

2026 / 01

Seasonal Reflections

The accursed fourth year

Dear readers,

As always, I ring in the new year with my winter edition of our Seasonal Reflections.

I spent Christmas and New Year's Eve with my family at home in Schaan. Apart from precious family time, this afforded me the opportunity to listen to music, which I find rarely time to do these days. And while browsing YouTube, I realised how many great live acts there are. In the process, I came across a series of fantastic live performances by one of my favourite musicians and songwriters, Bruce Hornsby, whose rendition of Song F / Soon Enough I have linked [here](#). – I hope you will enjoy it.

Otherwise, winter here in FL has been rather bereft of snow so far, and my desire to go skiing has been limited. However, we went on a lovely snowshoe hike with friends in mid-January, during which the accompanying winter picture was taken.



Pradameealp, 17JAN26, HGS-Pic

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2025 Review and Management Commentary

(This chapter represents our management commentary for IASF's annual report, plus additional graphics, which is expected to be published in March this year.)

2025 was a geopolitically turbulent year, dominated by US initiatives. It began with President Donald Trump's return to the White House on January 20. That this marked a "Zeitenwende" was made clear, when his Vice President JD Vance addressed the Munich Security Conference on February 14 with anything but a Valentine's Day love message. In it, he harshly and controversially stated that alleged anti-democratic tendencies (Matthew, 7:3-5, by now springs to mind) of the likes of Britain and Germany are more of a threat to freedom in Europe than Russian aggression. That clearly exposed the new and aggressive assertiveness of the incoming US administration and the resulting deep split in the western alliance. In confirmation, February 28 saw the televised dressing-down of Ukraine President Zelensky in the Oval Office, including suggestions that the US was on the verge of abandoning Ukraine and leaving Europe to sort out the near four-year conflict, including cessation of all direct military and financial aid.

April 2 brought us 'Liberation Day', when the US unilaterally imposed completely arbitrary tariffs on the whole world, friends and foe alike. The immediate negative reaction of the bond markets caused the tariff regime to be delayed and modified numerous times, and by now financial markets seem to be comfortable that the hit to growth, global trade flows and corporate margins will be modest at best. At the same time, US voters' ongoing complaints about (the lack of) affordability and rising food prices were widely ignored.

On June 13, Israel attacked Iran, thus beginning a short war that ended with a ceasefire two days after US missile strikes on Iranian nuclear facilities on June 22. Anyone, who had believed in a (domestically centred) America First agenda and the assurances that the USA will no longer be involved in overseas military conflict, was forced to recalibrate this view.

After the summer break, on September 29, a 20-point Gaza peace plan was agreed, which has yet to get beyond phase one as Hamas refuses to disarm and the IDF to leave the enclave. Meanwhile, on the trade and tariff front, it had become clear that China's grip over the global supply and processing of rare earths and critical minerals was a card it could potentially play - and push back it did.

This eventually led to President Trump and President Xi meeting in Seoul to hold talks on de-escalating the US-China trade war on October 30.

Although they are said to have talked for 100 minutes, we doubt there is much love between those two, and the US-China rivalry continues unabated.



Cagle.com, Tom Janssen, 4SEP2025

Meanwhile domestically, the US underwent the longest government shutdown in history, lasting 43 days, while the release of the Epstein files dragged well into December. Since December 19 less than 1% of the heavily redacted documents have been released.

One is hard pressed not to conclude that the USA are turning into a dictatorship, with the only benevolent aspect of its helmsman being towards his own (family's) interests, as the lavish presidential gifts, including a luxury B747 jet from Qatar, and presidential family crypto ventures exemplify. And it was sickening to watch the assortment of sycophants surrounding him, culminating in the two-hours embarrassment of the FIFA World Cup draw cum Peace Price award. Europe is clearly at a loss at how to deal with this new America First, responding with a mixture of indignation and awe, but no clear strategy, except to spend more money it does not have.

Economically, this is the most important take-away from 2025: Anyone who harboured hopes that the US would lead the world in reigning in government deficit spending, must realize that all the prospects of putting an Elon Musk wielded chainsaw to those mushrooming government expenditures were just hot air. (Patrick Boyle has summarized the brief history of the DOGE (Department of Government Efficiency) project in all its arrogance, overconfidence, and ultimate failure in an informative and entertaining way [here](#).)



This also explains why the global economy proved surprisingly resilient. US deficit spending remained stubbornly high at around 6% of GDP, which is historically unprecedented in peace times. At half that level, Europe is comparatively frugal but seems eager to take a leave out of the US book, as Germany's decision from last March shows, when it launched a EUR 500bn fund aimed at revitalizing the country's infrastructure and industry.

Japan under its new prime minister is expected to continue to spend well beyond its means, though last year's deficit at 1.4% of GDP was comparatively modest. However, considering government debt levels well in excess of 200% of GDP, its interest rate sensitivity is particularly elevated. Meanwhile, China is also stimulating aggressively in order to ease the adjustment from excess export capacity to growing domestic consumption.

As such fiscal dominance has arrived in force. But as it is early in the process, markets have still not fully caught on to the implications of structural inflation and growing interventionism in the future. Deglobalization and demographics are inflationary, as is the attempt to reindustrialize OECD countries, while the AI productivity miracle is still questionable. At the same time, debt levels continue to rise, as politicians are gunning for deficit financed growth, while keeping interest rates low and thus consequently but quietly accepting even higher inflation. The result will be accelerating currency debasement, which will pose the main challenge for investors going forward.

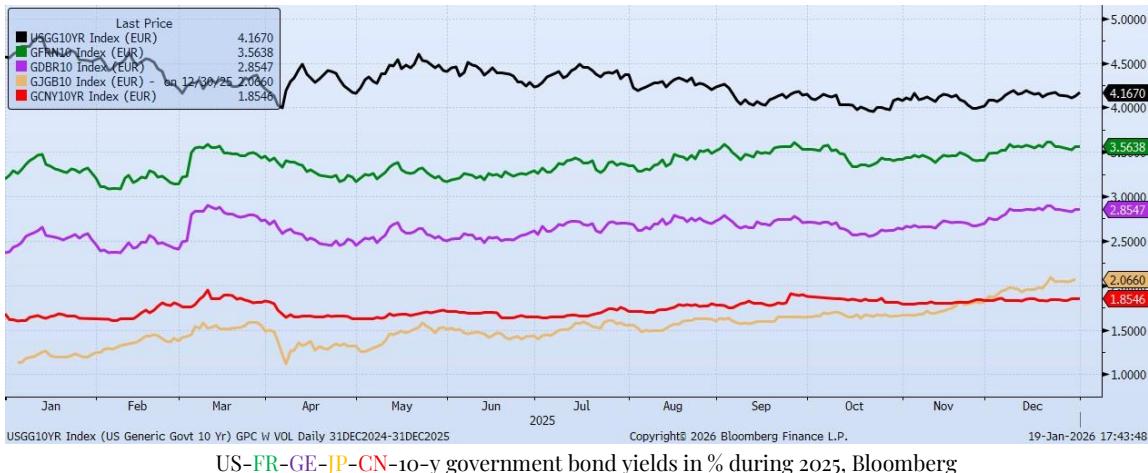
In financial markets this explains the banner year for precious metals, where gold rose 65% (the second-best annual performance in a century), silver 148%, platinum 127% and palladium 78%.



Gold has traditionally been a beneficiary of uncertainty as well as inflation. This time around it is also increasingly being seen as only remaining counter-party risk free asset, given global government debt and thus bond market dynamics. Meanwhile, its smaller siblings benefit additionally from their industrial use and necessity amid growing physical scarcity.

Government bond markets were quite stable overall in 2025. While interest rates continued to fall at the short end, with the US delivering three 25bp cuts to 3.75% and the ECB one 25bp cut to 2%, and the major outlier being Japan, which hiked rates two times by 25bp to 0.75%, the long end was surprisingly well behaved.

10y-US-Treasury bonds saw even a 40bp decline in yields to 4.17%, while 10y Bund yields rose 49bp to 2.86% and French 10y OAT yields 37bp to 3.56%. Overall, investor attitudes to supposedly ultra-safe government debt in the US, Germany or France have been dented by worries over the sheer volume of borrowing, which is increasingly pushing issuance to the short end of the yield curve.



The worst-performing major bond market of 2025 has been Japan, where a combination of rising inflation (Japan's CPI has been above 2% since April 2022 and closed 2025 at 2.9%), hefty government spending plans and falling demand among traditional buyers has fuelled a huge sell-off, which saw 10y JGB yields nearly double to 2.07%, while 30y JGB yields rose 110bp to 3.4%. One could view this as a sign of things to come. Meanwhile, the lowest yields are currently earned in China, where 10y government bonds rose only 14bp to 1.85%, thus reflecting inflation around 0% over the course of the year, though closing the year at 0.8%. Whether government bond markets can remain similarly orderly in 2026 is at least doubtful in our view.

Equity markets had another positive year, with the MSCI World Index gaining 19.5%. This time around, US markets were not as clearly in the lead as in prior years, with S&P 500 and Nasdaq 100 gaining 16.4% and 20.2% respectively.



MSCI World, [S&P500](#), [Nasdaq100](#), [Hang Seng](#), [Nikkei225](#), [DAX](#), [CAC40](#), [Russell2000](#), [SMI](#), over the course of 2025, Bloomberg

Among major markets, the Hang Seng delivered 27.5%, Nikkei 225 29.0% and the DAX 40.1%, while CAC40 (+25.2%), Russell 2000 (+11.3%) and SMI (+31.2%) brought up the rear. Emerging markets had a strong year as they have been quicker to quell inflation and show lower debt-to-GDP ratios. Additionally, there is scope for monetary stimulus while a weaker dollar reduces dollar debt servicing cost and boosts commodity prices.

