

Current market commentary

The combination of weaker US labour market data and moderate inflation figures has led to falling bond yields. The market is now even pricing in a small probability that the Fed will take a big step in September and cut key interest rates by 50 basis points. Other asset classes also benefited from this. US stock indices reached new all-time highs, with small caps in particular posting significant gains. Market breadth has improved noticeably, not least due to an increase in takeover bids. Gold and silver, which we bought or added to in our multi-asset strategies at the end of August, also posted strong gains, supported by a weaker US dollar. The notoriously volatile month of September has been favourable so far, but this carries the risk of complacency. However, analyses show that many active fund managers remain underinvested and that there has been increased demand for hedging recently. There is no euphoria among discretionary investors. In our view, this should limit the potential for a setback.

Short-term outlook

After last week's inflation and labour market data from the US provided more insight into the development of the US economy, investors will be focusing on the Federal Reserve's interest rate decision on Wednesday. Signs of a weakening labour market and inflation in line with expectations are likely to prompt the central bank to cut its interest rate for the first time in nine months.

Following today's release of Chinese industrial production figures (Aug), Tuesday will see the publication of the German ZEW economic expectations (Sep) and US retail sales (Aug). On Wednesday and Thursday, in addition to the Fed, the Bank of Canada and the Bank of England will announce their interest rate decisions, and consumer prices for the eurozone (Aug) will be released. The following week, preliminary PMIs for the eurozone, the UK and the US will be reported. At the end of the week, initial jobless claims in the US (Sep) and the Michigan Consumer Sentiment Index (Sep) will follow.

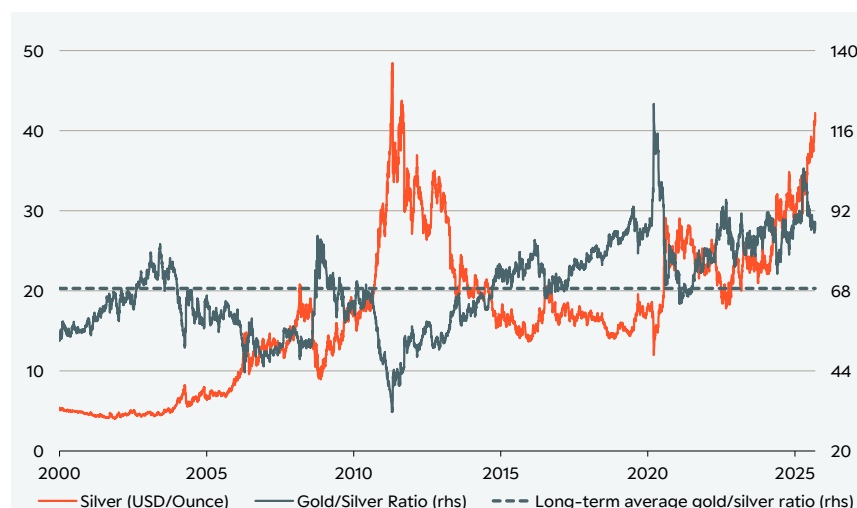
The bi-weekly Monitor gives you a structured overview of the current capital market environment and highlights important developments:

- Performance
- Positioning
- Sentiment
- Surprise Indicators
- Economics
- Foreign Exchange
- Equities
- Sovereign Bonds & Central Banks
- Corporate Bonds
- Commodities

Federal Reserve interest rate decision in the investor view.

Central bank meetings, consumer prices and labour market data in the focus of the markets.

Silver still undervalued against gold despite price rally



- The price of silver has risen significantly in recent weeks. In addition to initial unofficial purchases by central banks in the Middle East, rising ETF holdings and a weaker US dollar also provided support.
- Despite the price increase, silver remains cheap relative to gold. The gold/silver ratio is around 25% above its long-term average. In addition, the silver market is likely to show a supply deficit for the fifth consecutive year in 2025.

