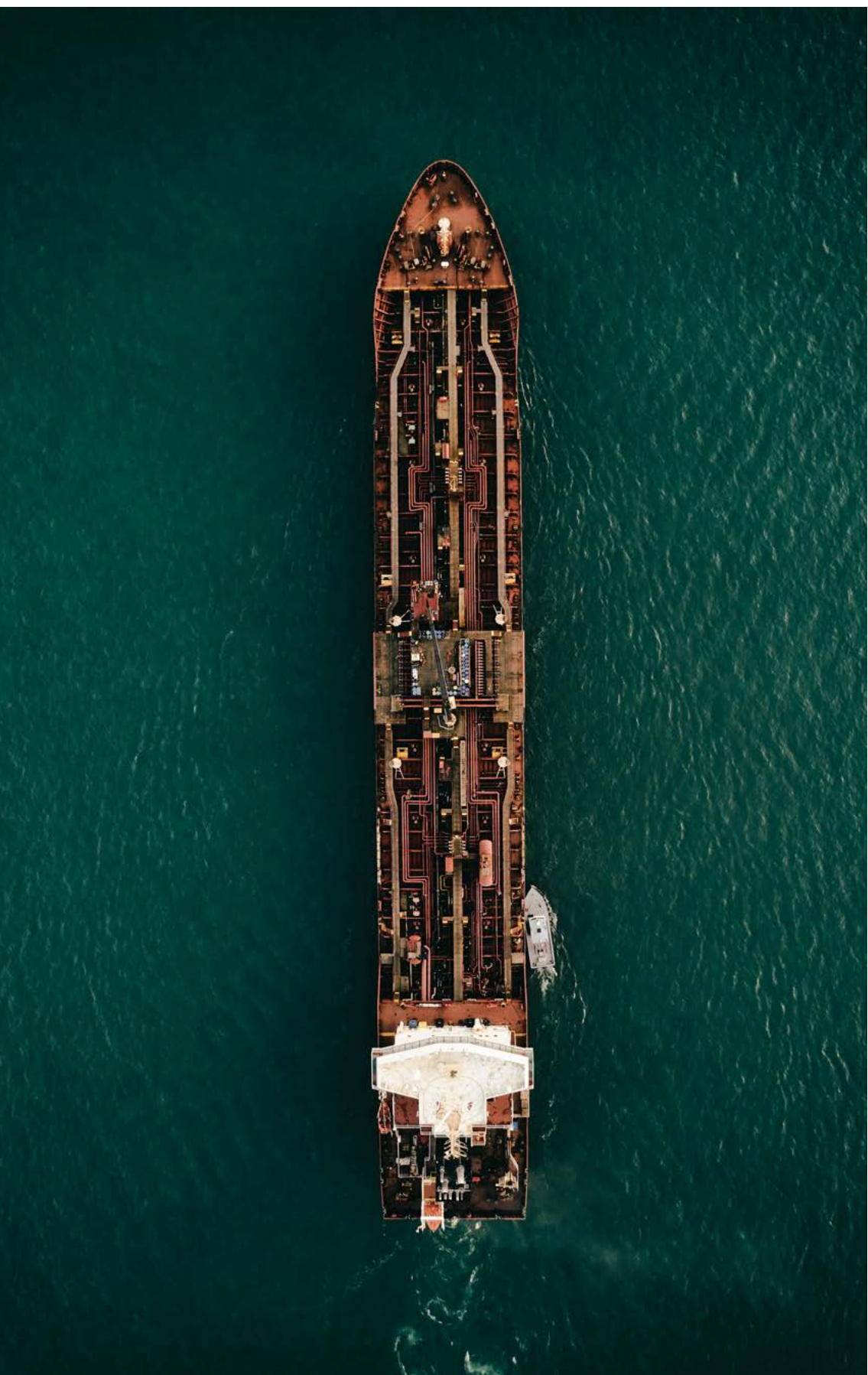
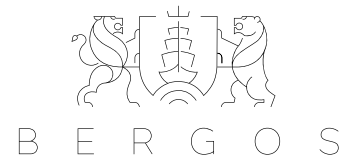


Reflexions

Q4 2026



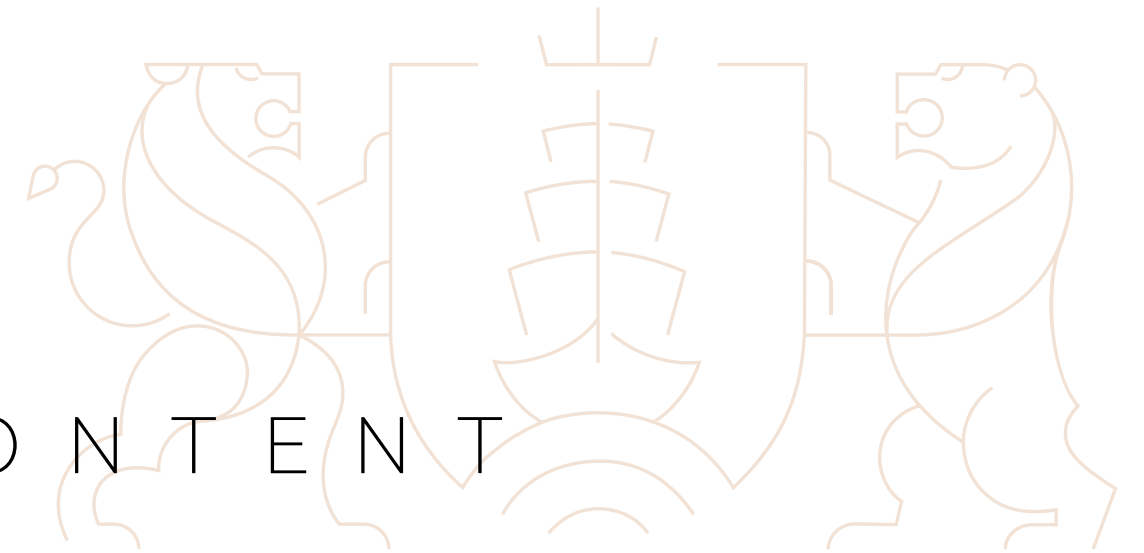




Bergos AG is an internationally operating, independent Swiss private bank with headquarters in Zurich and a branch in Geneva. We have been active in the Swiss financial center for over 40 years and can trace our history to the founding of Joh. Berenberg, Gossler & Co. KG in 1590. Our international team is dedicated to all aspects of wealth management and advisory, with a special focus on private individuals, family entrepreneurs, next generation and shipping clients. With a business model focused on pure private banking, we advise our clients on all liquid and non-liquid asset classes and alternative investments.

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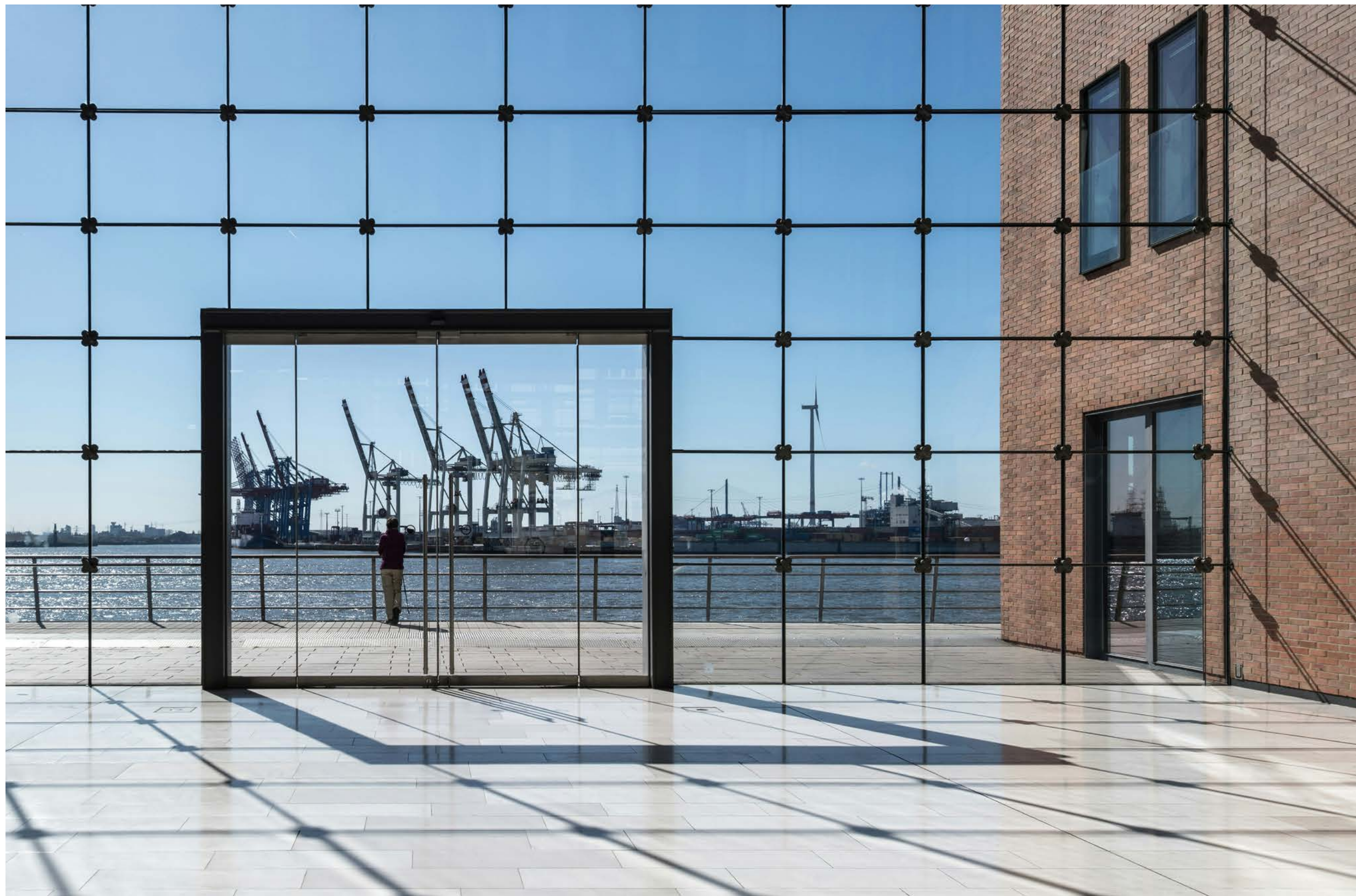
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EXECUTIVE SUMMARY

ABOUT OUR FALL PUBLICATION

Dear Readers,

Global equity markets continue to prove resilient despite the more challenging environment. Earnings growth remains a key pillar of this resilience. Particularly in the United States, earnings growth has been impressive compared with other developed markets. Much of the earnings growth for 2026 is already visible, meaning that attention is increasingly turning towards 2027. Also, in the upcoming year, US earnings forecasts remain compelling.

Nevertheless, some early shifts are emerging that warrant attention. Market breadth has narrowed, with the performance of the major indices increasingly being driven by a small

number of large-cap companies. As a result, the headline indices appear more stable than a closer look at their underlying composition would suggest.

The interest-rate environment also remains challenging. Rising yields have been particularly detrimental to longer-duration bonds, while gold has also remained under pressure. We currently expect three further rate hikes by the US Federal Reserve, implying somewhat less monetary tightening than is currently priced into the volatile futures markets. At the same time, it is important to recognise that interest rates are already at higher levels. Further rate hikes could therefore have a greater

impact on the economy than they would in an environment close to the zero lower bound.

Against this backdrop, our market view remains constructive, but nuanced. For us, diversification is becoming even more important. Regionally, we remain committed to our overweight in US equities. At the same time, we are deliberately broadening our exposure to include US small- and mid-cap stocks as well as value equities, thereby reducing the strong concentration in a handful of large technology companies. A similar approach applies to emerging markets, where concentration in the broad market indices is in some cases even more pronounced. The high weighting of South Korean and Taiwanese technology giants is therefore

deliberately complemented by an allocation to Brazilian equities.

We also remain constructive on gold despite the currently unfavourable interest-rate environment. Structural demand from emerging markets, particularly China, remains strong. Against this backdrop, the recent decline has so far been relatively modest given the considerable headwind from the interest-rate environment.

