Your wealth is our priority.

FACTUM

Investment Report

January 2026

Factum AG
Current positioning:

Portfolio balanced	Neutral	Current	Change*
Liquidity	5%	5%	→
Bonds	35%	35%	→
Shares	47%	47%	→
Alternative investments	13%	13%	→

*Changes since the last Investment Report (9 December 2025) & current assessment.

Strategy overview

At the beginning of each year, there is an opportunity to look back on the past investment year, which was undoubtedly an exceptional one. As in the investment years 2023 (+25%) and 2024 (+21%), global equities once again recorded double-digit gains in the past year (+21%). Political surprises and recurring shifts in direction posed temporary challenges for the markets. Of particular relevance was the resilience of equity markets, as well as the growing recognition that geopolitical power dynamics are increasingly moving to the forefront, leading to the gradual erosion of the old, rules-based world order.

«Global equities gained 21% over the past investment year.»

The past investment year once again highlighted how critical it is to remain invested, keep a cool head, and not be guided by short-term headlines or market fluctuations. The year 2025 provided ample reason for nervousness. Following “Liberation Day” on April 2, equity markets experienced the sharpest setback since the Covid crash of 2020 – yet within just a few weeks, the losses had been fully recouped. Investors who sold in panic missed the recovery, while those who remained invested achieved more than respectable results. A

«Strong annual performance despite the tariff shocks.»

mandate managed by us with a balanced investor profile generated a performance of 7% in the past investment year (reference currency Swiss franc). Notably, the best trading days often occur during periods of heightened volatility. Missing these days by not being invested can significantly impair long-term returns. Accordingly, clearly defined investment objectives should always remain at the centre of portfolio decisions. Over the past 30 years, Swiss equities have delivered an annual return of 6.90%, while Swiss bonds achieved 2.40% – both figures net of inflation.

The strong performance of gold (+65%) also deserves mention, representing its best annual performance since 1979. The yellow metal benefited significantly from heightened geopolitical tensions. We have maintained a gold allocation for 10.5 years, during which time its value has increased by approximately 265%, corresponding to an annualised return of just under 13%.

«Gold delivered its strongest annual performance since 1979, rising 65%.»

World Equity Index

For 2026, we generally expect a constructive market environment, although a temporary increase in volatility would not come as a surprise. US President Trump is likely to continue generating surprises and market uncertainty, with the midterm elections being of substantial importance for him and the Republican Party. Market corrections may materialise more rapidly and abruptly, and we believe that further US policy rate cuts could once again play an important role in stabilising markets and supporting economic activity. The United States will remain the global lead market, and 2026 is likely to be a year in which change is the only constant. From our perspective, a pronounced slowdown in the US economy represents one of the key risks. In such an environment, we recommend avoiding extreme positioning and maintaining sufficient flexibility to selectively capitalise on emerging opportunities. Major political events are already casting their shadows. In the current investment year, these include

«What will the 2026 investment year bring us?»

the appointment of the new Chair of the Federal Reserve, the US midterm elections in November, and China's National People's Congress in March, where key economic policy decisions will be set.

From a return perspective, money market investments in EUR, GBP and USD remain an option. However, we consider such allocations to be sensible primarily for capital preservation and for retaining liquidity to take advantage of emerging investment opportunities.

«Money market investments in EUR, GBP, and USD remain an alternative.»

The interest rate cutting cycle is already well advanced in some regions (Switzerland, EU). Short-term interest rates are likely to continue declining over the coming months. Long-term yields once again offer more attractive entry levels, although quality should take precedence given the uncertain economic outlook. We therefore maintain our neutral positioning for the time being. In order to enhance returns, we invest in a mix of government and corporate bonds and also utilise, among other instruments, funds with active duration management. Emerging market bonds are currently held at a neutral weighting, with a focus on hard currency issues.

«We are maintaining a neutral weighting of our bond allocation for the time being.»

Equity market performance continues to be well supported by robust earnings growth. Although valuations, particularly in the US, are at the upper end of historical ranges, corrections—such as the one observed in November 2025—have so far been short-lived. At present, the path of least resistance remains to the upside. The factors we monitor—macro, valuation, sentiment and technicals—currently justify a neutral weighting of equities.

