
Resilient Markets in a Challenging Year

Investment report – 31st December 2025



Independent.
Tailor made.
Intergenerational.



Resilient Markets in a Challenging Year

The fourth quarter of 2025 was shaped by a challenging political and geopolitical environment, yet financial markets once again demonstrated remarkable resilience. Political tensions and international conflicts dominated headlines but failed to trigger any lasting destabilisation of markets.

At the centre of macroeconomic developments stood the continued easing of monetary policy in the United States. The Federal Reserve extended its rate-cutting cycle in response to easing inflationary pressures and a cooling labour market. This phase coincided with the longest government shutdown in US history. Lasting 43 days, the shutdown temporarily weighed on confidence and distorted the publication of economic data. Despite these factors, the overall economic fundamentals of the United States remained broadly stable.

Europe presented a more differentiated picture. The European Central Bank maintained a wait-and-see stance after inflation in the euro area had returned close to target levels. Politically, France moved into focus, where the resignation and subsequent reappointment of the Prime Minister in October highlighted the fragile political balance within a core member state of the monetary union. In December, the European Union agreed on a comprehensive financing instrument to support Ukraine. The deliberate decision not to use frozen Russian assets underscored the legal and political constraints on Europe's ability to act, while remaining crucial for the credibility and integrity of the European monetary and legal framework.

Geopolitically, tensions remained elevated. The war in Ukraine continued to be characterised by a military stalemate, while selective diplomatic movements emerged. A meeting between Donald Trump and Volodymyr Zelenskyy towards year-end did not yield any concrete outcomes but highlighted a growing US focus on a swift diplomatic resolution of the conflict. In the Middle East, ceasefire agreements led to a temporary easing of tensions, without sustainably resolving the region's underlying structural challenges.

On the trade policy front, selective signs of easing emerged. In November, Switzerland signed a non-binding memorandum of understanding with the United States aimed at limiting additional trade-related frictions and intensifying economic dialogue. Tensions between the United States and China also eased somewhat over the course of the quarter, although fundamental structural frictions persisted. At the same time, the US government increased political pressure on Venezuela. After the end of the quarter, an escalation occurred on 3 January, when the United States detained Venezuelan President Nicolás Maduro together with his wife and transferred them to the US, where criminal proceedings are now underway. The political implications for Venezuela, as well as the future development of the energy sector and the management of the country's extensive natural resources, remain uncertain.

In summary, economic fundamentals stabilised in the fourth quarter of 2025. However, risks remained predominantly political in nature, shaping the differentiated performance of financial markets across regions and asset classes.

Market developments in the fourth quarter of 2025

Equities¹

Global equity markets recorded broad-based gains in the fourth quarter of 2025. The World Index (MSCI World) rose by +3.1%, supported by continued monetary easing, declining inflationary pressures and stable investor risk appetite.

In the United States, the positive trend continued. The S&P 500 advanced by +2.7%, while the Nasdaq 100 gained +2.5%. US small-cap equities (Russell 2000) also posted gains of +2.2%. Falling discount rates, stable earnings expectations and a broadening of market participation provided support across virtually all market segments.

European equity markets also moved clearly higher, albeit with pronounced dispersion across regions. The STOXX Europe 600 gained +6.4%, while large-cap companies in the euro area (Euro STOXX 50) rose more moderately by +5.0%. At the country level, Spain delivered particularly strong performance (IBEX 35: +12.7%), while the United Kingdom (FTSE 100: +6.9%), France (CAC 40: +3.5%) and Germany (DAX: +2.6%) recorded more modest gains.

The Swiss equity market ranked among the stronger developed markets. The SPI rose by +8.8%, driven primarily by large-cap stocks (SLI: +8.3%), while small-cap equities (SPI Extra TR) advanced by +6.0%. High corporate quality, a defensive sector composition and the tariff agreement with the United States provided supportive tailwinds.