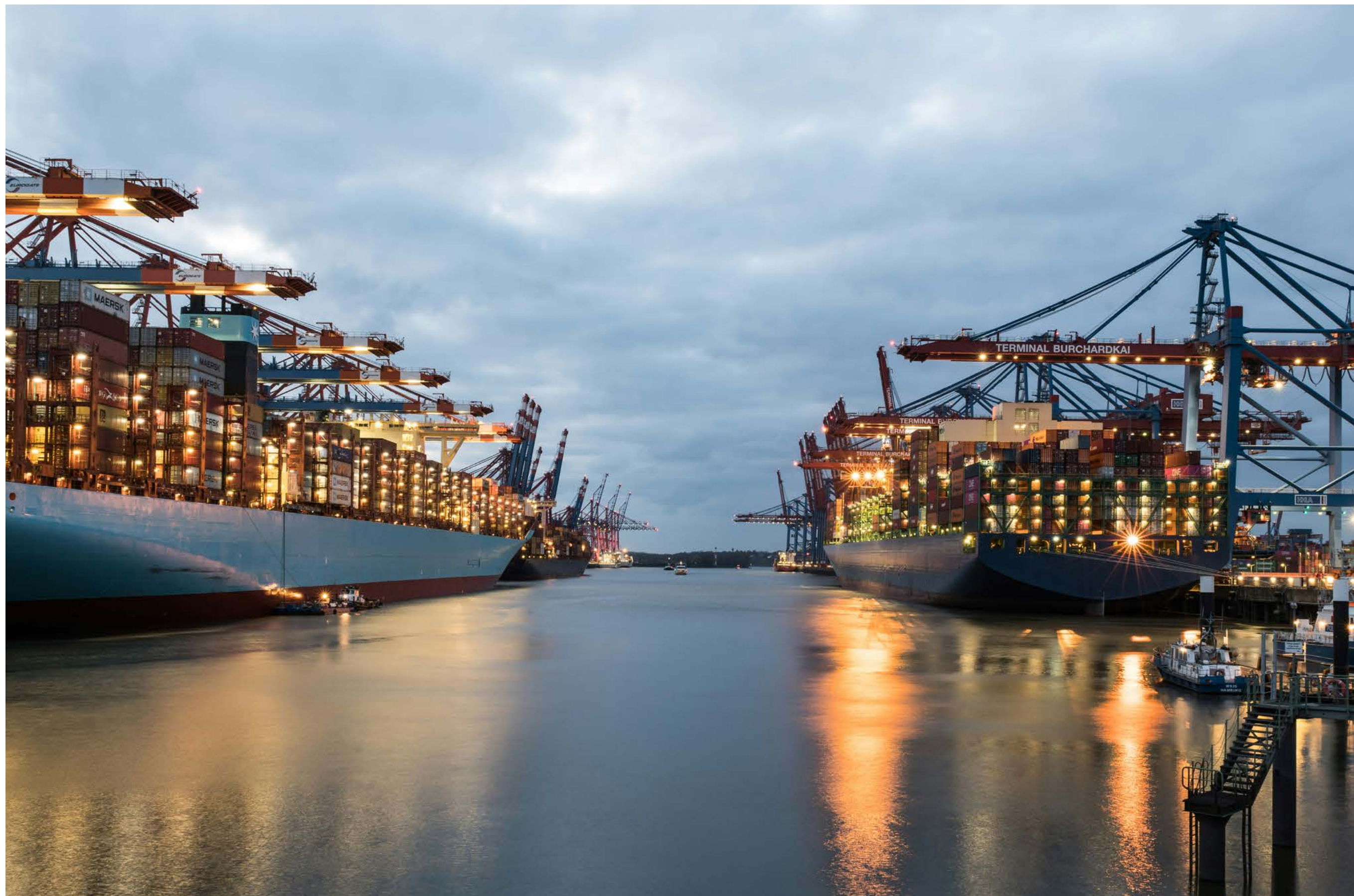
I hope you enjoy reading this edition.

Kind regards,

Maximilian Hefe
Deputy Chief Investment Officer

MAXIMILIAN HEFELE CFA
DEPUTY CHIEF
INVESTMENT OFFICER
AND HEAD OF
ASSET MANAGEMENT





COMPASS

BASE-CASE SCENARIO

BY TILL C. BUDELMANN, CHIEF INVESTMENT OFFICER

The pressures and risks facing the global economy remain significant. Nevertheless, the global economy is proving surprisingly stable. The AI boom is supporting economic activity. Global economic output is expected to grow by about 3.0% in 2026, which is only slightly less than in previous years. However, the impact of the energy price shock varies greatly across countries and regions. The US economy has proven to be very resilient so far. The likelihood of a recession in the US is low. In contrast, many countries in the Middle East and Asia have suffered significant setbacks. In addition to persistently high oil prices and the resulting risk of inflation and tighter monetary policy, US trade policy and the sharp rise in interest rates on government bonds also pose substantial risks.

The ECB responded to the increased inflation risks with two interest rate hikes of 25 basis points each in June and September. At least one more rate hike is likely by the end of the year. The US Federal Reserve waited longer to tighten monetary policy, raising its federal funds rate by 25 basis points only in September. In the US as well, we expect another rate hike by the end of the year given the excessively high inflation. The Bank of England has so far played for time and kept its bank rate steady. With inflation rising again, it is now under pressure to tighten monetary policy in November. For the Swiss National Bank (SNB), the situation is comparatively straightforward, as Switzerland’s inflation rate of 0.8% lies comfortably within the 0–2% target range. Overall, the situation remains challenging for central banks given the uncertainties surrounding oil prices.

The unresolved situation in the Middle East and the situation in the Strait of Hormuz remain a significant risk factor. The geopolitical situation also remains tense due to the ongoing war between Russia and Ukraine. Targeted Russian provocations against NATO countries carry the risk of further escalation. Other latent risks lurk in the background (including China/Taiwan). The use of trade policy as a geo-economic weapon remains a source of concern. However, global trade has held up quite well so far – in part due to new trade alliances – and is thus making a positive contribution to stabilising the global economy. In the US midterm elections on November 3, the US Democrats are very likely to win at least a majority in the House of Representatives. The Democrats could also win a majority in the Senate, which would significantly limit President Trump’s ability to act.

GDP ESTIMATES

INFLATION ESTIMATES (CPI)

UNITED STATES	2 0 2 5 :	+ 2.1%	UNITED STATES	2 0 2 5 :	2.8%
	2 0 2 6 :	+ 2.1%		2 0 2 6 :	3.6%
	2 0 2 7 :	+ 2.0%		2 0 2 7 :	2.4%
EUROZONE	2 0 2 5 :	+ 1.3%	EUROZONE	2 0 2 5 :	2.1%
	2 0 2 6 :	+ 1.0%		2 0 2 6 :	3.0%
	2 0 2 7 :	+ 1.3%		2 0 2 7 :	2.5%
GERMANY	2 0 2 5 :	+ 0.2%			
	2 0 2 6 :	+ 1.2%			
	2 0 2 7 :	+ 1.0%			
SWITZERLAND	2 0 2 5 :	+ 1.2%			
	2 0 2 6 :	+ 1.5%			
	2 0 2 7 :	+ 1.4%			
GREAT BRITAIN	2 0 2 5 :	+ 1.3%			
	2 0 2 6 :	+ 1.2%			
	2 0 2 7 :	+ 1.2%			
CHINA	2 0 2 5 :	+ 5.0%			
	2 0 2 6 :	+ 4.6%			
	2 0 2 7 :	+ 4.4%			
JAPAN	2 0 2 5 :	+ 1.1%			
	2 0 2 6 :	+ 0.8%			
	2 0 2 7 :	+ 0.7%			



M A C R O

A RESILIENT ECONOMY IN A HIGH-RISK ENVIRONMENT

BY DR JÖRN QUITZAU

At the start of the third quarter, there was hope that the peace agreement between the US and Iran would ease political tensions and improve the economic environment. Three months later, the situation in the Middle East remains unclear. After a temporary drop to USD 70 per barrel, the price of Brent crude has risen again to around USD 100. As a result, inflationary pressure remains high for the time being. Overall, the macroeconomic conditions remain very challenging in light of the (geo)political tensions.

Resilient global economy

Despite numerous headwinds and uncertainties, the economy in many major economies remains surprisingly robust. Recently, there have even

been several positive surprises, leading to an upward revision of economic forecasts for 2026. The US economy is expected to grow by a good 2% this year. This is roughly in line with its long-term growth potential. Despite the Trump administration's disruptive and, in some respects, harmful economic policies, gross domestic product (GDP) continues to grow steadily.

In the United Kingdom, the economy has so far performed better than expected this year, meaning that GDP is likely to grow by more than 1% in 2026. In the eurozone, Germany stands out in particular. After years of stagnation, economic output rose by 0.8% and 1.0%, respectively, in the first two quarters

compared with the same quarters of the previous year. Thanks to government spending programs and strong exports (Q2: +5.0% year-over-year), sentiment in the German economy is currently brightening again. However, the longer-term growth outlook remains bleak. Switzerland posted a very strong second quarter, thanks primarily to the chemical and pharmaceutical industry. At +1.5% (compared to the previous quarter), it was the strongest GDP growth since the third quarter of 2021.

Compared to previous years, the global economy is cooling only moderately. In 2026, global growth is expected to be 3.0% – which would be only about 0.3 percentage points lower than in previous years. The fact that the global economy is holding up so well despite the tense situation is due to expansionary fiscal policies worldwide, investments in AI infrastructure, and surprisingly robust global trade.

Monetary policy:

Central banks must take countermeasures

Persistently high energy prices are driving up inflation rates worldwide. This is putting pressure on central banks to tighten monetary policy. The situation is most favourable for the Swiss National Bank (SNB). Although the inflation rate rose from 0.1% in February to 1.0% in September, it remains exactly in the middle of the SNB's target range of 0 to 2%. For the time being, therefore, there is no need for the SNB to take action.

Inflationary pressures are significantly higher in the other Western currency areas. The US Federal Reserve is facing an inflation rate of 3.4%, the ECB 3.3%, and the Bank of England 3.1%. The ECB has already responded with two interest rate hikes of 25 basis points each, the Federal Reserve with one rate hike, while the Bank of England has so far been playing for time and has not yet changed its key interest rate. We currently consider it likely that all

three central banks will raise their interest rates by another 25 basis points by the end of the year.

The central banks' next steps continue to depend heavily on the development of energy prices. For the time being, inflationary pressure is likely to persist. Looking ahead to next year, however, it is important to note that, first, most forecasters expect energy prices to gradually decline, and second, so-called base effects will come into play starting in March. This means that, starting in March, inflation measurements will compare current energy prices with those of the previous year – which were already significantly higher due to the outbreak of the war. As a result, year-over-year rates reported to the central banks will tend to decline, even if the overall price level remains elevated.

We therefore do not share the view of some observers that, following its first interest rate hike in September, the US Federal Reserve will now raise rates at nearly every meeting in the coming months. Lower energy costs, the base effects mentioned above, and the Federal Reserve's possible desire to avoid a conflict with Donald Trump over an overly restrictive monetary policy all argue against an excessively tight monetary policy.

Government debt and the France risk

In addition to geopolitical tensions, high government debt is becoming a more tangible risk. After many years of unnaturally low interest rates, the rise in capital market rates represents a significant burden on government budgets. Since the beginning of 2021, yields on 10-year US Treasury bonds have risen from around 1% to over 5% today. In Germany, yields rose from -0.5 to around 3.5% over the same period, and in France from -0.3 to 4.8%.

