SERENIS

FAMILY CAPITAL

Monthly Markets Chronicle

January 2026

1995 - 2025

Three decades of trust, expertise, and serenity.

From Narrative to Execution

January 2026 opens the year as a formal notice to investors. In a world where conflict once again becomes a structuring force, narratives are no longer sufficient. The Miraflores episode, which unfolded in the very first days of the year, crystallized this shift by exposing the gap between narrative power — capable of aligning signatures, promises and communiqués — and execution power, the only form able to protect interests when the balance of power hardens. For investors, the challenge is not to choose a side, but to distinguish what reassures from what actually protects: control of flows, denial capacity, logistical robustness, and financial sovereignty. These criteria are redefining the notion of quality and restoring serenity as an explicit objective of portfolio construction.

Against this harsher backdrop, markets nevertheless began the year with a resilience that deserves to be understood rather than celebrated. Political noise intensified — tariff pressures, signs of fragmentation, and renewed tensions in the Middle East — without triggering an immediate rupture. Macroeconomic fundamentals, at this stage, remain compatible with an orderly normalization: U.S. growth still well-oriented, resilient consumption, ongoing disinflation, and more patient central banks. The appointment of Kevin Warsh as Chair of the Federal Reserve reinforces the credibility of the monetary framework, while also reminding investors that interest-rate policy is as much an instrument of power as it is a stabilization tool.

The January sequence nonetheless highlights that markets are moving along a narrow ridge. Energy, materials and certain defensive segments proved more resilient, while themes dependent on a distant future — particularly artificial intelligence when investment precedes monetization — experienced more uneven performance. Precious metals delivered a demonstration of extreme volatility, reminding investors that a protective asset can also become an amplifier of positioning and forced liquidations.

In this environment of fragile balances, allocation discipline regains a central role. The committee maintains a neutral global equity stance while adopting a differentiated regional view and upgrades High Yield to neutral within a short-duration carry framework. The satellite sleeve underwent targeted reallocations without challenging core convictions: strategic security, critical resources, monetary diversification, and more selective geographic exposure. This Monthly Market Chronicle maps the beginning of the year — a market that continues to advance, but on more contestable foundations — and an allocation designed to remain invested without confusing apparent stability with genuine security.

Markets and Investment Committee Positioning

The start of 2026 reflects a marked contrast between a more unstable political environment and still-solid economic fundamentals. Greenland, tariff pressures, and renewed tensions in the Middle East have intensified political noise, reinforcing the perception of a more fragmented and less readable international order. Yet these developments have not triggered a market rupture, with markets entering the year displaying notable resilience.

Equity Indexes	Value	MTD	2026
S&P 500 (USA)	6 939	1.4%	1.4%
Nasdaq 100 (USA)	25 552	1.2%	1.2%
Euro Stoxx 50 (Europe)	5 948	2.7%	2.7%
SMI (Switzerland)	13 188	-0.6%	-0.6%
Nikkei 225 (Japan)	53 323	5.9%	5.9%
CSI 300 (China)	4 706	1.7%	1.7%
Currencies	**Value**	**MTD**	**2026**
EUR/USD	1.185	0.9%	0.9%
USD/CHF	0.773	-2.5%	-2.5%
EUR/CHF	0.916	-1.5%	-1.5%
GBP/USD	1.369	1.6%	1.6%
USD/JPY	154.780	-1.2%	-1.2%
Bond Indexes		**MTD**	**2026**
Government USA		-0.1%	-0.1%
US Corporate IG		0.2%	0.2%
US Corporate HY		0.5%	0.5%
Government EU		0.7%	0.7%
EU Corporate IG		0.8%	0.8%
EU Corporate HY		0.8%	0.8%
Other Asset Classes	**Value**	**MTD**	**2026**
Gold	4'894	13.3%	13.3%
Brent Crude	71	16.2%	16.2%
Bitcoin	84'162	-4.0%	-4.0%
Rates / Indicators	**Value**	**Δ MTD**	**Δ 2026**
US 10 years rate	4.24%	0.07%	0.07%
GER 10 years rate	2.84%	-0.01%	-0.01%
US Unemployment	4.4%	-0.1%	-0.1%
Volatility Index (VIX)	17.4	2.5	2.5

