1.15%	1.38%	**0.41%**	0.20%				9.12%	4.85%
BBGI OPP2 Compliant "Medium Risk"	-1.75%	-1.73%	1.83%	**0.64%**	0.58%				10.32%	5.22%
BBGI OPP2 Compliant "Dynamic Risk"	-2.14%	-2.32%	2.29%	**0.87%**	0.95%				11.51%	5.55%
Assets										
Swiss Bonds	-0.63%	1.52%	0.37%	**0.49%**	-1.38%				5.35%	3.51%
International Bonds	-1.48%	-3.87%	-0.77%	**-4.59%**	0.02%				6.02%	3.00%
Swiss Real Estate	-0.06%	-2.38%	3.49%	**2.97%**	1.92%				17.59%	6.29%
International Real Estate	-4.05%	-5.90%	2.42%	**-4.78%**	-1.20%				8.79%	4.69%
Swiss Stocks	-2.04%	-1.91%	2.25%	**8.91%**	8.58%				6.18%	8.39%
International stocks	-5.81%	-6.15%	5.74%	**-4.61%**	-3.87%				27.09%	6.43%
Commodities *	3.57%	-5.18%	-0.95%	**1.24%**	7.79%				1.04%	-1.93%
Private Equity *	-8.22%	-1.00%	3.27%	**-5.00%**	-7.08%				19.44%	18.23%
Hedge Funds *	-0.90%	-0.50%	0.79%	**0.01%**	-0.28%				0.77%	0.43%
* hedged in Swiss Francs										
Forex										
USD/CHF	-2.08%	-6.62%	-0.41%	**-2.26%**	5.10%				7.84%	-2.81%
EUR/CHF	2.06%	-2.13%	-0.29%	**0.47%**	2.96%				1.21%	-1.33%

**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