SERENIS

FAMILY CAPITAL

Monthly Markets Chronicle

September 2025

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Three decades of trust, expertise, and serenity.

Challenging season, calm on the surface and concentrated markets

September defied its reputation for "poor seasonality." Almost all asset classes moved higher in unison — equities, credit, sovereign bonds, and even crypto assets — in an unexpectedly tranquil environment.

Beneath this calm surface, one signal stands out: precious metals stole the spotlight. This renewed appetite for the tangible is never neutral. It reveals a latent unease — that of investors seeking an anchor when the monetary promise feels less reassuring. Central banks continue to build up their reserves, and savers are following suit: the demand for "protection" is regaining its place in portfolio allocations.

These precautions are not random. In the United States, the threat of a fiscal standoff coincides with a Federal Reserve beginning to ease policy, even as the economy shows no clear signs of weakness. This dissonance — looser monetary policy, demanding valuations, meagre dividend yields, and extreme market concentration around a handful of megacaps, particularly in AI — highlights how fragile the current balance remains. The ongoing tech euphoria could abruptly correct, dragging the broader market with it.

In this environment, a long-term perspective calls for humility. The Shiller PE ratio, among other valuation metrics, suggests that disciplined entry points and realistic earnings expectations are essential. Our response remains unchanged: refocus on fundamentals — strong balance sheets, visible cash flows, proven governance — diversify intelligently, and calibrate exposure to megacaps relative to the "rest of the market."

Finally, in a world where cycles are accelerating while structural transformations deepen, it is vital to step away from short-term noise. This edition seeks to take a step back, to examine the "pillars" of American power and to understand how resilience is built and financed — in order to identify, over time, the opportunities that reward patience and discernment.

Comments of the month of september

This month, markets defied September's typically lacklustre reputation. Global equities extended their rally, supported by the Federal Reserve's first rate cut since December. The slowdown in the labour market and the rise in unemployment to 4.3% reinforced the notion that the central bank can now prioritise growth over the strict containment of inflation.

Across the Atlantic, markets kept their favourite driver: technology. Risk appetite returned, propelling the Nasdaq up 5.4% and the S&P 500 up 3.5% over the month. Enthusiasm around artificial intelligence strengthened following Oracle's spectacular results (+36%), with cloud growth exceeding expectations, as well as new partnerships announced by OpenAI, fuelling hopes of a prolonged investment cycle in AI-related infrastructure.

Equity Indexes	Value	MTD	2025
S&P 500 (USA)	6 688	3.5%	13.7%
Nasdaq 100 (USA)	24 680	5.4%	17.5%
Euro Stoxx 50 (Europe)	5 530	3.3%	12.9%
SMI (Switzerland)	12 109	-0.6%	4.4%
Nikkei 225 (Japan)	44 933	5.2%	12.6%
CSI 300 (China)	4 641	3.2%	17.9%
Currencies	**Value**	**MTD**	**2025**
EUR/USD	1.173	0.4%	13.3%
USD/CHF	0.796	-0.5%	-12.2%
EUR/CHF	0.935	-0.1%	-0.6%
GBP/USD	1.345	-0.4%	7.4%
USD/JPY	147.900	0.6%	-5.9%
Bond Indexes		**MTD**	**2025**
Government USA		0.8%	5.4%
US Corporate IG		1.5%	6.9%
US Corporate HY		0.8%	7.2%
Government EU		0.4%	-0.2%
EU Corporate IG		0.4%	2.2%
EU Corporate HY		0.4%	4.2%
Other Asset Classes	**Value**	**MTD**	**2025**
Gold	3 859	11.9%	47.0%
Brent Crude	67	-1.6%	-10.2%
Bitcoin	114 641	6.3%	22.3%
Rates / Indicators	**Value**	**Δ MTD**	**Δ 2025**
US 10 years rate	4.15%	-0.08%	-0.42%
GER 10 years rate	2.71%	-0.01%	0.34%
US Unemployment	4.3%	0.1%	0.1%
Volatility Index (VIX)	16.3	0.9	-1.1

In Europe, the Euro Stoxx 50 gained 3.3%, in line with global momentum, supported by tech names, while more cyclical sectors such as industry and consumer discretionary saw more modest gains. This momentum, however, did not extend to Switzerland, where the SMI index — dominated by large pharmaceutical and consumer staples companies — slipped 0.3%, weighed down by weakness in defensive stocks.