Source: Bloomberg, Time period: 01/01/2000 – 12/09/2025



Performance

Multi Asset

	4-week & YTD		12-month periods over that last 5 years					
	4W (15/08/25 - 12/09/25)	YTD (31/12/24 - 12/09/25)	12/09/24	12/09/23	12/09/22	12/09/21	11/09/20	12/09/21
Gold	8.9	22.5	34.3	30.0	4.4	12.6	-7.6	
MSCI Emerging Markets	4.0	10.7	18.5	9.8	-3.2	-10.3	22.4	
Global Convertibles	3.4	0.2	12.7	3.8	-5.5	-7.4	31.4	
Industrial Metals	-5.8	2.9	0.5	2.7	-9.4	7.7	44.3	
Brent	-12.2	2.5	0.5	-13.8	5.3	88.1	85.5	
REITs	-8.0	2.0	-11.9	18.4	-19.9	5.0	29.8	
MSCI Frontier Markets	1.8	21.6	30.5	6.1	-5.1	-4.3	33.3	
MSCI World	1.8	2.2	12.4	20.4	4.6	3.0	33.9	
EUR Sovereign Debt	0.3	1.8	2.2	6.3	-2.2	-9.4	0.3	
EUR Coporates	0.3	2.6	4.1	8.4	0.4	-13.0	2.1	
Euro overnight deposit	0.1	1.6	2.7	4.0	2.4	-0.5	-0.6	
USDEUR	-11.8	-0.3	-5.6	-2.9	-5.9	16.7	0.3	

MSCI World: MSCI World Net Return; MSCI Emerging Markets: MSCI EM Net Return; MSCI Frontier Markets: MSCI Frontier Markets Net Return;
REITs: MSCI World REITs Index; EUR Sovereign Debt: ICE BofA 1-10 Year Euro Government Index; EUR Corporates: ICE BofA Euro Corporate Index;
Global Convertibles: SPDR Convertible Securities ETF; Gold: Gold US Dollar Spot; Brent Crude: Bloomberg Brent Crude Subindex TR; Industrial Metals:
Bloomberg Industrial Metals Subindex TR; Euro overnight deposit: ICE BofA Euro Overnight Deposit Rate Index; USDEUR: Price of 1 USD in EUR.

- Almost all asset classes gained in value over the past four weeks. In addition to gold, which also defended its position as the best performer since the beginning of the year, emerging market equities and global convertible bonds also topped the performance rankings.
- EUR bonds and overnight deposits traded virtually unchanged, while the dollar lost slightly.

Total return for selected asset classes, in euros and in percent, sorted by 4-week performance.

Source: Bloomberg, Time period: 11/09/2020 – 12/09/2025

Equities

	4-week & YTD		12-month periods over that last 5 years					
	4W (15/08/25 - 12/09/25)	YTD (31/12/24 - 12/09/25)	12/09/24	12/09/23	12/09/22	12/09/21	11/09/20	12/09/21
MSCI EM Latin America	6.0	22.4	12.0	-3.7	5.5	19.7	26.4	
MSCI EM Asia	4.6	10.3	19.6	11.4	-3.5	-12.0	19.8	
MSCI USA Small Caps	-4.3	4.1	8.2	12.1	-4.5	4.7	52.0	
S&P 500	-0.3	2.0	12.3	23.5	4.4	9.1	35.7	
MSCI UK	1.6	11.7	13.7	15.9	5.0	11.9	30.8	
MSCI Japan	0.5	6.4	12.0	11.7	12.0	-12.9	27.2	
Stoxx Europe 50	0.3	8.5	6.6	14.1	13.3	3.6	22.4	
Stoxx Europe Defensives	0.1	5.6	-1.0	12.8	9.8	7.2	17.1	
Stoxx Europe Cyclical	-0.2	22.1	27.0	23.3	10.8	-12.2	38.3	
Stoxx Europe Small 200	-0.4	10.9	9.9	12.8	2.0	-21.7	39.0	
Euro Stoxx 50	-1.1	12.4	14.7	16.3	19.3	-10.3	28.0	
DAX	-2.7	19.0	28.0	17.8	17.3	-14.1	18.2	

S&P 500: S&P 500 TR (US-Equity); Stoxx Europe 50: Stoxx Europe 50 TR; Euro Stoxx 50: Euro Stoxx 50 TR; MSCI Japan: MSCI Japan TR;
Stoxx Europe Small 200: Stoxx Europe Small 200 TR; MSCI USA Small Caps: MSCI USA Small Caps TR; Stoxx Europe Cyclical: Stoxx Europe Cyclical TR;
Stoxx Europe Defensives: Stoxx Europe Defensives TR; DAX: DAX TR; MSCI United Kingdom: MSCI UK TR; MSCI EM Asia: MSCI EM Asia TR;
MSCI EM Eastern Europe: MSCI EM Eastern Europe TR.