Sector	Total Return (%)	Weight (% of S&P 500)
Information Technology	34.6%	31.1%
Communication Services	19.6%	16.6%
Industrials	16.0%	7.4%
Utilities	15.7%	2.0%
Financials	14.8%	13.1%
Consumer Discretionary	14.0%	10.1%
Materials	12.9%	1.6%
Health Care	9.8%	8.8%
Energy	4.4%	2.6%
Real Estate	-0.8%	1.6%
Consumer Staples	-1.8%	4.9%

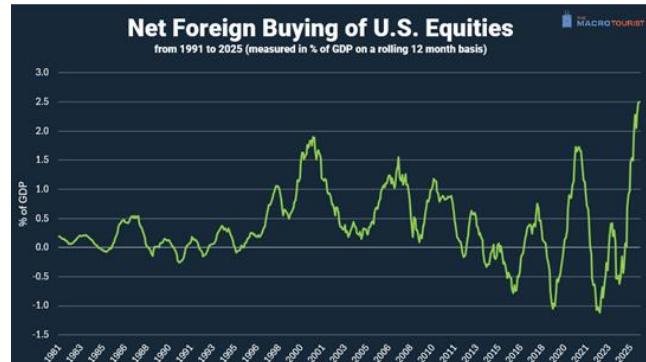
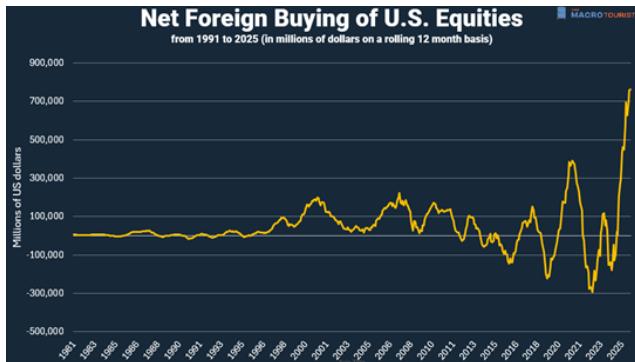
2025 S&P 500 Sector-Performance & -Weight, Bloomberg

Meanwhile, the bull market in the US was once again led by the Information Technology and Communication Services sector, while Energy was a clear underperformer, as was Real Estate and Consumer Staples.

Last year's bull run was increasingly fuelled by international and retail investors and once again led to new cycle highs in equity valuations.

Incrementum All Seasons Fund

- in pursuit of real returns -



[The Macro Tourist](#), 15DEC2025

US stock market valuations are at their highest level outside the dotcom bubble

S&P 500 cyclically adjusted price earnings ratio

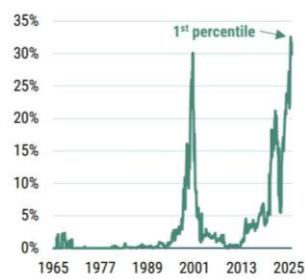


Source: Robert J. Shiller

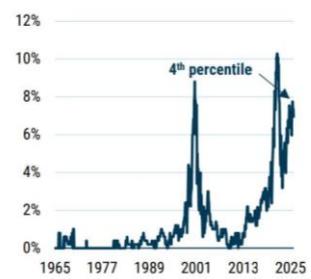
[Financial Times](#), 31DEC2025

S&P 500 ONCE AGAIN CONCENTRATED IN EXPENSIVE NAMES
9% stocks with Price/Sales > 10x is at an extreme even after adjusting for select number of mega-caps

MARKET CAP WEIGHTED



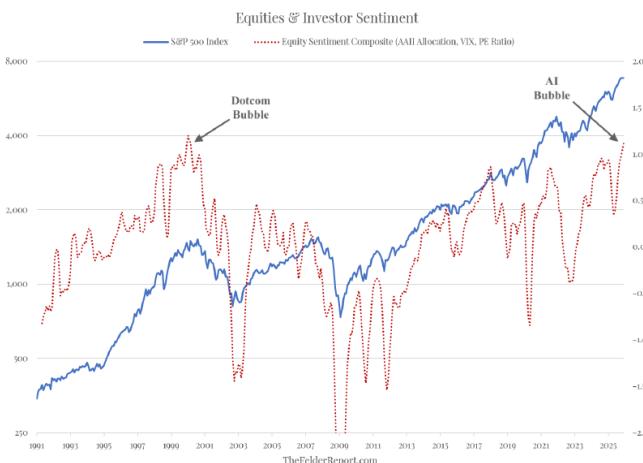
EQUAL WEIGHTED



As of 10/31/2025 | Source: GMO

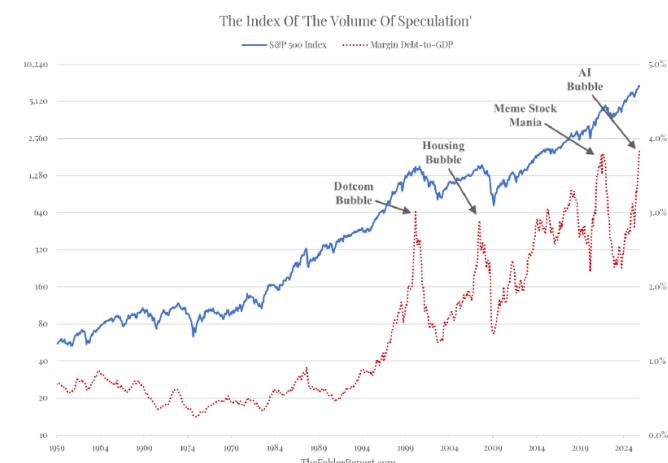
[GMO](#), 18DEC2025

By year-end sentiment gauges reached Dotcom-Bubble levels, margin-debt to GDP was at record highs, the insider sell-to-buy ratio had peaked, and market breadths has once again deteriorated. And hardly surprisingly in a world dominated by passive flows and rear-view mirror investing, momentum and EPS revisions provided positive factor returns, while value and low volatility delivered negative returns.



[S&P500 - Sentiment Index \(AAII, VIX, PE\)](#)

[The Felder Report](#), 6JAN2026



[S&P500 Margin-Debt to GDP](#)

30th of January 2026

Incrementum All Seasons Fund

- in pursuit of real returns -

What broke in 2025 was the long-term trend of USD strength, with the Dollar Index (DXY) falling 9.4% over the course of the year. Against IASF's base currency EUR, the USD lost 11.8%, JPY 11.6%, CAD 7.6% and NOK 0.5%, and only SEK (+5.9%) and MXN (+1.9%) were meaningfully firmer.



US Dollar Index (DXY = 57.6% EUR; 13.6% JPY; 11.9% GBP; 9.1% CAD; 4.2% SEK; 3.6% CHF) 2025, Bloomberg

But overall, this was a major headwind for European investors, who after many years of a strong USD and high hedging cost were often inadequately hedged. The weaker USD also put some life back into commodity prices, where industrial metals advanced, led by copper (+41%). Agricultural commodities were mixed, though, as was energy, with WTI Oil prices down 20%, Natural Gas prices little changed in the US but significantly lower in Europe, and Uranium spot prices 13.5% higher.

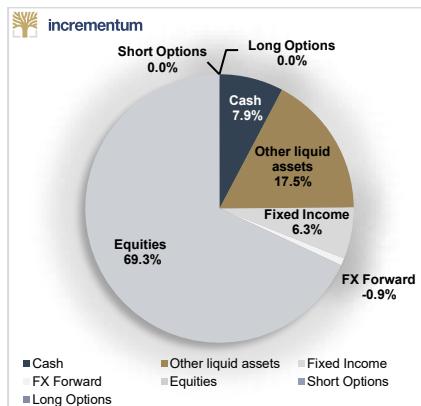


Bloomberg Commodity Total Return Index, 2025, Bloomberg

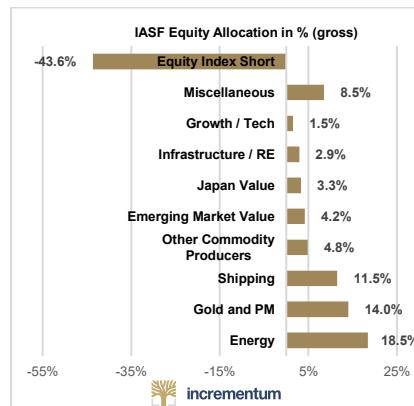
Against this backdrop, the Incrementum All Seasons Fund (IASF) managed to achieve its second-best annual result (USD-I shares +34.19%) in 2025.

With government bonds in our assessment structurally unlikely to increase or even preserve investors' purchasing power, the fund has had sizeable exposure (about 15% on average) to precious metals (gold, silver, platinum and palladium ETCs) as bond proxies, which last year worked exceptionally well, as the precious metals price gains listed above show.

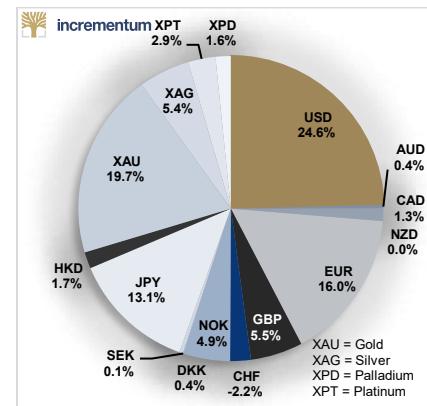
In addition, the fund held an average 14% exposure to GOLD AND PM stocks (miners, developers, royalty / streaming) through its second largest equity theme, which roughly tripled last year, leading us to frequent rebalancing. Overall, we estimate the attribution of these two investment buckets to amount to well over 20% (absolute) last year.



IASF-Asset Allocation

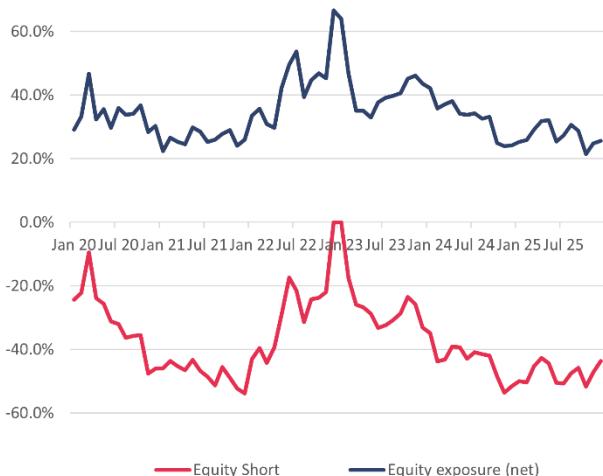


-Equity Allocation



-Currency-Allocation, Year-End 2025

Hardly surprising as well considering the overall market backdrop, our leading ENERGY theme (19% allocation; +5% ytd) contributed only modestly last year, clearly underperforming overall equity market developments. SHIPPING (12%; +22%) on the other hand performed well last year, led by tanker stocks, while dry bulk was also positive but relatively weaker. Our MISCELLANEOUS (9%; +24%) bucket also performed very well. While all other equity themes are aiming for exposure to sectors or fundamental developments, where we see structural macro-economic tailwinds in addition to attractive valuations, this is as the name suggests a bucket for individual stock ideas that do not fit into one of the other sectors. As of year-end it contained 12 names, ranging from pharma, chemicals, consumer, industrials to (communication) services. OTHER COMMODITY PRODUCERS (5%; +22%), EM VALUE (4%; +24%), Japan Value (3%; +29%) and INFRASTRUCTURE / RE (3%; +25%) also contributed their share. Our GROWTH / TECH theme (2%; +5%) showed limited upside and thus made no meaningful difference.

