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# S E R E N I S

FAMILY CAPITAL

## Monthly Markets Chronicle

November 2025

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1995 - 2025

*Three decades of trust, expertise, and serenity.*

## *Rethinking Wealth in an Era of Disruption*

*November provided yet another real-world test of the euphoria surrounding artificial intelligence investments. With its first negative monthly performance since March, the Nasdaq reflected the market's growing doubts about the sustainability of the breakneck pace of AI-related capital expenditure. Some technology stocks even suffered declines of nearly 20%.*

*Dovish remarks from Federal Reserve officials helped limit the damage toward month-end, offering a late lifeline to financial markets. But make no mistake: the strong reaction of safe-haven assets such as gold confirms that economic and geopolitical uncertainty remains deeply embedded in today's environment.*

*In this edition, our Thinking Forward explores an analytic lens as powerful as it is rarely applied: First Principles. At a time when the certainties inherited from the twentieth century are cracking one after another, continuing to manage wealth solely through analogies to the past is akin to navigating a battlefield with an outdated map.*

*Yet another path exists—more demanding, but infinitely more enlightening. The First Principles method, which forces us to start from the real constraints of the physical, geopolitical, and institutional world, offers a new framework for understanding what is truly possible, durable, and investable.*

*For long-term investors, it is more than a tool: it is a way to regain the advantage in a regime undergoing deep transformation. And this is precisely what we invite you to explore in the pages that follow.*



## Comments of the month of November

After several months buoyed by enthusiasm for technology stocks, November marked a turning point. The growing uncertainty surrounding the Federal Reserve's upcoming decisions, coupled with mounting questions over the sustainability of AI-related capital expenditure, prompted a shift back toward caution. In this environment, markets followed increasingly divergent paths, to the benefit of defensive sectors and certain more resilient geographic regions.

Switzerland stood out thanks to the strength of its defensive names. Healthcare played its traditional safe-haven role amid rising doubts around the tech sector, while consumer and industrial stocks benefited from a double tailwind: a renewed market preference for quality and the prospect of a new trade agreement with the United States, which provides welcome visibility for exporters.

Across the Atlantic, the picture was more mixed: when technology loses momentum, the ripple effects spread across the broader market. The S&P 500 ended the month essentially flat, while the Nasdaq fell 1.6%. Cautious remarks by several Federal Reserve officials regarding the path of interest rates also weighed on sentiment. At the same time, Google's announcements about its new TPU chips—and NVIDIA's robust results, which were nonetheless received with hesitation—fueled this broader repositioning.

Heavily exposed to technology and semiconductors, the Japanese market was negatively affected by this dynamic. Following strong gains in October, the index experienced a more challenging month, declining by 4.1%.

In this environment of caution, gold regained its safe-haven status, rising 5.9% over the month. Expectations of another rate cut in December, the gradual slowdown of the U.S. economy, and the first signs of moderation in the U.S. labor market all supported demand for the yellow metal.

	Value	MTD	2025
<b>Equity Indexes</b>			
S&P 500 (USA)	6 849	0.1%	16.4%
Nasdaq 100 (USA)	25 435	-1.6%	21.0%
Euro Stoxx 50 (Europe)	5 668	0.1%	15.8%
SMI (Switzerland)	12 834	4.9%	10.6%
Nikkei 225 (Japan)	50 254	-4.1%	26.0%
CSI 300 (China)	4 527	-2.5%	15.0%
<b>Currencies</b>			
EUR/USD	1.160	0.5%	12.0%
USD/CHF	0.804	-0.1%	-11.4%
EUR/CHF	0.932	0.4%	-0.8%
GBP/USD	1.324	0.6%	5.7%
USD/JPY	156.180	1.4%	-0.6%
<b>Bond Indexes</b>			
Government USA		0.6%	6.7%
US Corporate IG		0.7%	8.0%
US Corporate HY		0.6%	8.0%
Government EU		0.1%	1.1%
EU Corporate IG		-0.2%	2.9%
EU Corporate HY		0.2%	4.4%
<b>Other Asset Classes</b>			
Gold	4 239	5.9%	61.5%
Brent Crude	63	-2.9%	-15.3%
Bitcoin	90 915	-16.9%	-3.0%
<b>Rates / Indicators</b>			
US 10 years rate	4.01%	-0.06%	-0.56%
GER 10 years rate	2.69%	0.06%	0.32%
US Unemployment	4.4%	0.0%	0.2%
Volatility Index (VIX)	16.4	-1.1	-1.0