- Latin American equities recorded the largest gains over the last four weeks. Emerging market equities from Asia and US small caps also rose significantly in value.
- US equities recently outperformed the European equity market significantly. While the S&P 500 gained 2%, the Euro Stoxx 50 lost just under 1%.
- Defensive stocks from Europe performed better than cyclical and small-cap stocks.

Total return (including reinvested dividends) for selected stock indices, in euros and in percent, sorted by 4-week performance.

Source: Bloomberg, Time period: 11/09/2020 – 12/09/2025

Fixed Income

	4-week & YTD		12-month periods over that last 5 years					
	4W (15/08/25 - 12/09/25)	YTD (31/12/24 - 12/09/25)	12/09/24	12/09/23	12/09/22	12/09/21	11/09/20	12/09/21
USD Corporates	-5.3	1.8	-2.3	9.8	-4.8	-4.3	2.5	
Treasuries	-6.6	1.7	-4.1	5.4	-7.2	3.3	-2.5	
EM Hard Currency Bonds	-3.3	1.4	7.9	14.9	3.0	-19.9	3.6	
USD High Yield	-5.7	1.1	2.2	9.9	-0.9	5.9	9.6	
Gilts	-2.2	0.8	9.6	7.5	4.4	-15.2	4.2	
Bunds	-0.8	0.7	-3.5	9.5	-8.3	-22.8	-3.7	
BTPs	-0.7	2.5	-1.4	6.0	-5.8	-13.2	-1.2	
EM Local Currency Bonds	-0.6	0.6	3.5	9.8	-0.3	-16.1	3.3	
EUR Non-Financials	0.4	2.4	3.8	8.3	0.0	-14.0	2.1	
EUR Financials	0.4	3.1	4.6	8.5	1.1	-11.1	1.9	
Chinese Sovereign Bonds	-9.6	0.1	7.1	11.4	6.3	-12.1	8.5	
EUR High Yield	-0.1	4.2	2.8	7.8	3.0	5.4	5.5	

Bunds: ICE BofA German Government Index; BTPs: ICE BofA Italy Government Index; Treasuries: ICE BofA US Treasury TR;
Gilts: ICE BofA UK Gilt Index; Chinese Gov Bonds: ICE BofA China Gov; EUR Financials: ICE BofA Euro Financial Index;
EUR Non-Financials: ICE BofA Euro Non-Financial Index; EUR High Yield: ICE BofA EUR Liquid HY TR; USD Corporates: ICE BofA USD Corp TR;
USD High Yield: ICE BofA USD Liquid HY TR; EM Hard Currency: ICE BofA US Emer. Mark. External Sov.Index; EM Local Currency: ICE BofA Local Debt Markets Plus Index

- Almost all bond segments gained ground over the past four weeks. US corporate and government bonds posted the strongest gains, alongside hard currency bonds from emerging markets.
- Government bonds from the UK, Germany and Italy, as well as local currency bonds from emerging markets, were slightly ahead of euro-denominated financial and non-financial bonds.

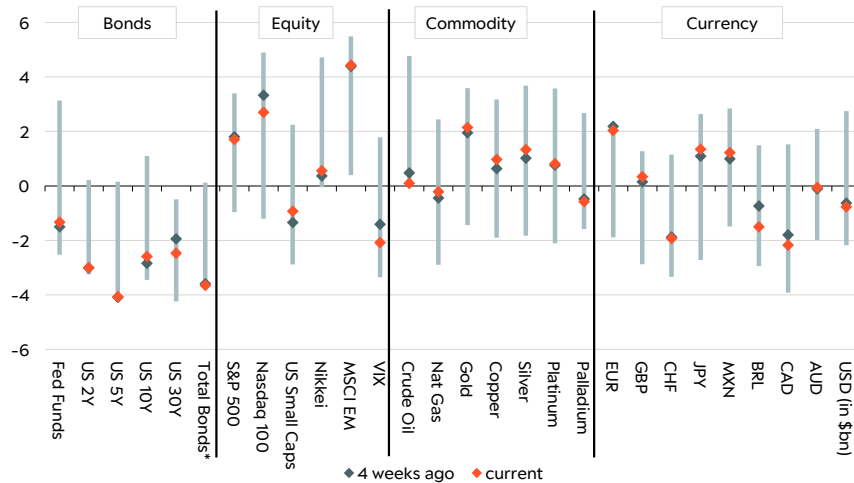
Total return (including reinvested coupons) for selected bond indices, in euros and in percent, sorted by 4-week performance.