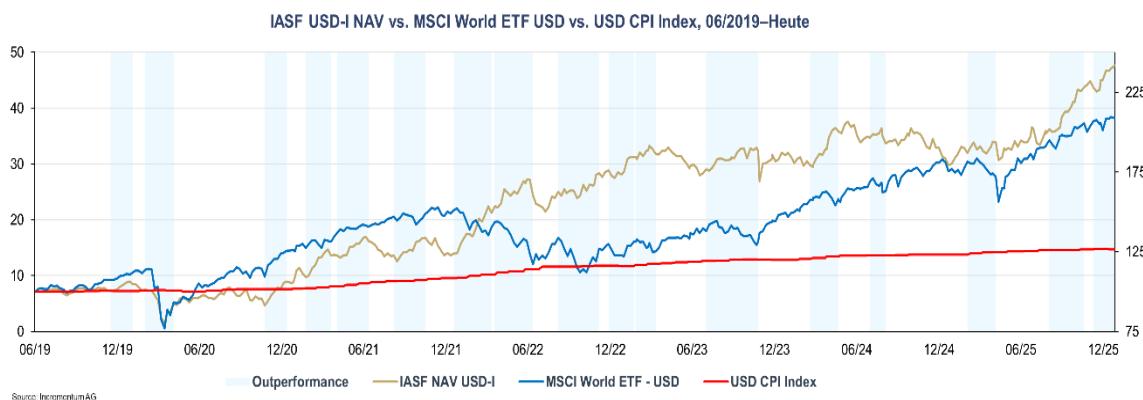


One of the most important and regularly queried themes is our EQUITY SHORT position, which accounted for -44% of AuM at year-end 2025, and consisted of 60% Nasdaq 100 and 40% S&P 500 Futures.

Since launch of IASF, we have used these as potential hedges against equity market corrections, which were covered only twice for short times (during the Covid lows in March 2020 and at the end of 2022 / early 2023).

These positions have been reflecting our assessment of significant overvaluations in US megacaps and our expectation of a coming rotation out of momentum / tech into value and hard asset stocks. Clearly, our expectations in this regard have proven at least untimely if not outright wrong, as US equity markets closed at or near all-time highs yet again in 2025. But markets as much as valuations move in cycles, which sometimes can be rather extended, and we are convinced that eventually they will revert to the mean (and beyond).

How much did we lose on our risk mitigation measures via US equity shorts? – Well, for 2025 it turned out to be approx. 8%, and since 2Q 2020 it has cost a cumulative 34%, which is roughly 5% annualized over the course of the time span under observation. That is certainly a lot, but it has also led the fund to be far less correlated to equity markets (Bloomberg lists IASF-USD-I shares with a 1- resp. 5-year correlation of -0.14 and -0.01 to S&P 500 as well as -0.06 resp. 0.08 to MSCI World) and thus makes it an efficient diversifier for global equity investors. And even after these costs, IASF has delivered an annualized net return of 14.7% in its USD-I share class.



Meanwhile, on the cashflow side, the portfolio generated roughly EUR 5m in interest and dividend income, or roughly 3.2% of average AuM in 2025. This was predominantly from dividend income, though we also rebuilt a small bond position, which by year-end had reached 6.3% of AuM, and consisted of approx. half EM Local Currency Debt Funds as well as a selection of individual high-yield USD denominated corporate bond issues with an average yield-to-maturity of 7.9% and a modified duration of 2.7. The aim here is to further increase diversification and position the portfolio somewhat more defensively.

On the options side (volatility harvesting via selling of options, plus the occasional long option position taken), the fund generated nearly EUR 5.2m net, which amounts to roughly 3.4% of average AuM. This was exceptionally boosted by one very profitable long option trade, where we bought call options on XAG (vs EUR) with a strike of EUR 32 in early June. We exercised the calls in early December and subsequently sold the XAG ounces received at an average price of EUR 55.70, thus realizing approx. EUR 2.1m in the process. And in the interest of full transparency, we also made some money on a long Microsoft put spread, though we lost money on long VIX calls as well as our entire premiums paid on Apple puts. All this, however, is included in the total result shown above.

As always, we actively managed the IASF portfolio, recording around 800 transactions over the course of the year. At the end of the year, the portfolio consisted of around 120 individual positions (80% single equities, the rest bonds, ETFs and funds), as well as an additional 20 derivative positions (mainly FX forwards and swaps, as well as short options).

Over the course of the year, the IASF once again saw growing investor interest. This was reflected in renewed net inflows totalling EUR 21 million, with the majority of this coming in during the last third of the year, as was the case in 2022, following the performance and supported by the work of our new Head of Sales, Thomas Billen.

In conjunction with the fund's exceptional performance, this led to an increase in assets under management of 42% to around EUR 222 million.



IASF also received a few favourable highlights in the press, e.g. by Börse Online in April, or Focus Money in September last year, and though it got downgraded to a 4-star rating from Morningstar during the second half of the year, it finished 2025 in the top percentile of its peer group in terms of performance.

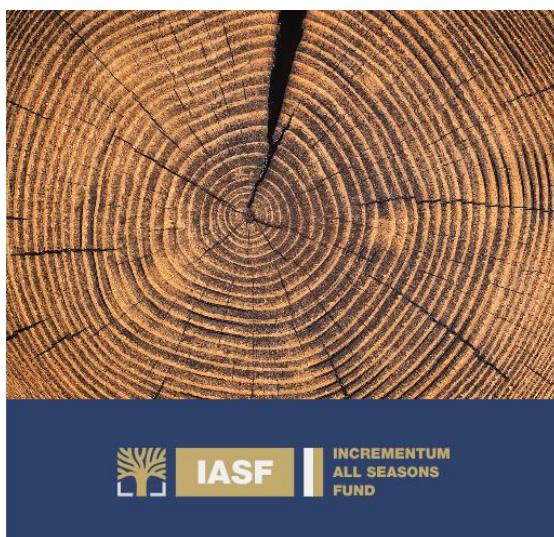
Overall, we are very satisfied with 2025 results. Our long-standing precious metals bet has paid off big time this year, as have our significant USD FX hedges. At the same time, our risk management via US equity shorts has detracted, and our largest equity theme, energy, has disappointed. But we have once again navigated the financial market season successfully and finished 2025 near all-time highs. USD seed investors by now have accrued a total return of 146% over six and a half years (or 14.6% annualized), a result that has more than delivered on our promise of inflation-adjusted growth of funds invested.

And thus, we are also satisfied with the long-term track record of the fund, which is due to a successful stock selection as much as the appropriate anticipation of the macro-economic backdrop and developments. As we correctly anticipated and clearly state on the fund's website, *"financial market seasons have been increasingly influenced by the end of the secular debt cycle and are accompanied by financial repression and long-term negative real interest rates. We aim to tackle these changes with a global, benchmark independent, all-seasons investment strategy. ... Our aim is to achieve real, i.e. inflation-adjusted growth of the funds invested."*

This is a promise we have made to investors and, so far, have kept. 2026 is unlikely to be an easier year to navigate, but we are confident in our approach and skill and are optimistic that we can extend our track record of real purchasing power gains for our investors, regardless of the market season.

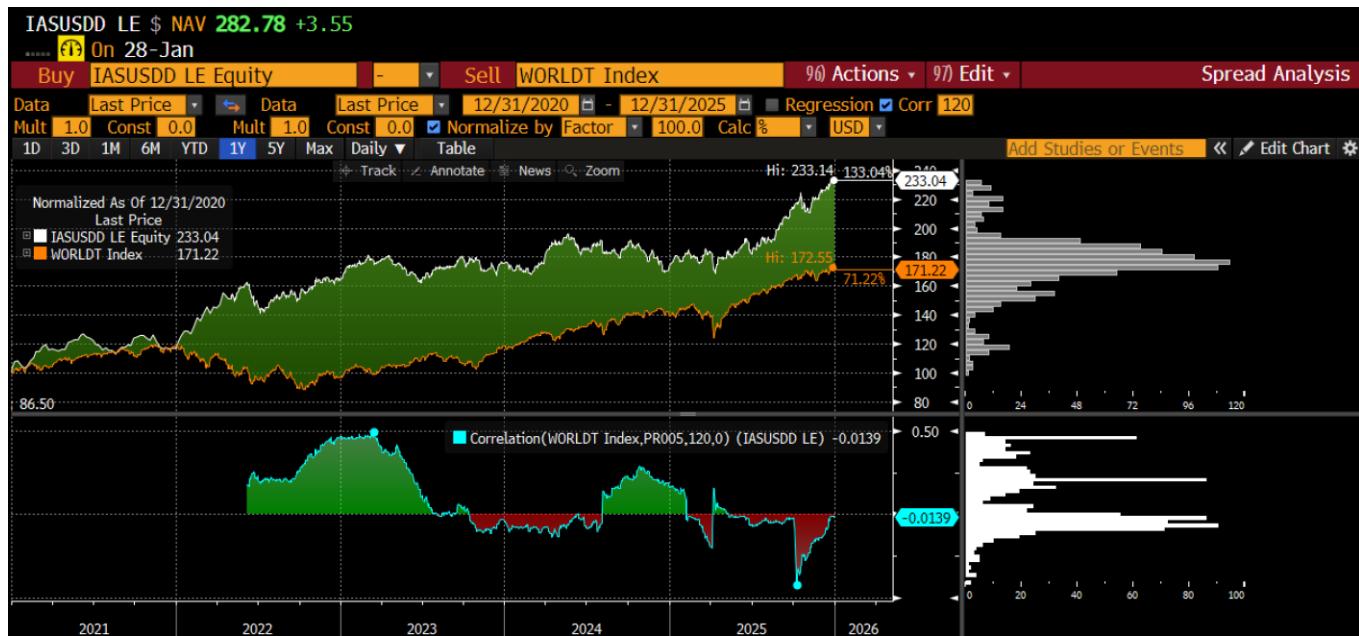
Schaan, December 31, 2025

Hans G. Schiefen,
Fund manager, Incrementum All Seasons Fund



Investor-Queries & Feedback

One question we frequently encounter is how IASF performs in comparison to the overall stock market, which is why I have included a correlation analysis for the past five years below.



The upper graph shows the relative performance of the **IASF-USD-I NAV** over the past five years compared to the **Bloomberg World Large & Mid Cap Total Return Index** (also in USD). It clearly illustrates how IASF has outperformed this passive global equity total return index (and equivalent to the MSCI World Index). The lower part of the chart confirms the low correlation between the two time-series, which mostly fluctuated around zero and, in extreme cases, varied between +0.48 and -0.45. (Please note that a *positive* correlation means that both curves rise or fall together; at a maximum of +1.0, not only the direction but also the percentage change is exactly the same. With a *negative* correlation, one curve rises while the other falls, and at -1.0, the percentage changes are the same but in opposite directions. *Zero* correlation indicates that there is no linear relationship between the two curves.)

