

Outlook 2026



Reuss Private

The Big Picture I

Structural Environment

- The age of globalization has given way to geo-economics. Trade and capital flows are becoming politicized, with trade fragmenting along geopolitical lines. The rules governing the global trade architecture are weakening.
- High indebtedness + adverse demographic developments + low productivity growth = low global trend growth. Among other things, the high level of indebtedness leads to a more unequal distribution (Gini index). This is one of the reasons for shifts in political constellations (polarization).
- Geopolitical tensions – especially the conflicts in the Ukraine and in the Middle East – remain heightened.
- A de-dollarization and possible decoupling from the West of an enlarged BRICs group seems possible, but this would result in two newly competing currency systems.
- The polarization between the "West" and the "Global South" can make it more difficult to finance Western debt in the long term – also due to the confiscation of state assets.

Economy

- Thanks to monetary easing by many central banks and fiscal easing in the largest economies, global growth may increase moderately. However, there are considerable downside risks. There is a great deal of uncertainty about the development of the global economy – and the US economy in particular – due to US trade policy.
- Productivity gains in the US remain high, and actual growth may rise above trend over the course of the year. Europe is experiencing a slight recovery in growth, but overall economic momentum remains subdued. China's weak domestic demand but growing production capacities threaten the industrial sectors in the advanced economies.
- Inflation and interest rate cycles have been synchronized globally since the pandemic but will diverge more strongly again in the future.
- The ECB and the SNB have probably ended their rate-cutting cycles. The Fed will cut interest rates markedly, and US monetary policy will probably become too accommodative for macro-economic conditions during 2026.
- In the longer term, (government-led) investment should increase and support growth.

The Big Picture II

Influencing Factors

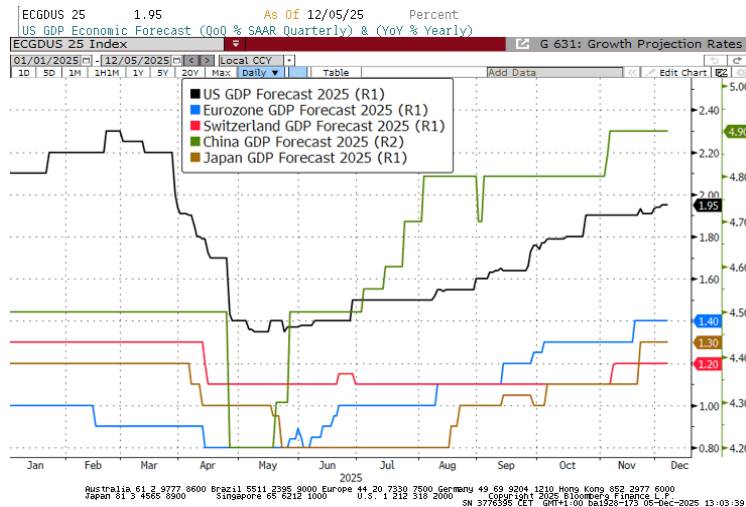
- Geopolitical risks (i.e. Ukraine, Israel, Iran, Taiwan and Turkey) have increased and will remain elevated for a prolonged period. This reinforces the de-globalization trend.
- Fiscal policy will remain expansionary, and no austerity policy is likely to be pursued.
- Political risks, with the potential for long-term very adverse outcomes, remain substantial, especially amid the ascent of EU/Euro critical parties in Europe and protectionist measures by the US government. Global risks, and thus the potential for markedly negative long-term scenarios, remain pronounced. The risk of a technological decoupling between the US and China and an economic bloc building has increased.
- Birth rates have recently fallen sharply on a global basis. This can lead to social tensions and put additional pressure on trend growth in the longer term.

Market Environment

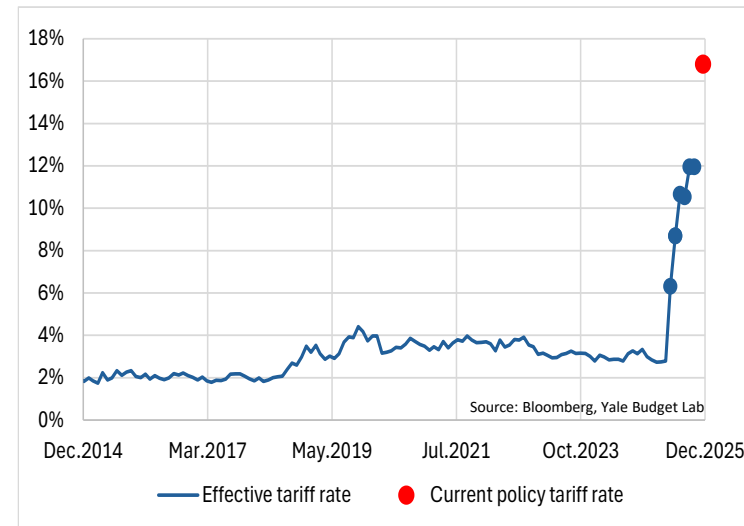
- Due to increased nominal growth and the likely easing of monetary policy in the US, risk assets remain attractive in the long term.
- The outlook for equities is volatile and accompanied by pronounced setbacks but remains fundamentally positive in the long term. Corporate profits can increase and will contribute significantly to a positive performance.
- The trend towards sustainable investments and "green finance" will intensify across all asset classes in the coming years.
- Yields of "safe" bonds such as German Bunds and US Treasuries will mostly trade sideways on a multi-year horizon but may move somewhat higher at the long end.
- With rate cuts, spread products become more attractive. Carry and roll-down remain important for fixed income investors. We put our focus on short and medium maturities, high-quality assets, and defensive sectors and we exercise caution at the long end.
- We are positive towards the Swiss Franc and the Japanese Yen but see long-term downside risks for the British Pound.
- Longer term friendly environment for precious metals.

Review 2025 I

Growth expectations for 2025



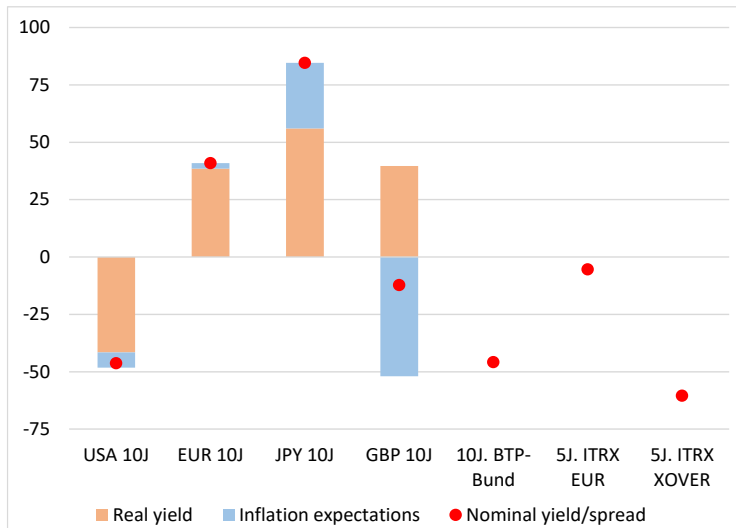
USA: Average effective tariff rate (in %)



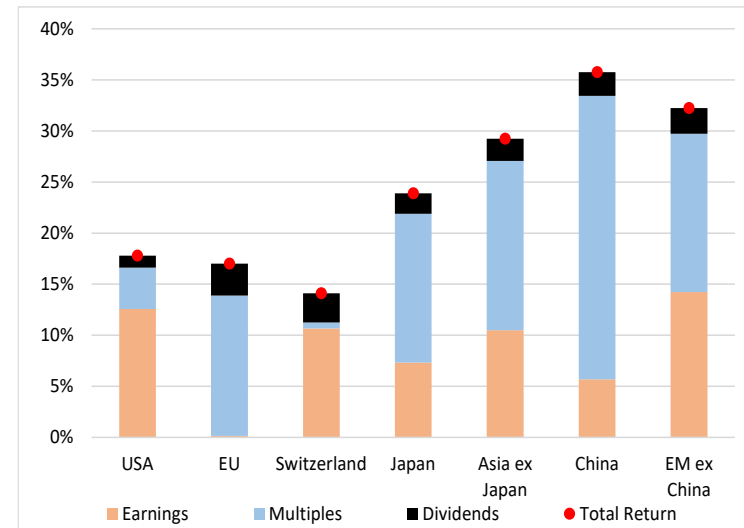
- The most important macro-economic factors during 2025 were US trade policy and the “China shock 2.0”. US President Trump's tariff increases affected all trading partners, proving to be significantly higher than anticipated at the start of the year. Consequently, the effective average tariff on US imports increased from initially 3% to 12% in September. According to the Yale Budget Lab, it is estimated at approximately 17% under the agreements that have been reached. This has led to significant distortions in trade flows. Additionally, the rise of Chinese producers burdened industrial sectors in most countries. This poses a particular challenge for Germany and is an important reason for its continued economic underperformance.
- Meanwhile, the US economy was weighed down by tariff increases and restrictive immigration policies. Conversely, it benefited from the artificial intelligence boom. While the export environment for European producers was more challenging than anticipated, monetary easing and rising real household incomes supported the economy. In China, domestic consumption remained subdued. However, the economy was supported by macro-economic easing measures and a sharp increase in net exports. Monetary policy was loosened in most countries, with Japan being a notable exception.

