



January 2026 NEWSLETTER

Resetting and allocating globally

The final quarter of 2025 we witnessed a sharp correction in digital assets and selective corrections in technology equities. Our investment policy is agile, however seasonal influences are not always as expected. The Christmas rally concentrated on precious metal prices and cyclical sectors. Broadening out is visible fresh in the new year.

Nevertheless, we outperformed S&P 500 for the year by a large margin. This also accentuates a major shift from a decade of US equity outperformance to the rest of the world. Europe and emerging markets do not thrive in AI and technology yet offer more favorable valuations. India recorded a remarkable lackluster performance in equities; it should be on our watchlist for a potential come-back in 2026. In a nutshell 2026 deserves a broader lens than US equities alone.

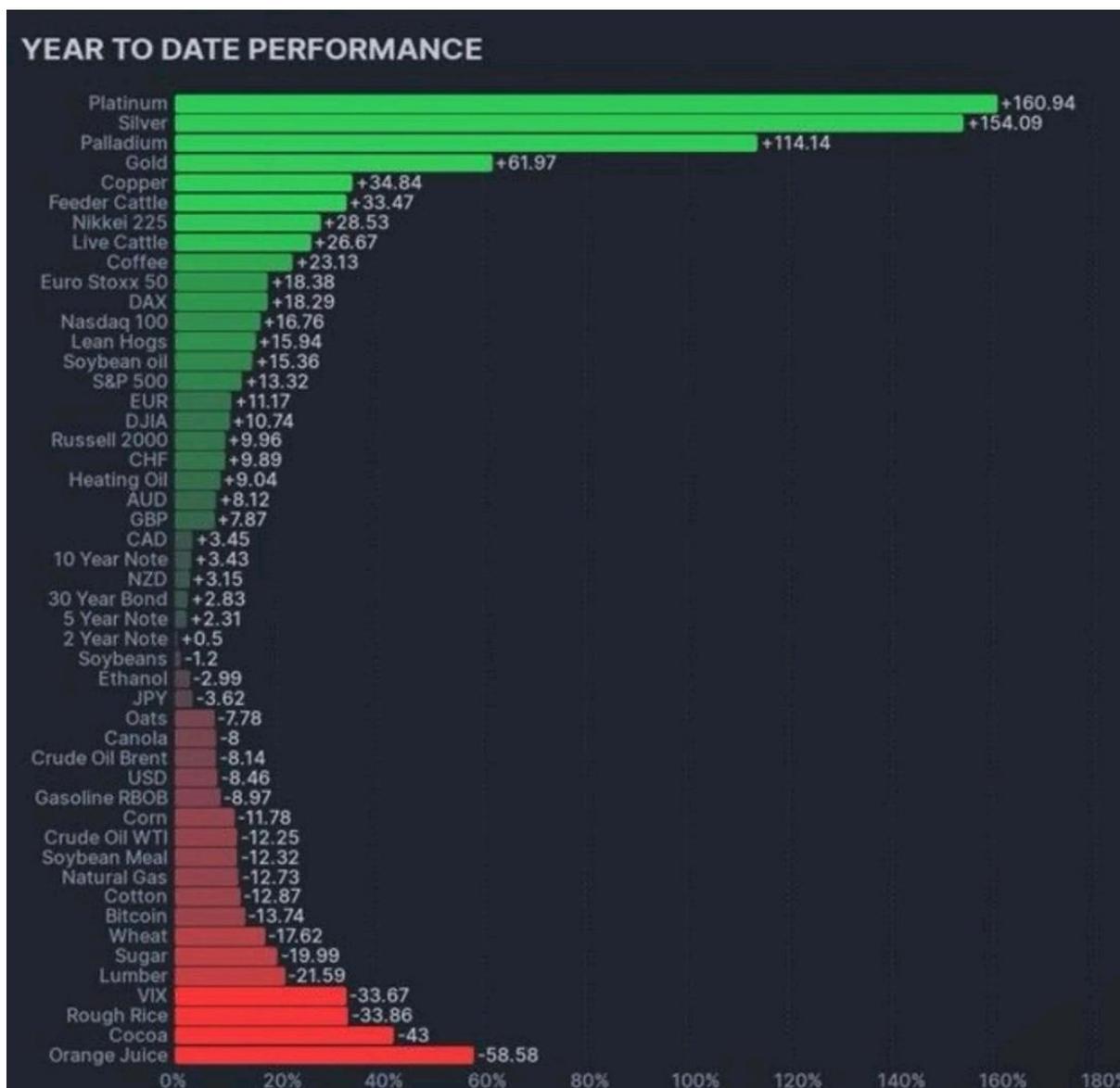
In Europe increased public investments will filter down to cyclical sectors and we look at midcap equities and financials. A defensive positioning in Swiss equities is another possibility. A combination of defensive sector exposure, currency strength and income generation provides stability in a volatile environment.