From a macroeconomic perspective, the data released remain broadly consistent with a "Goldilocks" scenario. Growth remains well oriented, particularly in the United States, supported by still-robust consumption, while inflation continues to normalize without signs of meaningful reacceleration. In this context, central banks can afford a more patient stance. The Federal Reserve kept policy rates unchanged in January while adopting a slightly more confident tone regarding the state of the economy. After a period of questioning linked to the political and fiscal backdrop, the appointment of Kevin Warsh — historically associated with central bank independence and a disciplined approach to inflation — helped stabilize expectations and supported confidence in the U.S. dollar.

Against this backdrop, U.S. equities continued to advance. Energy (+9.6%), consumer staples (+8.7%), and materials (+8.8%) outperformed. Conversely, segments most exposed to artificial intelligence showed more mixed performance. Results from companies such as Microsoft, Alphabet and Amazon revived questions regarding the timeline for monetizing massive AI investments, leading to episodic profit-taking despite the continued strength of infrastructure players such as NVIDIA, TSMC and ASML.

On the European side, markets displayed a steadier dynamic. Performance was led by industrial and financial stocks, in an environment where expectations had remained more modest. Earnings releases confirmed better-than-feared margin resilience, while the more cyclical exposure of certain markets benefited from the persistence of economic activity.

Precious metals experienced a particularly turbulent month. Gold temporarily exceeded USD 5,500 per ounce during the period, supported by strong demand linked to rising geopolitical tensions and the search for protection. Silver proved even more volatile, briefly surpassing USD 100 per ounce and posting a peak monthly performance close to +63%. The maintenance of increasingly extreme positioning led to a rapid and violent correction at the end of the period, erasing a large share of accumulated gains within a few sessions: silver declined by roughly 28% and gold by 10% in 24 hours, in an environment marked by improved monetary visibility and a more stable dollar.

This start to the year therefore confirms an environment in which markets continue to advance, but on more fragile balances. In this configuration, the Investment Committee approached portfolio positioning with particular attention to risk management.

Regarding fixed income, the committee decided to raise High Yield to a neutral position after a period of underweight. This decision reflects a segment that continues to benefit from short duration and resilient credit fundamentals despite a more uncertain rate environment.

In equities, the overall stance also remains neutral. This neutrality nonetheless incorporates differentiated regional assessments. While the U.S. market retains a central role, several committee members highlighted persistent questions surrounding certain themes — notably artificial intelligence — as well as elevated valuation levels. By contrast, European and emerging markets continue to be perceived as offering more balanced profiles, although no strong directional bias has been adopted at this stage.

Within the satellite sleeve, the committee continued its work of fine-tuning exposures, focusing on thematic coherence and risk management rather than challenging strategic axes. All major structural themes were reaffirmed with unchanged conviction, though several internal reallocations were implemented to refine their composition.

Within the *Strategic Security* theme, discussions led to a more granular assessment of the various components of the defense sector. The committee increased exposure to companies directly linked to military spending and national security while reducing segments with a more indirect technological component. In the same spirit, exposure was extended to the Korean defense sector to introduce additional geographic diversification.

For the *Strategic Resources* theme, the committee maintained a balanced approach across energy, infrastructure and critical materials. Some segments that had strongly performed were trimmed to reduce concentration, while exposure to industrial metals — particularly copper — was introduced, given its central role in electrification, infrastructure and the energy transition. Positions linked to uranium, energy infrastructure and exploration & production were maintained, reflecting unchanged conviction regarding the strategic role of resources in an environment of rising sovereignty concerns.

