

Investment Report

December 2025

Factum AG

Current positioning:

Portfolio balanced	Neutral	Current	Change*
Liquidity	5%	5%	↘ (-2%)
Bonds	35%	35%	→
Shares	47%	47%	↗ (+2%)
Alternative investments	13%	13%	→

*Changes since the last Investment Report (12 November 2025) & current assessment.

Strategy overview

The global stock markets started the month of November with losses, triggered by a moderately disappointing U.S. labor market report. Additional concerns arose over whether the massive investments in artificial intelligence (AI) would yield returns, as well as the high valuation of the IT sector. The longest government shutdown in U.S. history ended after 43 days, following numerous flight cancellations and cuts in food assistance programs, which put significant pressure on U.S. politics.

«Fear of a potential AI bubble.»

In mid-December, Switzerland and the United States reached an agreement in their trade dispute. The U.S. will reduce tariffs on Swiss imports from 39% to 15%, while Switzerland will make direct investments totaling USD 200 billion in return. In the second half of November, AI once again dominated the headlines. Nvidia's strong quarterly results briefly reassured investors, but fears of an AI bubble quickly resurfaced. However, by the end of November, market sentiment eased as several Federal Reserve officials made positive comments and hinted that the key interest rate might be lowered during the December meeting.

«Switzerland and the U.S. reach an agreement in the trade dispute.»

S&P 500 Index



What changes have we made to our managed mandates in November? For all mandate types with equity exposure: The stock market performance remains well supported by strong earnings growth. Although valuations, especially in the U.S., are at the higher end of the historical range, corrections, like the one seen in November 2025, tend to be short-lived. At the moment, the path of least resistance remains upward. We have increased our U.S. equity exposure by 2% and have returned our overall equity allocation to a neutral position.

«We used the correction in November to increase our equity allocation back to a neutral position.»

Politics

Peace negotiations related to the Ukraine war have intensified recently but remain blocked in terms of substance. Since November, a revised peace plan initiated by the U.S. has been under discussion, which includes, among other things, territorial concessions from Ukraine, restrictions on the Ukrainian armed forces, and limitations on arms deliveries. However, these points remain highly controversial. Ukraine has consistently rejected any form of territorial concessions or limitations on its sovereignty, a position that is also supported by most European countries. Russia, on the other hand, signals a willingness to engage in talks but insists on the recognition of its previous annexations. As a result, the positions remain far apart. In parallel with the diplomatic talks, military attacks continue, further straining the atmosphere for negotiations. Overall, the situation remains tangled, and the political and geopolitical situation remains fragile.

«The peace negotiations surrounding the Ukraine war are proving to be highly complex.»

Economy

Black Friday significantly exceeded expectations in the U.S. retail sector, particularly in online sales (+9% compared to the previous year), while brick-and-mortar stores reported a gain of around 2.5% compared to 2024. According to data from Redbook – an index measuring the sales performance (revenue) of a fixed network of major U.S. retailers with stores that have been continuously open for at least 12 months – same-store sales saw their strongest growth since late 2022.

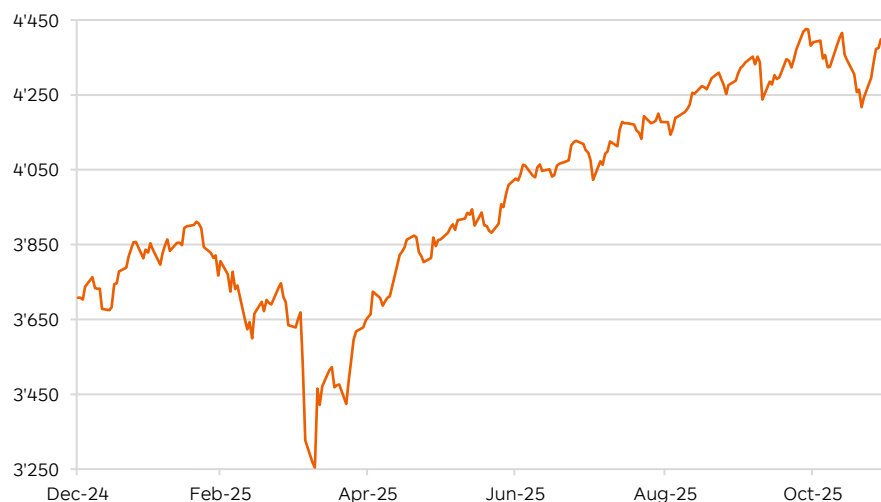
«U.S. retail has kicked off the holiday season with strong momentum.»

Equity Markets

For equity investors, 2025 (through the end of November) has been a very successful year. The concerns that U.S. trade policy, with its tariffs, would plunge the global economy into a severe depression, similar to the 1930s, have not materialized. Since April, the so-called 'Liberation Day,' stock markets have surged sharply upwards. With a gain of around 21% by the end of November, the global equity index (in USD) even surpasses the strong market performance of 2024. When examining the situation more closely, the depreciation of the U.S. dollar against the Swiss franc stands out, amounting to approximately 13%. Without currency hedging, the return when converted to CHF drops to around 8%.

«2025 has been a very profitable year for equities so far, provided that U.S. dollar exposure in global equities was hedged.»