«Despite somewhat elevated valuations, we maintain a neutral weighting of the equity allocation.»

From a diversification standpoint, we continue to view an allocation to hedge funds as appropriate. In addition, we have invested part of the alternatives allocation in global listed real estate with attractive yields. Our gold position has proven to be a highly effective diversifier over the past 10.5 years.

«Gold remains a core component of our asset allocation, with a weighting of 3%.»

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Politics

«The United States and Global Politics.»

The year 2025 was characterised by an elevated level of (geo-)political uncertainty, which repeatedly influenced market sentiment, volatility and investment decisions. Following the US presidential elections, financial markets entered another phase of political polarisation and uncertainty. In particular, trade policy issues, fiscal sustainability and the role of the United States within the global security architecture moved to the forefront of investor focus. Despite at times confrontational rhetoric, the actual implementation of political measures proved to be less disruptive than initially feared, contributing to market stabilisation after phases of heightened volatility.

«Geopolitical Tensions.»

Geopolitical risks remained elevated throughout the year. The ongoing conflicts in Ukraine and the Middle East continued to pose risk factors for energy prices and global supply chains, albeit without exerting lasting negative effects on global economic growth. At the same time, tensions between the United States and China persisted, particularly in the areas of technology, trade and geopolitical influence in Asia. These developments reinforced the trend towards increasing fragmentation and a more multipolar world order.

«Europe and Regional Developments.»

Europe faced a challenging environment, as fiscal discipline had to be balanced with the need to support economic growth. Political uncertainty in individual countries, along with ongoing debates surrounding fiscal rules, defence spending and energy security, periodically weighed on market sentiment, while European institutions overall played a stabilising role.

«Implications for the Financial Markets.»

Overall, political and geopolitical events in 2025 repeatedly triggered short-term market reactions without materially impairing the broader investment cycle. Once again, it became evident that political headlines often drive increased volatility but rarely alter long-term fundamentals. Broad diversification across asset classes and regions, combined with a disciplined, long-term investment approach, once again proved to be key success factors in an increasingly complex global environment. Looking ahead, the outlook is likely to remain politically driven. The appointment of the new Chair of the Federal Reserve, the so-called US midterm elections, and key economic policy decisions in China are expected to shape the current year.

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Economy

Despite the tariff shocks, the global economy proved more than resilient over the past year and is estimated to have grown by around 3%. For the 2026 investment year, a slight deceleration in momentum is expected, while the risk of a recession currently appears minimal. Growth in the major global economies of the United States and China is being underpinned by an aggressive fiscal stance. Budget deficits are projected to range between 7% and 8% in the coming years, despite the fact that neither economy is in recession. In the US, the passage of the "One Big Beautiful Bill Act 2025" provided a significant fiscal impulse, which is expected to mitigate the negative effects of tariffs.

«The global economy is estimated to have grown by around 3% over the past year.»

On the other side of the Atlantic, the suspension of Germany's constitutional debt brake generated fresh momentum. Consensus expectations assume that the debt-financed infrastructure package of the federal government, set to take effect in 2026, will support economic activity. Germany's current growth rate is expected to be around 1%. Switzerland has meanwhile reached an agreement with the United States in the tariff dispute. Nevertheless, the temporary increase in US import tariffs on Swiss goods (39%) has left visible drag on the domestic economy. While domestic demand continues to provide support, export-oriented sectors remain under pressure. Current estimates place real GDP growth at just over 1%.

«Will Europe experience the anticipated economic upturn?»