Asia performed robustly overall, with pronounced differences. Japan (TOPIX) recorded a very strong quarterly performance of +8.8%, while Asia ex Japan advanced by +4.3% in USD. India gained +6.4%, while developments in China remained subdued (CSI 300: +0.2%, Hang Seng: -4.1%). Overall, global emerging markets recorded gains (MSCI Emerging Markets: +4.7% in USD).

Bonds¹

In the final quarter of 2025, bond markets also displayed clear differentiation across segments. US government bonds delivered a return of +0.9%, while German government bonds recorded a slight decline of -0.5%. Swiss Confederation bonds fell by -0.7% and remained constrained in terms of income generation due to the persistently low interest rate environment. Global investment-grade corporate bonds posted only modest gains of +0.2%. By contrast, high-yield bonds performed significantly better, returning +2.2%, supported by elevated risk appetite and stable credit conditions. Emerging market bonds denominated in USD also recorded solid gains of +2.4%, benefiting from supportive market sentiment and resilient credit markets.

Alternative investments²

Within alternative investments, precious metals clearly stood out. Gold gained +11.9%, while silver delivered an exceptionally strong performance of +53.6%. Other commodities also performed positively overall. The Bloomberg Commodity Index rose by +4.8%, driven in particular by industrial metals (+15.0%) and natural gas (+11.6%). Oil prices, by contrast, recorded a weak performance, declining by approximately -7%. Global real estate recorded a slight decline of -0.5%, while listed private equity companies fell by -1.3%. Crypto assets performed markedly weaker: the Bloomberg Galaxy Crypto Index fell by -30.4%, while Bitcoin declined by -23.5%.

Outlook and conclusion

Against the backdrop of the market developments outlined above, we maintain a constructively positioned stance towards global equity markets. From a valuation perspective, we continue to see upside potential particularly in Switzerland, Europe and Japan. For the US equity market, we expect a further broadening of market participation. A key point of attention remains the extent to which the independence of the US Federal Reserve is preserved under the Trump administration, as any erosion in this regard could introduce additional uncertainty for capital markets.

Within fixed income, we continue to favour corporate bonds in the lower investment-grade segment as well as high-yield bonds over government bonds. In addition, we are selectively assessing emerging market bonds, which are likely to benefit from a weaker US dollar and a stable to slightly declining policy rate environment. Government bonds, by contrast, could come under pressure amid rising fiscal deficits.

Gold is likely to remain supported by declining interest rates, its role as an inflation hedge, continued demand from central banks and a gradual erosion of confidence in the US dollar. However, we consider a renewed pronounced weakening of the US dollar on the scale observed recently to be less likely.

¹ All market data, unless stated otherwise, are shown in the respective local or index currency.

² All figures in USD; Private Equity Index in EUR.

Performance of the equity markets since the beginning of the year:

Equity markets in 2025 were characterised by broad-based gains across all regions when measured in their respective local currencies. The strongest momentum was observed in Asian equity markets.

		December 2024	December 2025	Change
Asia ex Japan	MSCI AC Asia ex Japan	578.4	765.0	32.3%
Europe	DJ STOXX 600	1'236.8	1'481.7	19.8%
Japan	MSCI Japan	3'762.6	4'675.8	24.3%
Switzerland	SPI	15'472.3	18'219.5	17.8%
USA	MSCI USA	16'804.3	19'713.7	17.3%
World	MSCI World Index	11'731.2	14'205.8	21.1%
Hedge Funds	CS Hedge Fund Index	853.5	934.3	9.5%

Development of index in local currency. Exceptions Asia ex Japan and World in USD. MSCI-Indices are net total return.

Since the beginning of the year, yields on 10-year government bonds have performed as follows:

Overall, changes were moderate. Yields declined slightly in the United States, the United Kingdom and Switzerland, while Germany and Japan recorded an increase.

