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BBGI GROUP Global Investments

BBGI OPP2 COMPLIANT STRATEGIES & INDICES CHF

A BBGI exclusivity since 1999

July 2025

Annualized performance of +4.83% to +5.54%

Fragile rebound in July

POSITIVE PERFORMANCES FOR ALL THREE BBGI OPP2 COMPLIANT INDICES IN JULY

BBGI OPP2 Compliant Index « Low Risk »	**+0.69%**	**(YTD +0.29%)**
BBGI OPP2 Compliant Index « Medium Risk »	**+0.84%**	**(YTD +0.88%)**
BBGI OPP2 Compliant Index « Dynamic Risk »	**+1.00%**	**(YTD +1.46%)**

Comments (performances in Swiss Francs)

The BBGI OPP2 Compliant indices moved into positive territory in July. The low-risk index gained +0.69%, the moderate-risk strategy followed a similar path, advancing +0.84%, and the dynamic-risk approach achieved the best performance of the month with +1.00%. Since the beginning of the year, the three strategies have recorded positive performances of +0.29%, +0.88% and +1.46%, respectively. Bond markets ended July on a high note. The domestic segment underperformed the international segment, gaining +0.36% compared to +0.90%. Conversely, the asset class has posted negative returns since the beginning of the year, with the Swiss market losing -0.20% and the international segment -5.40%. The real estate sector grew this month. The domestic class showed a slight increase of +0.27%, while the international class saw a more significant rise (+1.27%). However, the trajectories diverged over the year. The domestic class rose by +3.46%, while the international class fell by -5.80%. Swiss equities are slightly below neutral with a performance of -0.06%, while international equities show the best performance in July with +3.68%. However, since January, the trend has reversed. Domestic equities remain in the lead with a performance of +6.81%, while international equities are down -0.18%. Commodities recorded the worst performance of the month (-0.84%), but remain positive for the year (+2.39%). Private equity jumped +3.63% in July and +2.97% since January. Alternative management advanced +0.16%, with an annual performance of +0.88%.

Financial market developments (performances in local currencies, USD)

One might have expected volatility to return at the end of the 90 days given by Trump to reach bilateral agreements, but the markets decided otherwise. The month passed with relative indifference in this regard, while US growth in the second quarter benefited from the collapse in imports to record a misleading 3% increase in GDP. The adjustments made by companies in anticipation of tariff increases are still clouding the picture and making it difficult to assess the true health of the US economy. However, the labor market offers some more solid indicators, which do not seem to support the thesis of economic resilience in the face of the chaos orchestrated by Trump. The latest statistics in this area are indeed edifying and point instead to a collapse in employment. The steady decline in job creation observed in recent quarters has turned out to be much more pronounced than initially estimated. The August 1 revision of -258,000 jobs for the last two months is the sharpest downward correction in this statistic since the 2020 pandemic. The July job creation figure (35,000) is also the lowest outside of the pandemic in the last ten years and is well below the 232,000 jobs created in January (three-month average). The effects of customs tariffs are still barely visible in this context, despite three months of tariffs increased to at least 10%. The Fed still faces the same dilemma: Trump's policy is inflationary, but it is also increasingly undermining confidence and the economy. If the trend in employment continues, we are likely to see a decline in demand before we see an increase in inflation induced by tariffs. The latter will later weigh on consumption and investment. The upward trend has slowed in the equity markets, with a modest increase of +1.29% in the MSCI and a decline of -0.72% in Swiss stocks. In the fixed income markets, these signs will be interpreted favorably and will allow bond values to rise in August, contrasting with the 1.49% decline in international bonds in July. In this context, the trade-weighted dollar has nevertheless rebounded by 3.09%, reversing a six-month downward trend. Equity indices are once again at record highs, even though a number of indicators suggest increased uncertainty. We recommend a cautious strategy in August.