Review 2025 II

Change in yields & spreads since end of 2024 (in bps)



Equity market performance 2025 (local currency in %)

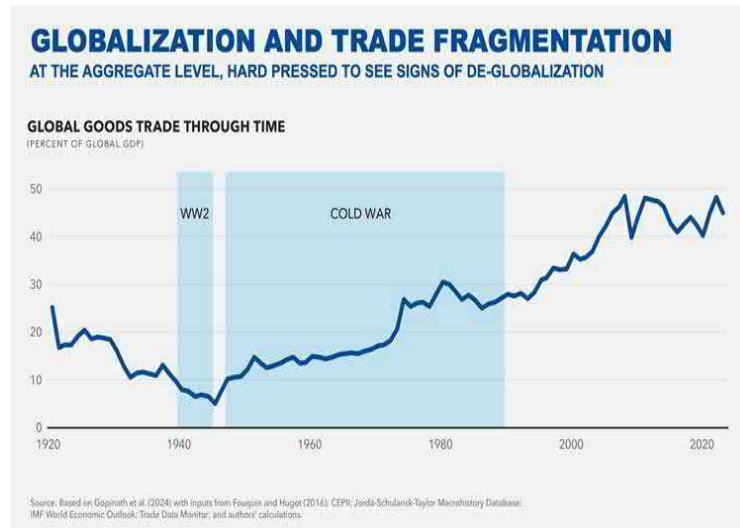


Source: Bloomberg

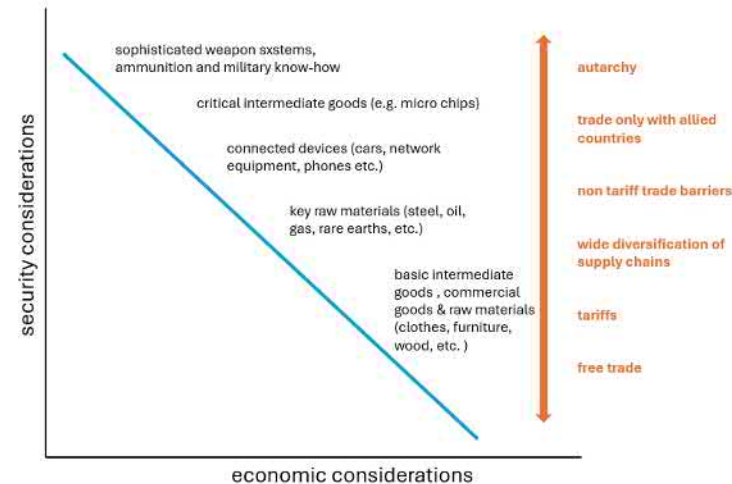
- The environment for bond markets was mixed. US Treasuries benefited from the US Federal Reserve resuming its interest rate cuts. The central bank was able to cut rates due to the significant slowdown in the labour market. This was accompanied by lower real yields. In Europe, however, the growth environment was somewhat better than expected. Meanwhile, the ECB and the SNB have likely concluded their rate cutting cycle, whereas the BoE was only able to reduce interest rates modestly. In Japan, the BoJ continued its gradual monetary tightening, which contributed to significant upward pressure on bond yields.
- The environment for spread products was favourable thanks to interest rate cuts by major central banks and the absence of a recession. The rate cuts were accompanied by a rise in stock market valuations (i.e. higher price/earnings ratios). Corporate earnings generally increased, particularly in the technology sector, which reinforced its positive performance. Emerging markets also benefited in particular from a weaker US Dollar. Historically, this has often resulted in capital flowing into these markets, thereby supporting respective financial assets.

Outlook 2026: Geo-Economics instead of Globalization

Global trade relative to GDP (in %)



Trade in goods in the context of security & economic aspects

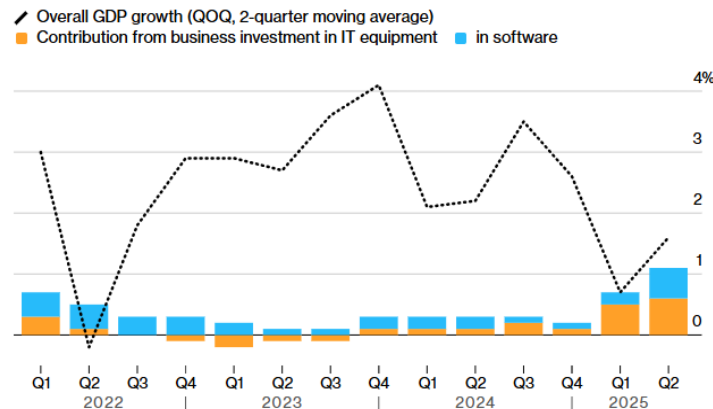


- The previously reliable, rule-based trade policy has given way to an unpredictable and confusing regime originating in the United States of America. A multitude of different rules now govern tariff levels, quotas and market access, among other things. Uncertainty for households, businesses and market participants will remain very high for the foreseeable future.
- In addition to economic factors, national security interests have also become increasingly important in shaping the trade landscape. The US is increasingly relying on non-tariff trade barriers, such as export restrictions (e.g. semiconductors) and import restrictions (e.g. connected vehicles) and investment controls, particularly with regard to China. Trading partners are also expected to push back against China. A technological decoupling between the US and China is probable.
- However, there are currently no signs of deglobalization. We are rather entering a phase of geo-economics, characterized by the politicization of trade and capital flows and the fragmentation of global trade, with an increasing bloc formation. As national security interests come to the fore, trade between the blocs is likely to become increasingly restricted. Independent countries are mitigating the negative economic consequences of systemic competition between the US and China.

Outlook 2026: Artificial Intelligence

Artificial Intelligence as a growth driver

AI-Led Investment Became a Big Growth Driver This Year



Source: Bureau of Economic Analysis

Note: Numbers don't include imports of IT equipment, which subtract from growth

Key factors affecting Artificial Intelligence

US and China Vie for Advantages in AI Race

	United States	China
Share of global GPU clusters	75%	15%
Internet users	321m	1.108b
Electricity generation	4387.26 TWh	10072.6 TWh
Share of top AI talent	42%	28%

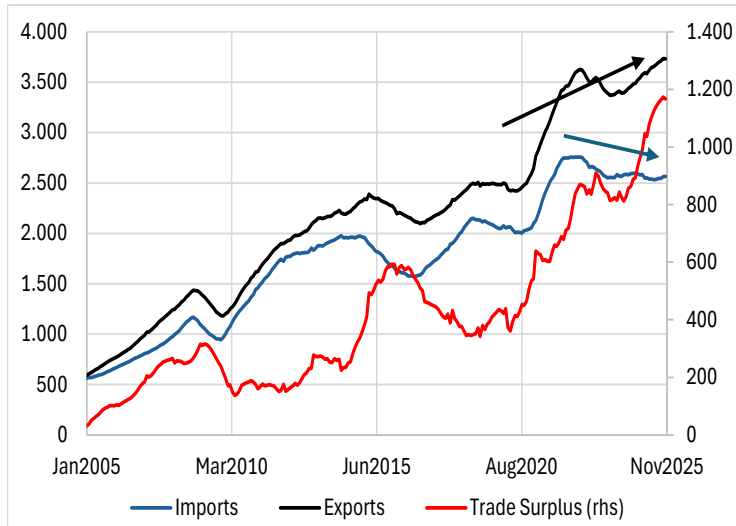
Source: China Internet Network Information Center, Statista, Ember, Paulson Institute, Epoch AI, Bloomberg Economics. Note: Share of top AI talent measures nation's share of AI researchers among NeurIPS paper authors.

Source: Bloomberg

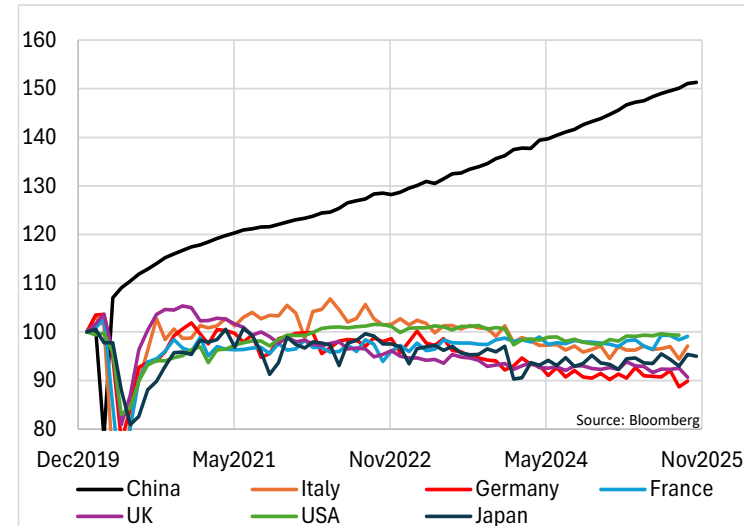
- Investments in IT infrastructure and data centers are driving a boom in the field of artificial intelligence (AI). According to Bloomberg, AI-related capital expenditure contributed approximately 1% to US growth in the first half of 2025.
- AI activities are a key part of the ongoing technological and geopolitical competition between the US and China. Most experts agree that the US currently has the upper hand in this race thanks to its superior semiconductors and greater computing capacity. However, China has made significant progress: Its new five-year plan, due to be adopted in March next year, identifies AI – alongside robotics and biotechnology – as a key area of development. This will lead to a further significant increase in state-directed investment activity. In addition, China is investing heavily in energy production.
- However, AI also poses risks. These include technology-related risks, such as an increased potential for disinformation and AI-supported cyberattacks, and the possible uncontrollability of AI systems. At the macro-economic level, AI could replace human labour and lead to rising unemployment. Disappointed growth expectations could be accompanied by a sell-off in financial markets and weaker growth due to the very high valuation of US AI companies.

Outlook 2026: China Shock 2.0

China foreign trade (in USD billion)



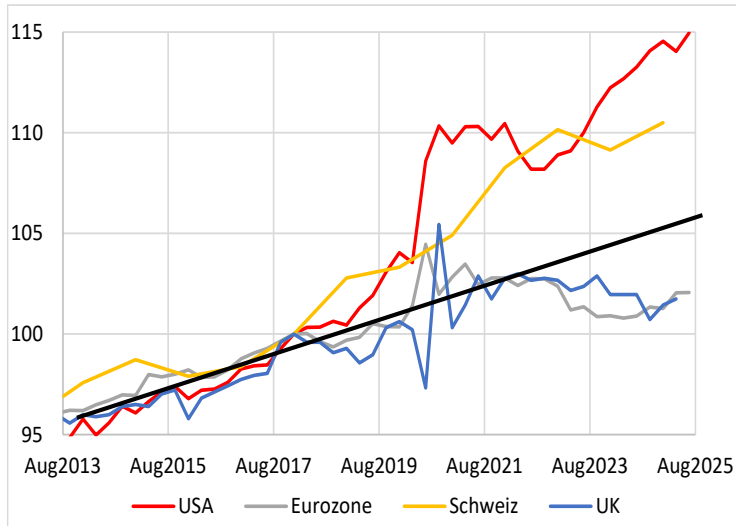
Industrial production (Dec 2019 = 100)