During last year we held exposure to digital assets, not directly in Bitcoin or other crypto currencies. We continue to hold these as dual momentum strategy.

Fixed income is still a hard sell in our opinion, low yields and downside risks when inflation does pick up. With cash interest rates in USD yielding similar returns as bonds, we prefer cash instead.

Commodities during 2025 showcased a sharp divide between agricultural, energies and precious metals. We observe commodities as alternatives for bitcoin exposure and might take an opportunistic position from time to time based on momentum studies. Palladium so far is our sole precious metals exposure and was so by the end of 2025.

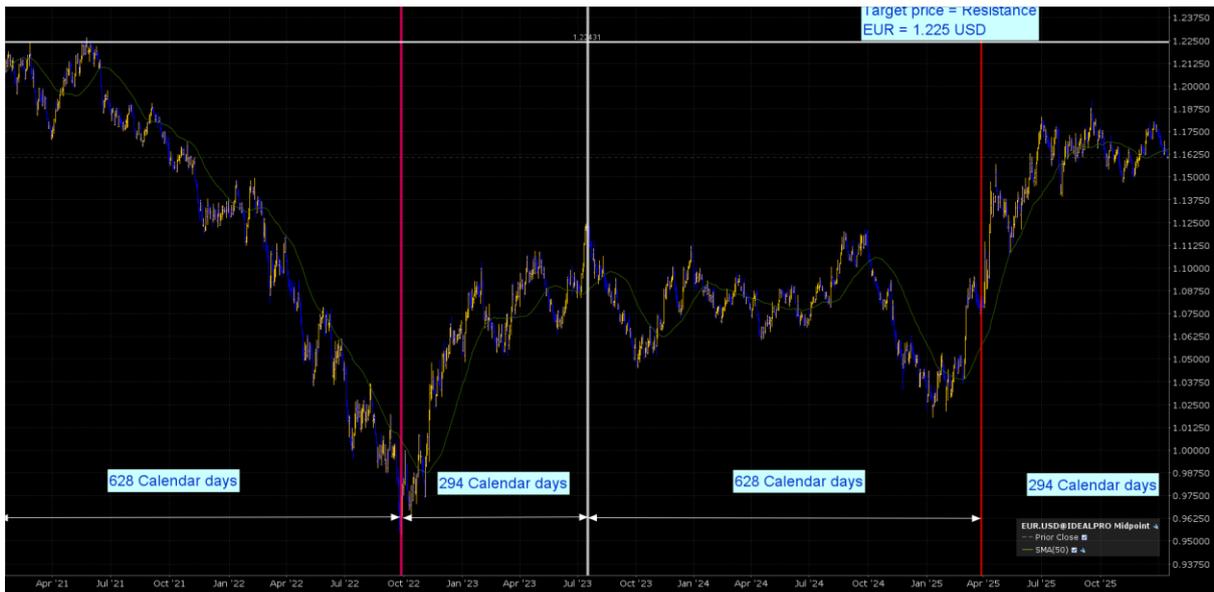
On the next page is last year's performance graph across most asset classes and major indices. We performed similarly to Live Cattle delivering double the S&P 500 performance and who would have predicted that. Performances are measured in USD.



