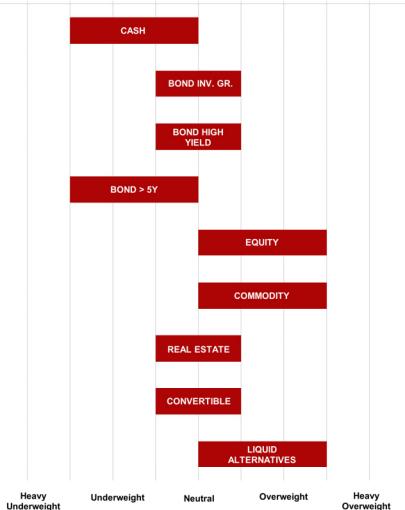


Optimistic, but primed to reduce portfolio risks

We increased the equity weighting of the managed portfolios in November 2025, and we have a positive outlook for the first few months of 2026. We do, however, believe that the stock markets and other “risky” assets are set to enter a volatile period after a favourable first part of the year. The next step in the strategy will therefore be geared towards reducing the risks in the portfolios. We are also optimistic about commodities.

ASSET ALLOCATION



- We have reduced the amount of **CASH** in our accounts, although we have not invested all of it, particularly in Swiss francs, due very low interest rates.
- Return prospects are modest for **GOVERNMENT BONDS** and **CORPORATE INVESTMENT GRADE BONDS** on the Swiss franc and euro curves; we remain invested but with limited duration.
- **HIGH-YIELD BONDS** offer attractive returns, albeit not as high as in the past. With renewed stability in the macro and policy environment, we still believe the investment is sound.
- We are overweight on **EQUITIES**, but we expect the central part of the year to be potentially risky and are therefore moving towards risk reduction, with the aim of limiting portfolio volatility. However, we remain quite optimistic over the medium/long term.
- We are fairly positive on **COMMODITIES**, which may benefit both from strong economic growth and the search for real assets at a time of high deficits and when central banks are under political pressure to be more expansionary.
- We remain neutral on Swiss **REAL ESTATE**, because good fundamentals are offset by high valuations, as is apparent from the NAV premiums of funds in the sector.
- We have returned to neutral on **Convertible Bonds**, given that the economic environment is stable.
- In this market phase, we consider it appropriate to include **LIQUID ALTERNATIVE STRATEGIES** in portfolios, particularly in Swiss francs, with a view to both diversification and the search for “non-traditional” returns.

MACRO VIEW

Economic growth forecasts are on the rise, as evidenced by expanding global composite PMIs, although “manufacturing sentiment” remains subdued. The macroeconomic drivers come mainly from specific sectors, such as those related to the expenditures of maintaining the computing infrastructure that powers artificial intelligence (AI). However, with central banks easing monetary policy and fiscal policies becoming increasingly expansionary (China may be next to announce an increase in stimulus measures), the economic recovery could spread to other sectors. We therefore remain optimistic about economic growth.

FIXED INCOME

The Swiss franc government interest rate curve rose moderately in the final weeks of 2025, particularly at longer maturities, following the trend towards a steeper slope dictated by the dollar curve, which began to factor in the end of the Fed's interventions and an economic growth that remains resilient. The same applies to interest rates in the Eurozone, where discussions are beginning about future rate rises, given the prospect of increased fiscal spending by the European Union, which is expected to stimulate economic growth.

Credit markets remain well supported, having absorbed a significant volume of new issues, but are still priced at spreads compressed relative to historic levels.

FX VIEW

Towards the end of 2025, the US dollar once again began to weaken against the world's major currencies, as it was at the mercy of delays in the publication of macro data due to the longest government shutdown in history and the risk that the Trump administration would attempt to exert ever greater power over the Fed in 2026, prompting it to cut interest rates even further.

The euro continues to benefit from the ECB's neutral stance on monetary policy, while the Swiss franc remains strong, thanks in part to the tariff agreement between Switzerland and the US and the SNB's reluctance to cut rates further. The Japanese yen remains volatile and generally weak, weighed down by the spending programme of the new government led by Takaichi.

EQUITY MARKETS

In the last few months of 2025, the American equities market was partially affected by concerns surrounding the topic of artificial intelligence (AI) – particularly with regard to the size of investments made and planned, their relative financing, the returns on these considerable outlays and the impact on the future margins of the companies involved. The conditions for defining it as a bubble do not appear to exist, but valuations are undoubtedly high and any negative factors could trigger volatility. On the other hand, the Fed's expansionary measures may continue to have a particularly positive effect on emerging markets.

2



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