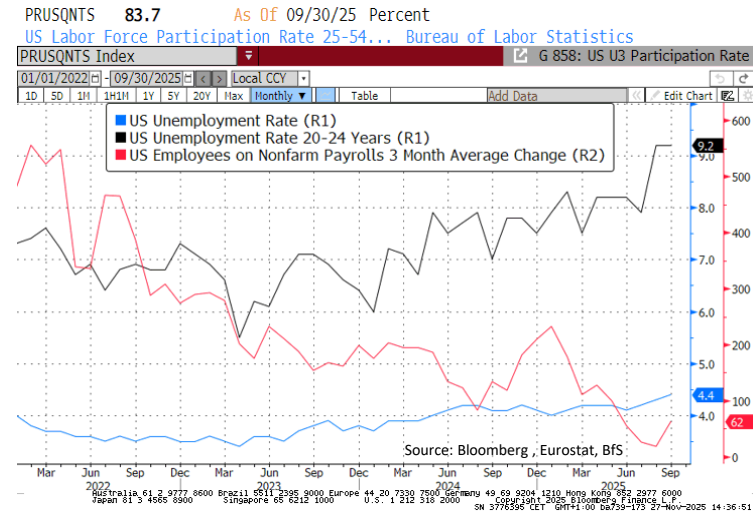
- China has significant overcapacity due to a sharp increase in supply and weak domestic demand. This is fueling a fierce price war with low profit margins. Chinese companies are therefore pushing even harder into global markets than before. This is reinforced by the real depreciation of the Renminbi. Accordingly, China's exports of goods have risen significantly in recent years, while imports have remained weak. Consequently, the market share of Chinese producers is increasing not only in the domestic market but also in global markets. At the same time, the market share of producers of other countries is declining.
- China is of paramount importance to the world economy. China's share of global industrial production has risen to over 35%, making it as large as the next eight economies combined. This is also the reason why rising industrial production in China has been accompanied by weak performance in most developed economies. There is currently still no improvement in sight.

Outlook 2026: USA

Productivity per working hour (Q4 2017 = 100)



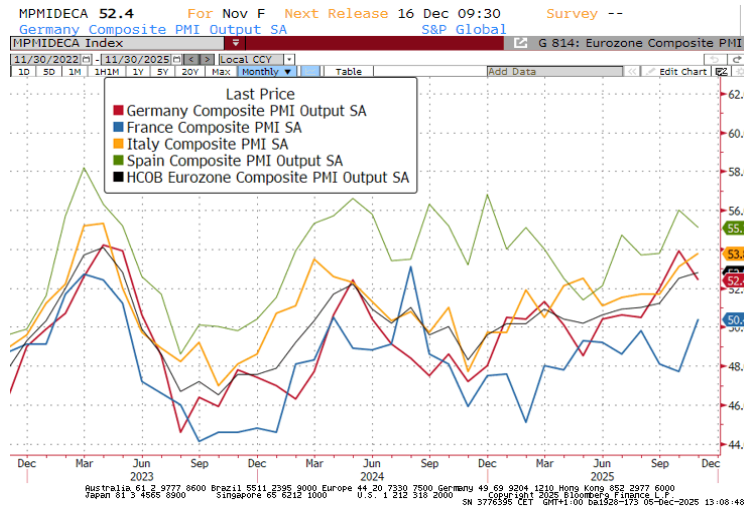
Labour market



- The US labour market has slowed. Labour supply is growing more slowly due to restrictive immigration policies. While companies are not significantly reducing their workforce, they are hardly hiring any new employees either. Particularly among young people, unemployment has risen significantly. Low-income earners are affected by a slowdown in wage growth and higher tariffs. Conversely, high-income households are benefiting from tax cuts. The two-tier consumer landscape will become even more pronounced.
- Economic momentum could improve during 2026. Monetary and fiscal policy is increasingly supporting growth and offsetting the negative effects of tariff increases. Trend growth is high due to sustained productivity gains. Artificial intelligence is experiencing a boom, driven by investment in IT infrastructure and data centers. A recession remains only a risk scenario.
- Weaker labour market dynamics have prompted the Fed to resume interest rate cuts despite higher inflation. However, due to the politicization of monetary policy, it will tend to become too loose compared to macro-economic conditions. We expect two more rate cuts by the end of 2026.

Outlook 2026: Eurozone

Purchasing managers indices



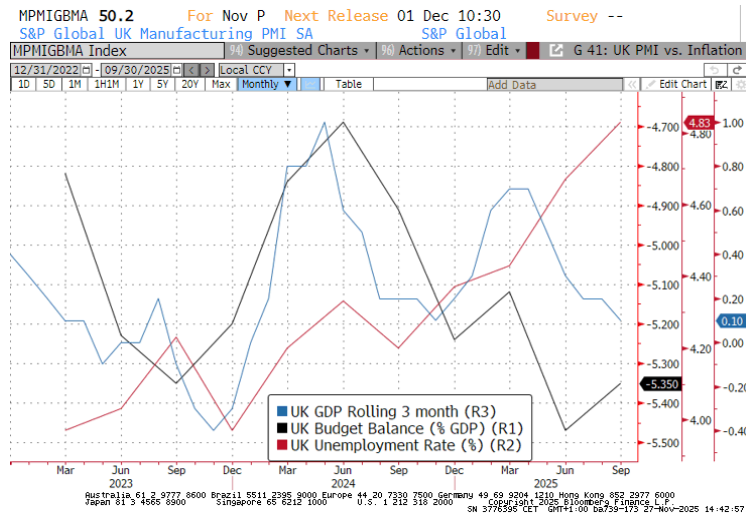
Inflation rates (yoy in %)



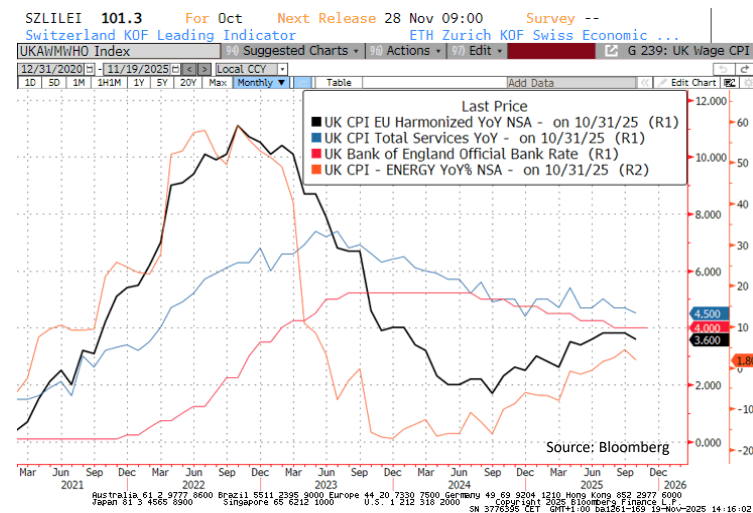
- The Eurozone has been severely affected by the “China shock 2.0” and changes in US trade policy. However, rising real wages and employment are supporting consumption. The noticeable easing of monetary policy is expected to have a positive impact on the economy, particularly in the property market. Additionally, defense spending is increasing in most countries. Growth in the Eurozone may increase moderately. This will be driven mainly by services and government-led investments. However, productivity is stagnating, so trend growth is low, and downside risks remain significant.
- In Germany, the substantial fiscal stimulus will gradually become apparent, and the period of economic underperformance is coming to an end. In the long term, however, supply-side reforms will be essential. Conversely, the outlook for France and Italy has deteriorated in relative terms. The outlook for the Netherlands, for Spain and for Portugal remains more favourable.
- For the ECB, the current pause is likely to mark the end of the rate cutting cycle. A recovery in growth should be followed by a turnaround in key interest rates. However, due to overly loose monetary policy in the US and heavily undervalued Asian currencies, the ECB will wait longer before raising interest rates. This is not likely to be on the agenda until mid-2027. A further significant strengthening of the Euro or escalating trade conflicts would give the central bank scope to cut rates further.

Outlook 2026: United Kingdom

GDP growth, budget balance & unemployment rate



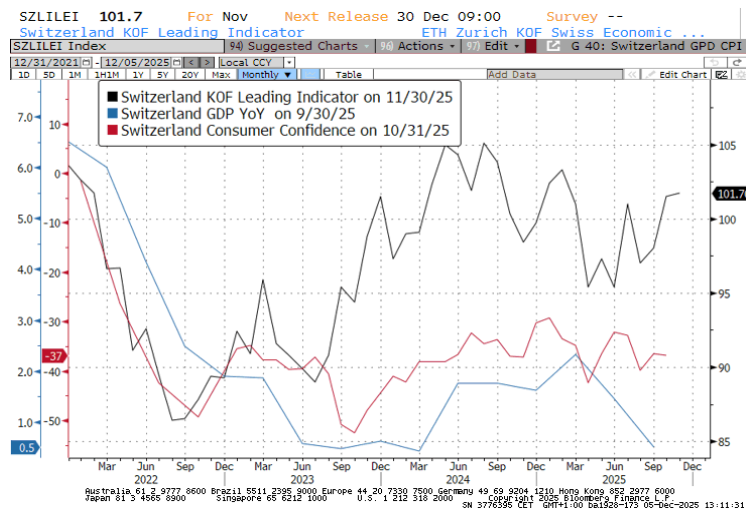
Policy rates & inflation (yoy in %)



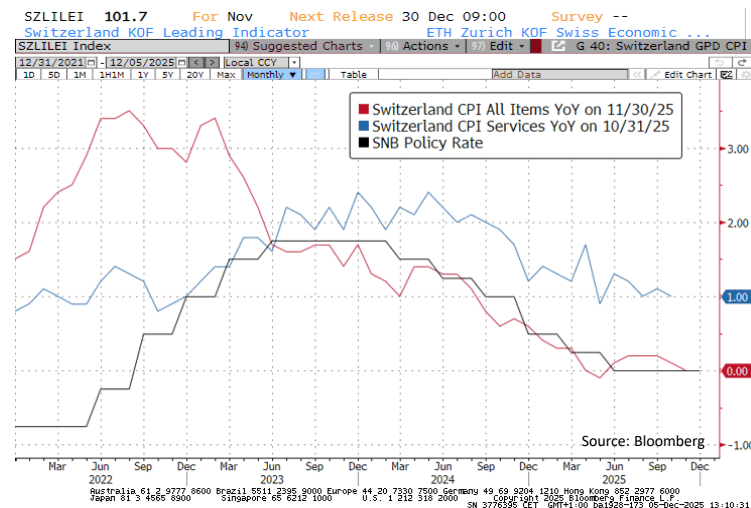
- The United Kingdom is in an even worse position than the Eurozone. As in the Eurozone, productivity has stagnated for years, resulting in low trend growth. Brexit continues to weigh on the economy. Consequently, Great Britain has lost direct access to the EU single market and has become less appealing for foreign direct investments. The labour market has weakened, with a significant rise in unemployment. This is having an impact on consumption growth. Fiscal policy is being tightened due to the high budget deficit. The outlook for the British economy is subdued, with the country likely to underperform compared to the Eurozone.
- Domestic price pressures are proving to be even more persistent in the United Kingdom than in the Eurozone, with services inflation still at 4.5%. In addition, energy price inflation has increased considerably. The BoE has thus cut rates only gradually. Given a challenging growth environment and with inflation declining slightly, the BoE – unlike the ECB – will continue its easing process. Two to three interest rate cuts of 25 basis points are anticipated.