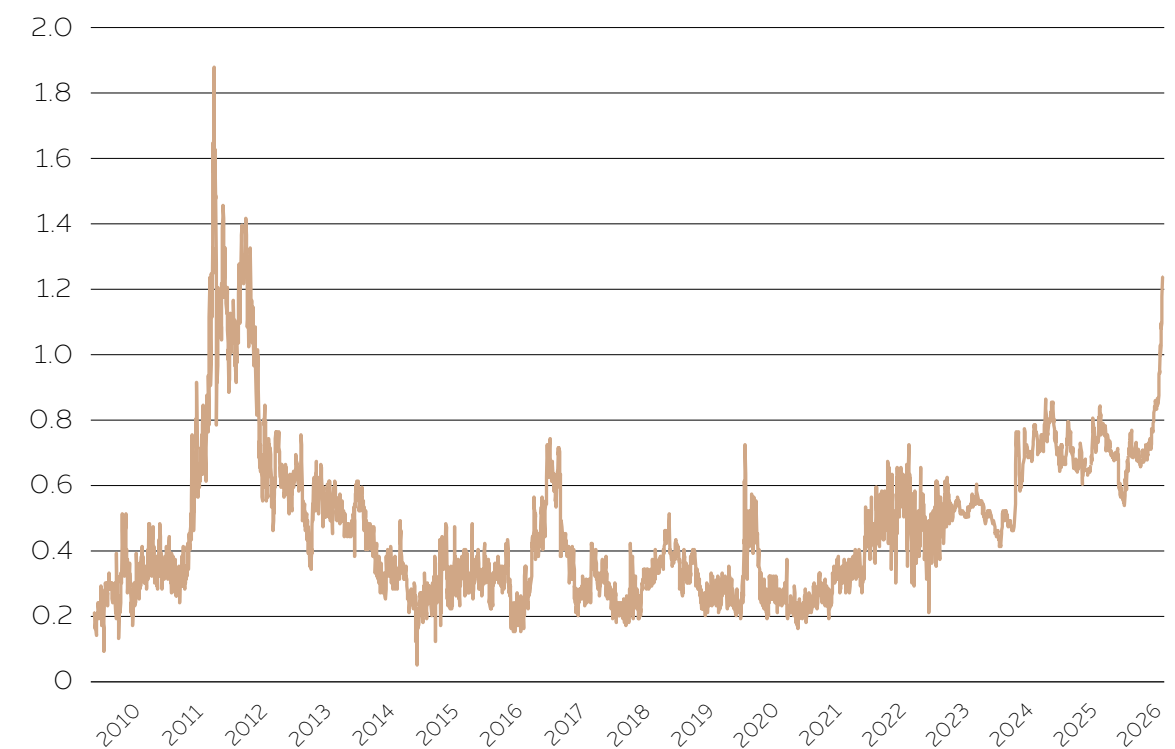
The interest rate spread between France and Germany has thus widened significantly, currently standing at 1.25 percentage points

(see figure). In light of chronically high budget deficits and political gridlock, investors are apparently increasingly doubting the sustainability of French government debt and are therefore demanding higher risk premiums.

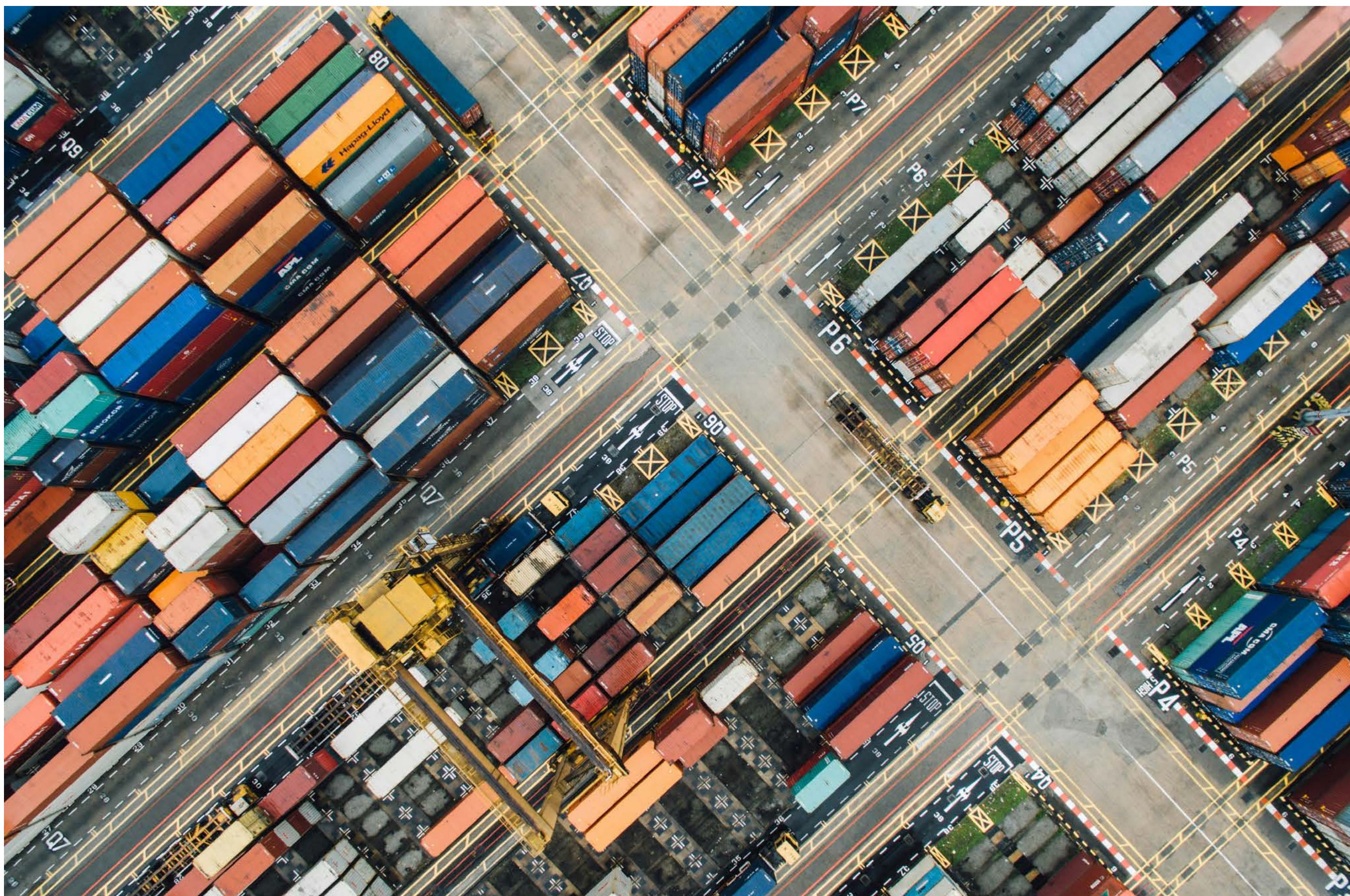
This could become a new test for the eurozone. If France fails to get its public finances under control and loses the confidence of investors, it would need outside help to prevent the entire eurozone from being dragged down. In the wake of the Greek crisis, the European Stability Mechanism (ESM) was created to come to the aid of eurozone member states in times of need. In the worst-case scenario, however, the ESM's financial resources are unlikely to be sufficient to adequately support

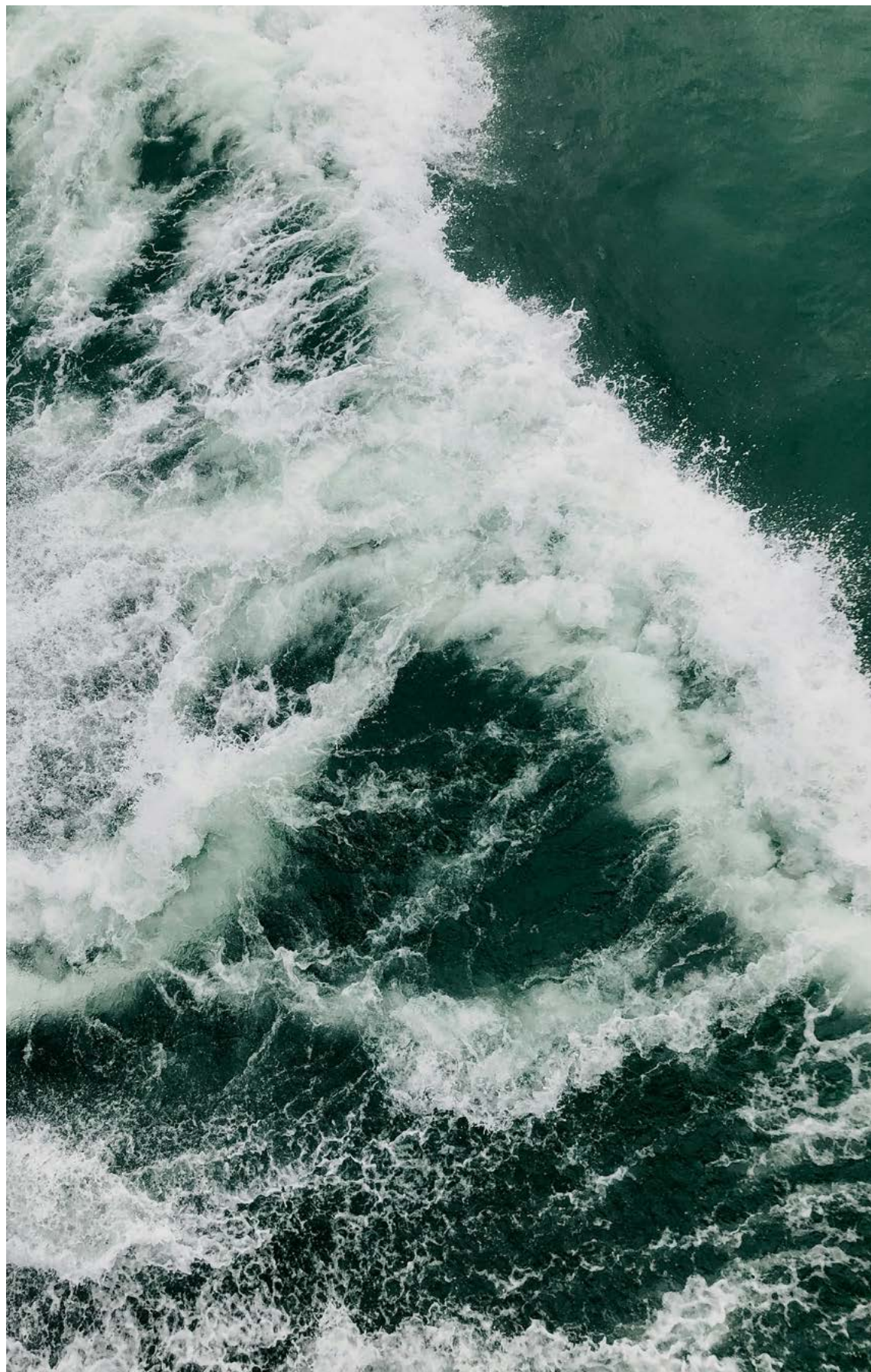
the eurozone's second-largest economy and mitigate any contagion effects.

So, there is a risk here that could cause significant turmoil in the financial markets. The European Central Bank, too, does not yet have the appropriate tools to help France if need be. However, experience shows that, in an emergency, the ECB would likely be willing to take unconventional (and legally questionable) measures before a financial market panic sets in that could pose a threat to the entire eurozone. In other countries as well, it is likely that central banks will intervene if interest rates rise too rapidly, so as not to jeopardise financial stability. Until then, however, some time – and some turbulence – could still pass.



France-Germany yield spread in percentage points: Ten year government bonds
Source: Macrobond, Bergos.





E Q U I T I E S

EQUITY MARKETS DEFY THE RISE IN INTEREST RATES

BY FREDERIK CARSTENSEN

In the third quarter of 2026, global equity markets were supported by robust corporate earnings and the AI theme, but have recently come under increasing pressure from a changed interest-rate environment. Central banks' return to rate hikes, high bond yields and the unresolved situation in the Persian Gulf are putting markets to the test. Nevertheless, the US equity market gained over the quarter and is trading just below its all-time high. Brazil, Japan and the US in particular showed relative strength. In the near term, the oil price and upcoming inflation data are likely to set the tone.

Global economy remarkably stable

The burdens on and risks to the global economy remain considerable. Still, economic activity is holding up remarkably well, not least thanks to the AI boom. Global output is likely to grow by around 3.0% in 2026, only slightly slower than in previous years. However, the energy price shock, with Brent still above USD 100 per barrel, is affecting individual countries and regions very differently. The US economy has so far proved extremely resilient, and the probability of a recession is low. Europe, too, is faring better than expected despite the tense geopolitical situation; we recently raised our GDP forecasts for the eurozone.