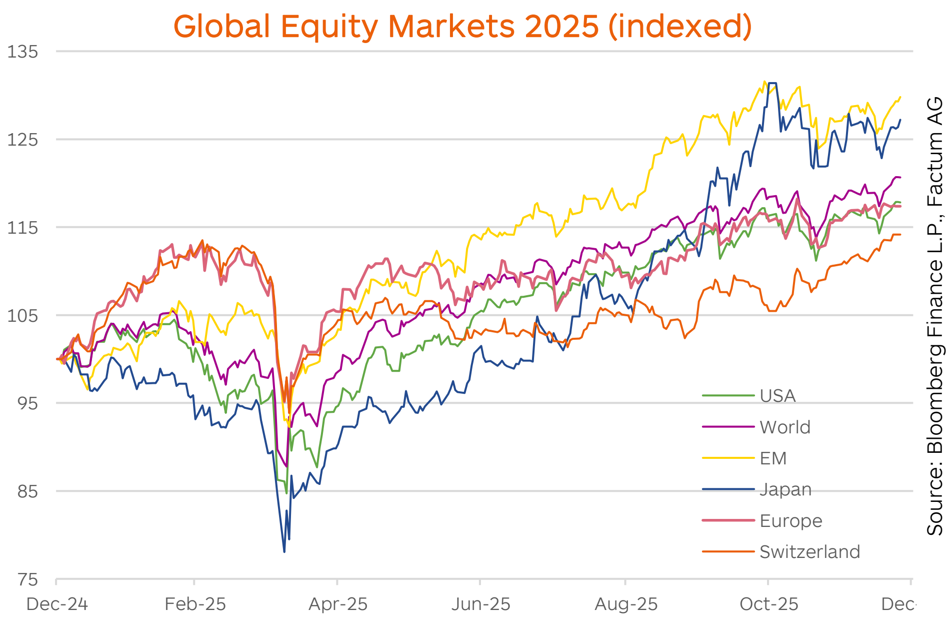
Despite geopolitical frictions, several emerging markets proved resilient. More disciplined monetary and fiscal policies, a tendency towards a weaker US dollar, and the positive effects of artificial intelligence provided meaningful tailwinds. For the current year, consensus forecasts point to growth of slightly above 4%.

«Emerging Markets on the rise.»

Equity Markets

Global equities posted a remarkable gain of 21% over the past year. This may give the impression of a one-way market, but that was not the case. The "Liberation Day" announced by Donald Trump on 2 April and the ensuing trade conflict clearly demonstrated this. Ongoing geopolitical tensions, including Russia's continued war against Ukraine and the conflict between Israel and Palestine, also contributed to periods of uncertainty in financial markets. Overall, global equity markets closed the year with solid gains, albeit with pronounced regional disparities.

«2025 – A Successful Year Despite Crises.»



The year 2025 made it clear that Donald Trump and his administration are pursuing an extremely opportunistic approach to trade and tariff policy. In addition, 2026 will be a US midterm election year, during which all seats in the House of Representatives (435 seats), 35 of the 100 seats in the US Senate, and around 35 of the 50 state governorships will be contested. As a result, Trump is likely to increasingly focus on the most pressing concerns of his electorate, which currently include inflation, the labour market and healthcare. In order for valuations and earnings momentum to be sustained, declining US interest rates and a continued positive dynamic in artificial intelligence are key prerequisites. In Europe, hopes are largely pinned on Germany and the assumption that funds allocated to infrastructure projects will find their way into the real economy. The key political risk in Europe clearly lies in political gridlock in France.

«The Trump administration will seek to stimulate the US economy.»

Given current valuation levels and the strong earnings growth recorded last year, the US market appears more vulnerable to corrections. Valuations in emerging markets are more attractive, and in the field of artificial intelligence China is closing the gap with the United States. In the current year, China is expected to support domestic consumption, which should be positive for Chinese equities and Asian markets more broadly. In Europe, Germany remains at the centre of attention, where the fiscal shift and the associated increases in infrastructure and defence spending are having a supportive effect. Overall, we are entering the new year with a neutral weighting of the equity allocation.

«We are entering the 2026 investment year with a neutral equity allocation.»

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Bond Markets

Yields on Swiss government bonds are currently at multi-year lows. Policy rates stand at 0% and are expected to remain at that level. The European Central Bank is also likely to keep its key policy rates unchanged. As anticipated by market participants, the US Federal Reserve implemented a third consecutive 25 basis point rate cut in December, bringing the target range to 3.5%–3.75%. With regard to inflation, Jerome Powell struck a notably relaxed tone. Signals from the Fed suggest that tariff-related inflationary pressures have been weaker than initially expected, while price pressures in the services sector have even begun to ease. Overall, this leaves the door open for further monetary easing. Markets are currently pricing in one to two additional rate cuts in the current investment year, whereas members of the Federal Open Market Committee are projecting only a single move.

«Are further interest rate cuts expected in the US?»