	December 2024	December 2025	Change
Switzerland	0.33 %	0.32 %	-0.01%
Germany	2.37 %	2.86 %	0.49%
United Kingdom	4.57 %	4.48 %	-0.09%
USA	4.57 %	4.17 %	-0.40%
Japan	1.10 %	2.07 %	0.97%

Since the beginning of the year, the selected foreign exchange rates have performed as follows:

Over the course of the year, the Swiss franc showed pronounced strength, while both the US dollar and the Japanese yen depreciated significantly against the CHF and remained broadly unchanged relative to each other.

	December 2024	December 2025	Change
Euro/CHF	0.9401	0.9307	-1.0%
USD/CHF	0.9074	0.7926	-12.7%
GBP/CHF	1.1356	1.0679	-6.0%
CHF/JPY	173.2420	197.6600	14.1%
USD/EUR	0.9659	0.8514	-11.9%
USD/JPY	157.2000	156.7100	-0.3%

Average growth and inflation forecasts from the “Bloomberg Composite Contributor Forecast” poll of economists:

Across the major economies, growth rates for 2026 are expected to remain moderate. China continues to exhibit the strongest growth momentum, while Europe is projected to lag behind. On the inflation front, forecasts point to a further normalisation of core inflation.

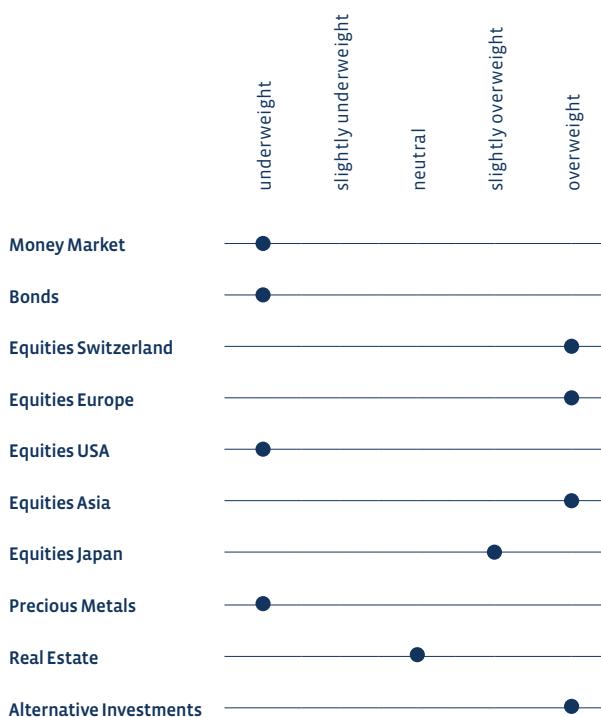
	Real GDP Growth		Core-Inflation	
	2025	2026	2025	2026
China	4.9%	4.5%	0.0%	0.7%
Germany	0.3%	1.0%	2.3%	2.0%
EU	1.6%	1.4%	2.3%	2.0%
United Kingdom	1.4%	1.1%	3.4%	2.5%
Japan	1.2%	0.8%	3.1%	1.9%
Switzerland	1.2%	1.2%	0.2%	0.4%
USA	2.0%	2.0%	2.8%	2.8%

Our asset allocation:

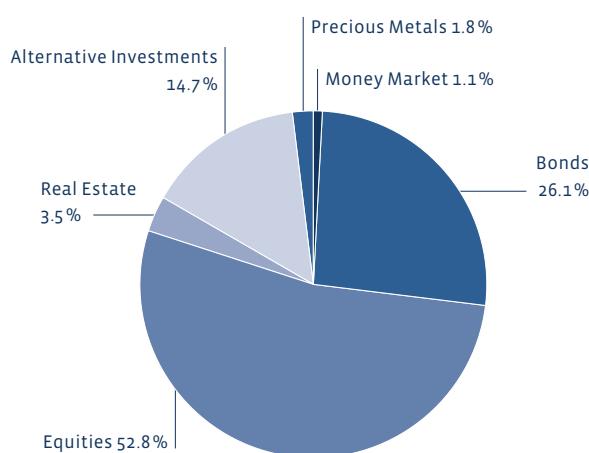
At our latest investment committee meeting, we agreed on the following asset allocation for a balanced CHF portfolio with medium risk and no client restrictions. Mandates in other reference currencies may have different allocations – your relationship manager will gladly provide details.