The chart on page 10 already highlighted the alternating outperformance and underperformance of IASF versus the MSCI World, which additionally underscores the diversification value of an investment in IASF compared to a passive global equity mandate. It is the result of our focus on total returns and the lack of portfolio allocation proximity to the structure of the broad equity market and is to a large degree attributable to our risk management, especially our equity index shorts.

We also recently received the following question: *"The landing page for the All-Seasons Fund states, 'Our goal is to achieve real, i.e. inflation-adjusted, growth over the financial market cycle.' What exactly do you mean by inflation? What benchmark do you use (e.g. consumer goods baskets, precious metals, money supply, combination of several factors)?"* – I assume that the person asking the question is critical of and questions conventional inflation measures, which I can well understand. Nevertheless, for the sake of simplicity, we use the relevant consumer price developments (CPI) in the respective currency and try to cushion any associated underestimation of the real loss of purchasing power by maximising the gap between said CPI and IASF's NAV development. After all, we can merely influence one side of the equation (namely the investment result), and that is where our entire focus lies.

In December, we also received the following enquiry: *"I would like to make a tax-efficient investment in gold/silver. I need your advice on this."* – Allow me to take the opportunity to emphasise once again that, as asset managers, **we generally do NOT provide any investment advice**. This also applies to tax advice, for which we are neither qualified nor authorized.

Some readers find the regular display of our disclaimer (see p. 2) excessively repetitive, but I believe that it cannot be stated often or clearly enough that all my commentary about financial markets or on related political issues, as well as on individual portfolio investments, serve merely to illustrate the origin or foundation of our allocation and investment decisions. And even if you agree with my views, you should still be aware that they offer no certainty but are merely informed assumptions and forecasts. [As a wise man once said](#): *'It's Difficult to Make Predictions, Especially About the Future.'*

This does not mean that our investment process is random. We try to gain as comprehensive a picture as possible before making any decisions. In this context, I would like to refer to the *eight investment lessons from the IASF portfolio manager* on the last page of the Seasonal Reflections, which highlight various aspects of this process. But one thing is certain: *'Uncertainty is not the exception. It is the default setting of human life. We act in a world of fragmentary information, limited foresight, and unpredictable outcomes. It is the natural consequence of partial knowledge — our information is always incomplete, and our certainty is always provisional.'* (Anthony Deden, quoted in [TTMYGH by Grant Williams, July 2025](#))

We have learned both to accept this and deal with it. Despite this fact, we have succeeded in making a largely accurate assessment of the macro environment, the markets and the multitude of individual investments that we have bought and sold over the years. This requires a great deal of attention, patience and experience, but does not guarantee accuracy or completeness and should not be considered as basis for chasing quick profits.

What To Expect From 2026?

The year 2026 picks up seamlessly where last year left off. Not even three weeks have passed, and US President Trump has already brought about a 'regime change' in Venezuela through the military removal of President Nicolás Maduro, is considering similar actions in Cuba/Iran, and is demanding the sale of Greenland or threatening its military annexation as an alternative. To this end, punitive tariffs are once again to be imposed on Europe, and most recently Norway was also threatened for withholding him the Nobel Prize last year...



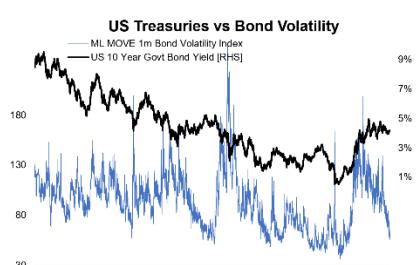
@TheoMoudakis, X, 13JAN2026

With all this going on, one cannot help but wonder what the US government (even if this has become a one-man show) is trying to achieve with this frantic activism. Is it perhaps just a distraction from internal problems? What is clear is that this is destroying further international trust that has been built up over generations, which should, on the one hand, increase risk premiums for investors and, on the other hand, at least dampen the massive capital flows into the US (see charts on p. 7), with the risk of a complete reversal, which could be a nasty surprise for a nation that has been relying on these capital flows for decades. – Here is an example:

***DANISH PENSION FUND AKADEMIKERPENSION TO EXIT US TREASURIES** ***AKADEMIKERPENSION CIO SAYS US 'IS BASICALLY NOT A GOOD CREDIT'**

[Bloomberg](#) News Flash, 20JAN2026

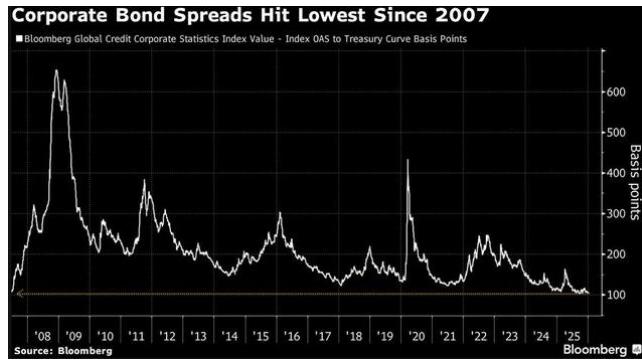
I would not be surprised if we read more statements like this in the current year. Above all, I am convinced that this will be a topic of discussion at the next asset allocation meeting of any large non-American pension funds and capital pools.



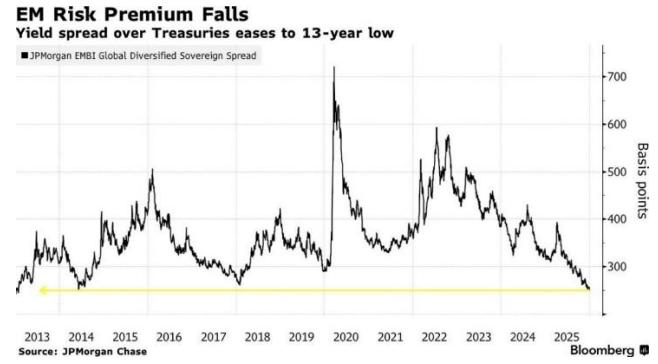
MOVE Index vs US 10y-UST Bond,
[Weekly ChartStorm](#), 21JAN26

This brings me back to our statement on page 6, in which we already pointed to potentially growing turbulence in global bond markets in 2026. Last year, bond market volatility (as measured by the MOVE index) continued to decline. In my opinion, this was attributable to the fact that two forecasted macro scenarios, namely recession coupled with disinflation vs. growth acceleration coupled with inflation, were roughly balanced. In addition, the deep-rooted reflex to regard government bonds as risk-free investments certainly also helped calm the market.

In my opinion, the fact that risk premiums (credit spreads) on corporate bonds and emerging market bonds are close to historic lows – despite growing issuance activity in these segments – also suggests that global (institutional) investors are already showing signs of evasion and looking for substitutes with regard to international government bonds.



@elerianm, X, 16JAN2026



Ryan Lemand, PhD, LinkedIn, 14JAN2026

In addition to higher inflation rates, this helps explain why yields on long-term government bonds have risen in nominal terms over the past two years, even though historically a decline in central bank interest rates has been accompanied by a decline in long-term capital market rates. As the chart below illustrates, lower US short-term interest rates were typically implemented in response to an economic slowdown / recession, accompanied by a corresponding reduction in inflationary pressure, and were regularly tracked by falling yields on 30-year government bonds, as the latter discounted an associated reduction in long-term inflation expectations. This is clearly not the case (so far) in the current cycle.



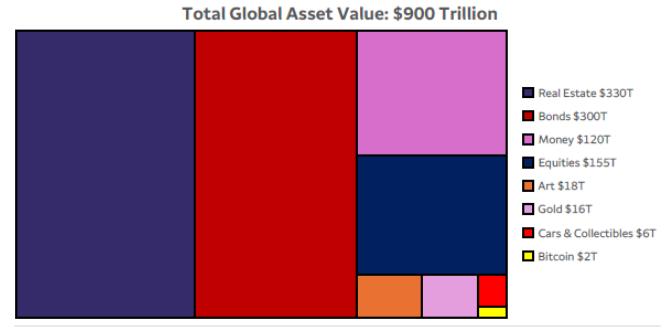
US Federal Funds Target Rate vs 30-year US-Treasury Bond Yield, Bloomberg

In my opinion, this points to a growing loss of confidence and an associated regime change. To assess the significance of the bond market, it helps to bear in mind that the value of all global bonds (total volume: \$300 trillion; see chart on the right) is almost as large as the value of all real estate (\$330 trillion) and approximately twice as large as the value of all global equities.

As always, pricing takes place at the margins. According to Kamco Invest (GCC Fixed Income Market Update from December 2025 and based on LSEG data), the global issuance volume on the bond markets amounted to approximately \$12.1 trillion, with investment grade issuance volume rising by 8% and high yield/junk issuance volume by as much as 20%. Normally, such strong growth in issuance would be expected to result in higher risk premiums compared to government bonds. The fact that this was not the case suggests, in our view, that a shift away from government bonds in favour of private debtors has already begun.

From this perspective, the recent rise in Japanese yields is a factor that cannot be underestimated. Japan continues to hold the largest net international investment position, meaning it is the world's top capital provider. At the same time, domestic government debt is close to record levels. In the past, interest rate escalation was kept in check by purchases made by the Bank of Japan, which holds 50% of all outstanding government bonds, but has reduced its purchases (QE) since 2024. It would therefore be logical for Japanese investors to take profits on their US government bonds and buy Japanese government bonds instead. In the past, foreign (and especially US) government bonds were preferred because they offered significantly higher interest rates and the potential for currency gains. By now, however, the interest rate differential has narrowed significantly, the JPY is fundamentally undervalued, and a stronger JPY would suppress domestic inflation, suggesting a reassessment is likely.

And when you look at the list of the top 10 creditor nations on the right, the question inevitably arises as to which of these nations are not facing a similar situation. This leads us to the follow-up question: which other nations, apart from those purely focused on returns, might also be considering broader risk factors in their allocation decisions that they had barely considered before?