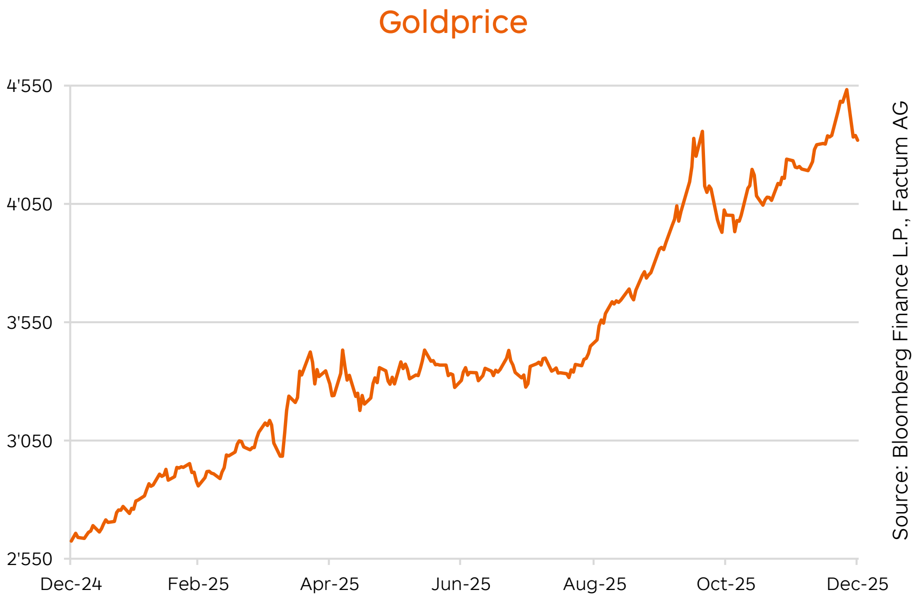
The Federal Reserve's dual mandate is to support the US labour market while keeping inflation under control. At present, these objectives appear to be in tension. In December, FOMC members sent divergent signals regarding which of the two goals should take priority. It remains difficult to assess how much influence Jerome Powell will continue to exert through May. Since assuming office in 2018, he has consistently managed, even in challenging circumstances, to align FOMC members behind a majority position and ensure coherent external communication.

«Is the focus on the labor market or on inflation?»

Commodities

Among the clear winners in 2025 were investors who allocated to gold and other precious metals, as well as to gold and silver mining equities. In US dollar terms, precious metals recorded strong gains over the past year, with gold up 65% and silver advancing by 145%. Gold mining equities, as measured by the VanEck Gold Miners ETF, surged by an impressive 155%. Gold closed the year with a double-digit gain for the third consecutive year. Historically, this has only occurred during the periods 1971–1974 and 1977–1980. The fundamental drivers of higher gold prices—namely currency debasement, geopolitical tensions and sustained demand from central banks—remain firmly intact. According to a study by Goldman Sachs, gold ETFs account for only 0.17% of US investors' portfolios, indicating further upside potential.

«The fundamental drivers for a rising gold price remain intact.»



The most important factor for the future development of the gold price remains central banks. Countries such as Poland, Kazakhstan, Brazil and Turkey have increased their reserves in recent years to reduce dependence on the US dollar. Central bank purchases picked up again in the fourth quarter of last year. However, China plays the most significant role. The Middle Kingdom is the world's largest gold producer and also imports substantial quantities of the metal. With these reserves, the Chinese leadership aims to build an alternative to the US dollar. According to multiple reports, China is the global leader in physical gold trading. The country therefore has a strategic interest in keeping the gold price as stable as possible. Temporary price corrections cannot be ruled out, but a crash appears unlikely in this context.

«The most important factor for the future development of the gold price remains central banks.»

Silver is used in high-growth, non-cyclical sectors such as 5G technology, photovoltaics, batteries, electric vehicles, and semiconductors for artificial intelligence. The structural supply deficit is another supportive factor. As mentioned earlier, silver appreciated by 145% over the past year. We also see potential in industrial metals. Demand for metals such as copper is expected to grow rapidly in the coming years as part of the green transformation, while supply can only be expanded slowly, if at all. For years, too little investment has been made in the development of new deposits. We have allocated around 1.5% to industrial metals in our managed portfolios, with this position gaining 50% in value over a one-year period.