In Shanghai, performance remained positive, supported by local tech stocks that benefited this month from the restrictions placed on Nvidia. As a result, the CSI 300 index climbed back to levels not seen since 2022.

Amid persistent inflation, a softening labor market and ongoing tech euphoria, conditions remained highly favorable for gold, which recorded a second consecutive monthly high, breaking above USD 3,800 per ounce (+11.9% for the month). Beyond the rise in technology stocks, this trend is a reminder that the search for safe havens remains very much alive.

Our current positioning

September 2025 was marked by the Federal Reserve's first interest rate cut, a decision primarily driven by a cooling labor market. The latest U.S. data showed modest job creation of just 22,000, well below expectations (75,000), while the unemployment rate ticked up slightly to 4.3%.

Despite these signs of weakness in employment, the American consumer remains resilient, as evidenced by robust retail sales this month. In this context, inflation remains above the Fed's 2% target, with the central bank's preferred gauge (Core PCE) steady at 2.9%.

Are we witnessing a "Goldilocks scenario" — that ideal economic situation where growth is sufficient to support corporate earnings without triggering excessive inflation or forcing abrupt monetary tightening? In any case, investors benefited from this favorable environment, as all asset classes — equities, bonds, and precious metals alike — posted positive performances, defying September's traditionally adverse seasonality.

Despite the generally upbeat tone, the Investment Committee maintained a cautious stance, keeping a significant overweight in cash to preserve flexibility for future opportunities. It also reaffirmed a negative view on high-yield bonds given historically tight spreads. Within equities, the Committee adjusted European exposure back to neutral following its recent underperformance versus U.S. peers.

This prudence reflects the medium-term risks we identify: excessive valuations, exponential performance in the AI segment, and an increasingly unsustainable fiscal and budgetary trajectory in the U.S. Moreover, the apparent "Goldilocks" setup is not without fragility: lowering rates while the economy remains resilient could lead to overheating and a renewed inflationary cycle.

Within the satellite sleeve, our "strategic focus" themes performed strongly, posting an overall gain of around +10%. Silver and platinum surged 14% and 17% respectively, supported by gold, which recorded its best month of 2025 (+11%). Hopes for peace in Gaza did not curb the appeal of defense stocks (+12%), confirming their structural relevance. Bitcoin also contributed positively, gaining roughly 6%.

The Committee also approved a new theme titled "USD Debasement", integrating emerging market debt in local currencies as a hedge against the structural depreciation of the dollar.

The exploration of new thematic opportunities is ongoing: next month, the Committee will assess the potential of traditional "value" sectors — such as energy, often overlooked, and utilities, set to benefit from expected electricity price increases in the U.S.

Finally, a new theme is emerging, focused on U.S. strategic assets, aligned with the Trump administration's push to reinforce national sovereignty and secure critical supply chains.

Diversification and selectivity remain the core principles guiding risk management, while ensuring the flexibility to seize opportunities that may arise in the weeks ahead.

« Core » Portfolio

	% SAA		%TAA
Cash	5%	↗	**10.0%**
Fixed Income	45%	↙	**42.5%**
Investment Grade	20%	=	20.0%
Sovereign Debt	15%	=	15.0%
High Yield	10%	↙	7.5%
Equities	50%	↙	**47.5%**
US markets	30%	↙	27.5%
European markets	15%	=	15.0%
Emerging markets	5%	=	5.0%

« Strategic focus » investments

Themes	%	Since
Inflation shield		
- Gold	5.00%	29.12.2023
- Silver	0.50%	28.02.2025
- Platinum	0.50%	30.05.2025
- Bitcoin	0.25%	31.07.2025
Energy Abundance		
- Uranium	2.00%	29.12.2023
Strategic Security		
- Defense	2.50%	30.04.2024
American Momentum		
- MidCap US Momentum	2.50%	30.11.2024
USD Debasement		
- Emerging debt	2.50%	30.09.2025

Balanced USD Portfolio

The seven pillars of American resilience

« America will soon be greater, stronger, and far more exceptional than ever before »

President D.J. Trump, inaugural speech, January 20 2025
Washington D.C, USA

March 4, 1933, Washington. Under a freezing rain that drenched the Mall and made the flags snap in the wind, Franklin Delano Roosevelt delivered his first inaugural address before an anxious crowd. The United States was then facing the greatest economic crisis in its history: banks were collapsing one after another, wiping out the savings of depositors; Midwest agriculture was sinking into ruin; and millions of Americans were lining up at soup kitchens. Even the capital, usually bustling, that day offered the image of a nation on the verge of asphyxiation. Faces in the crowd reflected less enthusiasm than worry, less fervor than the tense expectation of a turnaround. It was in that atmosphere that Roosevelt uttered a phrase that became historic: "The only thing we have to fear is fear itself."