Central banks: new interest-rate environment puts the Fed under pressure

Solid economic activity and high energy prices are keeping inflationary pressure alive. At Jackson Hole, Fed Chair Kevin Warsh provided greater clarity on monetary policy: he reaffirmed the 2% inflation target and explicitly left the door open to rate hikes. In September, the Federal Reserve duly followed with its first rate increase since 2023. The seemingly unstoppable rise in global bond yields is adding further pressure. The yield on 10-year US Treasuries climbed above 5% in the third quarter, its highest level since 2007. The fact that the S&P 500 is nonetheless trading just below its all-time high has one main reason: higher yields reflect not only the rise in energy prices but also the robust growth of the US economy.

Earnings momentum remains strong

Tailwinds are coming from the corporate sector. US companies can look back on one of the best reporting seasons of the past 20 years: more than 85% of them beat analysts' expectations with their second-quarter results, the highest share since 2021. For 2026 as a whole, earnings growth of 35% is expected for the S&P 500, and the outlook for 2027 is solid as well. European companies are also increasing their earnings, although by only 17% for the Stoxx 600, roughly half the US pace. Thanks to strong earnings growth, US equities have become cheaper since the start of the year in terms of their price/earnings ratio. Valuations nevertheless remain demanding and leave little room for disappointment.

Market breadth has narrowed again

Beneath the surface, the picture has clouded recently. US small and mid caps had shown relative strength for much of the year, signalling a healthy broadening of the market. In September, however, they fell back, as they tend to carry more debt and are more sensitive to

changes in interest rates. Large caps were in demand instead, above all technology stocks with solid balance sheets and intact growth prospects. Since the start of the year, only two of the eleven GICS sectors have outperformed the S&P 500: energy and information technology. The rally is therefore once again resting on narrower shoulders.

Outlook: more vulnerable in the short term, supported in the medium term

In the near term, markets are likely to become somewhat more vulnerable. Given the macro-economic uncertainties, investor sentiment has cooled and is now slightly below its historical average. Added to this are the US midterm elections on 3 November, in which all 435 seats in the House of Representatives and one third of the Senate seats are up for election. For investors, the key question is whether the Republicans can defend their majority in Congress, as this will determine how far President Trump can implement his economic agenda. The 13 midterm election years since 1974 show that the S&P 500 tends to move sideways until election day and then rises once the political picture is clear.

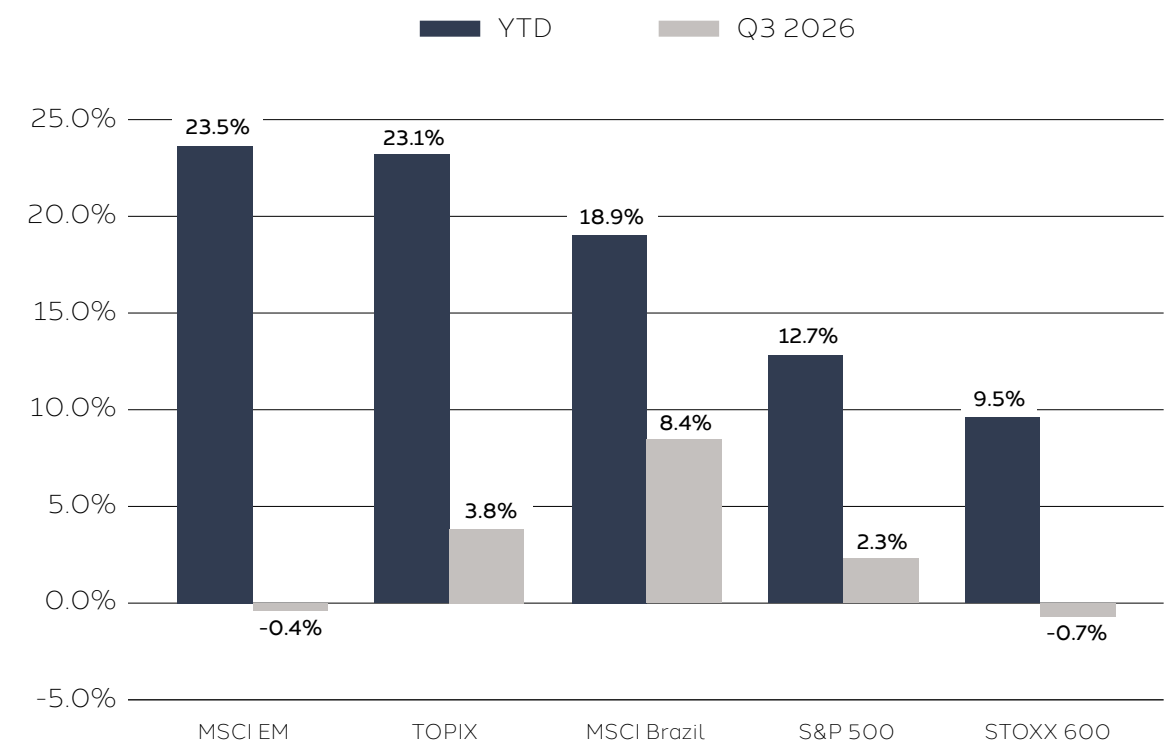
September, the first month after the summer break, once again lived up to its reputation as a weak month for equities, particularly as midterm election years tend to be more subdued for markets in any case. In the coming months, however, seasonality turns into a tailwind, as the fourth quarter is typically a strong one for equities. Together with the typical pattern after midterm elections, this points to a friendlier market environment towards year-end.

Supported by solid earnings growth, we are maintaining our positive outlook for global equities for 2026 and beyond. The major research houses have recently raised their earnings and index estimates for the next twelve

months further. We consider it unlikely that the Fed will actually raise rates as much as the market currently expects. Nevertheless, given narrow market breadth, the higher level of interest rates and the uncertainty surrounding the midterm elections, we are remaining neutrally positioned for the time being.

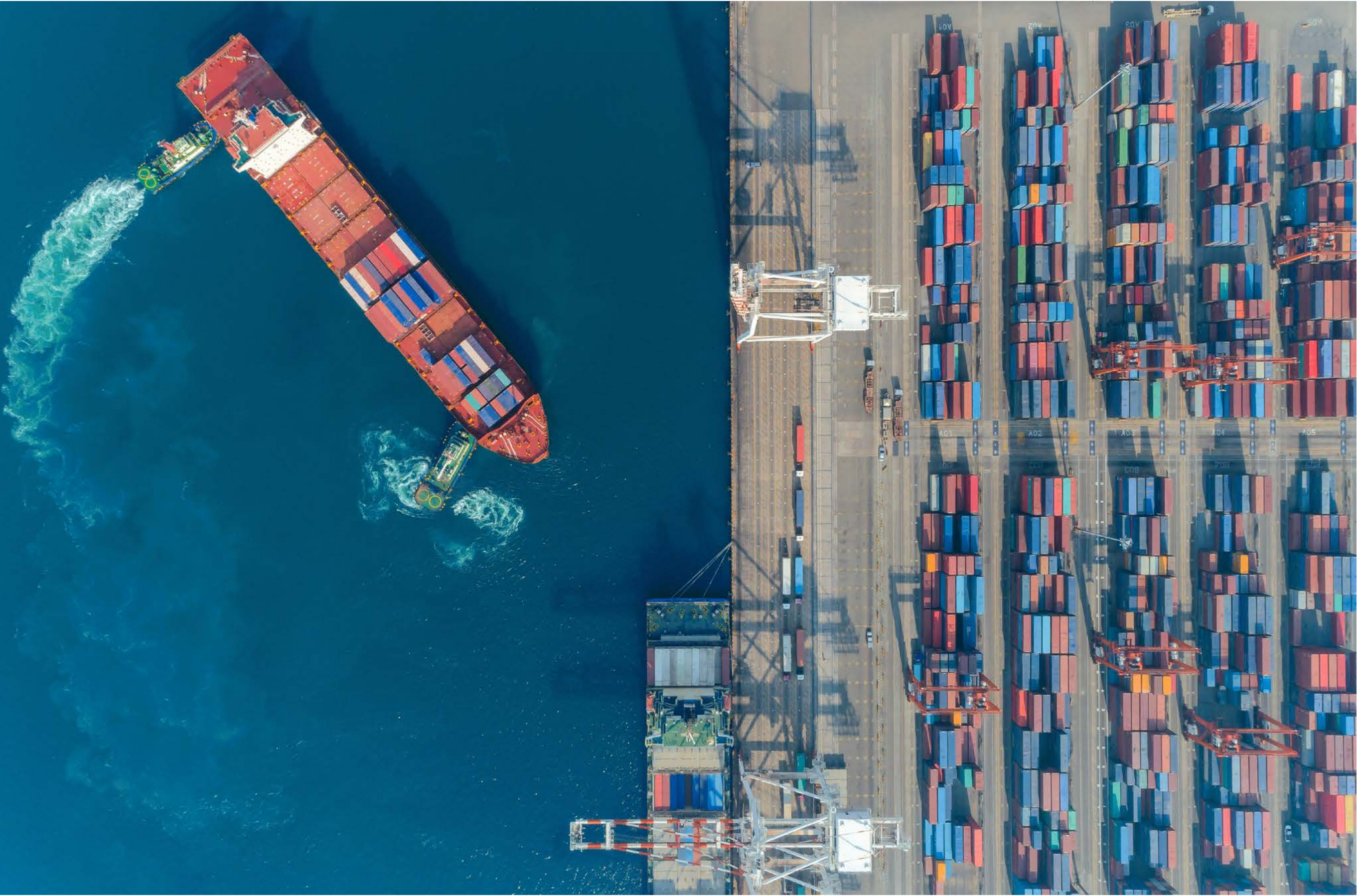
Regionally, we continue to favour US equities. Compared with Europe, the US stands out with higher economic growth and more dynamic earnings; it is also likely to benefit more from the global spread of artificial intelligence than the "old continent". For Europe, as a net importer of energy, high prices remain a risk to the economy.

As we expect market breadth to increase again over the medium term, a balanced allocation across regions, styles and market capitalisations seems reasonable. Our focus remains on quality growth stocks, but we also see additional potential in value stocks and small caps. US small caps, for instance, continue to deliver above-average earnings growth despite the recent headwinds. To diversify within emerging markets, where we are neutrally weighted, we are also maintaining our preference for Brazil. This is supported by the low weight of technology companies in the index, attractive valuations, solid earnings growth and the prospect of falling interest rates.