Source: Bloomberg, Time period: 11/09/2020 – 12/09/2025



Positioning

Non-commercial Positioning



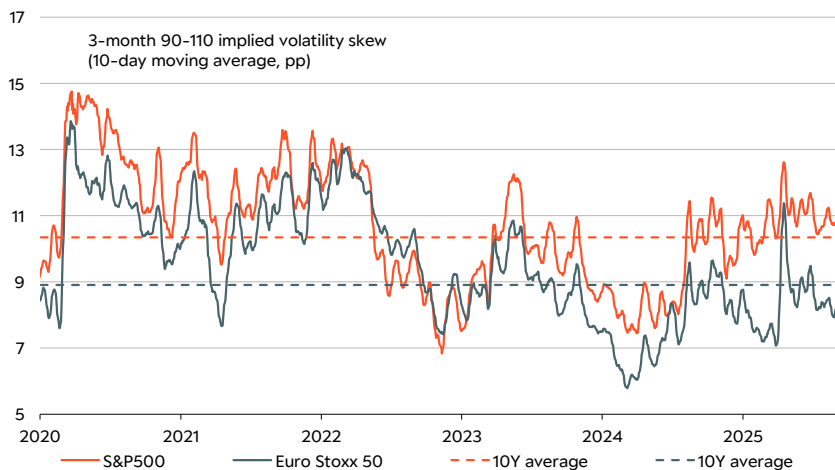
- Speculative investors have recently reduced their long positions in US technology stocks somewhat and, in return, covered their short positions in US small caps.
- In crude oil, futures positioning is now at a 10-year low.

The Commodity Futures Trading Commission (CFTC) publishes the Commitments of Traders report every Friday. The chart shows the historical, normalised distribution in standard deviations and focuses on the net futures position (long positions minus short positions) of "non-commercial traders" (bonds, currencies), "asset managers/institutional" & "leveraged funds" (equities) and "managed money" (commodities) and shows how speculative investors are positioned.

*Weighted with the respective duration

Source: Bloomberg, CFTC, Time period: 12/09/2015 – 12/09/2025

Put-Call-Skew

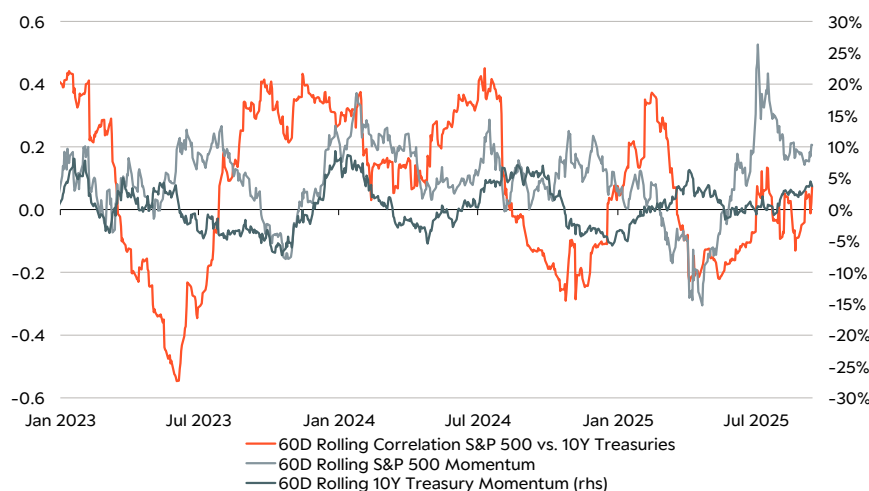


- The put-call skew has moved sideways over the past month and is trading close to its historical average for both the S&P 500 and the Euro Stoxx 50.
- Normalised for the level of implied volatility, the skew is very steep, especially in the US, making put spreads particularly attractive.

The put-call skew (90-110) indicates the difference in implied volatility of puts versus calls whose strike is 10% away from the current underlying in each case. It is a measure of how much more investors are willing to pay for hedging (puts) versus upside participation (calls). The higher (lower) the skew, the more cautious (optimistic) market participants are. Moreover, the skew typically increases with the level of implied volatility.