Outlook 2026: Switzerland

KOF & SECO indicators & GDP



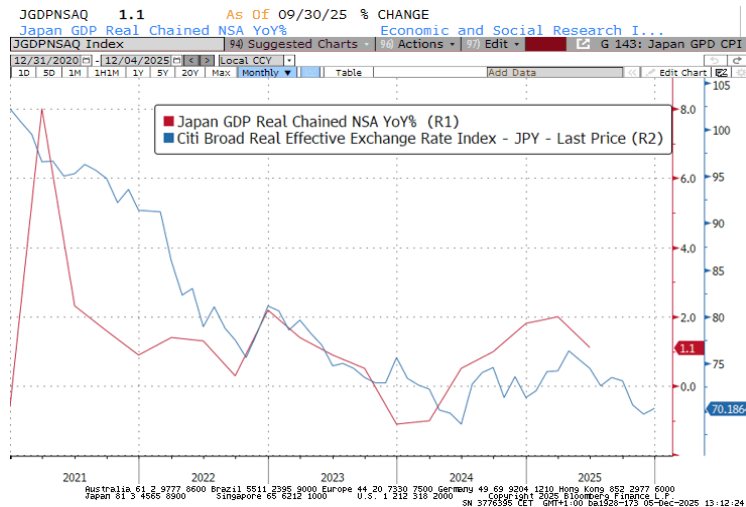
Policy rate & inflation rates (yoy in %)



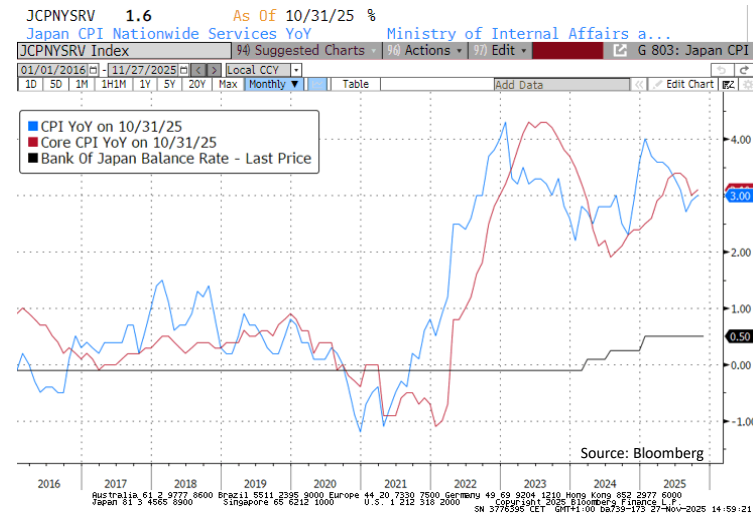
- The Swiss economy is structurally in a better position than those of the Eurozone and of the United Kingdom. Trend growth is being supported by both high net immigration – particularly of well-educated and skilled workers from the EU – and sustained productivity gains. It is important that Switzerland has reached a trade agreement with the US. However, exports to the US, particularly pharmaceutical exports, are likely to contribute less to future growth than in recent years. Growth is expected to exceed that in the United Kingdom again in 2026 and will likely be similar to that in the Eurozone.
- Due to high trend growth, domestic price pressure is significantly less pronounced than in the Eurozone and in the United Kingdom. This is reflected in moderate service inflation of only around one per cent. The SNB has probably already finished cutting interest rates. A return to negative interest rates would require a sustained deterioration in the growth environment. Interest rate hikes are not expected in the near future.
- Risks for the Swiss economy stem from a decline in exports due to the challenging trade environment. However, there is considerable fiscal leeway to support the economy in the event of external shocks.

Outlook 2026: Japan

Real GDP growth & real Yen



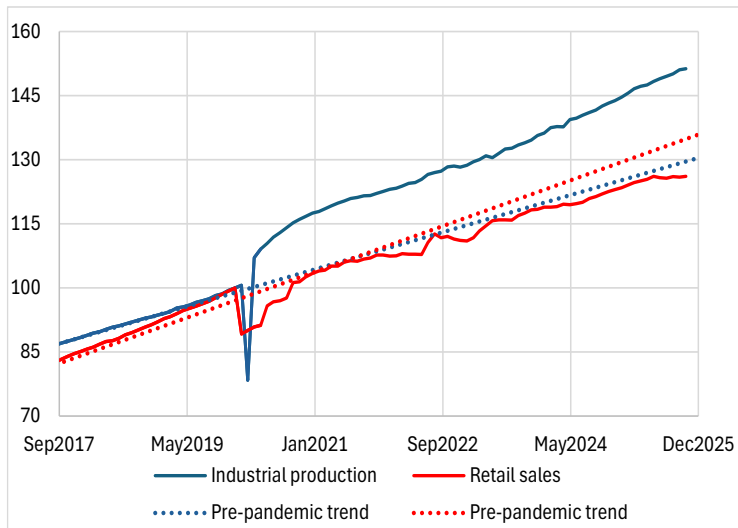
Policy rate & inflation (yoy in %)



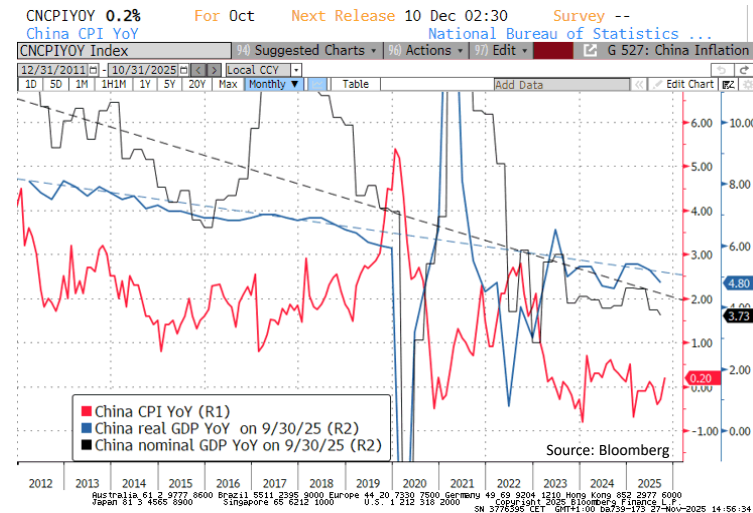
- Japan's economy is heavily industry- and export-oriented and thus has been significantly affected by the China shock and the decline of the rules-based global trading system. At the same time, the ageing of society is putting pressure on the economy. However, the weak Yen is supporting the price competitiveness of producers. The significant fiscal easing already announced could boost demand and lead to improving growth.
- In 2024, the BoJ ended its negative interest rate policy with its first rate hike in 17 years. However, due to the subdued growth environment, monetary policy tightening is proceeding slowly to avoid jeopardizing the economic recovery. With the policy rate currently standing at 0.5%, real interest rates – those adjusted for inflation – remain strongly negative and are at a very low level by international standards. This is particularly true given that inflation has risen again since reaching a cyclical low in the middle of last year. Monetary policy therefore remains accommodative. While the BoJ is likely to continue tightening monetary policy, it will do so very cautiously. If the Yen weakens significantly again, interventions to stabilize the currency – both verbal and actual – become likely.

Outlook 2026: China

Retail sales & industrial production



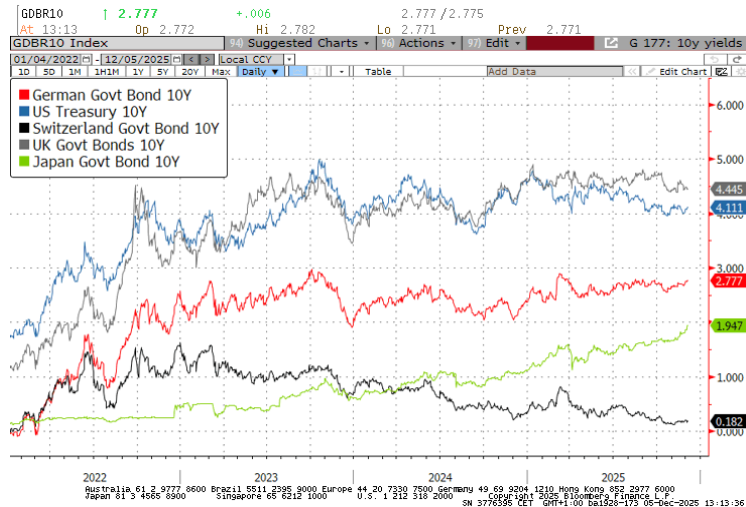
Inflation & GDP growth



- China is suffering from a disinflationary weakness in demand. This is due to demographics, the collapse of the property market with high vacancy rates and a policy during the pandemic that – unlike in Europe and in North America – supported businesses (supply), but not households (demand). As a result, industrial production has grown much faster than demand, and Chinese producers are pushing even harder into global markets than before. Macro-economic policy has been loosened considerably. Further fiscal and monetary easing is likely to follow. While this may stabilize growth, high vacancy rates mean that a sustained recovery in the property market and hence a significant economic upswing is unlikely. Structural weakness in demand remains, and the long-term outlook for China is cautious. Economic imbalances have widened.
- Trend growth is likely to weaken further in the coming years due to the sharp rise in debt, less favourable demographics and declining productivity growth. In addition, the structural conflict with the US could lead to a technological decoupling.