Wells Fargo, Bitcoin, the Institutional Phase, 2JUN2025

COUNTRY	NET INTERNATIONAL INVESTMENT POSITION 2023
Japan	\$3.3T
Germany	\$3.3T
China	\$2.9T
Hong Kong	\$1.8T
Norway	\$1.5T
Canada	\$1.3T
Switzerland	\$886.3B
Singapore	\$859.6B
South Korea	\$810.3B
Saudi Arabia	\$785.1B

IMF Data for Net International Investment Position for 2023

[The MacroTourist](#), 10JAN2026

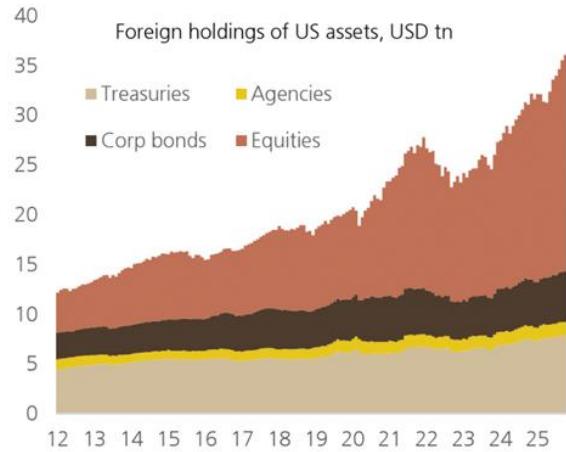
If the current US administration puts pressure on Asian creditor nations and its long-standing European partners, or even threatens them with annexation, or considers punitive withholding taxes for countries that, in the US's view, impose 'unfair' taxes on US companies, then the question of the return on capital will certainly be overshadowed by doubts about the return of capital.

In my view, two clear trends can be deduced from all this: firstly, higher interest rates at the long end of the US yield curve, and secondly, a likely weaker dollar. The former is already being taken into account by the primary new issue focus at the short end of the US yield curve, and it is widely expected that the Trump administration will exert further pressure on the Fed to lower interest rates there. The latter is tacitly tolerated and encouraged with the aim of improving the international competitiveness of the USA. Both of these developments are likely to continue in 2026, encouraging international investors to consider repatriating their investments.

Another trigger could be the extreme overweighting of US assets in global portfolios, which we have already highlighted several times in this report. US government bonds account for 41% of the FTSE World Government Bond Index (WGBI), while US equities account for as much as 72% of the MSCI World Index. These allocations significantly exceed the fundamental weight and importance of the US economy on a global scale, especially on the equity side. And as the chart on the right shows, this is primarily the result of a massive increase in purchases of US equities by foreign investors.

I have already pointed out this particular manifestation of 'US exceptionalism' several times in the past. As regular reader, however, you may at this point interpose that this situation has existed for years and has only intensified further. That is certainly true, and I am fully aware that I am at odds with those who offer apparently rational explanations for these sustained inflows – and thus also with those who are often perceived as more credible, not least because they have simply been right about continuously rising US markets.

But that is precisely what defines our industry: ex-post, almost everything can be explained conclusively and convincingly. However, our job as fund managers is different. We have to give our assessments ex-ante – and in the course of my career, I have experienced more than once that my timing was far from perfect.



Source: TIC, Haver, UBS

[The MacroTourist, Private Feed Recap](#), 22JAN2026

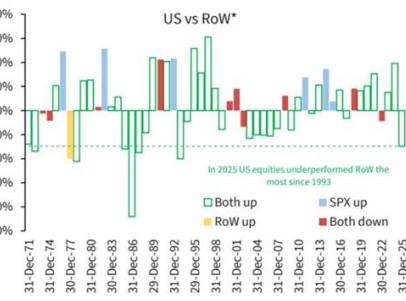
But poor timing is not a fundamental problem in one's investment process. Just as I have been arguing for rising gold and precious metal prices for many years and investing accordingly, but this proved to be an unprofitable endeavour for a long time, the same applies to my negative assessment of the major US stock indices. In my experience, the key is to correctly anticipate a development or diagnose a mispricing and then patiently wait for the rest of the market to come to the same conclusion. Or, to quote Jim Grant, editor of [Grant's Interest Rate Observer](#): "*Successful investing is about having everyone agree with you.....later.*" – This is the nature of countercyclical investing, which sometimes requires a great deal of patience but has proven to be a profitable investment approach for me in the long term.

Gold and precious metal prices are now on the move, and none of our investors are likely to accuse us of premature timing in this sector. And US stock markets already showed significant weakness last year (measured by the dollar index or even gold), and it can be argued that the correction has already begun, even if the consensus would vehemently disagree with this argument.



S&P500 relative to Gold (XAU), Henrik Zeberg, [Wealthion](#), 13JAN2026

FIGURE 4. In 2025, the S&P underperformed the RoW the most since 1993



*US equities = S&P; RoW = MXWOU (world ex. US); total returns used. Returns in both series are USD denominated. While in local currency underperformance is reduced, it still is historically significant.

Source: Bloomberg, Barclays Derivatives Research

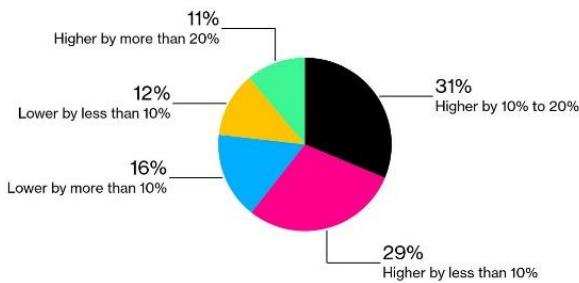
[The MacroTourist](#), [Private Feed Recap](#), 22JAN2026

This is because extended bull markets, such as the one we have experienced over the past 15 years (since the last real bear market in 2008/09), inevitably lead investors to assume that valuations are not merely dependent on long-term fundamental factors such as earnings, cash flows, dividends or even net asset value developments. Instead, they begin to believe that the long-term return prospects of the stock market are always positive or depend on such vague factors as exuberant long-term growth forecasts or the potential of new technologies, and that therefore no price is too high to pay.

This is precisely the nature of a stock market bubble and therefore nothing new, but something I have experienced many times in my professional career. And it has always ended the same way, namely with a return to the long-term average and ultimately below it, in a correction that overturned all the previously held convictions about the superiority of the stock, the favoured sector and passive investing.

However, at the time of writing, we are still close to all-time highs, and US stock markets have reached historically extreme valuations. Experience shows that such valuation levels do not allow for inflation-adjusted gains in the coming years. At the same time, the Magnificent 7 account for just under a quarter of the MSCI World Index, underscoring the extreme concentration in this cycle.

This time next year, the S&P 500 will be:



Source: Bloomberg
Note: Data based on 590 responses to Markets Pulse survey from Dec. 11 to Dec. 31.

Bloomberg

[Bloomberg Markets](#), 5JAN2026

And that is why I have serious doubts that, after three fantastic years with high double-digit performance gains and a doubling of index levels (S&P 500 +87%; Nasdaq 100 +136%), we will experience a happy fourth year. Because if history teaches us anything, it is that a market crash is triggered by a resurgence of risk aversion hitting a market whose prices hardly discount risk. I therefore expect that the number 4 will not prove to be a positive omen for the US stock markets in the Year of the Chinese Fire Horse.

And if the US markets do indeed experience a cursed fourth year, then IASF's US equity hedges will once again make a positive return contribution over the course of 2026.

US stock market valuations are at their highest level outside the dotcom bubble

S&P 500 cyclically adjusted price earnings ratio



Source: Robert J. Shiller

S&P 500 cyclically adjusted PE ratio, [Financial Times](#), 31DEC2025

And yet, as always, the vast majority (71%) of Wall Street cheerleaders are optimistic about the new year 2026, estimating the average target price for the S&P 500 at 7,500 (+10%) and for the Nasdaq 100 at 28,125 (+11%).

But it is equally true that I cannot remember a single year in the past when the Wall Street consensus would have predominantly called for falling prices...

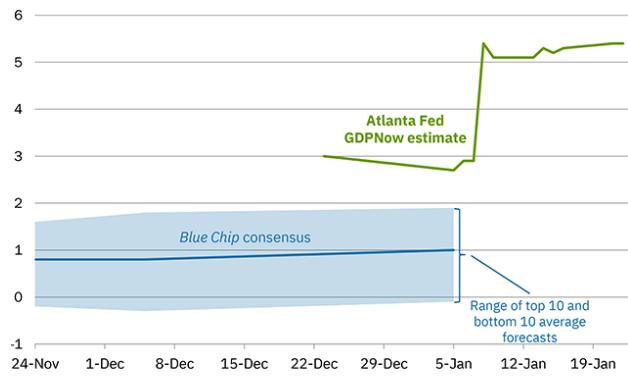
The prevailing optimism for 2026 is, of course, primarily based on a positive macro-outlook, which is mainly characterised by good growth prospects. The Atlanta Fed's GDPNow estimates for January are above 5% (real), which clearly contradicts our more cautious outlook. The enormous gap between the **Atlanta Fed's** estimates and the **Blue-Chip Consensus** is striking and difficult to explain. Are Fed economists so much better at their assessments than their private sector colleagues?

I do not wish to offer a competing assessment here but merely point out this significant divergence. And if we take a step back and look at the big picture, we must note that new government debt in the G7 countries continues to escalate, as politicians are avoiding taking the necessary fiscal consolidation measures, including the urgently necessary structural reforms. Instead, they are taking the path of least resistance and increasing debt every year, which boosts overall economic demand in the short term.

At the same time, however, this is also driving up inflation. For decades, the US and the other G7 countries have reaped deflationary dividends as a result of the outsourcing of production to developing countries that has accompanied globalisation. But that era is now clearly over. The repatriation of critical production, often supported by government subsidies, which is leading to increasing wage pressure in connection with demographic developments, as well as the tariff war instigated by the Trump administration, are creating significant inflationary tailwinds. And all this is leading to a serious conflict of interest, as the latter demands higher short-term interest rates, while the mountains of debt created would be easier to bear with lower rates.

Credible consolidation of national fiscal budgets would be a comprehensible solution but would involve spending cuts. And since it is obviously impossible to curb rampant bureaucracy or to expect the increasingly ageing population to accept cuts in promised social and pension benefits, the focus will increasingly shift to taxing the rich and redistribution measures, which, however, have never offered long-term solutions in the past, as they inevitably lead to evasive manoeuvres.