Development of selected indices in 2026

ALL indices in local currencies and incl. net dividends. EM in USD.
Source: Bloomberg, Bergos. Data as of 30.09.2026





B O N D S

WHEN MONEY COSTS SOMETHING AGAIN

BY CHRISTOPH JUNG

The Fed follows, the market leads

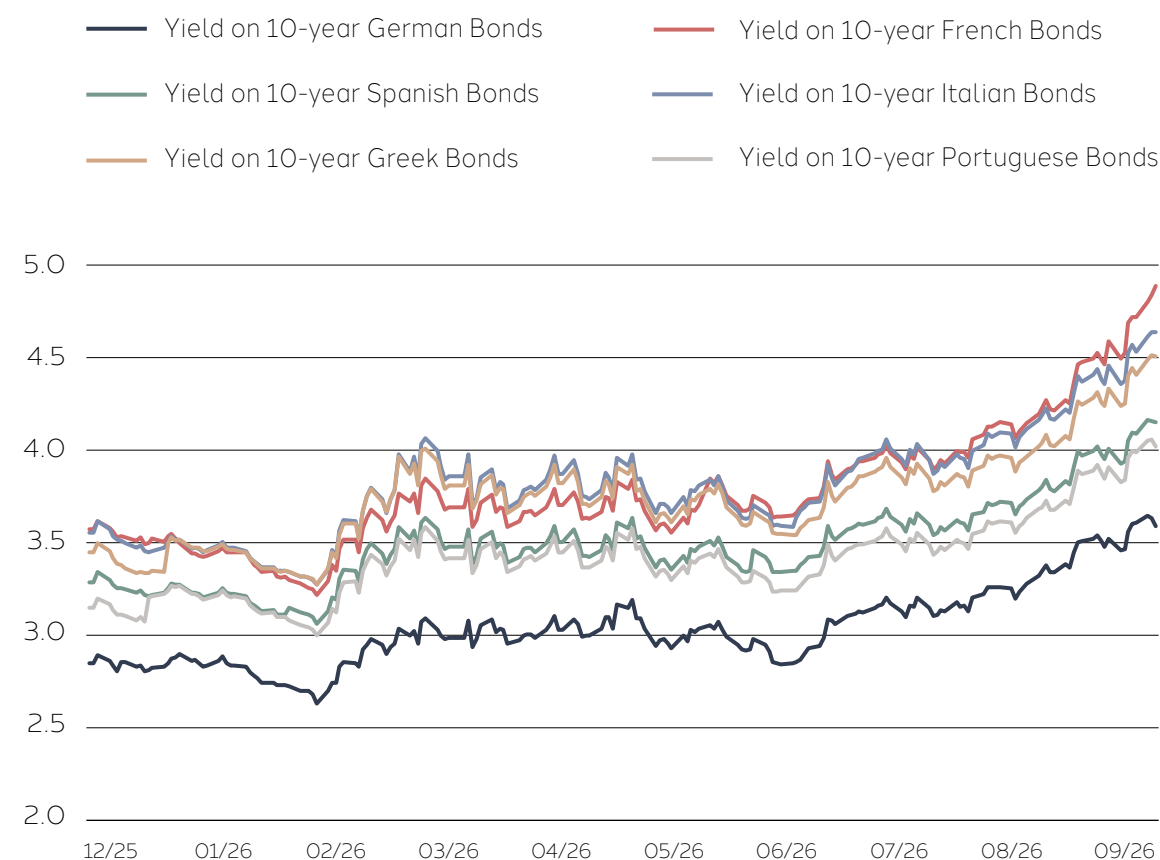
At the start of the year, markets expected several Fed rate cuts. By July they were no more than a memory: cuts were priced out through the end of May, and the June pause came without any hint of easing. On 16 September the committee then went one step further and voted unanimously for a 25 basis point (bp) hike to 3.75–4.00%, the first since 2023. Yet the Fed followed the market rather than leading it, and the driver changed over the course of the quarter. July was an oil story: Brent jumped to around USD 100, and inflation worries returned. August belonged to the term premium and doubts about public finances. In September, growth was the accelerator.

Preliminary PMIs for September put the US composite at 58.4, its highest level in more than five years, with clear signs that both manufacturing and services are expanding. The labour market also held up at a robust level. Based on this data, the Atlanta Fed's GDPNow model recently projected real GDP growth of 5.0% for the third quarter of 2026.

This matters for understanding what has driven yields. The two-year yield rose from around 4.2% at the end of June to almost 4.9%, reflecting a repricing of monetary policy. Via interest rate futures, the market began to price in almost four further Fed hikes, which we consider rather ambitious. The move in the

ten-year yield was even stronger: it climbed from 4.47% at the end of June to around 5.28%, the highest level since mid-2007. The thirty-year yield also closed near 5.6%, a level last seen in 2002. Over the quarter as a whole, the rise came predominantly through real yields rather than breakevens. Breakevens are the market-implied inflation expectation, i.e. the difference between the yield on a nominal government bond and that on a maturity-matched inflation-linked bond. They show the minimum average inflation that must materialise over the life of the bond for the inflation protection to pay off compared with the nominal bond. When yields rise mainly via real yields, the market is pricing in less a higher inflation rate than a higher real price of capital.

Possible causes are tighter monetary policy, stronger growth and higher term premia. The term premium also reflects the persistently high deficit and the growing public debt of the US. The compensation investors demand is less for the risk of an outright default than for uncertainty about the fiscal path and the willingness to correct course. The Treasury has to place ever larger volumes, while the Fed is shrinking its balance sheet at the same time and thus dropping out as a buyer. Demand must therefore be carried by more price-sensitive institutional and private investors. Even the doubling of Treasury buybacks at the long end to at least USD 4 billion per operation had no lasting effect. Set against the sheer size of the freely traded US Treasury market of over USD



Yield development of selected 10-year EUR government bonds
Source: Bloomberg, Bergos.

30 trillion, that amount is close to negligible. The fact is: borrowed money simply demands an ever higher yield.

Tightening despite stagnation:

The ECB, France and the Swiss exception

Europe experienced the same energy shock with considerably less growth, and yet the ECB raised rates twice, in June and on 10 September, to a deposit rate of 2.50%. It paused in July, when a ceasefire in the Gulf temporarily eased prices, which in hindsight proved a false hope. With headline inflation at 3.2% in August and energy prices up noticeably, there is a risk that wages will follow suit, partly because industrial firms absorb the “shock”, among other things via higher transport costs, and pass it on through consumer prices. Inflation excluding energy currently stands at 2.4%, and wage-intensive services inflation recently eased slightly to 3.0%. Even so, it is understandable that policymakers want to insure themselves as well as possible against a scenario in which an inflation spiral, as in the past, gets under way, and that the ECB is attempting the balancing act between fighting inflation and supporting the economy.

Europe could not escape the general upward pull on yields, as the first chart shows, and France in particular is where the question of confidence is once again being tested. The yield spread between ten-year French OATs and German Bunds exceeded 120 bp towards the end of the third quarter. The OAT closed at 4.86%, the Bund at 3.64%. At the same time, five-year credit default swaps (CDS) rose to around 70 bp, from about 40 bp in early summer. It is crucial that both measures moved together: a rising spread alone can reflect supply and term premium, whereas CDS price the sovereign's credit risk itself.

The trigger is homemade: an expected deficit of 5.4% of GDP, a debt ratio of almost 120%,

annualised growth of only around 0.5% and a record issuance plan for next year are unsettling investors. That unease will not fade while elected politicians in a deeply divided parliament keep calling confidence votes, since this suggests the situation will not improve any time soon. France shows the effects most clearly, but in many other countries the situation is similar, if not identical. If no solution is found that reassures investors, it is not far-fetched to think that CDS spreads of Western countries could continue to trend higher.

Switzerland is the calm counterpart, with a relatively stable CDS in the high single-digit range. Naturally, the Swiss market could not entirely escape the rate trend either. Compared with the rise in neighbouring countries, however, the 30 bp increase in ten-year Swiss government bond yields to 0.56% is very modest. On 24 September the SNB left its policy rate at 0% for the fifth time in a row and raised its inflation forecasts only slightly, to 0.7% for 2026 and 0.8% for 2027. There is thus currently less pressure for the yield curve to break out to the upside.

The weakest fall first

For a long time, the credit risk premia of investment-grade and high-yield bonds implied that neither the energy shock nor the financing needs of the AI build-out would lead to a credit event. Fundamentals were and are largely solid, which encouraged yield-driven buyers to harvest the excess return over government bonds. As government bond yields kept rising in September and reached new multi-year highs amid higher volatility, issuers with weaker credit metrics in particular were repriced. Higher rates also mean higher refinancing risk.

US high-yield offers a good example: spreads tightened to a record low of around 260 bp by the end of August, then widened rapidly by more than 50 bp to just over 310 bp.

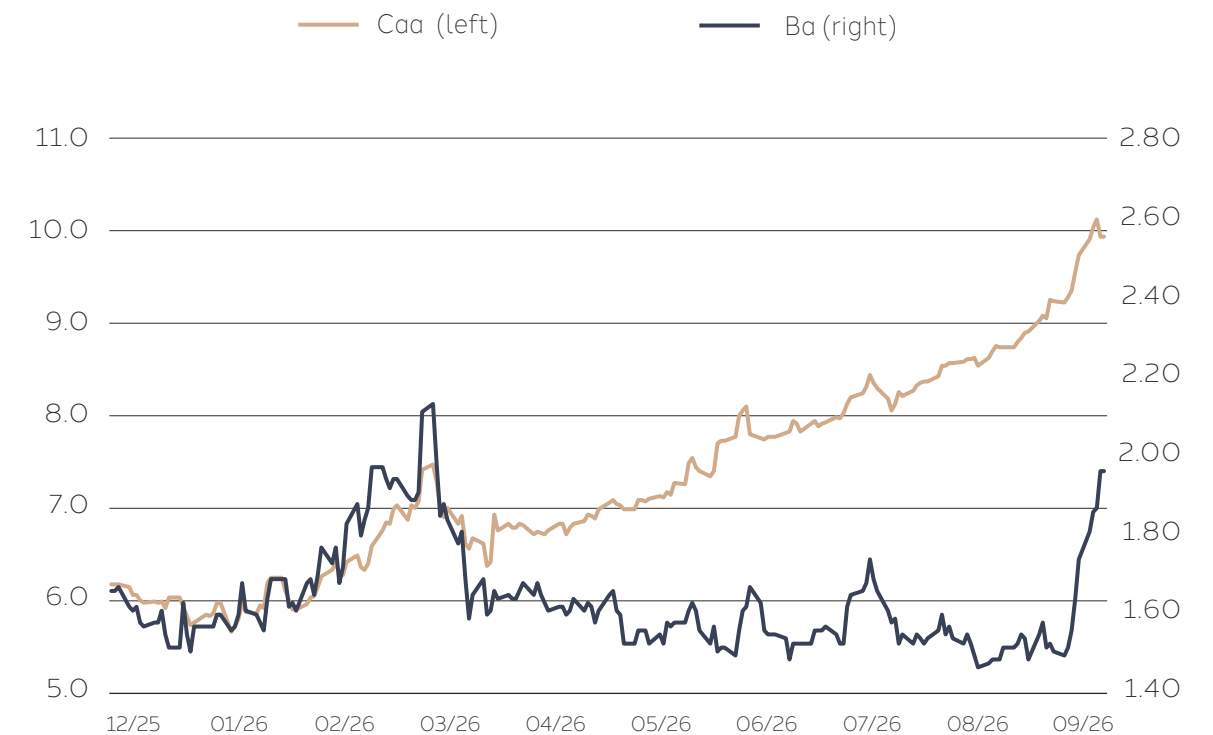
The widening was led from the bottom, i.e. by issuers with very low credit quality. In September, average option-adjusted spreads on CCC bonds rose by about 1.5 percentage points to just over 10%, while BB bonds widened by only around 40 bp to 1.9%, as the chart shows. That is an unusually strong dispersion. The spread widening was also visible in the higher rating categories, albeit to a much lesser extent.

The sharp upward move in US Treasuries has also left its mark on emerging market bonds. The rate cuts expected at the start of the year have been called into question there just as in Western countries, and with the Fed hiking, some countries will have to respond with tightening to protect their inflation credibility and their currencies. In hard currency, valuations nevertheless remain ambitious. Even after the recent widening of almost 20 bp, USD spreads are still at only 170 bp, a level that is still very low from a historical perspective. Oil importers with high external debt are certainly exposed to a higher risk of spread widening, and careful selection remains the order of the day.