Outlook 2026: Government Bonds

10y yields of UST, Bund, JGB, Gilt & Eidgenossen



10y US-Treasury term risk premia



- While the ECB and the SNB have probably already ended their rate cutting cycles, the BoE still has scope to cut rates further than currently priced in. The Fed is expected to cut interest rates even further, meaning that monetary policy in the US will likely be too loose for macro-economic conditions in the medium term. Due to highly valued currencies, interest rate hikes will also be delayed in Europe.
- High deficits mean that the supply of government bonds is considerable and that debt dynamics have deteriorated significantly in some countries. At the same time, demand for long maturities has fallen. The trend towards higher term risk premia may continue in the coming years, reinforced by overly loose monetary policy. This is a negative factor for bonds with long maturities, whose yields may move moderately higher in the long term.
- A neutral allocation in the money market and in the short- and medium-term segments of the yield curve is recommended, with a focus on carry positions, while the long-term sector of the curve should be underweighted.

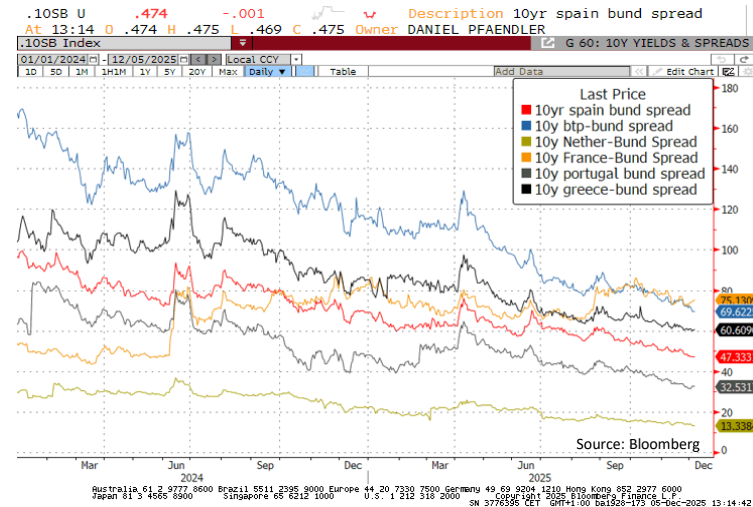
Outlook 2026: Yields & Spreads Europe

Spreads & implied volatility (Bund future options)



* ITRX: Credit-Default-Index

Yield spreads 10y Bund vs. EU sovereign bonds



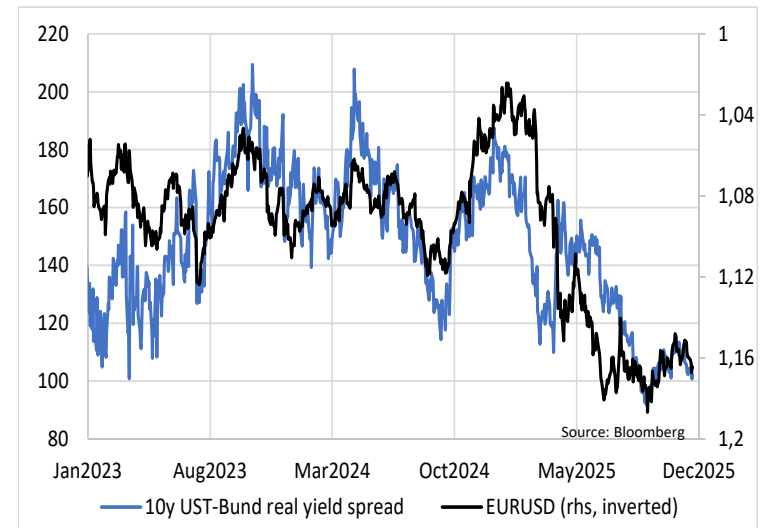
- High nominal growth and an accommodative monetary policy support products with a yield premium. However, macro-economic risks are significant, while yield spreads are relatively low. This means that carry income, and consequently the buffer against adverse developments, has also declined. Consequently, the risk/return potential has deteriorated. Furthermore, the current very low market volatility is likely to increase during 2026, which would represent an additional negative factor.
- Consequently, only a moderate and selective overweight is advisable. Exercise general caution at the long and very long curve area (>10 years). The focus should be on short and medium maturities. A reduction in illiquid investments and an underweight of France – both in government bonds and in the private sector – are advisable. Furthermore, a significant underweighting of Austria and Italy for maturities exceeding 10 years is also recommended. In contrast, high-quality/investment-grade and defensive sectors as well as financials can be overweighted. Credit curves will tend to steepen.

Outlook 2026: EUR & USD

Real trade-weighted Euro



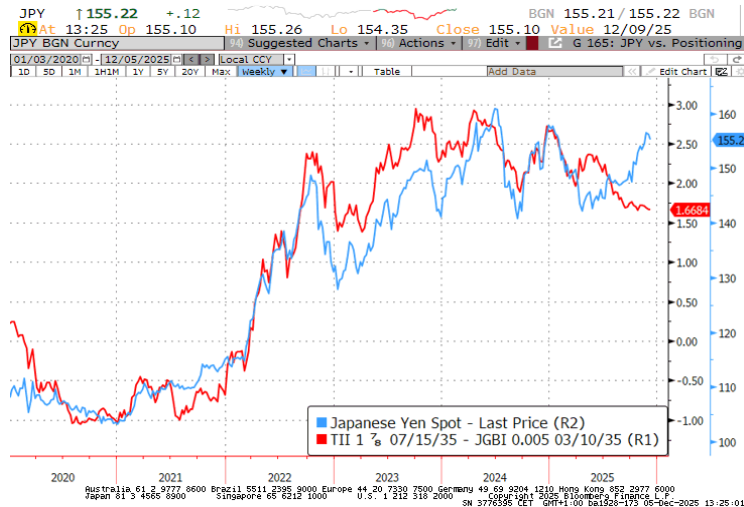
10y UST-Bund real yield spread & EUR/USD



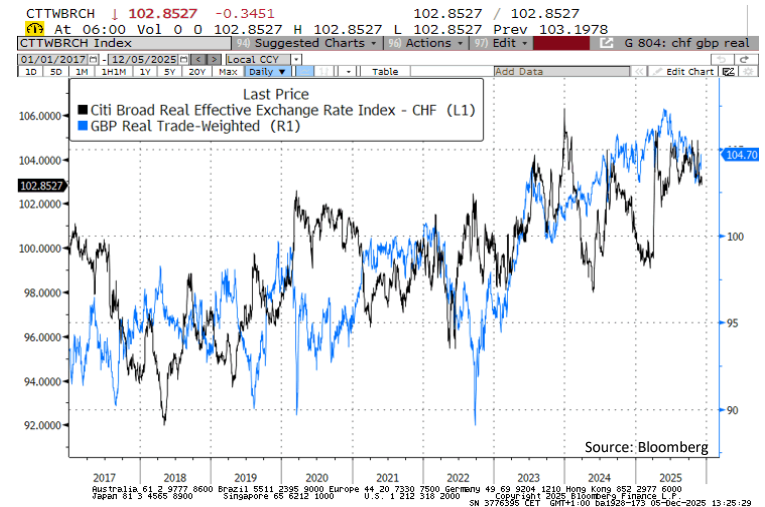
- Due to the weakening of the US Dollar and substantial fiscal stimulus in Germany, the Euro has appreciated. However, compared to Asian industrialized countries – particularly China and Japan – it is significantly overvalued in real terms. This is further weighing on industrial production. Trend growth is low due to a lack of productivity gains and unfavourable demographics. The Eurozone remains vulnerable to renewed increases in energy prices and geopolitical developments. There is also a risk of it falling further behind the US and China.
- The prospect of substantial monetary easing means that downside risks for the US Dollar are currently elevated. However, the US is experiencing high trend growth due to significant productivity gains. Accordingly, real yields, especially at the longer end of the curve, will remain high by international standards. Additionally, foreign direct investment will likely be substantial given announced trade agreements. A trend reversal towards a stronger dollar is expected next spring due to a more favourable growth environment. The risk lies in the further politicization of the Fed, which could lead to an even more pronounced monetary easing. This would weaken the dollar in the long term.

Outlook 2026: JPY, GBP & CHF

USD/JPY & 10y UST vs. JGB real yield spread



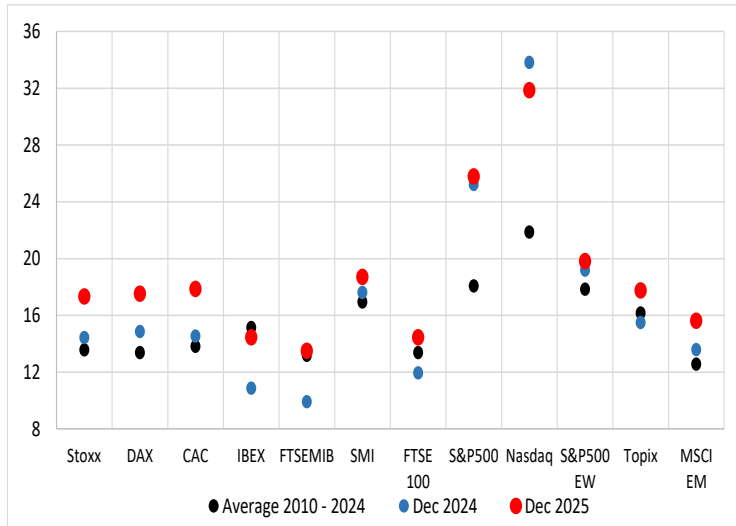
Trade weighted GBP & real CHF exchange rate



- In Japan, inflation has settled above the target set by the central bank. Added to this is the significant fiscal easing. Consequently, growth is expected to improve, prompting the BoJ to cautiously tighten monetary policy in the coming quarters. Therefore, monetary policy in Japan is moving in the opposite direction to that of the US. The Yen is significantly undervalued. It is likely to move into a broad sideways range against the US Dollar, with a tendency towards Yen strength while also appreciating against European currencies in the long term.
- The environment for the British economy is even more challenging than in the Eurozone due to fiscal tightening. The pound is highly valued in real terms. The BoE is expected to cut interest rates several times. This means that the pound faces pronounced downside risks and may weaken across the board in the longer term.
- The Swiss economy and the Franc are in a better position than the Eurozone and the Euro. Due to low inflation, the Swiss Franc is not overvalued in real terms. Its status as a “safe haven” currency means it remains attractive as a hedge against unexpected adverse developments. The SNB is likely to counteract any excessive appreciation of the Swiss Franc.

