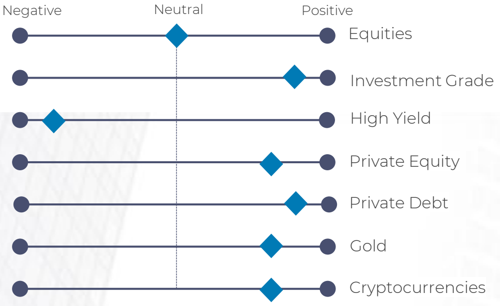
NORMAN K.

MONTHLY NEWSLETTER – January 2026

Mathieu MERCATI
Founder – Head of Investment Solutions

In 2025, financial markets evolved in a contrasted yet broadly supportive environment for risk assets, underpinned by resilient corporate earnings, the continued momentum of artificial intelligence, and a gradual shift in monetary policy.
In the United States, the S&P 500 rose by around 18% over the year, despite a sharp but short-lived spike in volatility in the spring linked to renewed trade tensions, followed by a recovery driven by improving macroeconomic data and growing expectations of Federal Reserve rate cuts, which materialised towards year-end. However, performance remained concentrated in technology stocks. In Europe, equity markets slightly outperformed the US market, supported by three interest rate cuts by the ECB, solid corporate results, and strong performances from banking and defence sectors.
International markets, particularly in Asia, recorded a strong rebound in the second half of the year, amplified by a significant weakening of the US dollar.
In this context, precious metals stood out as key safe-haven assets, while investment-grade bonds regained appeal as declining yields improved their risk-adjusted return profile.
Our early-year positioning in favour of investment-grade bonds delivered solid performance. Throughout the year, and during market pullbacks, we selectively took profits on some bonds and positions, reallocating towards equities that had corrected, notably in April around the "Liberation Day" episode. At the start of this year, we continue to favour investment-grade bonds while remaining ready to reinforce equity exposure during potential market drawdowns. Portfolio diversification and decorrelation remain key, through private markets.
The global economy is transitioning from a globalised model to a multi-bloc world, with the US, China, Russia and Europe increasingly operating independently, particularly in terms of natural resources and technological ecosystems. This shift calls for a reassessment of asset allocation, with greater diversification across economic blocs and currencies, including gold, which is being increasingly accumulated by emerging market central banks seeking to reduce reliance on the US dollar.

OUR MARKET VIEWS



POTENTIAL MARKET CATALYST

- Strong macroeconomic data
- Abundant liquidity in financial market
- Positive corporate earnings
- Contained geopolitical risks

KEY INDICATORS

Equities (%)	Level	December	2025
S&P 500	6 846	0,13	**16,30**
Nasdaq 100	25 250	- 1,64	**21,56**
Eurostoxx 50	5 791	0,11	**16,45**
FTSE 100	9 931	0,03	**18,73**
China SI 300	4 630	- 2,46	**15,15**
Emerging markets	1 404	- 2,47	**27,74**

Bonds (rate spreads)	Level	December	2025
		Spread change level	
10 year government bonds			
US	4,17	-0,00	**- 8,80**
Europe	2,86	0,77	**20,62**
Corporate – 5 years spread (change level)			
Investment Grade US	50	2,40	**0,33**
Investment Grade Europe	91	-4,32	**-6,85**
High Yield US	317	21,49	**1,61**
High Yield Europe	244	-53,63	**-21,98**

Currencies (%)	Level	December	2025
EUR / USD	1,1746	11,05	**13,44**
GPB / USD	1,3475	5,81	**7,66**
CHF / USD	1,2616	11,14	**14,47**

Commodities (%)	Level	December	2025
Gold	4 319	63,42	**64,58**
Brent	61	- 16,58	**- 18,48**
Copper	568	33,44	**36,46**
Aluminium	2 979	15,19	**17,44**

Volatility	Level	November	2025
Euro Stoxx 50	15	- 13,25	**- 13,46**
Nasdaq 100	15	10,66	**- 13,83**

Cryptos (%)	Level	November	2025
Bitcoin	87 648	-9,49	**- 6,47**
Etherum	2 978	-20,01	**- 11,02**

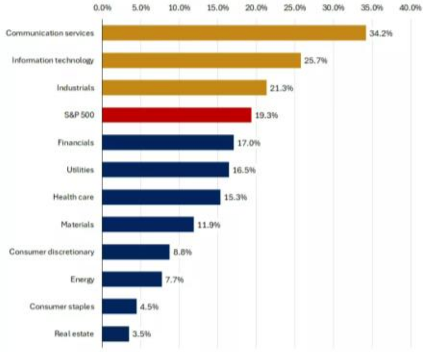
Sources: Bloomberg, Norman K. - Data as of December 31, 2025. Past performance is not a reliable indication of future performance. Non-contractual information.