## *Our current positioning*

November was marked by the end of the longest government shutdown in U.S. history, offering a welcome pause in the assessment of the American economic outlook. While not all indicators have been released yet, developments in the labor market stand out as the most meaningful signal, pointing to a slowdown in activity heading into the final quarter of the year. In this environment, several Federal Reserve members suggested that a rate cut at the December meeting would now be justified, despite inflation that remains only partially under control. Market expectations shifted significantly: the probability of a rate cut—estimated at roughly 50% at the beginning of the month—has now risen to 90%, according to bond market pricing.

In financial markets, doubts intensified regarding the ability of AI-related companies to sustain their parabolic trajectory. This led to substantial profit-taking, with some stocks seeing double-digit declines during the month. Nevertheless, the S&P 500 managed to close the month flat, supported by the Fed's increasingly dovish tone. Against this backdrop of easing interest-rate expectations, all segments of the fixed-income market posted positive contributions.

The Investment Committee decided to maintain a relatively neutral stance on risk assets, partly due to potentially supportive seasonal dynamics as the holiday period approaches (the traditional "Santa Claus rally"). Fixed-income positioning remains unchanged, with a continued underweight in high yield—justified by historically tight spreads despite the first signs of stress emerging in private credit markets. A liquidity buffer is being maintained to allow the portfolio to capture upcoming opportunities.

Performance across satellite strategies was mixed. Precious metals once again emerged as clear winners: silver rose 16%, platinum 6%, and gold 5%, while Bitcoin continued its correction, falling 17%. The defense theme, meanwhile, lost some momentum amid progress toward a potential peace agreement in Ukraine. The Committee nonetheless continues to view the theme as relevant, given ongoing government commitments to increase defense spending as a share of GDP.

The Committee also approved the exit from U.S. mid caps—locking in a modest gain—in favor of increasing exposure to quantum computing, consistent with the U.S. government's stated objective of safeguarding its technological lead.

New investment themes were validated as well. The first, "Re-Care-Nation," reflects the recovery potential within the pharmaceutical and biotechnology sectors after several years of underperformance, supported by accelerating M&A activity and sustained demand for growth drivers following the easing of drug-pricing pressures. The second theme, "US & Friends," focuses on integrating aligned countries in Latin America, Asia, and Europe, in line with the United States' broader alliance-building strategy within the OECD. Finally, the energy-abundance theme was expanded with the addition of an instrument providing exposure to critical resources required for establishing a fully autonomous U.S. supply chain.



With these adjustments, we reinforce diversification as a core principle of our investment strategy—ensuring disciplined risk management while preserving our ability to capture opportunities that may arise in the weeks ahead.

### « Core » Portfolio

	% SAA	%TAA
Cash	5%	↗ 7.5%
Obligations	45%	↙ 42.5%
Investment Grade	20%	= 20.0%
Sovereign Debt	15%	= 15.0%
High Yield	10%	↙ 7.5%
Actions	50%	= 50%
US markets	30%	= 30%
European markets	15%	= 15.0%
Emerging markets	5%	= 5%