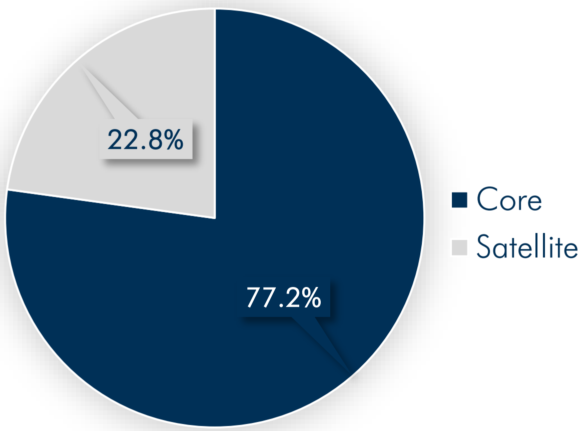
The *USD Debasement* theme was adjusted in favor of the Australian dollar as part of diversification toward commodity-producing currencies, while exposure to emerging market local-currency debt was reduced, without altering the portfolio's overall balance.

Finally, within the *US & Friends* theme, discussions focused on the relative relevance of geographic exposures. Swiss market exposure was reduced in an environment deemed more complex and less readable, while markets such as Poland, as well as Japan with a value bias, were introduced to strengthen exposure to economies viewed as better positioned in the cycle. Exposure to Latin America was maintained, with the committee continuing to see it as a source of diversification and performance.

Our current positioning

Core	*77.2%*
Cash	5.2%
US Market Equities	23.9%
European Market Equities	12.9%
Emerging Markets Equities	4.9%
Investment Grade Bonds	14.2%
Sovereign Debt Bonds	10.5%
High Yield Bonds	5.5%

Core - Satellite Allocation



Satellite	*22.8%*
Inflation Shield	8.0%
Inflation Shield combines precious metals with bitcoin to protect purchasing power against inflation and currency debasement.	
Re-Care-Nation	2.4%
Re-Care-Nation blends healthcare and biotech exposure to capture long-term structural demand driven by demographics, innovation and rising global healthcare needs.	
Strategic Resources	3.1%
Strategic Resources focuses on critical energy and materials, targeting assets essential to energy security, supply resilience and long-term strategic autonomy.	
Strategic Security	4.0%
Strategic Security focuses on defense, security infrastructure and advanced technologies, benefiting from rising investment in protection and strategic resilience.	
US & Friends	2.6%
US & Friends provides diversified equity exposure to key U.S.-aligned markets.	
USD Debasement	2.5%
USD Debasement combines currency diversification with attractive bond yields outside the dollar bloc, while limiting exposure to the long-term depreciation of the U.S. dollar.	

Thinking Forward : The Miraflores Potemkin

« Justice operates only between equals in power; the strong do what they can and the weak suffer what they must.»

Thucydide, The History of the Peloponnesian War

On January 2, 2026, China sent to Venezuela the largest diplomatic delegation in its history in South America. The visit, marked by the signing of 600 agreements, was above all intended to stage an indestructible alliance. By multiplying signatures and investment promises, Beijing sought to saturate the media space and impose the image of a solid axis and a new multipolar world. Yet this accumulation of documents functioned largely as a façade: it created the impression of power and deep political ties that had not yet been tested by a genuine crisis.

On January 3, 2026, Venezuelan leader Nicolás Maduro found himself, against his will, in New York. The shift was striking and revealed two realities that remain difficult to reconcile. Faced with the American show of force, China could respond only with statements and appeals to international law. This brutal contrast exposed the limits of China's strategy: it excels at diplomatic narrative in peacetime but lacks concrete protective means once conditions harden. The Miraflores Palace episode thus illustrates the profound difference between two forms of power — one grounded in speeches and contracts, the other capable of imposing its will by force.

To navigate the coming decade, it will be essential to distinguish narrative power from execution power. The former organizes the world into reassuring stories, suggesting that a strong commercial partnership automatically translates into military protection. It is a force suited to calm periods, effective at maintaining the illusion of stability. Execution power, by contrast, manifests through concrete and irreversible action. It rests on real control over the financial, legal, and military levers of the globe. The Miraflores precedent demonstrates that these two registers are not interchangeable: diplomatic capital, however vast, loses all value if it cannot be converted, at the moment of truth, into a physical force capable of protecting an ally or blocking an adversary.