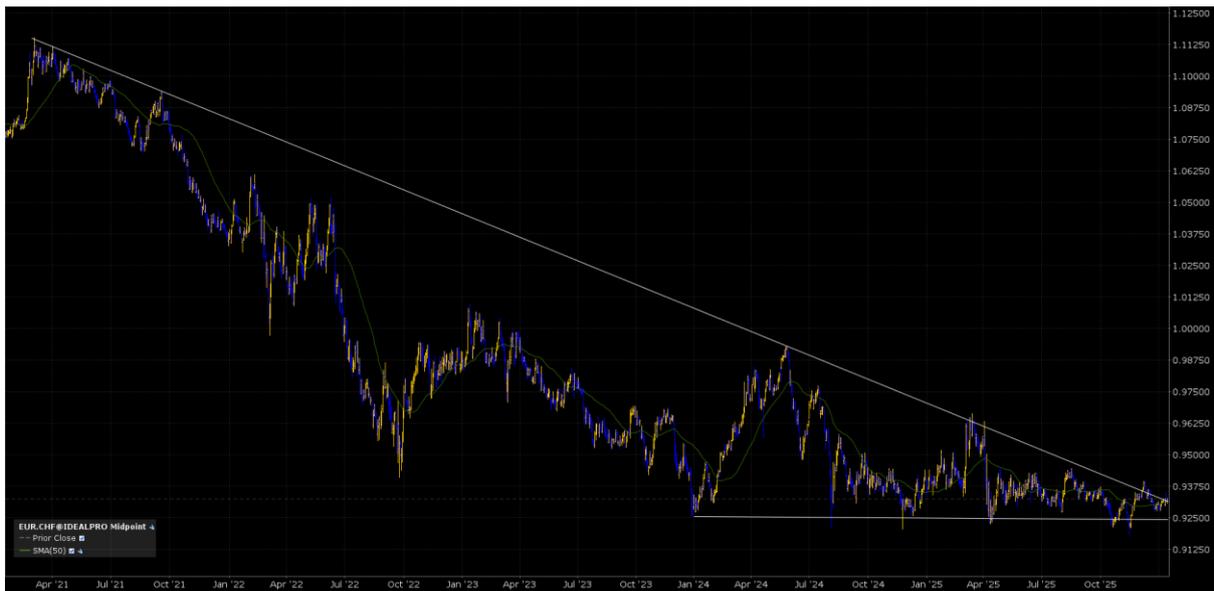
Currency markets

We expand our views on Euro versus the USD by adding Swiss Franc and Yen. Where global allocation is expected to be less US centric additional currency updates are more relevant to investment exposure. The Yen carries weight because it is widely used for carry-trades and with higher interest rates in Japan there is an expected lower use of leverage in Yen to invest elsewhere.

The Euro versus the USD has finished a similar phase as October 2022 until June 2023 and that would mean a flat pattern from here. A lot will depend on the Ukraine Russia war and further geopolitical developments impacting Europe and the USA. Lower FED Fund rates in the US are likely a factor weakening the USD to other currencies after Q1 this year.



The Swiss Franc had an incredible run almost as if it's gold on its own merits. Below the EUR.CHF pair over the last 5 years. Almost a 45° line of the Euro downwards but it seems close to strong support. The Swiss Franc clearly is a safe haven currency.



The JPY has been an incredibly weak currency over the last 5 years benefiting the Japanese export sector. Recent spikes in interest rates have not changed the trajectory. On the next page the USD.JPY currency pair over 5 years shows that even the relatively weak USD is still above a rising trend line versus the JPY. Representing a more than 50% decline of the Yen, despite rising interest rates in Japan versus declining rates in the USA. The trendline was almost broken during the first-rate hike talks in Japan. Fear of carry trade unwinding brought the USD up above the trendline again. New foreign demand for the Yen is deteriorating for carry trade and steady to supportive for Japanese equity and bond investments.