### « Strategic focus » Investments

Thèmes	%	Depuis
<i>Inflation shield</i>		
- Or	6.10%	03.12.2025
- Argent	0.80%	28.02.2025
- Platine	0.70%	30.05.2025
- Bitcoin	0.20%	31.07.2025
<i>Re-Care-Nation</i>		
- Biotechnologies	1.00%	03.12.2025
- Health Care	1.50%	03.12.2025
<i>Strategic Ressources</i>		
- Energy Infrastructure	3.00%	03.12.2025
- Uranium	1.00%	03.12.2025
- Oil & Gaz	1.25%	31.10.2025
<i>Strategic Security</i>		
- Quantum Computing	1.20%	03.12.2025
- Défense	2.40%	30.04.2024
<i>US &amp; Friends</i>		
- Latin American Market	1.50%	03.12.2025
- Swiss Market	1.00%	03.12.2025
<i>USD Debasement</i>		
- Emerging Debt	2.50%	30.09.2025



## *The Price of Doctrines*

“A man of character finds a particular appeal in difficulty, for it is only by confronting it that he can fully realize his potential.”

*Charles de Gaulle, The Edge of the Sword (1932)*

On 22 August 1914, at the very beginning of the First World War, the French army moved into the Ardennes and Lorraine. The high command was convinced that offensive à outrance—elan, courage, sacrifice—would sweep away the opposing forces. Plan XVII, patiently devised in peacetime, called for a rapid and decisive shock. Troops advanced in tight columns, red trousers and banners flying. War was imagined as a new, larger edition of 19th-century conflicts: a clash of wills decided by maneuver. Reality, however, had already changed. Machine guns, high-rate heavy artillery, and railway mobility had transformed the battlefield. Faced with modern defensive positions, frontal assaults turned into carnage. The day would become the deadliest in French military history, not because the men lacked courage, but because their leaders projected old schemas onto a radically new technological regime.

This story extends far beyond historians; it illustrates a danger that directly threatens major wealth holders today. In 1914, outdated strategic visions were broken. In the 21st century, it may be capital itself if we persist in thinking as though the 1945 order—Pax Americana, deep globalization, abundant energy, and structural disinflation—were still intact. Avoiding this repetition does not mean discarding accumulated experience or abandoning analogy-based reasoning. Looking to past cycles and relying on historical correlations remain indispensable for navigating daily markets and making quick decisions. However, analogy becomes insufficient, even dangerous, when used alone in a moment where the regime itself is changing.

This is where First Principles reasoning comes in, not as a substitute for experience but as a tool for fundamental verification. Where analogy tells us “what has happened before,” First Principles force us to consider “what is physically and structurally possible now.” This discipline consists of returning to basic constraints—physical, energetic, institutional, demographic—to test the robustness of our investment convictions. In an environment of rupture, this dual reading is essential: analogy provides reflexes; First Principles provide the compass. This articulation is precisely what inspired the way Serenis was structured: drawing on market experience, while validating each wealth architecture through the lens of the new realities of the physical world.

The first of these realities is the geostrategic rupture. Since the end of the Cold War, the financial industry has been built on the implicit assumption of a stable and integrated world. Today, that framework is cracking. We are moving from a unipolar world to a system of rival blocs where competition unfolds through technology, control of raw materials, and jurisdiction. Seen from a portfolio, naive “geographic diversification” through major global indices ceases to be neutral protection. Applying the filter of First Principles reveals that the security of property rights now depends on geopolitical alignment. It is no longer simply a matter of managing volatility but of preventing the risk of confiscation or sanctions. This



leads to favoring a form of financial friend-shoring, concentrating the core of wealth in jurisdictions whose strategic interests are aligned with those of the investor.

The second rupture is physical. For years, the dominant narrative praised the “dematerialization” of the economy, justifying an underweight in real assets. Yet as soon as we return to fundamentals, reality imposes itself: no digital activity functions without energy and infrastructure. This is not about opposing intangible assets and the real economy, but about correcting a structural underweight in the latter within portfolios built in the shadow of abundant, cheap energy. Artificial intelligence is not an immaterial cloud; it is a heavy industry consuming colossal quantities of electricity and critical metals. Here, the analogy with the Internet bubble of the 2000s is useful but incomplete; it must be complemented by a physical analysis showing that value will shift from software to those who control the material bottlenecks: dispatchable energy, copper, the grid. The shift from just-in-time to just-in-case thus restores a central role for tangible assets in portfolio construction.