Outlook 2026: Equity Markets I

P/E ratios based on estimated earnings



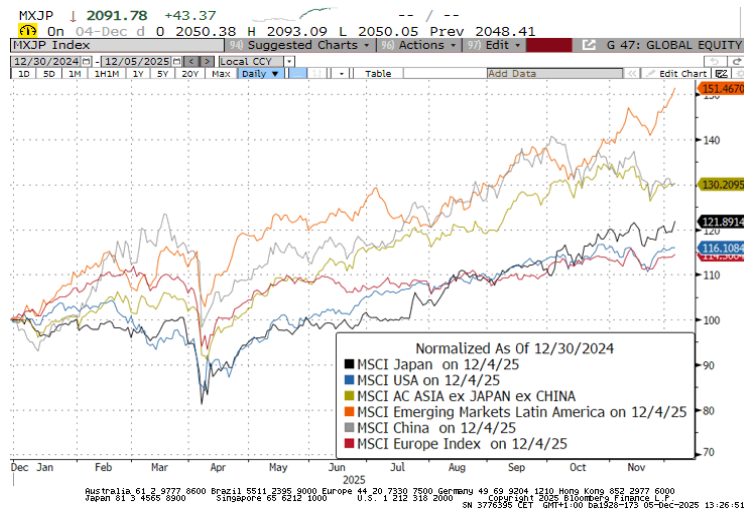
S&P500 P/E ratio & US financing conditions



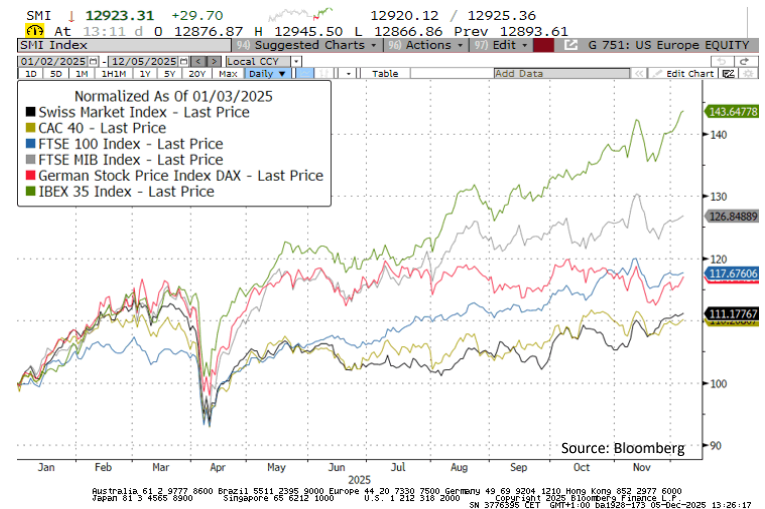
- For financial markets, it is of utmost importance that the US will not fall into a recession (decline in GDP and sharp rise in unemployment). This would enable corporate profits to continue rising, supporting risk assets. Still, the environment remains characterized by increased uncertainty.
- The tendency towards an overly loose US monetary policy provides additional support for risk assets, at least initially. Nominal growth and profits are likely to increase, while market valuations (P/E ratios) will be supported.
- Nevertheless, P/E ratios are already high, particularly in the US, and rising term risk premia could weigh on the market. Overall, P/E ratios will likely move moderately higher. However, a significant portion of stock market performance would have to come from earnings growth.
- Concentration in US stock markets has reached record levels due to the “Magnificent Seven” and developments in artificial intelligence. This increases the vulnerability to disappoint, particularly in the field of AI.

Outlook 2026: Equity Markets II

Global equity market indices (performance 2025)



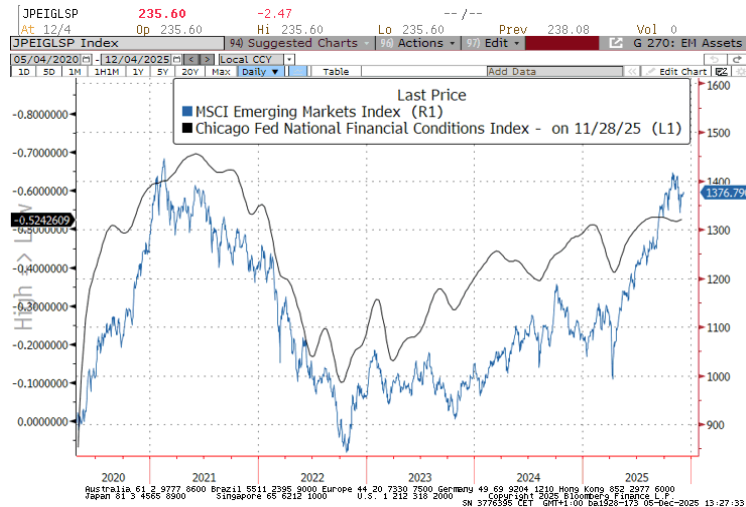
European equity market indices (performance 2025)



- Strategically, a moderate equity market overweight is recommended, particularly in the US and in Europe. An engagement in Asia and in emerging markets is also attractive.
- Due to the high proportion of IT companies in US indices and the potential for disappointment in AI, a split approach should be taken in the US, combining traditional capital-weighted and equally weighted indices.
- In Europe, the periphery of the Eurozone, Germany and Great Britain are particularly preferable. At the same time, it is advisable to maintain an underweight position in France, the largest European stock market. The French economy is likely to experience a prolonged period of underperformance. The political situation is fragile, corporate earnings expectations have been declining but valuations are relatively high.
- However, in the second half of 2026, the environment could become more volatile, in line with a possible widening of credit spreads. Strategically, major setbacks continue to offer themselves as buying opportunities.

Outlook 2026: Emerging Markets

US financing conditions & MSCI emerging markets



Bond spreads & emerging markets currency index



- A recovery in the global economy should have a positive impact on emerging market assets. Added to this is the prospect of a notable loosening of US monetary policy. Since many emerging markets have liabilities in US Dollars, their financing conditions will also improve in line with lower US policy rates. Historically, capital inflows to these regions have also tended to increase when US interest rates were lowered. This provides support for emerging markets. At the same time, major Asian currencies – particularly the Chinese Renminbi – are significantly undervalued in real terms.
- However, risks to this asset class remain high due to the potential for adverse political developments. A technological and economic decoupling of the West from the “Global South” would further increase the risk of turmoil in the capital markets of emerging economies.

Outlook 2026: Commodities, Precious Metals & Cryptos

Energy, agricultural goods & industrial metals



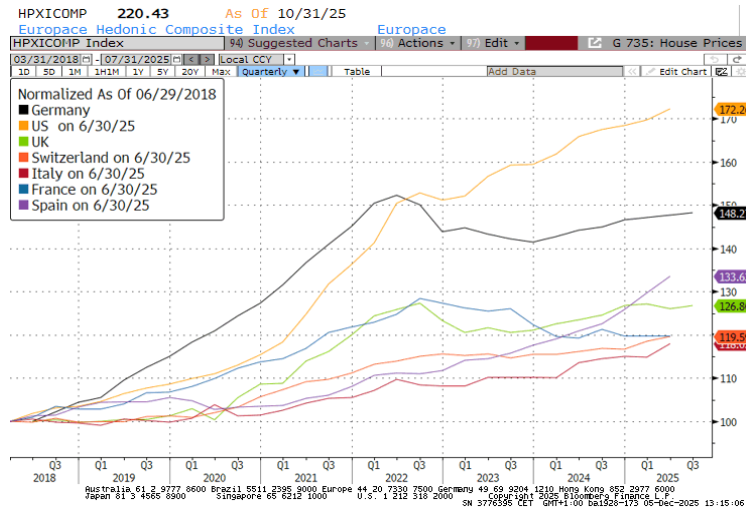
Gold, Silver & Bitcoin



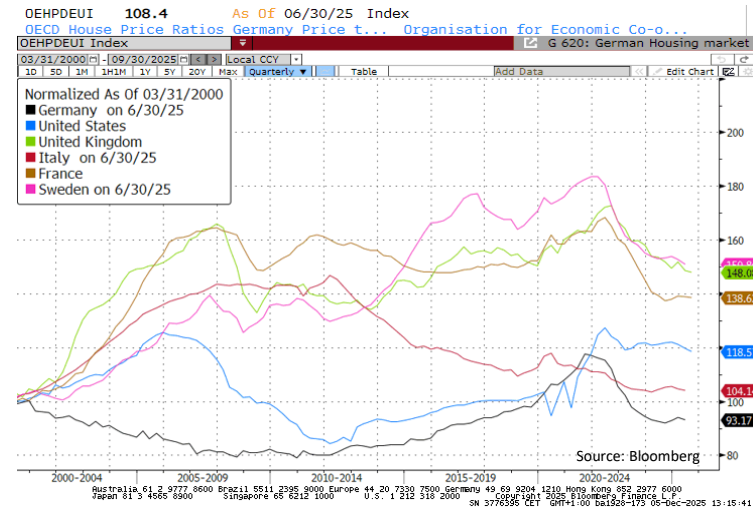
- In major real estate markets, commodity-intensive construction activity has slowed. The environment for the global industry, which is also an important source of demand, remains challenging. Consequently, demand for commodities is often subdued. In contrast, however, electrification (including electromobility, renewable energies, power grids, storage, etc.) is advancing in major economies, particularly in China. This is leading to increased demand for relevant raw materials but putting pressure on fossil fuels. The outlook for oil is sideways to lower during H1, with stabilization expected in H2. Positions in copper and uranium are recommended.
- The long-term outlook for precious metals – especially for Gold and for Silver – remains favourable. Geopolitical developments have led to a significant increase in purchases by central banks. Unsustainable debt dynamics in major economies, coupled with a potentially overly loose monetary policy in relation to macro-economic conditions by major central banks – notably the US Federal Reserve – are creating incentives to increase the exposure to alternatives to fiat currencies such as Gold, Silver and Bitcoin.
- An overly loose monetary policy by major central banks also provides support for cryptocurrencies. The focus for crypto investments should be on Bitcoin. However, unlike Gold, cryptos are highly volatile and subject to significantly greater setbacks.

