

Investment Report

November 2025

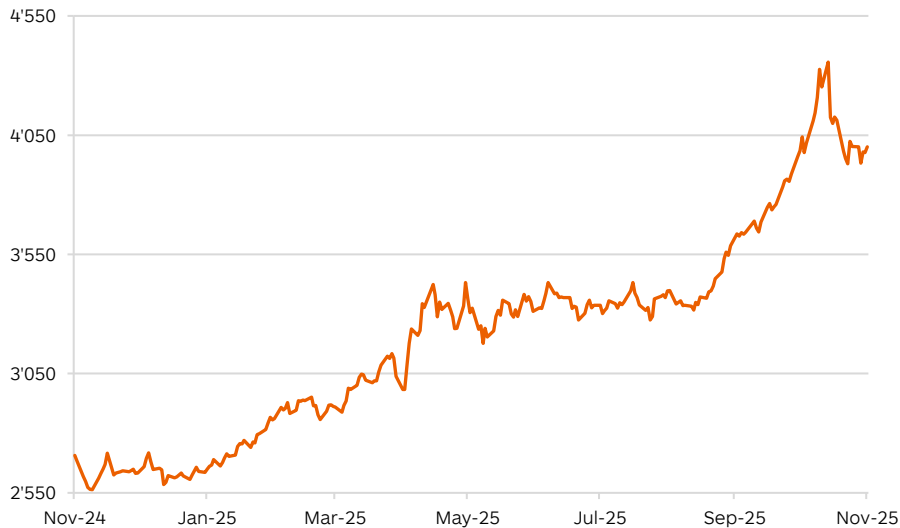
Factum AG Current positioning:			
Portfolio balanced	Neutral	Current	Change*
Liquidity	5%	7%	↗ (+2%)
Bonds	35%	35%	→
Shares	47%	45%	↘ (-2%)
Alternative investments	13%	13%	→
*Changes since the last Investment Report (16 October 2025) & current assessment.			

Strategy overview

The global economy is holding up reasonably well, and after a challenging first half of the year, the United States is driving global growth in the second half. Last year, the U.S. contributed around 26% to global economic output. October proved to be an excellent month for equities, with global stocks advancing between 3% and 5%. Gold saw a significant rise of 12% before experiencing the long-awaited correction of approximately 10%. This correction was triggered, among other factors, by a cautious tone from Fed Chairman Powell regarding potential future interest rate cuts. Currently, the price of gold is consolidating around USD 4,000 per ounce.

«Are we facing a year-end rally?»

Gold price



Source: Bloomberg Finance L.P., Factum AG

Sentiment on the U.S. stock market has recently taken on an almost euphoric tone, with new all-time highs being reached daily. Since the low point earlier this year – the so-called Liberation Day in early April – the Magnificent 7 have gained approximately 80%. Among the factors of macro, valuation, sentiment, and technical analysis, it is the historically high valuation and technical indicators that have prompted us to exercise increased caution. As a result, we reduced our equity exposure by 2% in early November and now maintain an underweight position in U.S. equities.

«Reduction of U.S. equities – we now maintain an underweight position in U.S. stocks.»

Politics

One should not overestimate the elections in a number of states and cities, and President Trump is naturally downplaying their significance. However, one thing is clear: One year after Donald Trump's election victory in the presidential race, voter sentiment has shifted. In New Jersey's gubernatorial race, Democrat Mikie Sherrill won by a margin of 13%. This is historic, as the Democrats last won three consecutive terms in New Jersey in 1961. In Virginia, Democrat Abigail Spanberger also secured victory. Both women are aligned with the more centrist wing of the Democratic Party. In just over a year, the so-called midterm primaries will take place. It will be interesting to see whether the Republican Party will move away from its disruptive policies and adopt a more conciliatory approach.

«U.S. voters are sending a warning signal to the Trump administration.»

Zohran Mamdani, a member of the Democratic Socialists of America, achieved a landslide victory in New York, securing the mayoralty of the 'Big Apple.' The left-wing populist is the man of the hour. Whether, however, the call for a significantly larger state and much higher taxes is the right recipe for the economy remains unquestioned by Mamdani's electorate. How effective the new mayor will be in governing remains to be seen. The entirely inexperienced Mamdani will manage a USD 116 billion budget in New York, and the largest city in America also has more than 300,000 state employees.

«Zohran Mamdani scores a landslide victory in New York and is the new mayor.»

The longest government shutdown in U.S. history now seems to be coming to an end. After more than 40 days during which large parts of the government were at a standstill, Republicans and Democrats in the Senate in Washington were able to reach a procedural compromise. The budget dispute is not yet resolved, as the agreement must also be approved by the House of Representatives, and then the U.S. president will have the final say.

«Light at the end of the tunnel regarding the government shutdown.»