Evolution of Atlanta Fed GDPNow real GDP estimate for 2025: Q4
Quarterly percent change (SAAR)



Date of forecast

Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

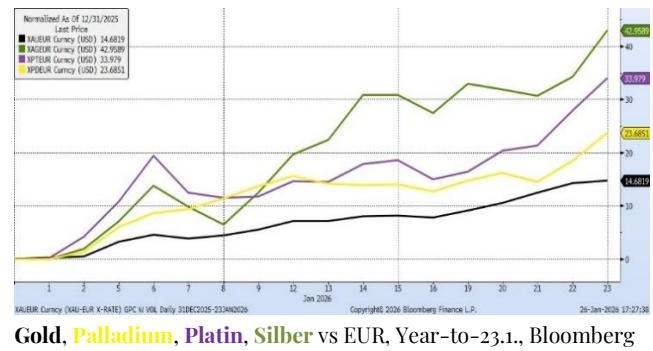
Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

[Atlanta Fed](#), 22JAN2026

This means that economic policy will continue to be a matter of muddling through, i.e., postponing any consolidation efforts in the (in my opinion, futile) hope that the problems will resolve themselves, or else be tackled by the next generation of politicians. And this, in turn, means that higher inflation is inevitable, which, under these circumstances, will be the main outlet for the necessary pressure relief.

This should also be evident in US economic numbers, particularly in terms of price pressure caused by the wide ranging tariffs, over the course of the year: for example, the [Kiel Institute for the World Economy](#) recently presented a comprehensive analysis of import and export data, looking at the impact of the tariffs introduced by the Trump administration last year on prices. This report comes to the (for us at least) unsurprising conclusion that foreign companies are not lowering their prices but are defending their profit margins and instead prefer to accept a decline in their market share in the US. Together with further increases in wage cost pressure and ongoing fiscal policy expansion, as well as loose monetary policy, we believe that the risk of a renewed surge in US inflation should not be underestimated.

One area that is benefiting from rising inflation expectations is precious metals. At IASF, we hold precious metals in the form of both physically backed ETCs and equities, an allocation that accounts for just under 30% of the portfolio. This gave the IASF NAV a huge boost last year, which is continuing into the current year.



This naturally raises the question of how far these increases can go. Of course, various explanatory models can be put forward here, such as comparing the total capitalisation of gold and precious metals with the development of the money supply, but these are often arguments that have little prediction value and thus belong in the realm of ex-post justification. Instead, the recent acceleration in price increases suggests that speculation is the most important factor. After all, since the beginning of 2024, the price of palladium (in USD) has doubled, the price of gold has increased by 150%, the price of platinum has almost tripled, and the price of silver has almost quintupled. These are enormous changes that significantly increase the profitability of producers as well as the NAV estimates of potential new projects.

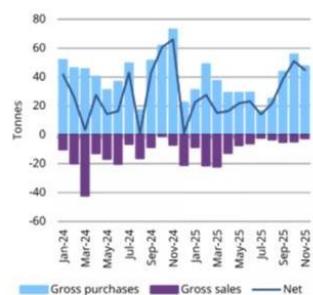
Ultimately, however, the cure for high prices is rising prices, and speculative trends come in waves. We have therefore used the past few weeks to increasingly take profits, although this has mainly been limited to rebalancing and, most recently, reducing our silver, platinum and palladium positions.

Longer-term, gold remains a key position in our portfolio, although it has lost some of its weight due to its continued overall strong performance and growing inflows of new money. In the event of more significant price setbacks, we would be the first to buy again here.

Why? – Well, let's quote Fred Hickey, publisher of the High Tech Strategist, who in his January letter expressed the wish that the US Fed would actually tell it like it is: *"We're printing money (not using confusing QE or RMD terminology) to buy U.S. Treasuries because if we didn't – interest rates would climb and cause turmoil in financial markets and the economy. We will not allow recessions to occur – even though capitalism requires recessions to cleanse financial excesses and malinvestments (ridiculous amounts of AI datacenter building, for example) that build up. For short-term gain and avoidance of any pain, we ensure that all the problems our money printing created continue on and worsen. Inflation – the "cruelst tax" – pressures those without assets. Speculation is rewarded, casino behavior (examples: cryptos, "prediction" betting sites) flourishes, asset price bubbles continue to float, savers are punished (via inflation/dollar debasement), wealth inequality worsens, home prices remain elevated and unaffordable, families aren't started, babies aren't born, the U.S. population decreases, social divisiveness grows, Congresses' and the Executive Branch's irresponsible spending is not curtailed (it's funded), entitlement promises increase, political corruption grows, multi-trillion annual U.S. deficits continue, the U.S. National Debt increases – until something inevitably breaks and we're powerless to stop the collapse."* ([The High Tech Strategist](#), Jan 2026) Or to say it with Ludwig von Mises: *"The final outcome of the credit expansion is general impoverishment."* ([The High Tech Strategist](#), Jan 2026)

Gold is not a universal weapon in the fight against the above-mentioned conditions, but for investors it is one of the most important instruments for keeping at least part of their wealth in an asset class whose reliability and counterparty risk-free nature are agreed upon by both the private and public sectors (as measured by the behavior of central banks, see chart on the right). It will therefore also continue to play an important role in IASF's portfolio in the medium term.

Chart 1: Central bank gold buyer has picked up pace in recent months
Monthly reported central bank activity, tonnes*



*Data to 30 November 2025, where available.
Source: IMF, respective central banks, World Gold Council

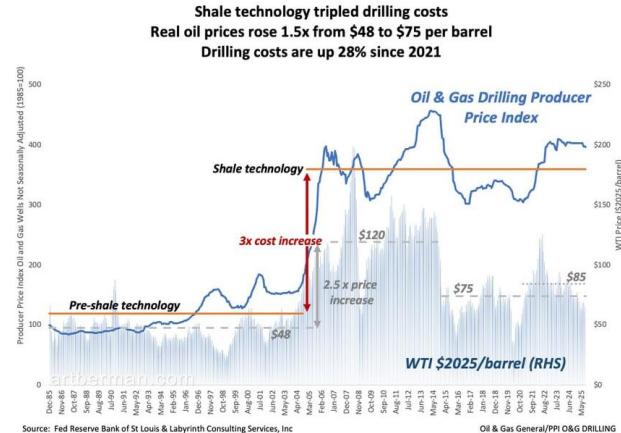
[FT Unhedged](#), 16JAN2026

A Review Of Our Energy Theme

In view of the advancing time and length of this letter, I would like to briefly touch on our ENERGY topic here, given its importance to the portfolio and the fact that we have discussed precious metals and US stock shorts already at length above.

ENERGY, in the form of IASF's fossil fuels and uranium related investments, has had a very encouraging start to the year, which is not surprising given that it was one of the relatively weaker performers last year. (The beginning of the year often sees such catch-up action, which a long time ago was already framed into the "Dogs of the Dow" theory.) In this theme, we continue to see a long-term supply gap emerging, which should give energy prices a corresponding boost.

At this point, some readers may object and in the process refer to Venezuela's vast oil reserves, which are now open to US producers (though not profitably exploitable in the short term and certainly not at current prices), or the seemingly endless US shale oil and gas reserves, whose output is however clearly stagnating (the number of wells is declining, especially as costs per barrel of oil produced are rising and margins are shrinking).

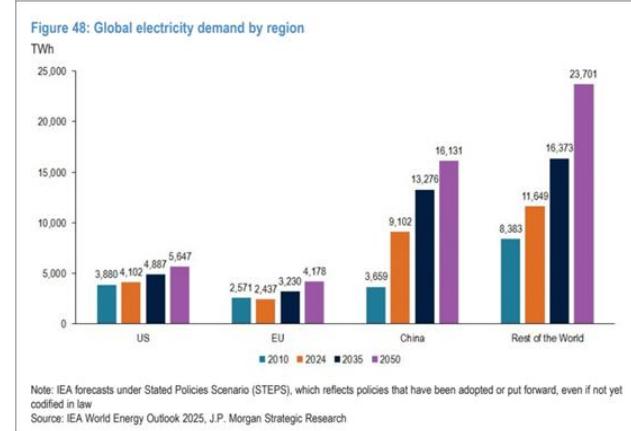


Art Berman, [Blog Post](#), 3DEC2025

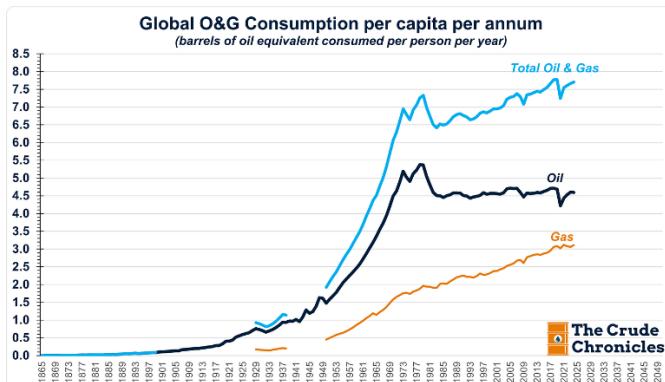
As far as the supply side is concerned, „*What is clear is that we've already hit peak oil production in the near term. Last September, the International Energy Agency reported that in 2024, around 80 per cent of global oil production and 90 per cent of natural gas production came from fields that had passed their production peaks. The report indicated that, barring any major new investment, production from existing fields would peak this year and decline rapidly — even with the use of water pressure injections and other techniques to squeeze out more production.*“ ([Financial Times](#), 20JAN2026)

Stagnating supply is not actually a problem as long as demand also stagnates or even falls. - And demand must surely be weakening... - Well, it is striking that growth in oil demand has been regularly underestimated in recent years. And thus, unsurprising to us, both the IEA and the EIA have revised their demand forecasts for 2026 upwards in their December reports, to +0.9 and +1.2 million barrels per day respectively, even though these figures still lag behind OPEC's forecast of +1.4 million barrels per day.

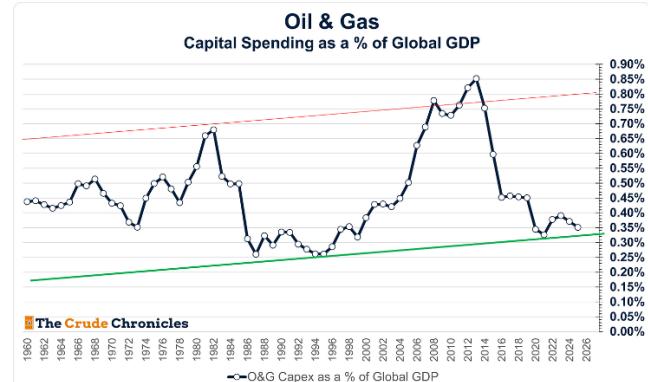
In general, it is widely acknowledged that global energy demand (driven primarily by electricity) continues to rise, and the relative prices of the respective energy sources (oil, gas, coal, uranium, and renewables) are constantly shifting. Gas and uranium prices have recently risen, which has benefited our portfolio. Oil prices, on the other hand, have lagged, as increased OPEC supplies in particular are leading to a lower long-term price outlook.