A persistent dogma now paralyzes Western analysis and distorts market perception: the notion of an asymmetric, absolute, and irreversible Western dependence on China. While this narrative of forced interdependence rests on an undeniable material base — China has indeed become the central hub of global manufacturing value chains — it systematically ignores Beijing's reciprocal, and perhaps greater, vulnerability. The global investor must escape this cognitive bias to understand that China's economic rise is not an inevitable strategic destiny but a fragile construction. For three decades, China has built colossal material power while benefiting from a unique permissive dividend in history. As a free rider of globalization, it grew under the shelter of a global security architecture it neither financed nor guaranteed. It was easy to dominate global markets and flood the world with goods when access to trade routes, strategic straits, and payment mechanisms was implicitly secured by the American hegemonic order that it nonetheless sought to quietly subvert.

Today Beijing's existential challenge is no longer to grow under the protective shadow of this system but to endure under the harsh light of direct confrontation, where the rules of engagement have fundamentally changed. We are witnessing a brutal paradigm shift: from the "force of law", which governed international relations since 1945 and protected the economic free rider through multilateral rules, to the "law of force", where physical constraint, capacity for disruption, and raw power now dictate outcomes. In this new paradigm, UN legal guarantees, Security Council resolutions, or WTO arbitration no longer protect vital flows; only the physical and military capacity to keep logistical arteries open in the face of declared hostility truly matters.

Once an adversary activates coercive levers, China discovers with surprise that real security carries an exorbitant cost never provisioned in its balance sheet of power. This reality imposes a financially and strategically untenable equation: the radical asymmetry in the cost of security. China now occupies a new and costly position — that of the wealthy, heavy, and vulnerable defender. It has built massive industrial assets, giant port infrastructures, overland Belt and Road corridors, and ubiquitous merchant fleets that constitute fixed, expensive, and difficult-to-defend targets. Meanwhile, the West retains agile denial capabilities — financial sanctions, distant naval blockades, cyber disruption, and technological access denial — whose implementation cost is minimal for the attacker. In a world governed by the law of force, the marginal cost of destruction or interdiction is infinitely lower than the marginal cost of protecting dispersed Chinese assets.

In this harsher global environment, where every economic flow is now viewed through the prism of sovereignty, three structural dependencies act as permanent systemic constraints on Beijing's freedom of action.

Energy vulnerability is the most vital, the largest, and the most contested artery. With more than 11 million barrels of crude oil imported daily — nearly three-quarters of its apparent consumption — China's economic survival depends on an energy lifeline that largely passes through geographic chokepoints it does not control, foremost among them the Strait of Malacca. In the event of maritime contestation or a regional crisis, the cost of securing these flows would instantly become prohibitive. Maritime insurance premia would surge, making transport unsustainable well before the first shot is fired. The naval power of the People's Liberation Army, although expanding rapidly, remains fundamentally a regional denial navy designed to protect the coastline, not to guarantee supply continuity in distant waters such as the Indian Ocean or the Pacific against a determined coalition with global basing points.

Food insecurity represents the second constraint, striking at the core of the social contract and the Party's legitimacy. The carefully maintained illusion of Chinese self-sufficiency collides daily with the physical necessity of importing record volumes, illustrated by the 111 million tonnes of soybeans imported in 2025. These imports are not a luxury; they underpin the protein consumption of the middle class. Food security in China has historically been linked to the "Mandate of Heaven": famine or shortage delegitimizes power. Any disruption in this complex global logistics — whether targeted sanctions on seeds or fertilizers, blockades of grain ports, or cold-chain breakdowns — would transform a supply tension into immediate and explosive internal destabilization. Unlike energy, where strategic reserves can provide months of relief, food flows, particularly for animal feed, require constant fluidity and just-in-time logistics that China cannot guarantee through diplomatic narratives or overseas farmland acquisitions alone.