Those words were not meant to make the crisis disappear with a flourish of rhetoric; they reached deeper. They went to the essence: to break psychological paralysis, to restore a minimum of collective confidence, and to remind Americans that a nation is not defined by the extent of its weaknesses but by its ability to turn them into the energy of action. The New Deal that followed was, of course, a collection of economic and social reforms, but above all it was an act of national psychology. By electrifying entire valleys, reopening banks, and putting the unemployed back to work, Roosevelt showed that American strength was measured less by the absence of crises than by the capacity to overcome them — to integrate them into a broader path of renewal.

Since the early twentieth century, whenever the ground has shifted beneath the great powers — world wars, the Great Depression, postwar reconstruction, energy and monetary shocks, financial crises, pandemics — the United States has been, more than any other, able to turn disruption into advantage and emerge stronger. Since 2020, we have entered a new phase, labeled in many ways — deglobalization, regionalization, multipolarity, a new cold war — but beyond terminology, the key question is to understand which mechanisms have allowed the United States to confront shocks, recycle weaknesses into levers, and, most often, come out more powerful. Our aim is to identify these mechanisms, define the conditions that activate them, and assess their strength today — because once clarified, they shed light on opportunities for the long-term investor, better equipped to allocate with discipline, patience, and a sense of duration.

To better grasp this capacity for resilience, we use the concept of "pillars" as an analytical framework. This is not a theoretical notion but a tool to identify, organize, and connect the forces that enable the United States to endure crises and emerge stronger. This framework offers a more structured reading of American power: it helps distinguish what stems from

deep foundations from what arises from recent choices, and assess whether these levers remain active today.
The first and perhaps most structuring pillar remains geography. Surrounded by two oceans that shield it from external threats, the United States possesses territorial depth and continental continuity that grant it a rare degree of strategic autonomy. Its domestic market functions as an integrated, vast, and coherent space where goods, ideas, and capital flow freely, with few major impediments. To this, one must add a historical constant: the Monroe Doctrine, which, as early as the nineteenth century, enshrined America's determination to regard the entire continent as its natural sphere of influence. This stance enabled the U.S. to secure its immediate environment, limit foreign interference, and project power outward without fear for its own backyard. In a world once again marked by geopolitical tensions and trade disruptions, this geographic and strategic configuration provides the United States with a degree of stability and freedom of maneuver that neither a fragmented Europe nor a strait-bound China can truly match.

Building upon this geographic foundation comes a second decisive factor: demography. It has always been a source of vitality for the United States, sustained by both a relatively high birth rate and a selective, pragmatic use of immigration. In a world where nearly all developed economies face structural demographic decline, this combination grants America a major strategic advantage. Even though the birth rate is slowing, the country's ability to attract, integrate, and mobilize talent from abroad remains unparalleled. If it succeeds in managing these flows and turning immigration into a tool of economic policy rather than a source of political division, the United States could once again make it a powerful engine of renewal — human, technological, and cultural. Europe, by contrast, remains paralyzed by internal contradictions, unable to transform immigration into a collective driver, while China, now aging, sees the demographic window that fueled its rise closing rapidly.

The third pillar lies in the material wealth of the American territory and the country's unique ability to harness it. The United States possesses an extraordinary array of natural resources: vast arable lands among the most productive in the world, an abundance of strategic minerals, significant hydrocarbon reserves, and — above all — a remarkable aptitude for exploiting these resources through innovation and entrepreneurship. The shale revolution is the most emblematic example: within a decade, the United States became the world's leading producer of oil and gas, regaining energy independence and the capacity to export on a large scale. In a world where energy has once again become a strategic weapon, this mastery profoundly alters the global balance. While Europe remains dependent on external supplies and China vulnerable along its maritime routes, the United States can stabilize its economy, feed its population, support its allies, and exert considerable geopolitical influence through its energy and agricultural surpluses. This intimate link between resources, innovation, and power illustrates one of the most enduring drivers of American resilience.