[MTourist Private Feed Recap](#), 9JAN2026



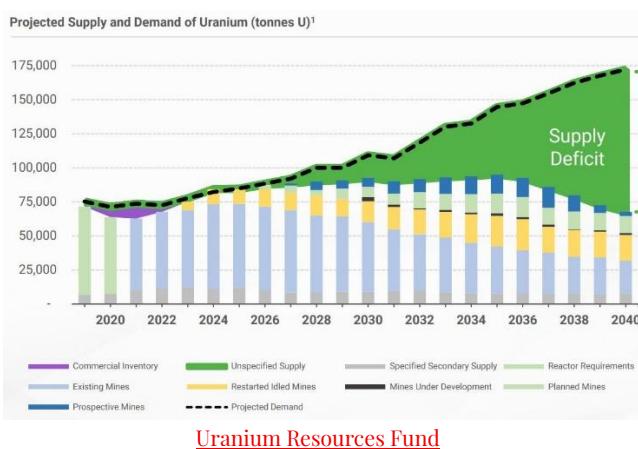
[The Crude Chronicles](#), 15DEC2025



The consequence is that despite of the ongoing rise in demand for oil and gas, low realized prices are met by a dramatic decline in capital investment, and above all in replacement investment, which producers throughout the industry are allowing in order to remain profitable in the short term. As the chart on the top right shows, capital investment in the oil and gas industry is well below the long-term trend in relation to global GDP. This means that, like our central thesis for uranium, another investment cycle is necessary if the world wants to meet long-term demand and ensure energy security for the future. And this in turn explains why approximately 6.5% of IASF's allocation has been made to energy service companies.

Meanwhile, American and European oil and gas producers account for approximately 7.5% of the theme in our portfolio. Considering that the energy sector accounts for only about 3% of the market capitalization of the S&P 500, but generates about 12% of the index's free cash flow, it becomes evident why we find the theme fundamentally interesting. After years of balance sheet restructuring and more responsible use of investor capital, the sector is now in a position to generate impressive profits that are shared with shareholders. It also offers countercyclical potential in the event that energy prices rise in the medium term.

IASF's uranium investment stands at around 4.5% and has also had a very good start to the year. 2025 was a particularly disappointing year for this sub-theme, after the Uranium spot price underwent a correction following its most recent high at the beginning of 2024. The spot price serves as the main price indicator for investors, even though 85% of all supply contracts are long-term and variable in nature, and because they lack transparency.



The Uranium spot price has established a new upward trend in recent weeks, which is making investors more optimistic again. As a low-carbon base load source for electricity generation, and due to the highest energy efficiency that nuclear power offers, its expansion is pursued globally and will lead to a significant increase in demand for uranium in the coming years. This will be met by a very limited supply that experts agree cannot be expanded in the short term.

Overall, our IASF portfolio positioning is fundamentally based on the conviction that, contrary to the impression gained in recent decades, the economy is not a financial system but still a physical system. In this system, energy is used to convert raw materials into goods and services, which in turn define our prosperity. In this regard, the financial sector acts as a capital procurement system and is therefore merely a derivative of the real economy and of course is also used for advance consumption.

As a society, we have taken the prosperity we have built up over decades for granted for far too long and focused more on the derivative of ever-increasing financial engineering. However, it is becoming more and more obvious that we have neglected the maintenance and expansion / optimization of this physical system for too long. This realization brings with it a shift in focus that should prove to be a tailwind for many of the investments and themes that we hold in IASF's portfolio.

2025's Trading Wisdom

As last year, I have once again selected a few of the 50 pieces of investor / trading wisdom published by the [MacroTourist](#), Kevin Muir, on December 31 that are particularly relevant to me and may help to better understand me as a portfolio manager:

- ❖ *The importance of psychology - your own psychology and that of other market participants - is underestimated by most institutional investors. And it is much more difficult to understand your own psychology than the market's psychology.* ("The House", Hedge fund manager from Steve Drobny's book, "The Invisible Hands: Top Hedge Fund Traders on Bubbles, Crashes, and Real Money.") – In fact, in my nearly four decades as an investor, I have learned a lot about myself, and anyone who has been on this path for a similar amount of time will probably agree with me that mental fortitude is a very important characteristic for a portfolio manager. And I have to keep working on it...
- ❖ *An important aspect of "it's never different this time" (that many overlook) is that before the cycle completes, the group always ends up thinking, "it really is different this time."* (Kevin Muir; The MacroTourist) – Here, Kevin Muir himself alludes to the well-known statement, "*This time is different*", which investors like to use to justify long-lasting trends and associated overvaluations, a statement that is always refuted in hindsight. This was the case in the TMT bubble in 2000, in the real estate boom in 2007/08, and it is also often heard now in the Mag7/AI-Tech boom. Investors who are investing in this segment today are once again convinced that *this time is different* and that valuations exceeding 10 times annual revenue are justified...
- ❖ *If you are the last person standing when blood is running in the street, you don't have to be smart to make infinite money.* (Benn Eifert, Volatility Trader) – That sounds a little grim, but it clearly appeals to my contrarian investment instincts. For example, we have long focused on precious metals and never wavered in our conviction that precious metals are fundamentally attractive and have significant rerating potential, even though this required enormous patience and persistence....
- ❖ *Just when you've found the perfect stream, the fish will stop biting, the weather will change, and other fisherman will appear, reducing the catch.* (Victor Niederhoffer; Legendary trader) – That's an interesting analogy that appeals to me as a macro- and theme-focused investor as well as a contrarian. Just like fishermen, investors find the best conditions away from the crowds, in themes and sectors that are neglected or even avoided by the broader market. When my dentist asks me what he should do with his recently acquired silver position, I wonder if it's time to look for a quieter place again...

❖ *The key is to wait. Sometimes the hardest thing to do is to do nothing.* (David Tepper)

– That may sound strange when you consider how actively we manage our portfolio. But for me, this is primarily about the ability to wait and see, and not to rush into changing or questioning your own assessment and convictions concerning your overall allocation, positioning or individual selection, just because the market is developing differently than expected...

❖ *One of the great fallacies of finance (actually in life) is to say, “because something hasn’t happened, it won’t happen.”* (Russell Napier; Economic Historian) – This is perhaps the most important quote at the beginning of 2026. After all, we all base our planning and decisions on our experiences and familiar patterns from the past. For a long time, this was sufficient to achieve solid results as an investor. But we are now in a phase of profound and often abrupt change that makes a future seem possible which is difficult for most people to imagine and involves developments that are beyond our expectations. As portfolio managers entrusted with the task of securing and growing our savings, we try to respond to this with openness, but also with the necessary pragmatism.

And we hope that our readers will also not cling to past patterns and freeze in fear but will face the challenges ahead with courage and confidence.

Saving The Best For Last

„You can only control what stocks you buy; a cruel and unforgiving world controls what happens next.” (Owen Lamont, [Acadian AM](#), AUG 2024) – This quote was not in Kevin Miur's list of investor wisdoms, but it perfectly describes our work. Sometimes this can be frustrating, as I have occasionally reported in this publication, e.g., in 2024.

But it is always rewarding, when in the end what you anticipated comes to pass, and the world no longer seems “cruel and unforgiving.” That was clearly the case in the past weeks of January, when I wrote this report, while following the excellent results of 2025, IASF's NAV was on its way to a new monthly performance record.

Historical performance per calendar year in % (at 28.01.2026) in USD

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2026	14.69												14.69
2025	3.75	-1.39	3.02	-1.92	1.77	-0.66	4.17	6.30	6.05	-0.07	5.77	3.40	34.14
2024	-1.02	-3.09	6.24	5.45	2.41	-3.67	2.77	-3.47	1.24	-1.02	-2.87	-3.33	-1.04
2023	6.66	1.93	-0.13	-1.53	-4.30	-1.77	4.94	0.02	3.78	-0.85	-2.78	1.55	7.18
2022	9.43	5.74	6.23	4.76	4.89	-8.12	3.40	1.33	-1.01	4.31	5.22	-1.35	39.38
2021	3.01	11.18	1.06	0.46	5.74	0.51	-5.23	-1.49	7.28	0.12	-4.68	-0.50	17.52
2020	-5.02	-2.87	-10.96	10.04	0.21	0.11	2.27	-0.65	-3.03	-3.43	11.84	3.36	-0.26
2019						0.49	1.16	-2.33	2.54	0.16	-1.22	5.31	6.08

Incrementum All Seasons Fund, USD-I shares, Historical Performance, [IFM](#), 28JAN2026

I am, of course, aware, and I recognize this particularly in the growing number of investor inquiries, that the question of whether this can continue is once again becoming acute. And, as in 2022/23, I can only answer that I don't know either. We launched IASF as an actively managed global investment strategy and all-weather fund, which means it is worth buying at any time for long-term investors. Unfortunately, it is impossible to predict whether markets (or the world) will continue to reward us for our positioning in the short term.



However, what I can say, and influence are our tactical portfolio changes, and I will bring you up to date on these (as of January 28) here:

The dominant performance driver of recent weeks has been the explosion in precious metal prices. Even gold, with its total market capitalization of approximately \$38 trillion (approximately 220k tons at a price of \$174k per kg), which is now more than twice as high as stated by Wells Fargo on p. 18, with its volatility (10) of 25 is now behaving almost like Bitcoin (Vol10: 26).

This should come as no surprise, considering that gold also benefits from a high stock-to-flow ratio, which describes overall global stock relative to annual new production (both at around 60). In addition, gold is considered a “safe haven” among investment instruments throughout the world, as a primary crisis currency and nest egg. And it is also frequently held physically, meaning that it cannot be sold to the market at the push of a button. In other words, the “free float” (gold reserves freely available for purchase on the market) is quite low, and this at a moment of soaring buying interest is boosting the price higher.