Macro view and market trends

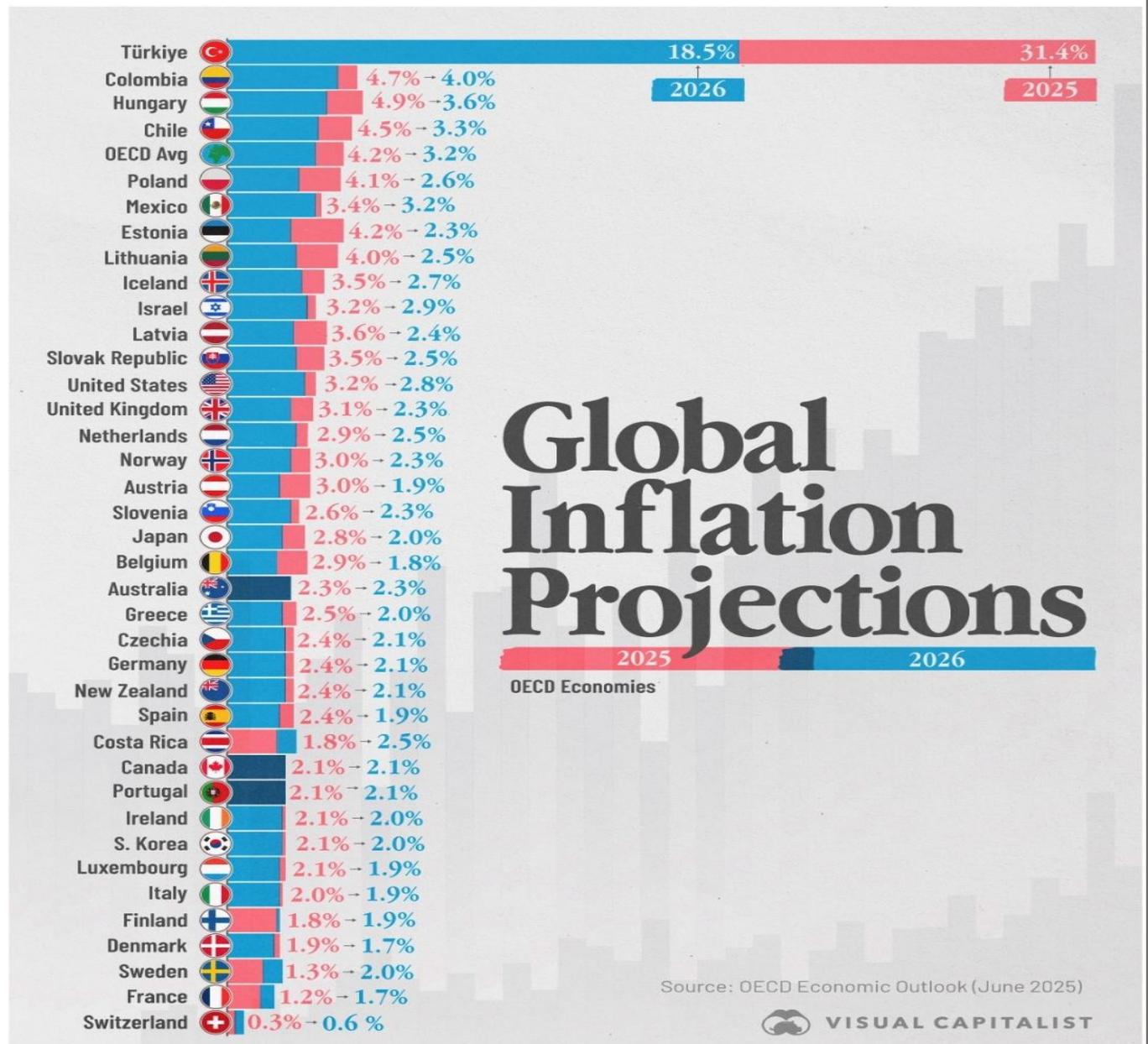
Macro risks in the last quarter were anchored to avoiding a prolonged government shutdown and geopolitical risks. It is clear now that under President Trump geopolitical events are a constant factor while other risks come and go. Inflation is still a concern but less so in Europe compared to the USA. The EU is aware that imports from China keep a lid on inflation, many goods cannot be produced equally efficient in Europe. The US is bolder in setting up local production such as rare earth processing and by convincing trading partners to produce in the US through foreign direct investments. Europe is looking internally and very distracted by Ukraine and recently Greenland tactics of Trump. Trump might threaten to step out of the NATO to gain a stronghold on Greenland at the detriment of Denmark. Venezuela in a sense was taken by storm; Maduro and his team won't return to politics unless oil returns to the US. We witness an emboldened White House, and the Ayatollah Khamenei is aware. The Middle East does not seem ready for an overthrow of the regime in Iran, where Trump seems to thrive in chaos, by the end of this quarter a new geopolitical storm might very well be on the horizon. In other words, we cannot really invest based on geopolitical events because situations are fluid and we need to wait for all storms to settle. The peace deals are only deals, just like the trade deals have been temporary settlements. Singapore wants multilateralism back; we saw it recently with Canada and China and for sure China will seek the same trade deals with the EU. Activity levels are high on trade deals and equally so we could see more mergers, acquisitions and IPO's than last year.