To these structural pillars have been added, more recently, constructed ones: the Dollar, technology, a reinvented military power, and a renewed sense of will. These dimensions are not given by nature, but by choice and action. The dollar — much more than a mere currency — represents the central axis of American power: the fuel of global finance, an instrument of influence, and the backbone of international confidence. Despite a few dedollarization initiatives, the majority of global debt, contracts, and reserves remain denominated in dollars, perpetuating its role as the anchor of the financial system. This "exorbitant privilege" grants the United States exceptional leeway to finance its deficits, absorb shocks, and use its currency as a geopolitical weapon — as demonstrated by the sanctions imposed on Russia. Yet this dominance is not static. Confronted with the digital transformation, Washington is accelerating its strategic adaptation, betting on stablecoins and the debate surrounding a digital dollar to preserve — and reinvent — the dollar's centrality, ensuring that the world continues to revolve around this monetary axis throughout the 21st century.

Innovation is perhaps the most revealing pillar of American resilience. More than a reservoir of discoveries, it is a complete system in which ideas, capital, and execution are seamlessly connected. The United States has built a unique ecosystem capable of rapidly transforming research into application and experimentation into competitive advantage. Universities, venture capital, public laboratories, technology firms, and the domestic market interact in a continuous cycle of innovation and implementation. The GAFAM giants are its most visible showcase, but the real strength lies in the country's ability to integrate private innovation in the service of public goals — aligning industrial policy, defense, and research. The rise of artificial intelligence illustrates this dynamic: America is investing massively in the field while relying on a network of allies with critical technologies — ASML in the Netherlands for lithography, Japan for materials and components, and Taiwan for advanced manufacturing. Through its political, financial, and cultural weight, the United States succeeds in transforming these partnerships into extensions of its power. In a world where the line between technology and sovereignty is blurring, this ability to innovate and deploy faster than others remain one of the fundamental engines of American supremacy.

The military pillar remains at the core of American power, but it is now being reimagined under a dual imperative: to refocus and to modernize. The challenge is no longer merely to sustain the world's largest military through spending, but to redefine the use of technology and the projection of force. The integration of digital systems, artificial intelligence, robotics, and autonomous technologies is transforming strategic planning and operational command. The goal is to consolidate an undisputed qualitative superiority and to preserve a global projection capability grounded in innovation, coordination, and technological mastery. The U.S. Navy is the most visible manifestation of this: the largest in the world, it ensures control of the seas, the security of trade routes, and the ability to intervene across all oceans — granting the United States a central role in maintaining the stability of the international system. This naval power, supported by an unparalleled network of alliances, guarantees the United States an unmatched freedom of action. In an environment where the boundary between military strength and technological leadership is fading, America is reinventing its defense apparatus — not to downsize it, but to make it more integrated, more agile, and more coherent with the geopolitical projection it intends to sustain in the 21st century.

Finally, the last pillar — more abstract but arguably the most decisive — lies in willpower. It is neither an institution nor a measurable resource, but a collective energy, a culture of action that runs through American history. It manifests in the ability to decide swiftly, mobilize broadly, and transform a crisis into a project. In moments of rupture, the United States does not freeze; it adapts, experiments, and reorients, with the deep conviction that every weakness can become a lever once it is faced head-on. This will is political, economic, and cultural — uniting the state, business, and society around a common reflex: to act. The great policies of reindustrialization, reshoring, and infrastructure investment are today its most visible expression. They do not signal withdrawal, but rather a reaffirmation of the power to act. At its core, America's strength is not a given — it is an impulse, an active belief that will precedes solution.

This system of pillars — some structural, others constructed — explains why the United States appears today in a stronger relative position than its rivals. Europe, lacking strategic depth and fragmented by political divisions, often merely endures external shocks. China, facing demographic decline, energy dependence, and geopolitical uncertainty, must expend enormous energy defending its fragile internal balance. Emerging powers lack scale and remain exposed to recurring financial or political crises. America, by contrast, combines heritage with purpose. It can rely on structural advantages that no one can take away, yet it does not rest on them. It builds upon, strengthens, and extends them through active policy. In doing so, it proves that its power lies not only in what it possesses, but in what it chooses to do with it.

To imagine a flawless America would be naïve. The country faces deep challenges that weigh on its cohesion and long-term trajectory. Political polarization erodes trust in institutions and weakens strategic continuity. Income and wealth inequality have reached historic levels, fueling social fragmentation and distrust toward elites. The education system — once the engine of mobility and innovation — now reveals wide disparities between states and social classes, while healthcare costs remain exorbitant, a structural burden for both households and businesses. Infrastructure, a symbol of 20th-century dynamism, has partly deteriorated: aging bridges, fragile power grids, and water and transport systems all require massive investment. Added to this is colossal federal debt, raising questions about fiscal sustainability and the government's ability to maintain expansionary policies during a prolonged crisis. Finally, certain dependencies persist, particularly regarding critical minerals essential to future technologies that the U.S. cannot yet produce in sufficient quantities.