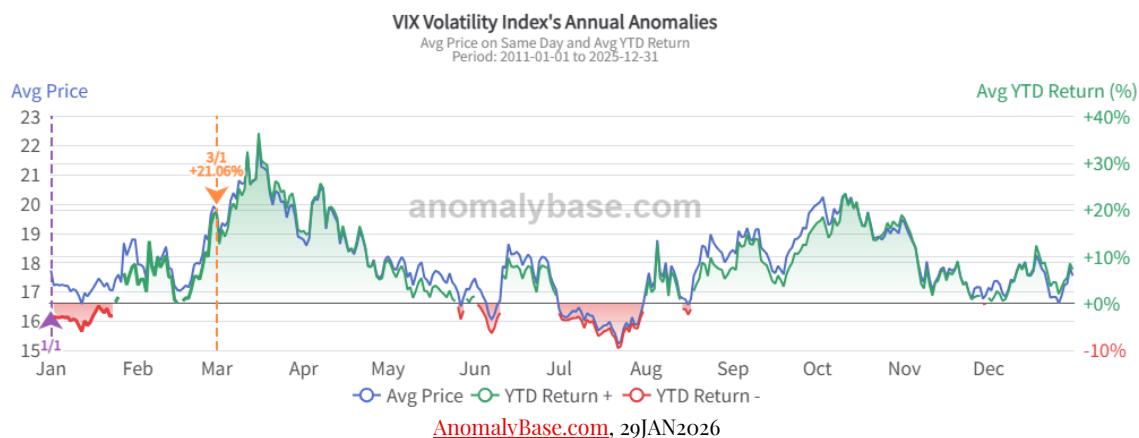
In our hyperactive financial market world, which is characterized by speculative waves, I would therefore not be surprised if the price of gold continues to rise significantly, short-term corrections notwithstanding. We have therefore not made any changes to our holdings to date, but we have also refrained from adding. Due to the sharp overall increase in fund volume (performance plus new inflows) to around EUR 260 million, IASF’s gold allocation (via physically backed ETCs) currently stands at approximately 8%, which I do not consider excessive by any means.

However, silver, platinum, and palladium have risen even more sharply, and here we have not only rebalanced but also recently lowered our allocation. We have reduced our Wisdom Tree Silver ETC position by a total of 57.5% from its highs, three-quarters of which since January 6. Its weight is now around 3%, down from 4.5% at the end of December. The situation is similar for platinum (now 2% after 3% at the end of the year) and palladium (just under 1% after 1.65%). This ensures that we will not lose what we gained last year, if an inevitable correction turns out to come with significant downside, without jeopardizing further upside potential. We have also kept our precious metals equity allocation (currently 15% gross, 13.6% net, taking into account in-the-money calls) in check through the sale of covered calls on precious metal stocks (total return to January 28, approx. 28%).

Other IASF themes with very encouraging January results include SHIPPING, with a total return of just under 20%, ENERGY with approx. 17%, OTHER COMMODITIES with 22%, and EM VALUE with 21%. More on this in next week's management commentary in IASF's monthly fact sheet.

What else did we do in January? – Not much, really. Currency allocation remains largely unchanged, with the gross equity allocation reduced slightly as we kept sales revenues and net new money inflows largely liquid (including 3% in short-term EUR corporate bonds with investment-grade credit ratings). A few smaller positions were liquidated (DHT, Himalaya Shipping, Pico Far East), but new positions in Equinor, BlueNord, and SFL were also initiated. In addition, we realized approximately half of our JAPAN VALUE position (now below 2%) on the equity side, as we did not find adequate and reliable research input for this market. However, our JPY allocation remains unchanged, and we expect it to prove a positive performance driver in 2026.

On the risk management side, we increased our Nasdaq 100 shorts by another 10% and initiated a small long VIX futures position in order to benefit from the seasonally expected increase in volatility during first quarter and thus further limit risk.



This also serves to better hedge our slightly increased net equity allocation of 28.5%, which has been boosted by the sharp rise in share prices during this month.

In total, we have already carried out over 100 individual transactions in January, keeping the IASF ship on a steady course, even with the additional weight of very encouraging inflows of new money. Investors should be prepared for the possibility of slower progress, including minor setbacks from time to time. After all, IASF's NAV has gained more than 50% in value since the lows of April 9 last year.

Having said that, this is clearly not a recommendation to sell, but rather an attempt at cautious expectation management. ☺.

Personally, I see no reason why IASF should not be able to build on the results of 2025 over the course of this year, even after the encouraging start to 2026 described above.

This is because the rotation we expect to see from government bonds to alternatives (ranging from precious metals to corporate and international bonds), from growth and momentum stocks to value and commodity stocks, and from US to international investments has, in my opinion, only just begun and will continue for several years. And we are very much looking forward to making the best out of this.

Of course, the risk of a short-term cyclical correction remains high, as political uncertainty will also remain elevated in 2026. The latter helps to ingrain the following insight from [Doomberg's](#) January 17 report entitled "Cold Truths" into investors' minds: *„As Western nations have grown richer, the distance between the foundation of that wealth and the political leaders charged with shepherding it has only grown. The situation seems unsustainable, and something will soon have to give.“* Doomberg, [Cold Truths](#), 17JAN2026

We will most likely not navigate the associated turbulence flawlessly, but we are convinced that our cautious portfolio positioning, which looks not only to the upside but equally to the potential downside, will continue to deliver satisfactory results.

As always, we do appreciate any feedback to these Seasonal Reflections or our general work [by e-mail](#) and as always thank our readers for their interest and our investors for the trust granted in our work.

Greetings from Schaan,

Hans G. Schiefen

Partner & Fund Manager

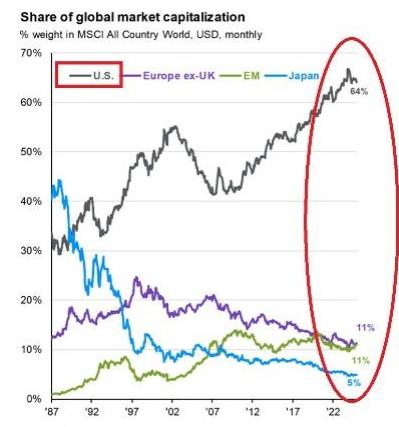
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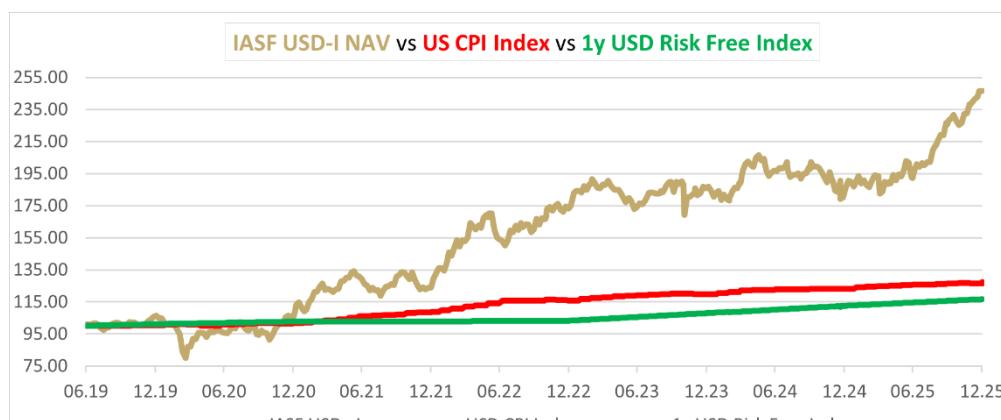
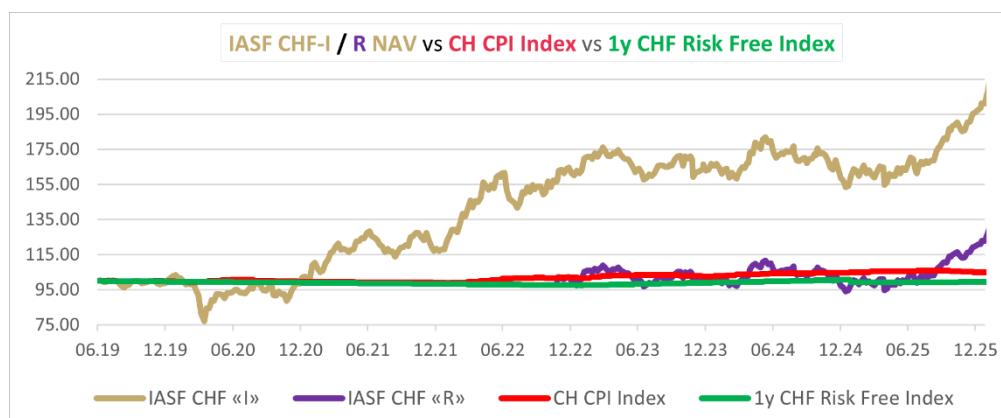
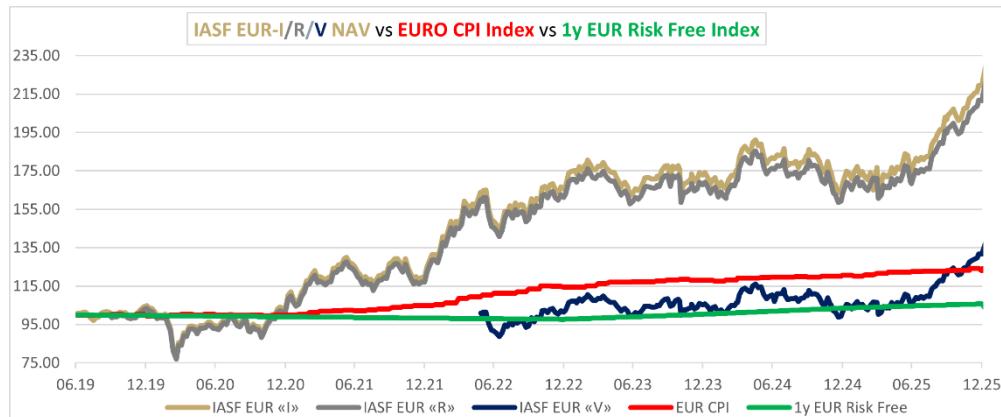
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Appendix



* The charts show the **NAV** of the IASF up to the last valuation date (**31DEC2025**), compared with the risk-free **1-year government bond yield**, as well as the relevant **consumer price index (CPI)** in the respective currency as a reflection of the loss of purchasing power from the fund's launch date (6Jun2019 for 'I' units; 26Sep2019 for EUR-R units, 20MAY2022 for EUR-V units, 2NOV2022 for CHF-R units) on an indexed basis.

IASF PM Shaped By 8 Investment Lessons

1. Capital markets, like the economy, are inherently cyclical in nature, and you must always know where you are in the cycle, while not hesitating to "Be fearful when others are greedy and greedy when others are fearful." (Warren Buffett)
2. Prices paid determine future returns, i.e., the higher valuations are, the lower future return expectations must c.p. be (and vice versa), which is the essence of value investing.
3. Capital preservation is the *conditio sine qua non*, and a consistent and long-term investment strategy is usually more rewarding than short-term momentum chasing.
4. As a result, you must always know when you trade, or when you invest.
5. The most basic and effective risk management tools are proper diversification and the ability to hold cash.
6. Hard assets are preferable to intangibles, distributions to accruals.
7. Look for the incentives: True alignment of interest works in investors' favor.
8. There is no magic formula for perfect investing. Hence, consider both macro- and micro-economic issues, be diligent, flexible, patient, keep an open mind, and realize that investing will always remain more of an art rather than a science.



Disclaimer

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