The third rupture is financial. The zero-rate regime long allowed the 60/40 portfolio to function as an obvious solution, with bonds protecting equities. With the return of more structural inflation, fed by demography and global fragmentation, this automatic correlation is no longer guaranteed. The 60/40 model is not becoming obsolete—it remains relevant in certain scenarios—but it loses its status as a universal truth. It must now be managed as a risky exposure in its own right rather than a passive refuge. Continuing to apply it indiscriminately is to repeat the doctrinal error of 1914: mistaking for an eternal law what was merely a historical parenthesis.

At Serenis, this discipline does not remain theoretical; it shapes the way we support patient capital. We do not seek to predict the future but to build robust architectures.

Concretely, this begins with diagnosing vulnerabilities inherited from the era of moderation—excess sovereign duration, dependence on non-aligned jurisdictions, underexposure to critical real assets, implicit concentration in certain growth themes—and then opening investment pathways into the major discontinuities underway: reindustrialization of the OECD bloc, reconstruction of energy infrastructures, digital sovereignty, and the computational value chain.

Entering these rupture themes does not consist of chasing every attractive narrative or timing the market, but of deploying capital when three conditions are met. The first is strong conviction rooted in First Principles: a clear industrial logic (a non-substitutable need), a coherent geopolitical logic (a bloc with an interest in financing that capacity), and a reasonable financial logic (valuations compatible with a long horizon). The second is the capacity to withstand the trajectory: a holding horizon compatible with sector cyclicity, a risk framework defined in advance, and an explicit place within the global allocation. The third is sequencing: rather than a brutal portfolio shift, we favor progressive ramp-ups, calibrated position sizes, and staggered entry points, allowing the investor to benefit from the structural trend without being dependent on a single purchase price or a single scenario. Our conviction vehicles are designed as tools serving this approach: they are not speculative bets but the operational translation of these physical and geopolitical logics into disciplined allocations.



None of this is intended to be applied abruptly or dogmatically. There is no “standard” wealth architecture imposed on all. Our culture, deeply Swiss, favors enlightened consensus and long-term stability. Some investors will prefer rapid adjustment, others a more gradual pathway, punctuated by milestones and regular stress tests. What matters is that each major decision is taken with full awareness of the regime shift, not by simply replicating past schemas. Patient capital, if it accepts to change its analytical lens, can become a decisive force: it has the time and the means to finance the reconstruction of the material base of our economy and to strengthen the blocs that guarantee its rights, thus preserving its real value over the long term.

Ultimately, the real question for asset holders is not whether the era is more dangerous than before—it is, in some respects—but which mental maps they choose to confront it with. The 1914 episode reminds us of the price of a gap between doctrine and reality: it was not courage that failed, but intellectual frameworks that had become obsolete. The “man of character” de Gaulle evokes is not the one who clings to certainties, but the one who finds in difficulty the occasion to revisit his assumptions, abandon intellectual comforts that have become dangerous, and align decisions with the world as it is, not as one might have wished it to remain.

In an era defined by disruption, true courage for substantial wealth no longer lies in “holding the line” within models designed for another century, but in embracing the disciplined work of examining, sorting, and rebuilding — patiently and methodically — so that doctrine, architecture, and allocation can evolve without losing direction. This is precisely the work we seek to undertake: taking the constraints of the new regime seriously, without yielding to panic or fashion, so that those who entrust us with their capital remain, in a world transformed in its very nature, not mere passengers of the system, but the true architects of their future.