Economy

According to media reports, Switzerland and the United States are close to finalizing a trade deal. Apparently, the U.S. has indicated that it will reduce tariffs on Swiss imports from 39% to 15%. What concessions Switzerland might make in return is unclear. A time frame of around two weeks has been set for a potential agreement. However, much remains uncertain, and an agreement is not yet finalized, which could also result in a negative decision, as was the case during negotiations in July.

«U.S. tariffs on Swiss goods are set to drop to 15%.»

Equity Markets

For the optimists in the investment community, 'Artificial Intelligence' represents a technological revolution, comparable to the invention of the steam locomotive in the 19th century. In the current year alone, USD 400 billion will be allocated to the expansion of AI infrastructure. Due to the strong profitability of U.S. tech companies, the majority of analysts believe these investments are justified. Fed Chair Jerome Powell sees these investments as a key driver for economic growth in the U.S. The argument against a bubble is also supported by the fact that companies like Alphabet, Meta, and Nvidia are seeing substantial profits. Rising stock prices thus reflect earnings growth, rather than excessive expectations about future returns. For example, Microsoft's current price-to-earnings ratio is only half of its level in the year 2000. The majority of investments can be financed by tech companies' own cash flow.

«AI – is the boundless enthusiasm justified?»

However, there are also increasing cautionary voices, drawing parallels to the dot-com bubble of 2000. Around 25 years ago, the Fed raised interest rates, which, in combination with the inflated expectations of analysts regarding the internet startups of the time, triggered a stock market crash. Investors who have been in the market for some time may recall that former high-flyers like Yahoo, for example, lost around 85% of their value in just one year. As mentioned earlier, in early November, we reduced our U.S. equity exposure by 2% and now hold an underweight position in U.S. equities.

«The Magnificent 7 have gained around 80% since Liberation Day.»

Nasdaq 100



Bond Markets

As expected, the Federal Reserve lowered the key interest rate by 25 basis points at the end of October, bringing it to a range of 3.75% to 4%. Trump ally Stephan Miran, as in the previous meeting, had voted for a 50 basis point cut. At the press conference, Jerome Powell emphasized that another rate cut in December is far from certain. The combination of persistently high inflationary pressure, solid economic growth, and the lack of data on the labor market due to the government shutdown calls for caution in aggressively cutting rates. The message had its effect, triggering a correction in gold prices of around 10%. Currently, the so-called Fed Funds Rates indicate a further rate hike of 25 basis points in December, with a 64% probability.

«Currently, the Fed Funds Rates suggest a 64% probability of an interest rate cut in December.»

Commodities

Despite the recent weakness, the U.S. dollar remains overvalued against a broad basket of currencies, making gold investments appear attractive. At the same time, real interest rates, due to higher opportunity costs, argue against an overweight position in gold. The significant rise in various uncertainty indicators has already been reflected in a higher gold price – the year-to-date increase even surpasses the record year of 2006. Technical charts continue to support rising prices, while sentiment leans more toward caution. A neutral weighting seems justified to us, despite the current consolidation phase, with gold trading around USD 4,000 per ounce.

«A neutral weighting of the gold allocation seems justified to us, despite the consolidation phase.»

Currencies

For several months, the euro has been moving sideways against the Swiss franc. The euro is supported by the consensus expectation of improved economic growth driven by military and infrastructure investments. However, the ongoing political problems in France regarding government formation and the debt issue represent a negative factor for the euro. The U.S. dollar has experienced a loss of confidence this year due to the erratic economic policies of the Trump administration. Future currency movements will largely depend on whether the market expectation proves correct, namely that the Fed will lower interest rates more aggressively than the ECB.

«The euro is in a sideways channel against the Swiss franc.»

Market overview 31 October 2025

Stock indices (in local currency)	Current	1 Mt (%)	YtD (%)
SMI	1,234.50	1.03	8.85
SPI	1,982.04	1.39	9.76
Euro Stoxx 50	5,662.04	2.54	19.10
Dow Jones	47,562.87	2.59	13.34
S&P 500	6,840.20	2.34	17.50
Nasdaq	23,724.96	4.72	23.53
Nikkei 225	52,411.34	16.64	33.77
Schwellenländer	1,401.55	4.19	33.55

Commodities

Gold (USD/Feinunze)	4,002.92	3.73	52.52
WTI-Öl (USD/Barrel)	60.98	-2.23	-14.97

Bond markets

US Treasury Bonds 10J (USD)	4.08	-0.07	-0.49
Schweizer Eidgenossen 10J (CHF)	0.13	-0.09	-0.19
Deutsche Bundesanleihen 10J (EUR)	2.63	-0.08	0.27

Currencies

EUR/CHF	0.93	-0.66	-1.25
USD/CHF	0.80	1.03	-11.33
EUR/USD	1.15	-1.68	11.43
GBP/CHF	1.06	-1.18	-6.81
JPY/CHF	0.52	-2.97	-9.34
JPY/USD	0.01	-3.95	2.09
XBT/USD (Bitcoin)	109,428.01	-4.55	16.77

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