CHART OF THE MONTH

Tech dominance persisted in 2025

Technology continued to dominate market performance in 2025, despite growing concerns over a potential AI-related bubble in the second half of the year.

S&P 500 sector returns



December: Markets close the year on a positive note following Fed rate cut

In 2025, financial markets delivered **solid performance** despite a volatile and uncertain backdrop. US equities ended the year strongly, with the S&P 500 up around 18%, supported by **resilient corporate earnings** and continued **enthusiasm around artificial intelligence**. After a sharp correction in April driven by political announcements and renewed trade tensions, markets recovered from May onwards as macroeconomic data improved and investor confidence returned. Expectations of **Federal Reserve rate cuts**, reinforced by a **weakening labour market** and three rate reductions in the second half of the year, supported a strong year-end rebound, despite renewed uncertainty in early autumn related to the risk of a US government shutdown.

Market performance in the US remained highly **concentrated**, with **technology stocks** once again dominating returns and driving a widening gap between the traditional S&P 500 and its equal-weight counterpart. In Europe, equity markets slightly outperformed the US, benefiting from ECB rate cuts during the year, relatively **solid corporate earnings** and strong performances from **value-oriented sectors** such as banks and defence. Despite lingering concerns around public finances and economic growth, European markets proved resilient, with financial institutions playing a central role in overall performance.

International markets provided additional diversification, particularly in the second half of the year. Asian equities, led by **China**, **rebounded strongly** on the back of targeted stimulus measures, improving investor sentiment and a recovery in the technology sector, while the FTSE 100 rose by more than 22%, supported by higher commodity prices, strong UK banks and defence stocks. A **sharp decline in the US dollar** further boosted emerging markets performance.

In fixed income, US **investment-grade bonds regained appeal**, delivering returns of over 7%, as Treasury yields fell following Fed rate cuts. **Precious metals** also stood out as key beneficiaries of lower real rates and ongoing geopolitical uncertainty.

NK VIEWS

Monetary policy, inflation, corporate earnings and geopolitics remain central themes for 2026. In the US, **Fed rate cuts** are not guaranteed, as inflation remains above target, although a weakening labour market could prompt a more accommodative stance. In **Europe**, inflation is close to 2% and growth remains resilient, making further ECB rate **cuts less likely** at this stage. US economic growth remains broadly solid, supported by consumer spending, but a slowdown in the labour market represents a key downside risk. **Corporate earnings** should continue to **drive markets**, although **elevated valuations and concentration** risks linked to AI call for caution and diversification. Caution is warranted regarding **geopolitical risks**, particularly ahead of the upcoming **US midterm elections**.

In this environment, our positioning remains balanced and selective. Within equities, we **remain neutral and favour diversification** beyond US mega-cap technology. The global economy is moving towards a **multi-bloc structure**, calling for **greater diversification across regions and currencies**, including **gold**. In fixed income, we continue to favour **investment-grade bonds** in both the US and Europe, which offer an attractive risk-adjusted return profile. We integrate **private debt** into our portfolios as a substitute for high-yield exposure, focusing on carefully selected deals.

Private markets play an important role in portfolio diversification and decorrelation, while **gold** remains a **strategic hedge**. **Cryptocurrencies** are approached selectively, given their high volatility.

RISKS AND OPPORTUNITIES

AI bubble risk and potential market and market concentration

- In-depth analysis and selectivity
- Focus on assets with reasonable valuations

Geopolitical uncertainty & Midterm elections in the US

- Anticipate impacts on portfolios
- Currency diversification

Inflation risks & interest rate policies

- Alternative investments
- Pre-IPO segment / private debt
- Real estate opportunities

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LOCATIONS