In the current positioning, we have newly underweighted money market instruments after having been slightly overweight in the previous quarter. All other asset class allocations were left unchanged compared to the third quarter. Bonds continue to be underweighted, while equities in Switzerland, Europe and Asia remain overweight. US equities are underweighted, while Japan is positioned with a slight overweight. Precious metals remain underweighted and real estate is positioned neutrally. Alternative investments are overweighted, reflecting their role in enhancing portfolio diversification and serving as a substitute for bonds in the current interest rate environment.

Current positioning of our CHF portfolio:

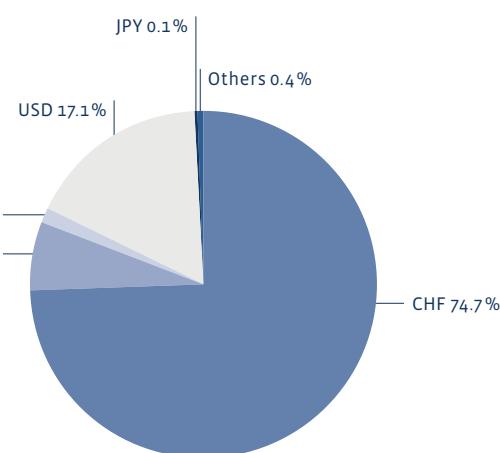


Tactical asset allocation by asset class:



Based on reference currency Swiss Franc.

Current allocation by currency:



Closing words

The investment year 2025 highlights that long-term investment success depends less on short-term market fluctuations than on a consistent strategy and a clear focus on fundamental conditions.

We are sincerely grateful for your trust and are pleased to assist you with any questions regarding this investment report or your individual strategy.

Finally, we would like to note that the images featured in this investment report were taken by our CEO, Philipp Marxer, during a snowshoe hike.

Editorial team



Sebastian Schredt
Partner, Relationship Manager and
Head of Business Development

sebastian.schredt@salmann.com



Adrian Müller
Partner, Chief Investment Officer
and Head of Portfolio Management

adrian.mueller@salmann.com



Loris Schüpbach
Junior Relationship Manager

loris.schuepbach@salmann.com

Further contacts



Philipp Marxer
Partner, CEO and
Relationship Manager

philipp.marxer@salmann.com



Markus Gartmann
Director and
Relationship Manager

markus.gartmann@salmann.com



Ivan Melay
Vice-Director and
Relationship Manager

ivan.melay@salmann.com

Contact us

Salmann
Investment Management AG

Beckagässli 8
FL-9490 Vaduz

T +423 239 90 00
F +423 239 90 01
mailvaduz@salmann.com

www.salmann.com

Legal Disclaimer

Limitation of offer: The information published in the Salmann Investment Management AG Investment Report (referred to hereafter as SIM) is not to be viewed as an invitation, an offer, a recommendation to buy or sell any investment instruments or enter into any other transactions. Its contents are not targeted at individuals subject to a jurisdiction prohibiting the publication and/or the access to such information (be it on grounds of nationality of the respective person or their residence or any other reasons). The information presented is collated by SIM with the utmost care and diligence. The information is not intended to be used to base a decision. For investment advice, please consult a qualified person. Risk warning: The value of investments can rise as well as fall. Investors should not extrapolate future returns from past performance. In addition, investments in foreign currencies are subject to exchange rate variations. Investments with high volatility may be subject to extreme price fluctuation. Disclaimer: Under no circumstances (including negligence) may SIM be responsible for losses or damages (be they direct or indirect) of any kind that may arise from or in connection with the access to this report and any links contained therein. Source of graphics and tables: Bloomberg/image sources: private images.