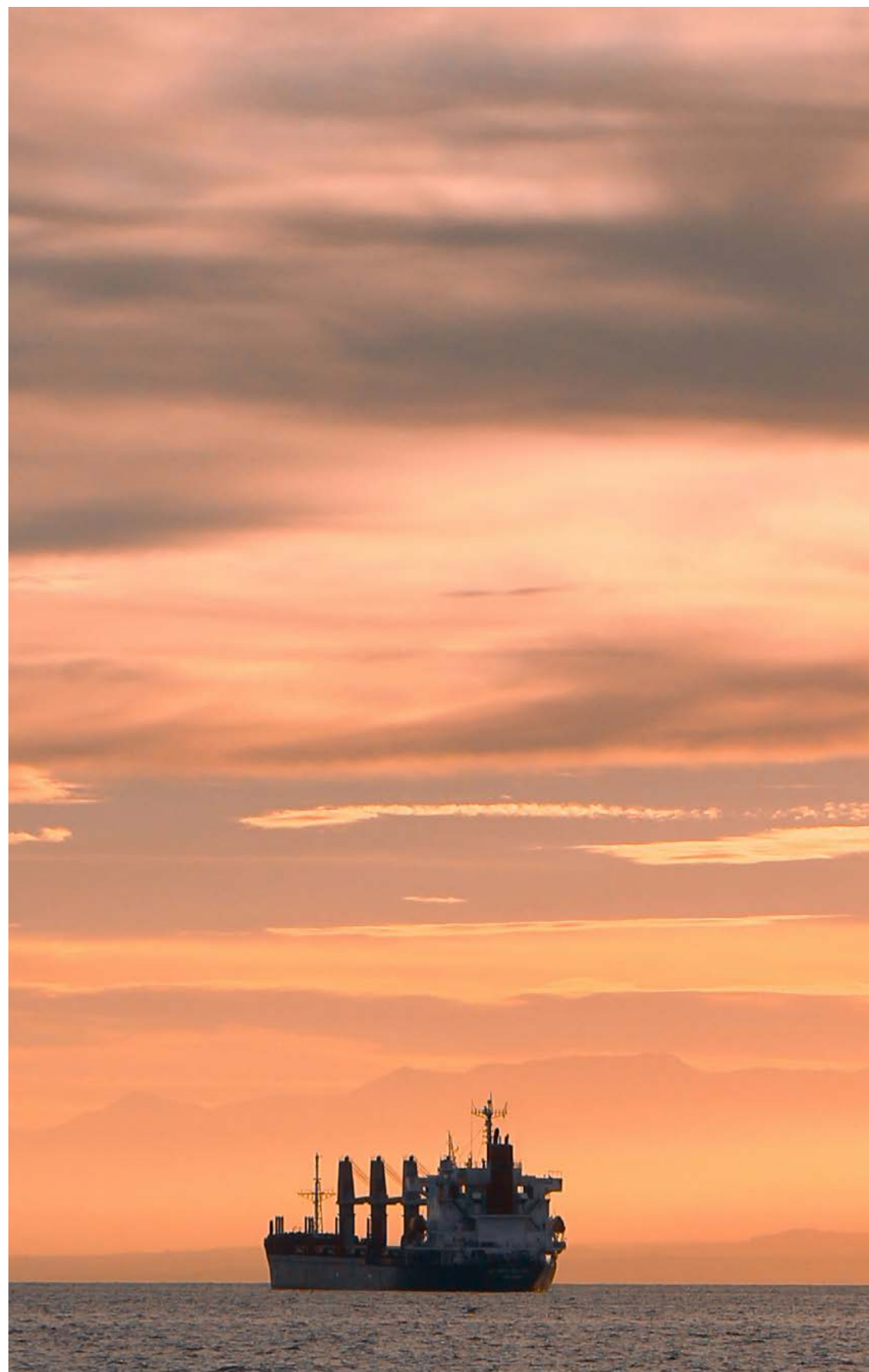
Higher, longer, more selective

The Fed, the ECB and the Bank of Japan have all raised rates, long-term yields reached levels last seen decades ago, and credit spreads widened towards the end of the quarter after a long period of resilience. Rates are repriced quickly because they respond to inflation, supply and fiscal arithmetic. Perhaps too much has already been priced in, and calm could return to the markets. However, rates will probably stay at these higher levels for longer, and the risks of exogenous supply shocks, such as a diesel shortage, remain.

Financing conditions have deteriorated for many companies owing to the sharp rise in real rates. Companies with solid credit metrics can easily absorb this. Highly indebted companies with tight cash flow budgets, on the other hand, depend on solid economic growth. This needs close attention, because a decline in demand can inevitably erode the cash flows needed to service debt. Accordingly, we believe that a quality-focused selection remains decisive, with a preference for the medium-maturity segment of three to seven years in both USD and EUR, where further central bank tightening appears largely priced in.



Average option-adjusted spreads in %
Source: Bloomberg, Bergos.



ALTERNATIVE INVESTMENTS

GOLD: SHORT-TERM PRESSURE, LONG-TERM POTENTIAL
BY OLIVER WATOL

Gold has faced a challenging year, yet its resilience deserves attention. After a turbulent first half, the metal recovered part of its losses in the third quarter and ended September around 3.7% lower year-to-date in US dollar terms. Measured in euros, gold was broadly unchanged, and Swiss franc investors recorded a gain of approximately 1.3% for the year, as the stronger US dollar cushioned the decline. Despite renewed pressure from interest rates, gold has held up well.

A volatile quarter and a Fed hike

The last quarter also showed how quickly sentiment can shift. Gold rose by approximately 10% in August before giving back part of those gains in September. On 16 September, the US Federal Reserve raised its policy rate by 25 basis points to a range of 3.75%–4.00%, its first increase since 2023. With inflation still elevated, policymakers signalled that further tightening could follow. Higher Treasury yields and a stronger dollar weighed on gold by making

interest-bearing assets relatively more attractive. These are meaningful headwinds. Real interest rates, meaning returns after inflation, have regained some influence on gold this year. They had been largely sidelined as a price driver after the outbreak of the war in Ukraine in 2022. Further increases could bring additional volatility. However, we do not believe interest rates alone will determine gold's longer-term direction.

Gold and rate hikes:

The last four tightening cycles

Recent history offers an interesting perspective. Our analysis of the four most recent completed Fed tightening cycles shows that rising rates are not necessarily bearish for gold. Much of the pressure has typically come before the first hike, as markets price in tighter policy. Once tightening begins, gold has often performed surprisingly well. In three of the last four cycles, gold was higher six months after the first hike, and in all four it was higher after twelve months. This is no guarantee of a repeat, but it challenges the assumption that rate hikes inevitably mean falling gold prices. Markets may already look ahead. As tightening progresses, attention tends to shift towards the consequences for growth and financial stability, and eventually towards the next easing cycle.

The extent of further tightening is also uncertain, and the market may be overreacting. A single hike does not necessarily mark the start of an extended hiking cycle. The energy shock linked to the Middle East conflict has complicated the inflation outlook. However, improving oil flows through the Strait of Hormuz could ease price pressures, particularly if they come with a lasting resolution of the conflict. Even if energy prices stay elevated, their contribution to annual inflation should diminish as base effects fade. Persistent inflation beyond energy could still justify additional hikes, but we would not be surprised if the eventual rate path proved less aggressive than investors fear.

Rising government debt

Beyond monetary policy, mounting government debt strengthens the case for holding gold. US gross federal debt surpassed USD 40 trillion in August. That was less than five months after it crossed USD 39 trillion, and the total is roughly double its level of a decade ago. To put this in perspective, all the gold ever mined would not be enough to repay it. That gold is estimated at around 220,000 tonnes and is worth approximately USD 30 trillion at current prices. The interest burden is growing too. The Congressional Budget Office projects net interest costs of around USD 1 trillion for fiscal year 2026, equivalent to almost USD 3 billion a day. This creates an increasingly difficult policy balance. Higher rates help contain inflation but also raise debt-servicing costs as borrowing is refinanced. The need to keep government financing affordable could begin to constrain monetary policy, a situation known as fiscal dominance. In that case, inflation could remain elevated while policy rates are held back. This remains a risk rather than an inevitable outcome. In such an environment, however, gold's relative appeal would likely increase.

Central banks:

the strongest structural support

Central bank demand remains the most important pillar of our constructive view. Reserve managers hold gold for diversification and resilience, and as a store of value. Physical gold is no other institution's liability and carries no issuer default risk. The second quarter illustrated this appetite clearly. According to the World Gold Council, central banks and other official institutions bought a net 289 tonnes. That was a record for a second quarter, 62% more than a year earlier, and a strong rebound from a revised 57 tonnes in the first quarter. China stands out, with its accumulation shifting into a higher gear. The People's Bank of China added approximately 81 tonnes in the

first eight months of the year. Its August purchase alone, at 20.2 tonnes, was the largest monthly addition since October 2023. It extended the bank's buying streak to 22 consecutive months and lifted reported holdings to approximately 2,387 tonnes. The outlook for official demand also remains encouraging. In the World Gold Council's 2026 Central Bank Gold Reserves Survey, 89% of respondents expected global central bank gold reserves to rise over the next twelve months. A record 45% expected their own holdings to increase. Intentions are not purchases, but they underline gold's continuing importance in reserve management.

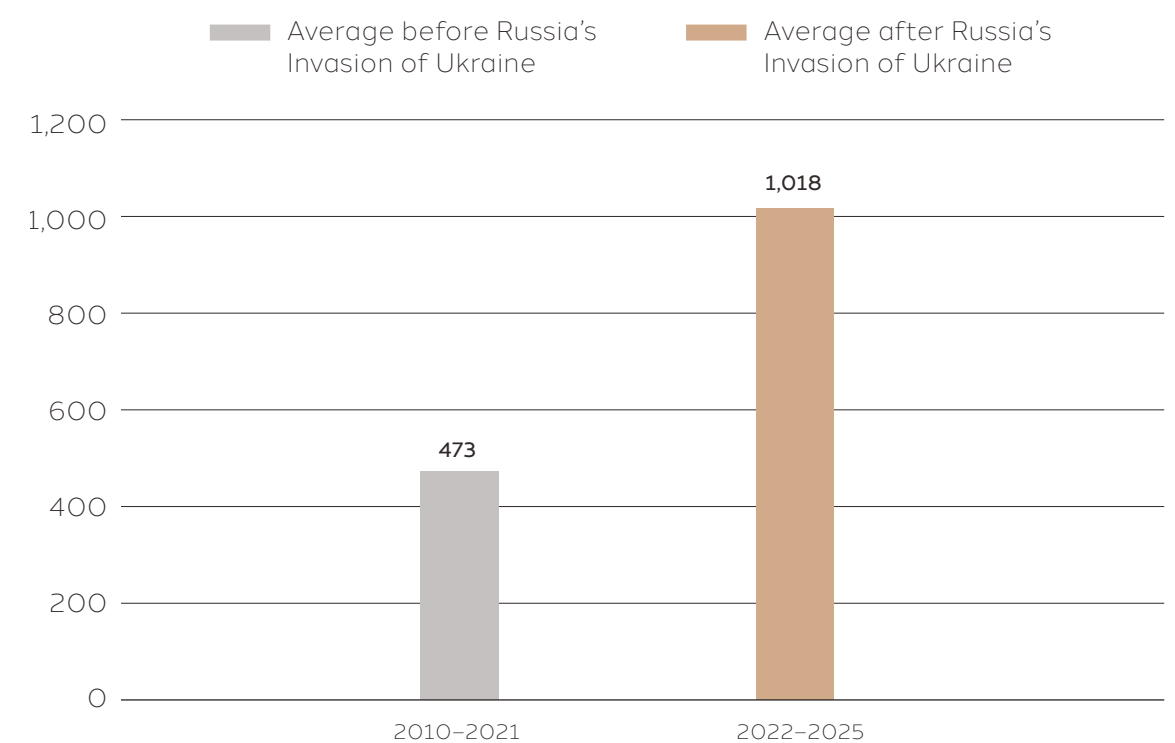
Geopolitics and sanctions

Geopolitical uncertainty provides a further reason to hold gold. Conflicts can increase demand for protection. Renewed sanctions, this time on Iran's financial and commodity assets, echo the freezing of Russia's central

bank reserves in 2022. They reinforce the case for reserve diversification and are likely to keep other central banks on course to reduce their reliance on paper assets. Physical gold held domestically limits exposure to foreign asset freezes.