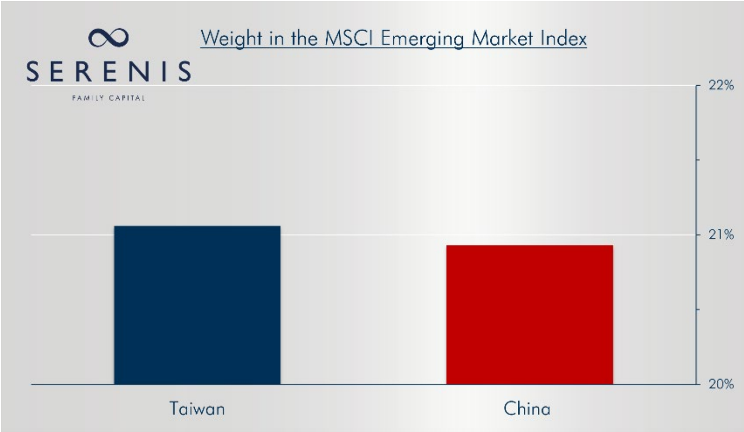
Demographic risk and the structural asymmetry of human cost constitute the third and most intimate constraint. The rigid and irreversible legacy of the one-child policy produced an inverted family pyramid — the 4-2-1 model (four grandparents, two parents, one child) — drastically limiting collective tolerance for physical sacrifice. In such a society, the loss of a soldier in combat is not merely a personal tragedy but the economic and emotional collapse of an entire support system for six aging adults. This demographic reality imposes an unprecedented decision constraint on Beijing: while economic power can buy influence and build bridges, physical engagement in a high-intensity conflict requiring distant projection and human losses represents an existential risk for the regime. Western powers or their allies, which sometimes reason in long historical timeframes and generational logics, face a China whose demographic window is rapidly closing and whose societal aversion to mass casualties acts as an invisible yet solid ceiling on the true political willingness to wage war.

The coming decade's dynamic lies entirely in the volatile coexistence of these two antagonistic realities: on one side, a China that has become an indispensable industrial power by sheer scale; on the other, a world no longer granting it the free and secure room for maneuver that enabled its rise. The United States and its strategic allies have relearned that power is measured not only by GDP or trade surpluses but by the sovereign ability to deny, constrain, and control logistical, financial, and digital chokepoints. We are not facing an inevitable Chinese domination, but rather a phase of brutal and conflictual interdependence in which each bloc holds critical levers of denial.

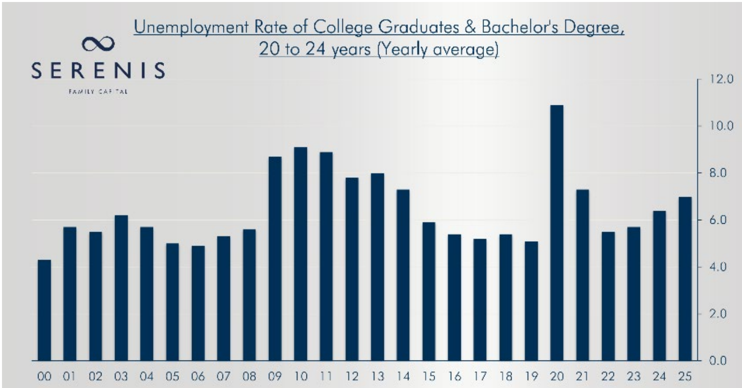
The global investor must adopt a balanced and clear-eyed objectivity: recognizing that while the West possesses formidable denial tools, it remains embedded in a system that cannot function without the other side's industrial infrastructure. The stability of the coming decade will depend on acknowledging this harsh interdependence, where the productive capacity of one ends where the interdiction capacity of the other begins. China's strategic return will now be durably burdened by the new need to secure — at considerable cost — what globalization once provided for free. The aim of this analysis is not to prematurely designate a winner in this duel of titans but to map the inevitable frictions of this forced coexistence. The Miraflores episode serves as a resounding wake-up call for investors accustomed to the Chinese narrative, reminding them that interdependence is not a passive inevitability but the framework of a physical contest over flows, where the cost of rupture forces a drastic reassessment of security on each side. Investors must now place this physical reality and these constraints of denial above diplomatic narratives in order to properly assess real risk and the geopolitical risk premium embedded in their portfolios in a world that has once again become explicit.