World Equity Index



Source: Bloomberg Finance L.P., Factum AG

Bond Markets

In the race for the position of Fed Chairman, President Trump's ally Kevin Hassett seems to be the frontrunner. He has largely committed to the independence of the Fed and a dovish monetary policy stance. Various U.S. media outlets have quoted him as saying that he aims for a much lower interest rate in the long term. For the Fed meeting in December, there is currently more than a 90% probability of a 25 basis point rate cut. This would bring the Fed's target interest rate range down to 3.50% to 3.75%.

«Tendency towards lower interest rates in the United States.»

Commodities

After the recent setback, the price of gold has stabilized. The price per ounce quickly regained lost ground, supported by the expectation of further U.S. rate cuts. Although central bank purchases have somewhat slowed recently—likely due to high prices—they have remained an important support factor. The gold bull market is now celebrating its 10th anniversary. Gold gained about 6% in November.

«Gold advanced by 6% in November.»

Despite recent weakness, the U.S. dollar remains overvalued against a broad basket of currencies, making gold investments attractive to investors outside the dollar zone. 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 gain even exceeds the record year of 2006. Technical analysis continues to support rising prices. The euphoric sentiment has also subsided. A neutral weighting is currently justified.

«The performance of the gold price surpasses the previous record year of 2006.»

Currencies

Recently, the cryptocurrency Bitcoin has taken a significant hit. From its peak of over USD 125,000 at the beginning of October, the price has dropped by around 30%. However, it should not be forgotten that Bitcoin has still doubled since the end of 2023 and has more than quintupled since the end of 2022. Positive price advances were also driven by capital inflows from institutional investors, new investment products, regulatory easing in the U.S., as well as U.S. President Donald Trump, who called himself the 'crypto president.' One reason for Bitcoin's recent weakness is the bursting of a potential 'AI bubble.' Parallels to technology stocks are hard to ignore. Bitcoin is highly sensitive to uncertainties in the financial markets.

«Recently, the Bitcoin price has taken a significant hit.»

Basically, it can be stated that cryptocurrencies benefit from doubts about traditional fiat currencies – that is, unbacked paper currencies such as the U.S. dollar or the euro. Many investors fear their increasing devaluation, which continues due to the money printing by central banks. In the long term, some large pension funds from various U.S. states, as well as major U.S. banks, could potentially incorporate cryptocurrencies into their investment portfolios, also due to the supportive Trump administration.

«Bitcoin thrives on doubts about traditional fiat currencies.»



Market overview 28 November 2025

Stock indices (in local currency)	Current	1 Mt (%)	YtD (%)
SMI	12,833.96	4.90	14.18
SPI	17,652.88	3.95	14.09
Euro Stoxx 50	5,668.17	0.29	19.45
Dow Jones	47,716.42	0.48	13.88
S&P 500	6,849.09	0.25	17.79
Nasdaq	23,365.69	-1.45	21.74
Nikkei 225	50,253.91	-4.12	28.28
Schwellenländer	1,366.92	-2.38	30.37

Commodities

Gold (USD/Feinunze)	4,239.43	5.91	61.53
WTI-Öl (USD/Barrel)	58.55	-3.98	-18.36

Bond markets

US Treasury Bonds 10J (USD)	4.01	-0.06	-0.56
Schweizer Eidgenossen 10J (CHF)	0.19	0.06	-0.13
Deutsche Bundesanleihen 10J (EUR)	2.69	0.06	0.32

Currencies

EUR/CHF	0.93	0.42	-0.84
USD/CHF	0.80	-0.07	-11.40
EUR/USD	1.16	0.53	12.01
GBP/CHF	1.06	0.51	-6.33
JPY/CHF	0.51	-1.49	-10.69
JPY/USD	0.01	-1.40	0.66
XBT/USD (Bitcoin)	90,914.64	-16.92	2.99

Author: Christof Wille, Dipl. Private Banking Expert NDS
Editorial deadline: 9 December 2025

Please do not hesitate to contact us if you have any questions. Factum AG Vermögensverwaltung is a licensed, independent asset management company that is subject to the Liechtenstein Financial Market Authority. It is the exclusive purpose of this publication to inform; it is neither a request nor an offer nor a recommendation to purchase or sell financial instruments or to take any other decisions on investments. It is therefore not a financial analysis in terms of the Marktmissbrauchsgesetz (Act on Market Misuse), either. The information and opinions contained in this publication originate from reliable sources and have been prepared with the utmost diligence. Nevertheless, we exclude any liability for accuracy, completeness and topicality. All information contained and all prices stated in this publication may change at any time without notice. The value of financial instruments may rise or fall. Future performance cannot be deduced from the past development of prices. Under particular market-related or title-specific circumstances, financial instruments can be sold only with delay and the risks that it is subject to. We would like to point out that Factum AG Vermögensverwaltung and its employees are allowed in principle to hold, purchase, or sell the financial instruments mentioned in this document, without however putting clients at any disadvantage whatsoever. This publication and the information contained in it are subject to Liechtenstein law. In the event of any disputes, jurisdiction rests exclusively with the Liechtenstein courts at the legal venue of Vaduz.