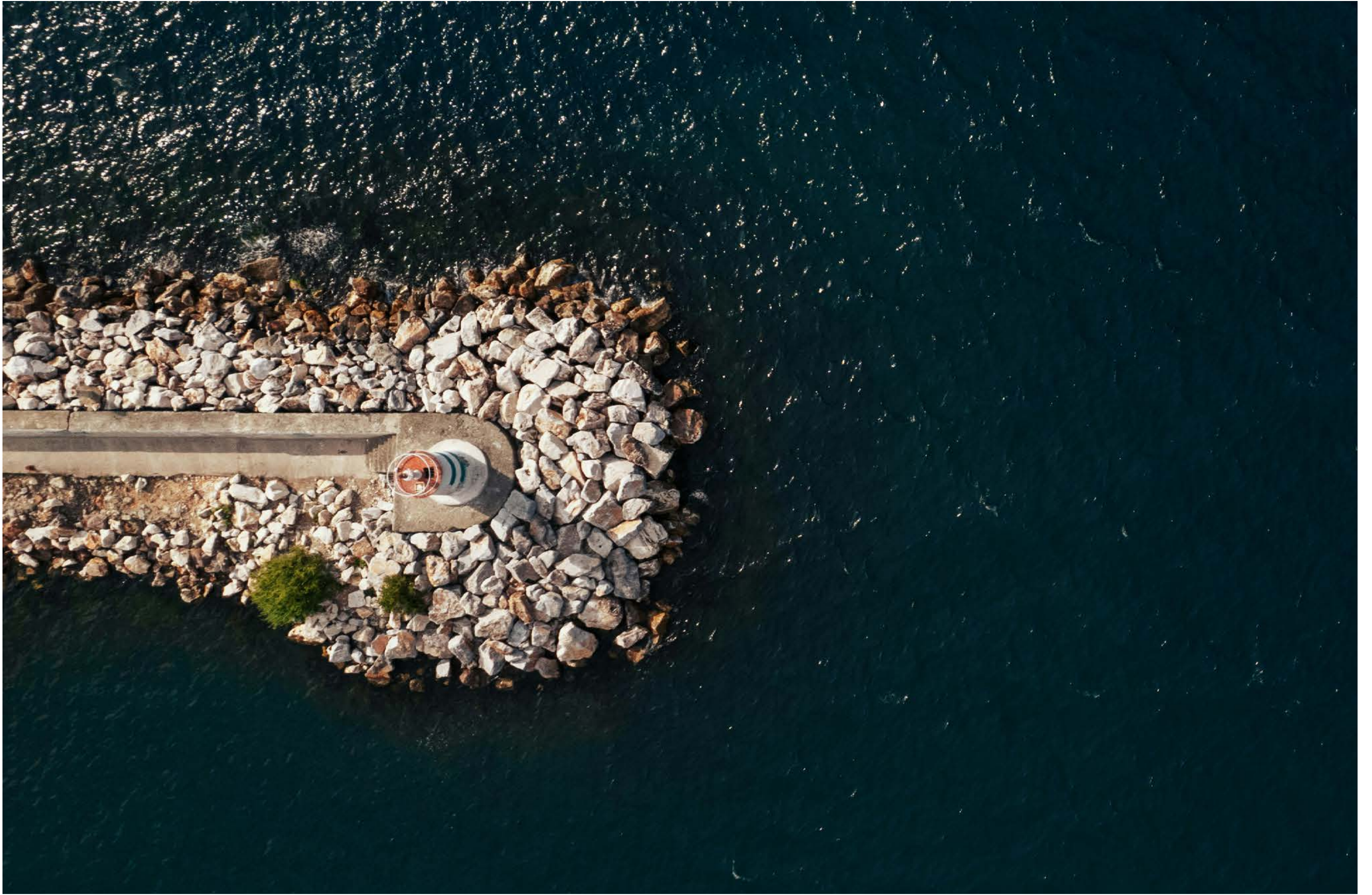
Our view

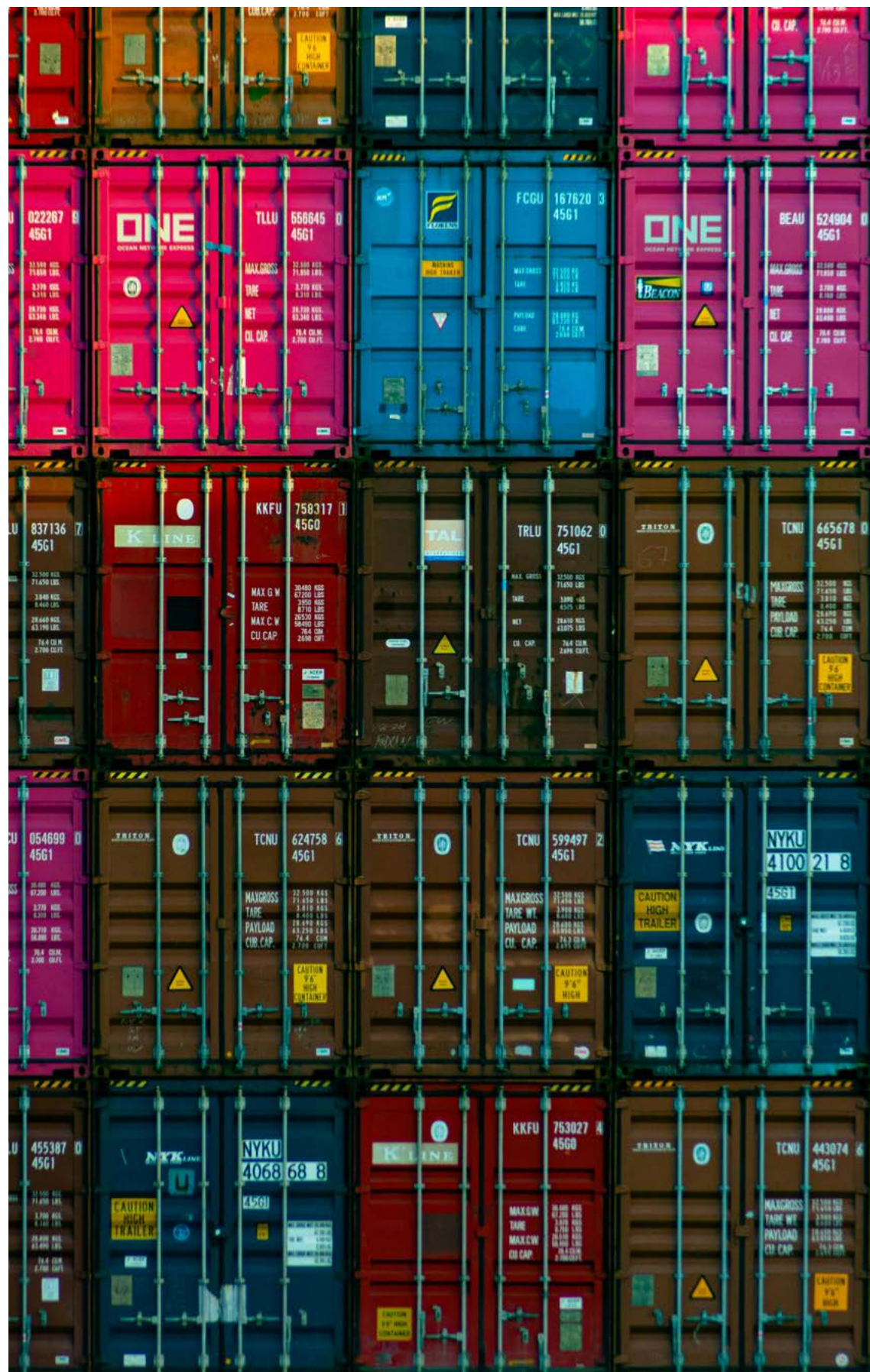
Taken together, all these factors support our constructive stance. Further volatility may follow the Fed's latest rate hike, but we do not believe the strategic investment case has changed. Historically, gold has often been more resilient after the first hike than in the run-up to it. Concerns about access to reserves, sanctions risk and rising government debt all add to the appeal of an asset that is no other institution's liability. These forces should encourage further reserve diversification, supporting gold's role as a store of value. We therefore remain positive on gold's longer-term potential.



Average annual global Central Bank gold purchases in tonnes, 2010-2025

Source: World Gold Council, Incrementum AG.





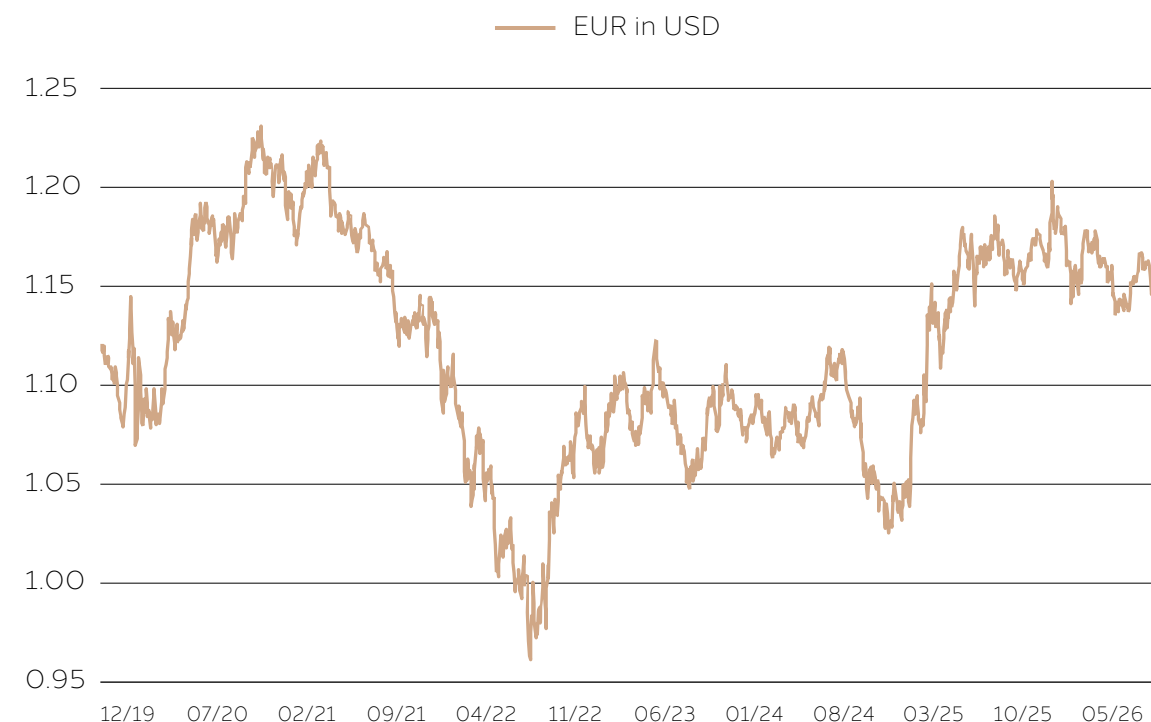
C U R R E N C I E S

HOW FAR WILL THE US FEDERAL RESERVE GO WITH RATE HIKES?

BY STEFFEN KILLMAIER

After a period of weakness during the summer months, the US dollar appreciated significantly in September. Once again, the main driver behind this renewed strength was monetary policy. Inflation in the US remains well above the Federal Reserve's 2% target. The Personal Consumption Expenditures (PCE) price index stood at 3.4% in August. In particular, rising energy prices amid ongoing tensions in the Middle East have recently intensified inflationary pressures. At the same time, the

US economy continues to prove surprisingly resilient. Against this backdrop, the Fed can place greater emphasis on combating inflation. In September, it unanimously raised its key interest rates by 25 basis points to a range of 3.75–4.00%. This was the first rate hike since 2023. In addition, market expectations for further US rate hikes have shifted significantly higher in recent weeks. At the same time, the yield on 10-year US Treasuries recently rose above 5%, reaching its highest level since 2007.



Development of the EUR/USD exchange rate
Source: Bloomberg, Bergos. Data as of 30.09.2026

The eurozone economy has also proved resilient. Growth in the second quarter, an improvement in consumer confidence and public spending supported economic activity. At the same time, inflation stood at 3.2% in August, still well above the European Central Bank's (ECB) 2% target. Against this backdrop, the ECB has raised its key interest rates twice so far this year, by 25 basis points each time – first in June and again in September. This brought the deposit rate to 2.5%. The market currently expects a further rate hike by the end of the year, followed by another one or two moves by early summer 2027. A potential headwind for the eurozone arises from the current developments in France's public finances.