Three charts

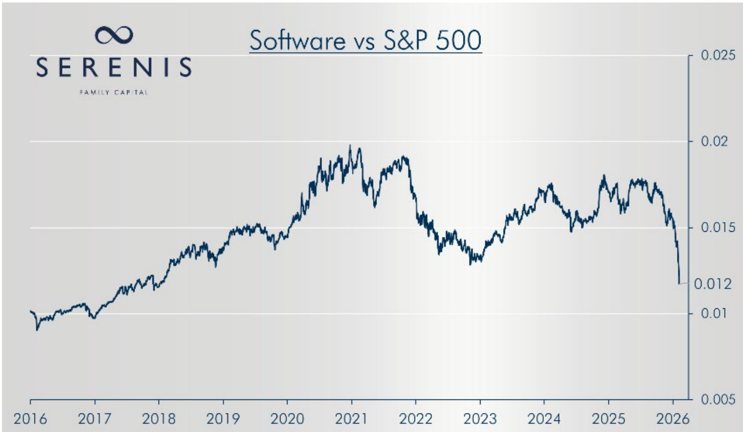
The spectacular rise of companies linked to the artificial intelligence boom has profoundly reshaped the composition of global equity indices. Within emerging markets, Taiwan has overtaken China and now accounts for 21% of the MSCI index. Driven by its flagship company, Taiwan Semiconductor, whose earnings have doubled in two years, the firm now commands a market capitalization close to USD 1.8 trillion.



In a labor market that has been slowing for several months, hiring prospects for recent graduates appear to be deteriorating further. Recent workforce reductions implemented by large service companies, justified by productivity gains linked to artificial intelligence, could further amplify this trend.



The software sector, led by Microsoft, has enjoyed a decade of exceptional equity performance. Few investors have not, at some point, experienced — sometimes to their detriment — the monthly subscription model imposed by software publishers. This highly lucrative business model, built on strong pricing power and high margins, has not yet structurally cracked, but markets now appear to be anticipating its potential disruption.



Within a matter of weeks, this anticipation was sufficient to erase a decade of equity outperformance relative to the S&P 500. Is artificial intelligence truly capable of replicating, at marginal cost, the expertise embedded across the entire existing software ecosystem? The market has rendered its verdict — rightly or wrongly.

One more thing : 2025 review

In 2025, the Serenis model portfolio delivered a performance of 19.3% in USD, compared with 12.2% for balanced portfolios in the ARC Suggestus index, which is based on more than 350,000 private accounts. This outperformance was achieved with a level of risk comparable to that of an average profile, confirming the strength of the risk/return profile.

We nevertheless approach these results with restraint. The investment environment remains complex: more fragmented markets, higher volatility, and less reliable correlations. In such a context, no one holds lasting certainties, and no portfolio is flawless. Our approach is grounded in continuous learning and ongoing vigilance. A good year justifies neither complacency nor overconfidence. Mistakes are an integral part of the investment process; what matters is that they occur within a controlled framework, consistent with our principles of portfolio construction, risk discipline, and transparency.

The core-satellite architecture demonstrated its relevance in 2025. The core of the portfolio, broadly diversified, provides the structural anchor and stability. The satellites, meanwhile, concentrate strong convictions on carefully selected asymmetric opportunities. This complementarity allows risk to be segmented and managed intentionally, with the constant objective of offering our investors not only performance, but also long-term peace of mind.

As a phrase inspired by Kierkegaard suggests, markets can only be understood by looking backward, but they must be invested by looking forward. This productive tension between memory and projection shapes our approach: drawing lessons from the past without ever investing through the rear-view mirror.

In a post–"Great Moderation" world, marked by more unstable and shifting regimes, our portfolio is designed to evolve with its environment rather than rely on implicit continuity. The objective is not to seek perfection, but to maintain a constant capacity to adapt, grounded in discipline, rigor, and calm decision-making.

The year 2026 thus begins with financial markets still supported by resilient economic momentum, yet increasingly shaped by more visible geopolitical and monetary fault lines, calling for a more demanding assessment of risks, interdependencies, and long-term balances.

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