Outlook 2026: Real Estate Markets

Nominal house prices (2005 = 100)

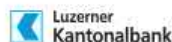


House price/income ratios (Q1 2000 = 100)



- Demand in the property market is likely to increase as mortgage rates have fallen in response to monetary easing. In addition, employment remains high, and real incomes are rising. Furthermore, property market valuations have improved significantly in recent years. With the notable exception of the US, house prices have moved sideways. At the same time, general price levels, wages and rents have risen significantly. Vacancy rates are often low, and construction activity is relatively weak. Accordingly, supply is subdued while demand may increase. As a result, the outlook for property markets is broadly favourable. Prices are likely to rise moderately over the course of the year, with transaction volumes expected to increase as well.
- China is an exception. China has overbuilt in recent years, and vacancy rates are still very high. There is still no sign yet of a fundamental trend reversal with sustainably higher prices. However, due to the support measures that have been introduced, a bottoming out in the major urban centers is likely.

Investment Ideas 2025 – Review I



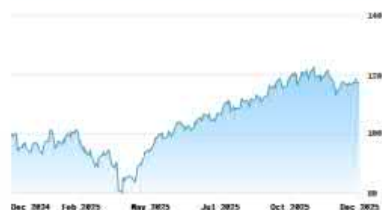
LUKB Aktiv Verwaltetes Tracker-Zertifikat auf den AI-Infrastructure Basket



FACTS AND FIGURES

ISIN	CH1352608884	Currency	USD	Maturity Date	Open End
NAV Date	15.12.2025	Valor	135260888	Dividend	Reinvested
FX Overlay	Disabled	Issue Date	18.12.2024	NAV	112.17
Mgmt Fee (total, p.a.)	1%	Issuer Fee (p.a.)	0.3%	Portfolio Manager Fee (p.a.)	0.7%
Rebalancing	N/A	Components	28	Certificates	77'435
Issuer	Luzerner Kantonalbank	Investment Advisor	Reuss Private AG		

PRICE CHART



PERFORMANCE HEAT MAP (MONTHLY)



VALVEST

VALVEST STEADY INCOME FUND

Marketing Material – November 2025

FUND PROFILE

The fund is designed for professional investors and provides access to U.S. bridge loans with floating interest rates. Investments are made exclusively in first-lien senior mortgage loans for properties at prime class locations with institutional borrowers. Each of the investment decisions is based on a high degree of risk awareness and the objective of preserving the investor's capital while generating stable and steady returns.

TRACK RECORD

Valvest's investment approach has proven to be very successful. Since the launch of its first fund in July 2016, 52 bridge loans with a volume of USD 750 million have been granted.

MASTER DATA

NAV	USD 149.28
Strategy Assets ¹	USD 328m
Inception ²	July 2016
Fund Structure	SICAV AIF
Asset Manager	Valvest Advisors AG
Auditor	Grant Thornton AG
Custodian	Bank Frick & Co. AG
AIFM	CAIAC Fund Management AG
Bloomberg / ISIN	VAVSIAU:LE / LI0504218533

MONTHLY PERFORMANCE²

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2025	0.73%	0.64%	0.72%	0.67%	0.68%	0.64%	0.66%	0.69%	0.64%	0.65%	0.55%		7.53%
2024	0.81%	0.75%	0.83%	0.80%	0.83%	0.80%	0.81%	0.80%	0.73%	0.71%	0.69%	0.73%	9.70%
2023	0.69%	0.61%	0.61%	0.67%	0.72%	0.72%	0.72%	0.73%	0.72%	0.74%	0.73%	0.76%	8.77%
2022	0.30%	0.28%	0.33%	0.34%	0.41%	0.43%	0.52%	0.50%	0.49%	0.57%	0.63%	0.68%	5.64%
2021	0.36%	0.25%	0.27%	0.34%	0.34%	0.36%	0.40%	0.32%	0.36%	0.36%	0.27%	0.36%	4.06%
2020	0.47%	0.51%	1.08%	0.49%	0.44%	0.54%	0.47%	0.43%	0.36%	0.31%	0.43%	0.28%	5.98%
2019	0.55%	0.51%	0.48%	0.56%	0.63%	0.53%	0.51%	0.72%	0.36%	0.43%	0.48%	0.62%	6.56%
2018	0.61%	0.49%	0.53%	0.51%	0.63%	0.57%	0.53%	0.58%	0.63%	0.33%	0.48%	0.49%	6.56%
2017	0.68%	1.13%	0.66%	0.63%	0.88%	0.84%	0.65%	0.64%	0.63%	0.64%	0.60%	0.66%	8.99%
2016							0.68%	0.82%	0.61%	1.26%	0.69%	2.08%	6.30%

Share Class A USD

PERFORMANCE

YTD 2025	7.53%
1 Month	0.55%
12 Months	8.32%
Since Inception p.a. ²	7.45%
Volatility	0.23%

KEY INVESTMENT FEATURES

- Income oriented return from interest payments on mortgage loans
- High security through the collateral of a senior mortgages on a prime commercial real estate asset
- No duration risk: Bridge loans in the fund are structured as floaters and benefit from rising interest rates
- Structural credit enhancement provided by the equity cushion of the borrowers
- High diversification potential in the overall portfolio due to low correlation with other asset classes
- Skin in the Game: Originator is co-invested in each loan and subordinated to the fund

Investment Ideas 2025 – Review II



Icosa Cat Bond Fund I - CHF Acc

Data as of 05 December 2025 - Marketing Communication

Description

The fund invests its assets in a broad portfolio of Cat Bonds or other Insurance Linked Securities ("ILS"). For liquidity management purposes, the sub-fund may also use cash, short-term government bonds, money market funds or other appropriate instruments. The fund seeks to minimize risk through diversification of investments and careful selection of Cat Bonds. Investments are mainly made in assets denominated in US dollars (USD) or euros (EUR); in addition, the sub-fund may also invest in assets denominated in another currency. The fund endeavors to hedge the resulting currency risk through the use of hedging instruments. The sub-fund is also permitted to use derivative financial instruments on insurance-linked securities for hedging and investment purposes for the efficient management of the fund. The sub-fund is actively managed without reference to a benchmark.



Fund currency	USD
Registration	CH, DE, LI, SG
Tax transparency	CH, DE, LI
NAV*	CHF 1'122.07
ISIN	LI128551545
WON	A3EXOU
Securities number	12855154
Bloomberg ticker	ICBFICA LE
Distribution	Accumulating
Accepted deadline for subscription	5 business days prior to the trading day 12:00 o'clock
Accepted deadline for redemption	5 business days prior to the trading day 12:00 o'clock
Value date subscriptions	5 business days after the trading day
Value date redemptions	5 business days after the trading day
Inception at	05.01.2024
All-in fee	1.18%
Subscription fee (max.)*	0.00%
Redemption commission (max.)*	0.00%
Redemption commission in favour of fund	0.00%

Past performance does not predict future returns.	
Performance since the beginning of the year	4.58%
TER (as of 31.12.2024)	1.19%
Number of positions	258
Volatility (1 Year)	1.35%

United States 26.0%	3.2%
United States 26.0%	3.1%
United States 26.0%	3.0%
United States 26.0%	3.0%
United States 26.0%	2.8%
United States 26.0%	2.5%
United States 26.0%	2.3%
United States 26.0%	1.6%
Alamo Re 27 Var	1.2%
Cape Look 28 Var	1.0%

Key return figures

Past performance does not predict future returns.	
Reporting month	-0.20%
Since the beginning of the year	4.58%
1 Year	5.25%
Since inception in total	12.21%
Since inception p.a.	6.19%
Best month	1.50%
Worst month	-0.16%
Positive months	91.30%
Maximum Drawdown	-0.73%
Volatility p.a.	1.73%
Sharpe Ratio	1.85

Contact details

Telephone	+423 235 67 67
E-Mail	vpfundolutions@vpbank.com
Website	www.vpfundolutions.li
Address	Auf der Mühle, 9490 Vaduz, Liechtenstein

Figure 1: Announced New Issuances Compared to Previous Years

Source: HUBBLE by Icosa Investments, November 30, 2024

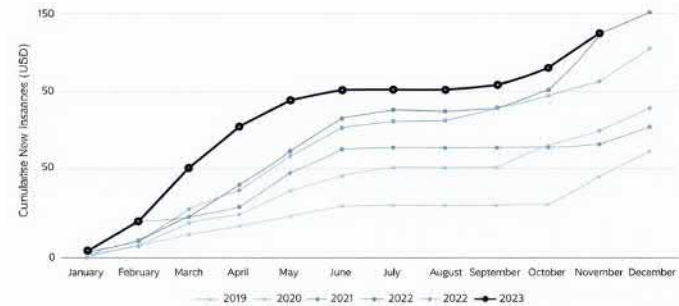


Figure 3: Cat-Bond Spreads Compared to Equity Risk Premium

Source: Bloomberg, Icosa Investments as of Nov 13, 2024. Equity market risk premium is calculated as the inverse forward PE-ratio of the S&P 500 minus the Fed Fund Rate. Past performance is no reliable indicator of future performance.



Investment Themes 2026

Technology

- Artificial Intelligence
- Cyber Security
- Quantum Computing
- Automation & Robotics

Energy Transition

- Energy efficiency and storage
- Electric and hydrogen-powered cars/mobility
- Infrastructure management

Blockchain

- Web 3.0
- Cryptos
- Stablecoins

Value/Dividends

- Utilities
- Telecommunication companies
- Insurance companies

Alternative Investments

- Bridge Financing
- Cat Bonds

Asset Allocation

EUR						
Income		Balanced		Growth		
strategic	tactical	strategic	tactical	strategic	tactical	
10.0	5.0	5.0	2.5	0	2.5	
50.0	52.5	35.0	32.5	20.0	17.5	
30.0	32.5	50.0	55.0	70.0	72.5	
10.0	10.0	10.0	10.0	10.0	7.5	

Cash <12m

Bonds

Equities

Alternatives

USD						
Income		Balanced		Growth		
strategic	tactical	strategic	tactical	strategic	tactical	
10.0	5.0	5.0	2.5	0	2.5	
50.0	52.5	35.0	35.0	20.0	17.5	
30.0	32.5	50.0	55.0	70.0	72.5	
10.0	10.0	10.0	7.5	10.0	7.5	

CHF						
Income		Balanced		Growth		
strategic	tactical	strategic	tactical	strategic	tactical	
10.0	5.0	5.0	2.5	0	2.5	
50.0	52.5	35.0	32.5	20.0	17.5	
30.0	32.5	50.0	55.0	70.0	72.5	
10.0	10.0	10.0	10.0	10.0	7.5	