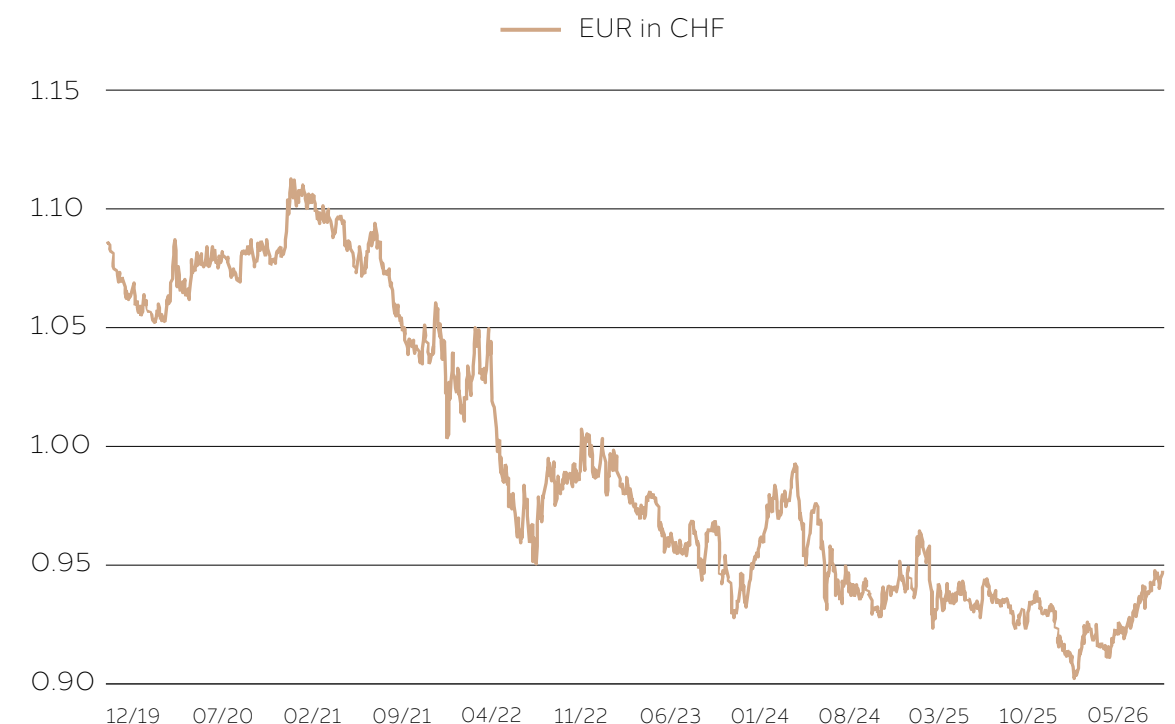
In contrast to the eurozone, we consider the further rate-hiking path currently priced in by

the market for the US to be too ambitious and expect fewer rate increases. This view is based on lower energy costs, base effects and the possibility that the Federal Reserve may wish to avoid a conflict with Donald Trump over an overly restrictive monetary policy. As a result, a significant part of the expected monetary tightening may already be priced into the recent appreciation of the US dollar. Should rate expectations decline over the remainder of the year, this could put renewed pressure on the US dollar. Another risk factor is the strained US fiscal position. In August, US government debt surpassed the USD 40 trillion mark for the first time. High debt levels and the rapid increase in government debt could undermine confidence in the US dollar in the future. Accordingly, we are positive on the EUR/USD exchange rate over both a three-month and twelve-month horizon.

Swiss franc caught between interest rate disadvantage and geopolitical risks

The Swiss franc weakened in the third quarter, depreciating against the euro. One of the key drivers behind its recent weakness has been the divergence in interest rate developments. While other major central banks have gradually raised their interest rates, the Swiss National Bank (SNB) left its policy rate unchanged at 0% in September. Although inflation rose slightly to 0.8% in August, it remains comfortably within the SNB's target range. Moreover, the increase was primarily driven by higher energy and import prices, while domestic price pressures remain subdued. Unlike in most other developed economies, there is therefore no immediate pressure on the central bank to adopt a more restrictive monetary policy stance. This is widening the interest rate differential, including against German government bonds, which is weighing on the Swiss franc.

However, we do not expect the Swiss franc to weaken for an extended period. The unresolved situation in the Middle East and developments around the Strait of Hormuz remain significant risk factors. The geopolitical situation also remains tense due to the ongoing war between Russia and Ukraine and is generally characterised by considerable uncertainty. This environment is likely to continue to support demand for the Swiss franc as a safe-haven currency. Among G10 currencies, the franc remains one of the most defensive currencies. Switzerland's political stability, robust economy and low level of government debt should continue to support the Swiss franc in the coming months. Against this backdrop, we maintain a neutral stance on the EUR/CHF exchange rate over both the three- and twelve-month horizons.

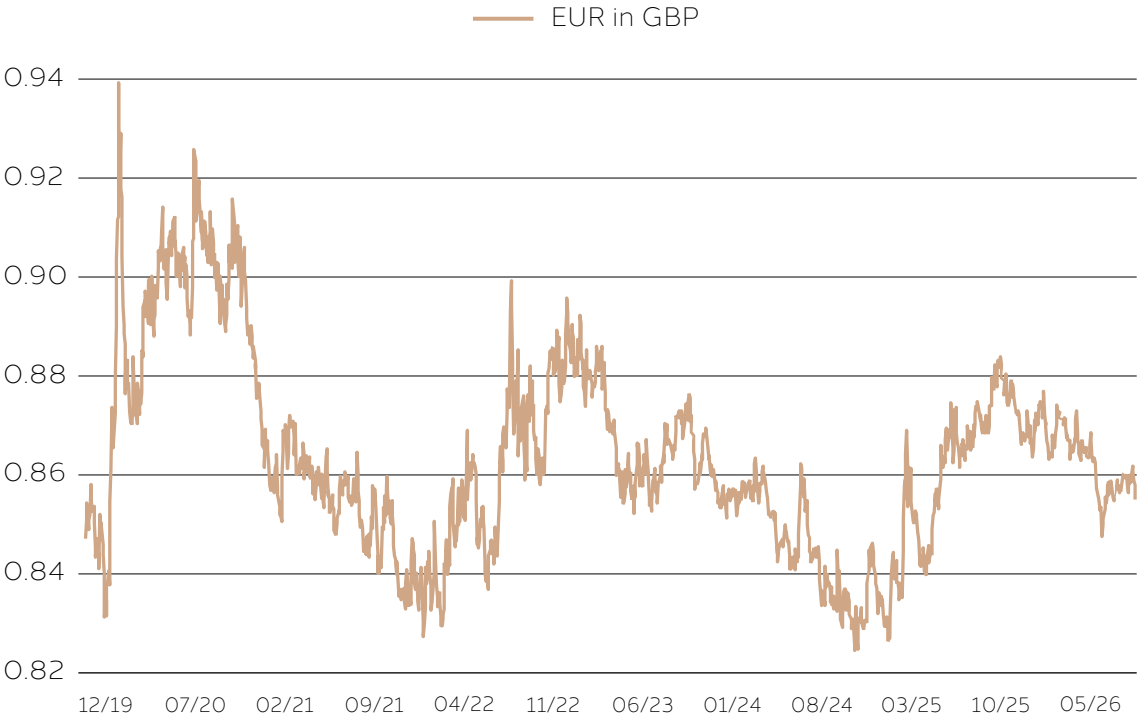


Development of the EUR/CHF exchange rate
Source: Bloomberg, Bergos. Data as of 30.09.2026

British pound lacking clear direction

The British pound traded sideways with some volatility over the past quarter. More recently, economic growth in the UK surprised on the upside. Inflation, however, rose again and stood at 3.1% in August, significantly above the Bank of England's (BoE) 2% inflation target. Nevertheless, the BoE left its key interest rate unchanged at 3.75% in September for the sixth consecutive time, although three of the nine members had already voted in favour of a rate hike. At the same time, the rhetoric has recently become more hawkish, making a rate hike in November now appear almost certain. The British pound has benefited from this development in recent weeks.

Following Prime Minister Andy Burnham taking office in July, attention is now turning to the Budget, which will be presented on 28 October. The budget will be delivered against a backdrop of sharply rising yields on UK government bonds, further increasing pressure on the public finances and narrowing fiscal headroom. While the rise in yields reflects persistent global inflation concerns, the UK's debt structure remains particularly vulnerable to higher financing costs. Without significant tax increases or spending cuts, the Chancellor faces a difficult balancing act. This could become a source of uncertainty for the British pound. In this environment, we remain neutral on the EUR/GBP exchange rate over both three- and twelve-month horizons and expect it to continue trading sideways.



Development of the EUR/GBP exchange rate
Source: Bloomberg, Bergos. Data as of 30.09.2026



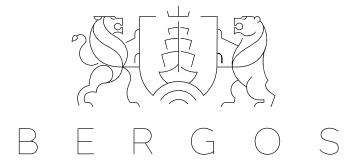
BERGOS VIEW

BANK VIEW	--	-	0	+	++
EQUITIES	○	○	●	○	○
NORTH AMERICA	○	○	○	●	○
CONSUMER DISCRETIONARY	○	○	●	○	○
CONSUMER STAPLES	○	●	○	○	○
ENERGY	○	○	●	○	○
FINANCIALS	○	○	○	●	○
HEALTH CARE	○	○	●	○	○
INDUSTRIALS	○	○	●	○	○
INFORMATION TECHNOLOGY	○	○	●	○	○
MATERIALS	○	○	●	○	○
REAL ESTATE	○	●	○	○	○
COMMUNICATION SERVICES	○	○	●	○	○
UTILITIES	○	●	○	○	○
EUROPE	○	○	●	○	○
CONSUMER DISCRETIONARY	○	○	○	●	○
CONSUMER STAPLES	○	○	●	○	○
ENERGY	○	○	●	○	○
FINANCIALS	○	○	○	●	○
HEALTH CARE	○	○	●	○	○
INDUSTRIALS	○	○	●	○	○
INFORMATION TECHNOLOGY	○	○	○	●	○
MATERIALS	○	○	●	○	○
REAL ESTATE	○	○	●	○	○
COMMUNICATION SERVICES	○	●	○	○	○
UTILITIES	○	●	○	○	○
JAPAN	○	○	●	○	○
EMERGING MARKETS	○	○	●	○	○

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FIXED INCOME	○	○	●	○	○
DENOMINATION US-DOLLAR	○	○	●	○	○
DURATION	○	○	●	○	○
SHORT TERM	○	○	●	○	○
MEDIUM TERM	○	○	○	●	○
LONG TERM	○	○	●	○	○
SOVEREIGNS	○	○	●	○	○
COVERED BONDS/ AGENCY MBS	○	○	○	●	○
CORPORATES INVESTMENT GRADE	○	○	●	○	○
CORPORATES HIGH YIELD	○	●	○	○	○
DENOMINATION EURO	○	○	●	○	○
DURATION	○	○	●	○	○
SHORT TERM	○	○	●	○	○
MEDIUM TERM	○	○	○	●	○
LONG TERM	○	○	●	○	○
SOVEREIGNS	○	○	●	○	○
COVERED BONDS/ AGENCY MBS	○	○	○	●	○
CORPORATES INVESTMENT GRADE	○	○	●	○	○
CORPORATES HIGH YIELD	○	●	○	○	○
EMERGING MARKETS	○	●	○	○	○

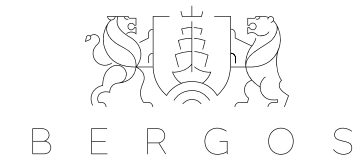
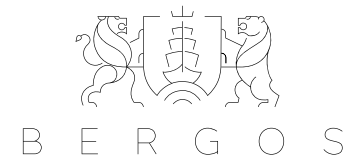
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ALTERNATIVE INVESTMENTS	○	○	○	●	○
COMMODITIES	○	○	●	○	○
ENERGY	○	○	●	○	○
INDUSTRIAL METALS	○	○	●	○	○
PRECIOUS METALS	○	○	○	●	○
HEDGE FUND STRATEGIES	○	○	●	○	○
LONG/SHORT	○	○	○	●	○
RELATIVE VALUE	○	○	○	●	○
MACRO	○	○	●	○	○
EVENT-DRIVEN	○	○	●	○	○
CONVERTIBLES	○	○	●	○	○
ALTERNATIVE CREDIT AND PRIVATE DEBT	○	○	○	●	○
REAL ESTATE	○	○	●	○	○





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