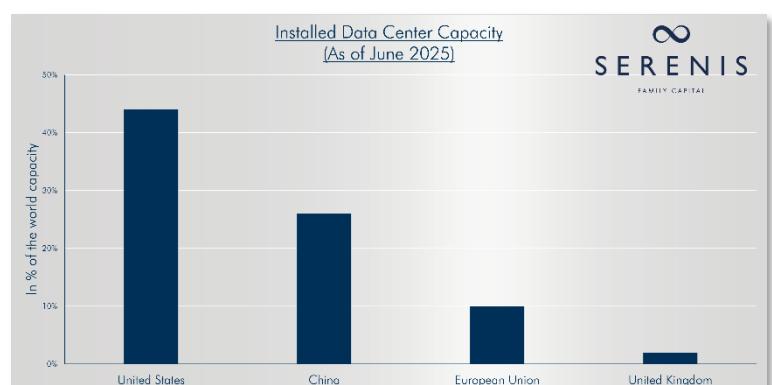
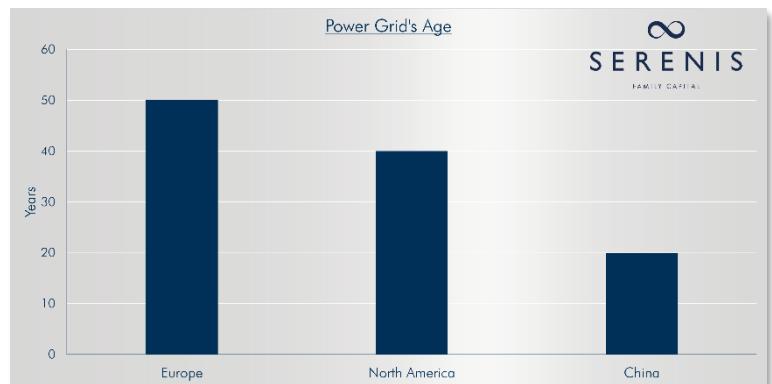
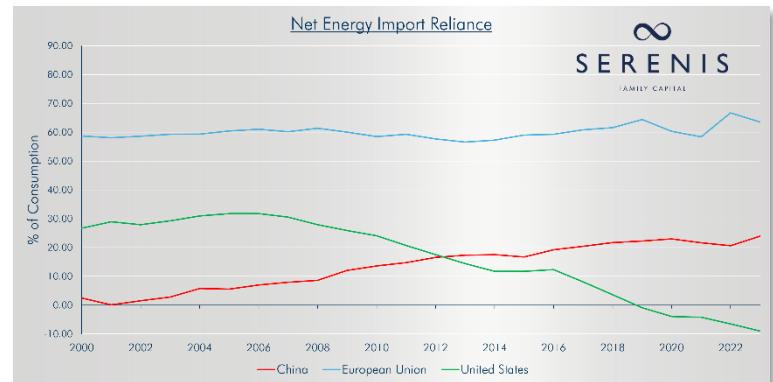


## Three charts

Energy independence was one of Trump's key political priorities during his first term, aimed at strengthening U.S. sovereignty. Eight years later, that objective has been achieved: the country can now claim a remarkable success, having become a net exporter of energy. By contrast, Europeans remain far from reaching such an outcome. Their dependence on Russian gas stands as an early warning of the risks associated with insufficient energy autonomy. Is it time to act through a nuclear renaissance?

The accelerated rollout of data centers, required to meet the growing demand for artificial intelligence capacity, is placing significant pressure on power grids. This strain is compounded by the structural aging of existing infrastructure, particularly in Europe, where the average age of equipment reaches fifty years. The European Union will need to undertake massive and immediate investment to modernize its electricity distribution network, as the imperative for resilience and capacity becomes increasingly critical.

The surge of artificial intelligence has been largely captured by major U.S. technology companies. In this context, it is unsurprising that most data centers are now under American control. Europe, for its part, accounts for only about 10% of global capacity. Significant efforts will still be required to narrow this gap.





*“Markets can only be  
understood backwards,  
but they must be invested  
thinking forwards”*

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