These weaknesses are real, and no one can deny them. They remind us that American power is not a monolith, but an architecture marked by tensions and contradictions. Yet — and this is the heart of the analysis — these vulnerabilities do not negate its strengths; they coexist with seven pillars of power that, when combined, give the United States a unique comparative advantage. The point is not to idealize, but to recognize objectively that in a fragmented world, where every power faces its own fragilities, America retains a singular ability to turn challenges into engines of resilience.

The discerning investor should read this trajectory not as rhetoric, but as strategy. America's national champions — in semiconductors, energy, defense, digital infrastructure, and critical raw materials — benefit from both an exceptional innovation ecosystem and explicit political support aimed at correcting systemic weaknesses. The CHIPS Act, with massive investments in Intel, Micron, and TSMC Arizona, symbolizes this industrial renewal and the reassertion of technological sovereignty. In critical minerals, the Defense Production Act and federal support plans for MP Materials or Albemarle reflect a clear will to reinforce mineral autonomy vis-à-vis Chinese dependence. This articulation between inherited and constructed pillars — resources, technology, and political will — offers investors a rare window: to capitalize on selective, sovereign, and tangible growth anchored in the strengthening of the very foundations of American power.

Food for thought

Everyone seems to agree: current equity valuations — driven by the artificial intelligence sector — have reached exceptionally high levels. In this context, an indicator often overlooked by private investors has resurfaced: the Shiller P/E ratio, also known as the CAPE ratio (Cyclically Adjusted Price-to-Earnings). This metric measures how much an investor is paying today for one dollar of average earnings generated over the past ten years, adjusted for inflation.

In other words, unlike the traditional P/E ratio, it is not a short-term indicator but a structural measure of market valuation. It smooths out the effects of different economic cycles and helps assess whether the market is expensive or cheap from a long-term perspective.

Since 1880, the evolution of the CAPE ratio has highlighted key market episodes: it reached extreme levels before major corrections such as those of 1929 (32.5) and 2000 (44.2). Today, it stands around 39.5, while its historical average is roughly 17. In other words, the U.S. market is currently trading at more than twice its long-term average valuation.

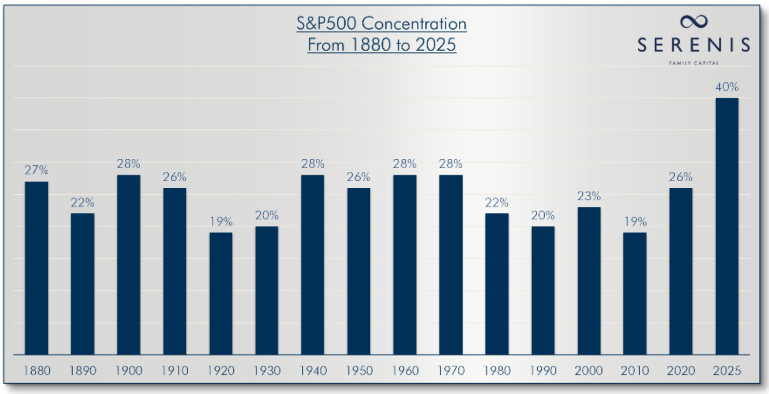
Does this signal excessive optimism, euphoria, or even an AI-fueled bubble? A high Shiller P/E ratio does not necessarily predict an imminent crash, but it does suggest that future returns may fall below historical averages. Empirically, periods when the ratio exceeded 30 have often been followed by modest or disappointing stock market performance.

However, today's environment calls for nuance. The technological revolution driven by artificial intelligence could generate substantial productivity and efficiency gains, while expansionary fiscal policies and abundant liquidity continue to sustain — and in some ways justify — high valuations.