«Our industrial metals position has gained approximately 50% in value over a one-year period.»

Crude oil prices in 2025 were largely sideways to slightly lower. Key drivers included OPEC+ oversupply, the state of the global economy, and the two wars in the Middle East and Ukraine. Consensus expectations for the current year point to a similar development. This aligns with estimates from the International Energy Agency, which expects supply to exceed demand by 3 million barrels per day.

«No significant movements in oil prices are expected.»

Currencies

In the 2025 investment year, the US dollar lost its role as a “safe haven” during turbulent market phases, while its counterpart, the Swiss franc, stood firm like a rock. One key driver of this development was the significant economic disruption, particularly due to major shifts in trade policy. For decades, the United States had been a guarantor of reducing trade barriers. This changed on “Liberation Day” in early April, when President Donald Trump announced a new tariff regime against other countries. The initially proposed tariffs were generally implemented at significantly lower levels later in the year, as illustrated by the “tariff deal” with Switzerland. Overall, the average tariff rate rose from approximately 2.5% to 14%, a level not seen since 1939.

«The US dollar lost ground over the past year.»

U.S. Dollar Index

The developments described above weighed on the “Greenback,” leading to a decline against the 15 most significant global currencies. The US dollar fell most sharply versus the Swedish krona (-20%), the Mexican peso (-16%) and the Swiss franc (-13%). Only against the Japanese yen did the dollar lose little value.

«The US dollar declined by 13% against the Swiss franc.»

The euro depreciated by 1% against the Swiss franc in 2025. In contrast, the British pound, Chinese renminbi, and Japanese yen lost considerably more, with declines of 5%, 9%, and 12% respectively. Only a few currencies, such as the Swedish krona, showed relative strength against the Swiss franc. Overall, monetary policy played a relatively minor role in exchange rate developments in 2025. The SNB, Fed, and ECB all continued their rate-cutting cycles. The SNB reduced its policy rate in two steps of 25 basis points each to 0%, the ECB cut rates four times to 2%, and the Fed implemented three 25-basis-point reductions, bringing its target range to 3.5%–3.75%. At present, further rate cuts by the SNB or ECB are not expected. From our perspective, the hurdle for the SNB to push rates back into negative territory appears relatively high.

«Not surprisingly, the Swiss franc was among the strongest currencies.»

One to two rate cuts are anticipated in the US during the current investment year. However, uncertainty arises from the leadership change at the US Federal Reserve, as Jerome Powell's term ends in May. President Trump considered Powell's monetary policy too restrictive. Significantly lower policy rates would likely put renewed pressure on the US dollar in international trade. It will be interesting to see whether Trump's chosen successor can align the remaining FOMC members with a potentially weaker-dollar policy, or whether there will be significant resistance to such a direction.

«The new Fed Chair will play a key role.»

Market overview 31 December 2025

Stock indices (in local currency)	Current	1 Mt (%)	YtD (%)
SMI	13,267.48	3.38	18.04
SPI	18,219.49	3.21	17.76
Euro Stoxx 50	5,796.22	2.29	22.14
Dow Jones	48,367.06	1.56	14.92
S&P 500	6,896.24	0.79	17.86
Nasdaq	23,419.08	0.29	21.17
Nikkei 225	50,339.48	0.27	28.63
Schwellenländer	1,402.53	2.87	34.29
Commodities			
Gold (USD/Feinunze)	4,339.49	2.36	64.58
WTI-Öl (USD/Barrel)	57.59	-1.02	-19.94
Bond markets			
US Treasury Bonds 10J (USD)	4.12	0.11	-0.40
Schweizer Eidgenossen 10J (CHF)	0.32	0.13	0.13
Deutsche Bundesanleihen 10J (EUR)	2.86	0.17	0.17
Currencies			
EUR/CHF	0.93	-0.17	-0.99
USD/CHF	0.79	-1.53	-12.65
EUR/USD	1.17	1.29	13.44
GBP/CHF	1.07	0.26	-5.96
JPY/CHF	0.51	-1.63	-12.20
JPY/USD	0.01	-0.14	0.31
XBT/USD (Bitcoin)	88,185.04	-3.00	-6.47

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