PERFORMANCE OF ASSET CLASSES

JULY

+3.68%	International equities
+3.63%	Private equity
+1.27%	International real estate
+0.90%	International bonds
+0.36%	Swiss bonds
+0.27%	Swiss real estate
+0.16%	Hegde funds
-0.06%	Swiss equities
-0.84%	Commodities

YTD

+6.81%	Swiss equities
+3.46%	Swiss real estate
+2.97%	Private equity
+2.39%	Commodities
+0.88%	Hedge funds
-0.18%	International equities
-0.20%	Swiss bonds
-5.40%	International bonds
-5.80%	International real estate

COMMENTS
BY ASSET CLASS

Bonds

The low level of activity in the interest rate markets and the absence of any clear trend are clear signs of the current uncertainty. The Fed is reluctant to consider the risks of a slowdown and is primarily concerned about a resurgence of inflation. It is still difficult to assess the state of the economy and how it will evolve in the near future, while the introduction of significant tariffs threatens not only US growth but also other related economies. The inflationary effects of Trump's tariff policy are worrying, but they still seem distant and have little short-term impact for the moment. Consumers and businesses are holding back until there is greater visibility, but employment already appears to be showing signs of latent weakness in the US, which is likely to increase. Despite a correction of -1.49% in the world index, risk scores remain virtually unchanged. We believe that the likelihood of further rate cuts is greater in the US, Canada, Australia, and the UK than in the eurozone, and we favor diversification in these regions.

BBGI OPP2 Compliant Indices (Monthly Indices)										
Performances in Swiss Francs	last 3 months			YTD	Current Year				Annualized performances	
	May 2025	June 2025	July 2025	Year to date	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2024	Annualized perf fm 1984 to date**
BBGI OPP2 Compliant "Low Risk"	1.38%	-0.81%	0.69%	**0.29%**	0.20%	-0.59%			9.12%	4.83%
BBGI OPP2 Compliant "Medium Risk"	1.83%	-0.61%	0.84%	**0.88%**	0.58%	-0.54%			10.32%	5.20%
BBGI OPP2 Compliant "Dynamic Risk"	2.29%	-0.41%	1.00%	**1.46%**	0.95%	-0.49%			11.51%	5.54%
Assets										
Swiss Bonds	0.37%	-1.05%	0.36%	**-0.20%**	-1.38%	0.83%			5.35%	3.48%
International Bonds	-0.77%	-1.74%	0.90%	**-5.40%**	0.02%	-6.26%			6.02%	2.80%
Swiss Real Estate	3.49%	0.21%	0.27%	**3.46%**	1.92%	1.24%			17.59%	6.28%
International Real Estate	2.42%	-2.32%	1.27%	**-5.80%**	-1.20%	-5.85%			8.79%	4.65%
Swiss Stocks	2.25%	-1.87%	-0.06%	**6.81%**	8.58%	-1.58%			6.18%	8.30%
International stocks	5.74%	0.93%	3.68%	**-0.18%**	-3.87%	0.15%			27.09%	6.52%
Commodities *	-0.95%	1.99%	-0.84%	**2.39%**	7.79%	-4.20%			1.04%	-1.84%
Private Equity *	3.27%	4.59%	3.63%	**2.97%**	-7.08%	6.94%			19.44%	19.03%
Hedge Funds *	0.79%	0.71%	0.16%	**0.88%**	-0.28%	1.00%			0.77%	0.50%
* hedged in Swiss Francs										
Forex										
USD/CHF	-0.41%	-3.56%	2.42%	**-3.46%**	-2.55%	-10.31%			7.84%	-2.90%
EUR/CHF	-0.29%	0.17%	-0.80%	**-0.16%**	1.73%	-2.25%			1.21%	-1.32%

****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

Equities

Emerging market and European equities continue to outperform US equities over a seven-month period, despite the latter's rebound to their previous highs prior to "liberation day." In an even more uncertain environment, with potentially disastrous effects on the economy and inflation in the second half of the year, it is not surprising to see risk scores rise slightly further, particularly in the United States. A stagflationary environment will not be favorable for equities, whose indices appear increasingly fragile to us. We suggest increased vigilance and a more cautious policy of equity exposure below neutral allocations.

Commodities

Commodities rose again in July, supported by continued growth in the energy sector amid persistent supply risks, despite a slight easing of geopolitical tensions. Oil and refined products posted solid gains, while natural gas fell sharply due to sustained production and declining demand. Precious metals remained broadly stable. Gold fell slightly (-0.42%), while silver rose (+1.49%), supported by the upward momentum of copper. Industrial metals declined, affected by a sharp drop in copper at the end of the month linked to the announcement of a tariff exemption. Aluminum, nickel, and lead also declined, while zinc held steady. Agricultural commodities trended downward, penalized by favorable weather conditions and abundant production. Sugar was the exception, buoyed by increased Chinese demand.