Cash <12m

Bonds

Equities

Alternatives

GBP						
Income		Balanced		Growth		
strategic	tactical	strategic	tactical	strategic	tactical	
10.0	5.0	5.0	2.5	0	2.5	
50.0	52.5	35.0	32.5	20.0	17.5	
30.0	32.5	50.0	55.0	70.0	72.5	
10.0	10.0	10.0	10.0	10.0	7.5	

Positioning

Asset Class	What we like	What we underweight
Liquidity		
Bonds	<ul style="list-style-type: none"> ▪ Short term to medium term investment grade assets (funds) ▪ Corporate bonds 	<ul style="list-style-type: none"> ▪ Long-term segment
Equities	<ul style="list-style-type: none"> ▪ Solid dividend stocks, AI infrastructure and Quantum Computing ▪ Sectors: Industrials, Financials, Healthcare and Technology ▪ EM: Focus on Asia (China, India and Vietnam) 	
Alternative investments	<ul style="list-style-type: none"> ▪ Precious metals (focus on Gold & Silver) as well as Copper and Uranium (all physical) ▪ Cryptos: Bitcoin ▪ US Bridge Financing & Cat Bonds 	
Currencies	<ul style="list-style-type: none"> ▪ CHF ▪ JPY 	<ul style="list-style-type: none"> ▪ GBP

Investment Ideas 2026 – Quantum Computing



Quantum Computing CH1218266315

FACTS AND FIGURES

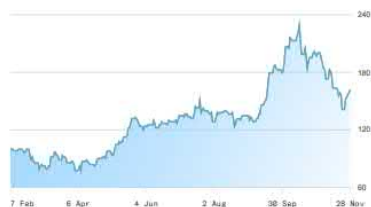
ISIN	CH1218266315	Currency	USD	Maturity Date	Open End
NAV Date	28.11.2025	Valor	121826631	Dividend	Reinvested
FX Overlay	Disabled	Issue Date	07.02.2025	NAV	161.49
Mgmt Fee (total, p.a.)	1%	Issuer Fee (p.a.)	0.3%	Portfolio Manager Fee (p.a.)	0.7%
Rebalancing	Discretionary	Components	18	Certificates	33'877
Issuer	Zürcher Kantonalbank	Investment Manager	Reuss Private AG		

PRODUCT STRATEGY

Der Investment Manager selektiert Aktien von Unternehmen sowie potenziell ETFs, welche in den folgenden Kategorien aktiv sind bzw. in diese investieren: Quantum Computing, Hard und Software Plattformen oder Branchen mit grossem Wertschöpfungspotenzial durch den Einsatz von Quantum Computing. Des Weiteren wird die Zusammensetzung durch den Investment Manager in der Regel auf monatlicher Basis überprüft, um eine potenzielle Anpassung der Gewichte sowie der Basiswertkomponenten vorzunehmen.

Das massgebende Titelniversum besteht aus Aktien, ETFs, und Cash. Die Cash-Quote darf zu keinem Zeitpunkt 50% des Zertifikatswertes überschreiten. Die aktuelle Zusammensetzung des Basiswertes kann kostenlos per Mail unter documentation@zkb.ch oder telefonisch unter 044 292 60 65 angefordert werden.

PRICE CHART



PERFORMANCE HEAT MAP (MONTHLY)



QUANTUM COMPUTING

2. THE MECHANICS OF QUANTUM COMPUTING



KEY POINTS:

- Unlike classical computers that use bits (0 or 1), quantum computers use **qubits**, which can represent 0,1 or both simultaneously due to superposition.
- Quantum gates manipulate qubits to perform calculations at **exponential** speeds.
- Entanglement allows qubits to be **interconnected**, enabling faster and more complex computations.



QUANTUM COMPUTING

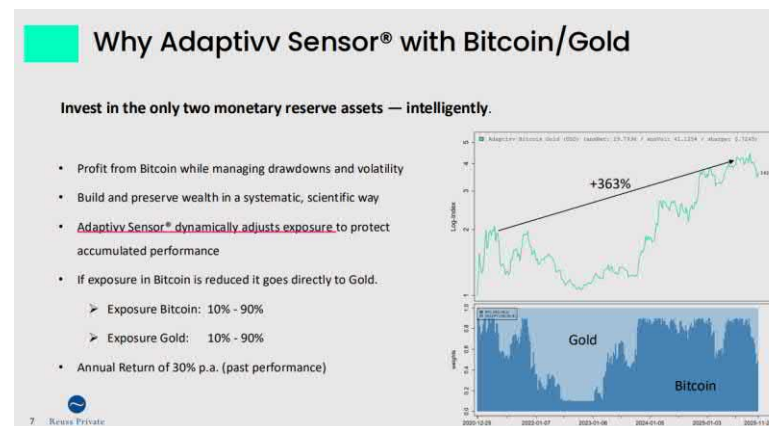
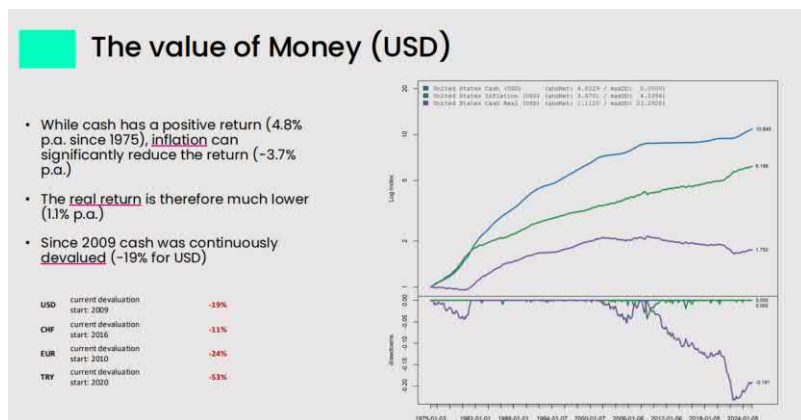
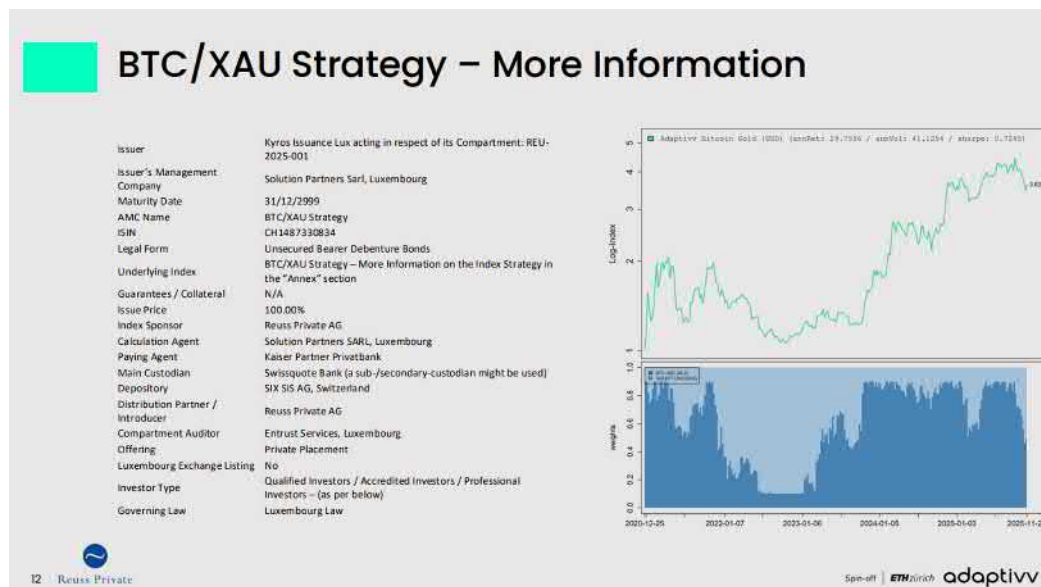
5. QUANTUM COMPUTING SUPERIORITY



GOOGLE'S SYCAMORE EXPERIMENT:

The Sycamore computer solved a problem in **200 seconds** that would take the fastest supercomputer **10'000 years!**

Investment Ideas 2026 – Bitcoin/Gold Strategy



Investment Ideas 2026 – Infrastructure and related sectors



Infrastruktur und verwandte Sektoren CH1218270440

FACTS AND FIGURES

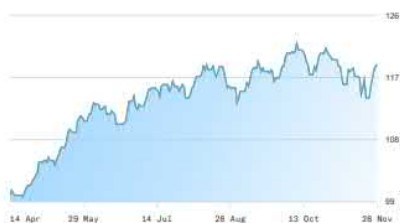
ISIN	CH1218270440	Currency	EUR	Maturity Date	Open End
NAV Date	28.11.2025	Valor	121827044	Dividend	Reinvested
FX Overlay	Disabled	Issue Date	15.04.2025	NAV	118.78
Mgmt Fee (total, p.a.)	0.9%	Issuer Fee (p.a.)	0.3%	Portfolio Manager Fee (p.a.)	0.6%
Rebalancing	Discretionary	Components	41	Certificates	77'440
Issuer	Zürcher Kantonalbank	Investment Manager	Reuss Private AG		

PRODUCT STRATEGY

The title universe primarily consists of stocks from the infrastructure sector. Other industries are continuously updated. Selection is based on a multi-factor screening process as well as the qualified market assessment of the investment manager. Weekly rebalancing is considered.

The investment strategy does not involve leverage and is implemented in accordance with the investment manager's guidelines, which stipulate a maximum investment level of 100%. The investment manager may select ETFs. A cash position is possible. The cash quota may not exceed 50% of the certificate's value at any time.

PRICE CHART



PERFORMANCE HEAT MAP (MONTHLY)



TOP 10 - LARGEST HOLDINGS

Name	Short name	ISIN	Currency
HOCHTIEF AG	HOT GY	DE0006070006	EUR
CEMENTIR HOLDING NV	CEM IM	NL0013995087	EUR
ELECNOR SA	ENO SQ	ES0129743318	EUR
BALFOUR BEATTY PLC	BBY LN	GB0000961622	GBp
ACS ACTIVIDADES CONS Y SERV	ACS SQ	ES0167050915	EUR
IMPLENIA AG-REG	IMPN SE	CH0023868554	CHF
BABCOCK INTL GROUP PLC	BAB LN	GB0009697037	GBp
AF GRUPPEN ASA	AFG NO	NO0003078107	NOK
HEIDELBERG MATERIALS AG	HEI GY	DE0006047004	EUR
NCC AB-B SHS	NCCB SS	SE0000117970	SEK

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