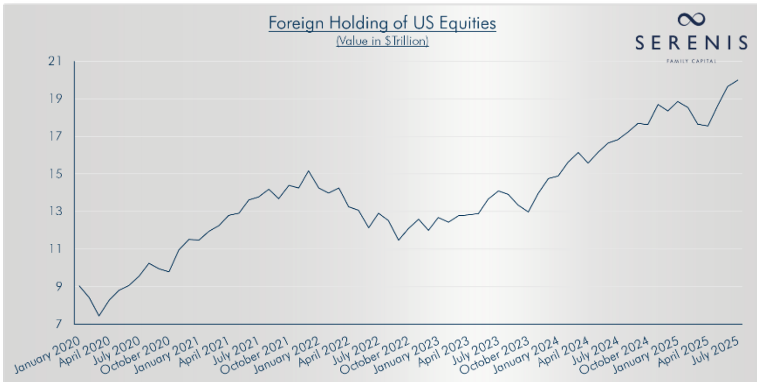
Thus, current valuation levels do not necessarily signal the end of the bull cycle, but they do call for discipline, selectivity, and rigorous risk management. More than ever, investors must keep a cool head, diversify intelligently, and adapt their strategies to a market environment where enthusiasm could quickly give way to caution.

Three charts

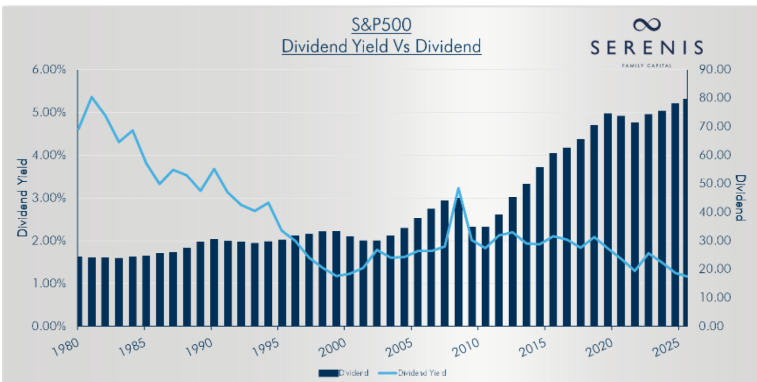
The dominance of the ten largest U.S. market capitalizations continues to astonish: they now account for nearly 40% of the S&P 500, a historical record — previous peaks had never exceeded 20%. This concentration has deepened with the artificial intelligence boom, propelling Nvidia beyond USD 4 trillion in market value. For some, this marks a structural shift supported by exceptional profits; for others, it echoes past excesses — a reminder that, as Mark Twain wrote, “History doesn’t repeat itself, but it often rhymes”.



The geopolitical reshuffling has intensified following Donald Trump’s “Liberation Day” and the return of import tariffs. While the U.S. dollar has lost 12% against the euro since January and Treasuries are suffering under mounting debt, U.S. equities remain as attractive as ever: foreign investors now hold over USD 20 trillion, an all-time record. Driven by strong corporate earnings and the fear of missing out on the AI wave, the American market remains exceptional — though perhaps on borrowed time. Is this borrowed time merely fleeting?



Historically, dividends have accounted for 30% to 40% of long-term equity returns. Yet today, the U.S. dividend yield stands at only 1.16%, a multi-decade low — despite the continuous increase in total payouts. In the past, the most attractive entry points tended to coincide with yields above 2.5%–3%. Without being alarmist, this weakness suggests that the medium-term performance potential may now prove more modest.



One last thing

At Serenis, every new arrival marks a milestone in the story we are building together. We believe that an investment house is defined as much by the convictions it upholds as by the people who embody them. Welcoming a new colleague means broadening our perspective and strengthening our ability to serve our clients with precision, integrity, and independence.

It is in this spirit that we welcome Marco Pacheco, who joins Serenis as Managing Director. Born in Costa Rica and based in Switzerland for nearly twenty-five years, Marco has built a career guided by curiosity, rigor, and a deep commitment to delivering unbiased investment advice. Before joining Serenis, he held several senior positions in asset management and wealth advisory — notably at Mirabaud & Cie, JP Morgan Switzerland, and Credit Suisse — serving families across Latin America and Europe.

Marco's arrival marks the continuation of a measured growth strategy and an entrepreneurial vision grounded in independence, transparency, and long-term stewardship. His international experience, strategic vision, and close relationships with the families he advises perfectly embody the spirit of Serenis: providing advice that is demanding, human, and forward-looking.

He holds degrees in Economics and Finance from the University of Costa Rica and HEC Lausanne, is CAIA and CWMA certified, and has completed advanced programs at the MIT and IMD — a testament to his intellectual curiosity and strong appetite for innovation.

"Markets can only be understood backwards, but they must be invested thinking forwards"

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