We made the wrong call last quarter about digitization of global assets and stable coin developments being supportive and bullish for Ethereum. Both Bitcoin and Ethereum faced sharp corrections only outdone by many smaller crypto coins. Nevertheless, we do see continued momentum for blockchain, digitization of assets, stable coins and CBDCs. Precious metals have profited from the Macro storms where governments adverse to the US are hoarding gold and selling Treasuries. This will continue just as CBDCs will continue to strengthen both defensive investments as well as quick settlement of financial transactions

by governments. SWIFT is trying hard to get onboard with the Blockchain and digital payment options as it wants to secure its pivotal role in international payment messaging and coding through the global banking system. A market trend we watch is how fast A.I. changes the job market, impacts software companies and benefits robotics and aerospace plus defense sectors. An I.P.O. of SpaceX late 2026 fits that market trend.

Inflation data

Though inflation has been on our minds for years, and prices are still elevated, we do not see a major risk on this front. From below global chart most countries are expected to see inflation slow down and stay between 2% and 3% on a yearly basis. Risks have shifted to the labour market and in that sense the FED needs to make another move this year.



Investment Cycle

As we have indicated consistently over the last quarters, 2026 is a pivotal year where trend changes are expected. This translates either into changes in leading sectors or investment categories or a general downturn. Apart from the often-phrased Benner cycle, there is another long-term business cycle associated with economic growth lasting 18.6 years. From the 28th of April 2026 until the 26th of March 2028 this cycle indicates the slowest economic growth phase. That translates to caution and a more compressed investment portfolio. Without a more precise indication the best course of action is to remain invested with agility and more active use of momentum indicators. We do acknowledge that major banks and investment houses do not agree with our late cycle view. With the advent of A.I. and quantum computing indeed these technologies have a long runway. Where we disagree is that this is not interrupted by an economic slowdown. In any case the adage is and remains that if the market does not agree with your opinion, we abandon our opinion and follow the action of the market.

Asset Allocation

The accelerated dual momentum strategy during Q4 of last year entered a phase where both core ETF strategies trended down. The actively managed S&P 500 ETF corrected and the Digital Assets ETF even more so. We switched out of S&P 500 into Technology tracking closer the Nasdaq. Closing the year below peak levels of Q3 is disappointing and we learned from this. Nevertheless overall, 2025 was satisfactory and the portfolio construction robust with our asset allocation dynamic as always.

For the first quarter of 2026 we expect a final push higher for equity markets before a more difficult quarter emerges. The core of our holdings remains in ETF holdings, and we broaden our equity exposure globally and will continue to do so. Our individual stocks remain concentrated in the US and Europe where we have expertise, deep liquidity and an abundance of research tools. Our stock investments are initiated on momentum and relative undervaluation either to peers or intrinsically. We intend to limit our holdings to 12 investment titles by the end of the quarter.

By the end of 2025 we held by instrument: 43% ETF strategies and 49% stocks and 8% cash. By geography we held 72% in the US, 23% in Europe and 5% Asia exposure. Our equity allocations were comprised of the following sectors: technology 42%, financials 20%, basic materials 13%, consumer cyclicals 9%, cash 8%, industrials 4%, energy 3% and 1% others.

Our aim this quarter is to bring ETF exposure up to above 60% and reduce US exposure to 50%. Sectoral allocation remains dynamic and we will stay nimble because sector favorites in a year of transitions can change overnight. At the same time our dual momentum strategy does not have to stick to US technology and blockchain champions. As we are nearing the end of January, thus far we have seen a positive momentum in blockchain equities. The US Technology allocation is still lagging as compared to international equities outside the US. Our choice so far is to add instead of anxious replacement. Replacement of core strategies takes place once the 9-month momentum indicators proof that the trend is no longer our friend.

The Performance chart over 2025 provides us with some lessons learned that are clearly visible in Q2 and Q4. During Q2 trade war rhetoric was fierce and the market got spooked into believing that inflation was there to stay. With more ETF exposure and less individual stocks the downdraft would have been softened. During Q4 the unexpected lack in blockchain enthusiasm on financial markets could have been mitigated by not expanding to another crypto strategy. We did not sufficiently allocate funds to precious metals, merely in Palladium.

The lack of enthusiasm for technology and blockchain experienced during Q4 fortunately is reversing into 2026. From our technical analysis framework global equities excluding the US trend solidly upwards more convincingly compared to US equities. We stay nimble because Trump is capable of and willing to change his rhetoric during any given weekend. At the time of writing European stocks are down sharply because fears slip in for another tariff fight the EU must battle. Never a dull moment and thankfully we do have a favorable backdrop of economic growth globally and a more muted inflation print. We stay focused and once again do expect, despite all turmoil, a rewarding quarter for risky assets.



Warm regards

Godfried Meindertma

CIO