Source: Bloomberg, Source: Bloomberg, Time period: 12/09/2015 – 12/09/2025

60-Day Momentum and Correlation



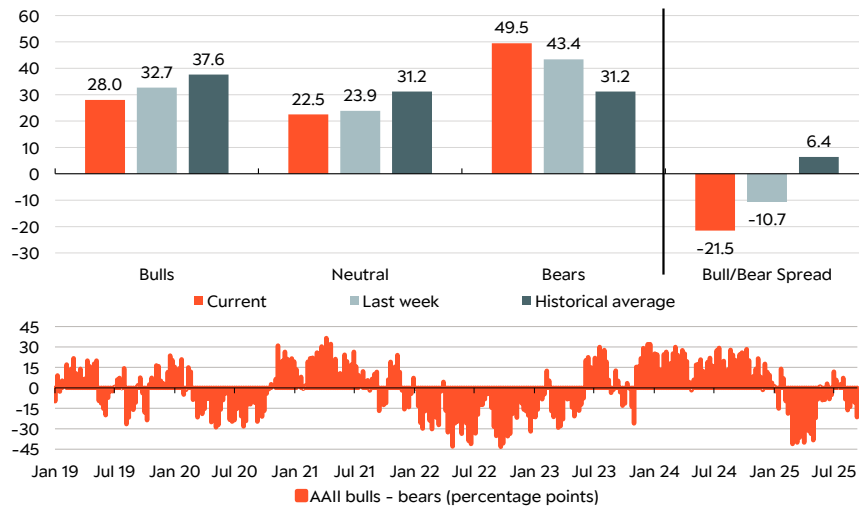
- The 3M momentum of the S&P 500 remains bullish and is unlikely to reverse until early December, assuming markets remain flat. The 6M momentum, on the other hand, is likely to gain even more strength in the coming months.
- Trend-following strategies are likely to be invested close to their maximum equity allocations.

The 60-day momentum indicates the rolling return of the last 60 days. The more the momentum rises (falls), the more systematic momentum strategies build up (reduce) their positions in the corresponding asset class. Changes in the sign of the return mark important turning points. The 60-day correlation indicates how equitably stocks and bonds move. The higher (lower) the correlation, the fewer (more) equities demand risk-based investment strategies. Source: Bloomberg, Source: Bloomberg, Time period: 31/12/2022 – 12/09/2025



Sentiment

AAll Markt Sentiment Survey (Bull vs Bears)

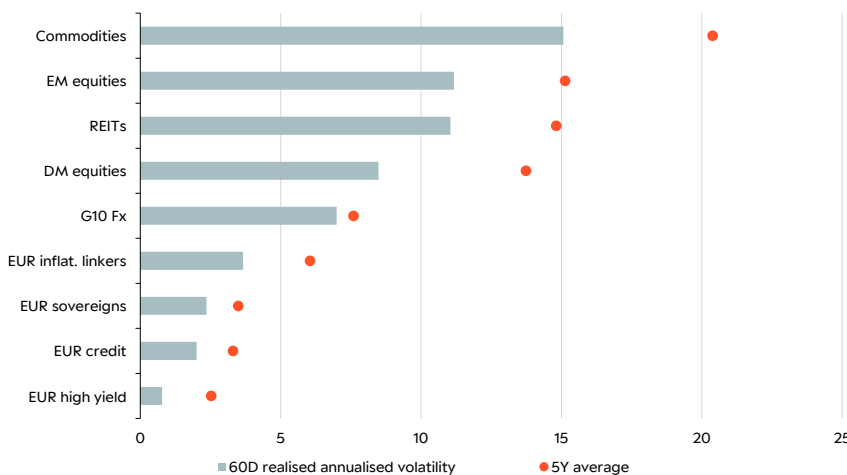


- The sentiment among US private investors is surprisingly negative. The bull/bear spread stands at -22 points, even though the S&P 500 is trading at an all-time high.
- This pessimism may also be a reflection of the cooling US labour market.

The Sentiment Survey, conducted by the American Association of Individual Investors, determines the percentage of individual investors who are optimistic, pessimistic or neutral about the US stock market over a six-month period. It has been conducted since 1987. The survey is conducted from Thursday to Wednesday and the results are published every Thursday. For the stock market, it tends to be supportive when there is a high proportion of bulls and a low proportion of bears. On the other hand, it tends to be negative when there are significantly more optimists than pessimists.

Source: Bloomberg, AAll, Time period: 23/07/87 – 11/09/2025

Realised Volatilities

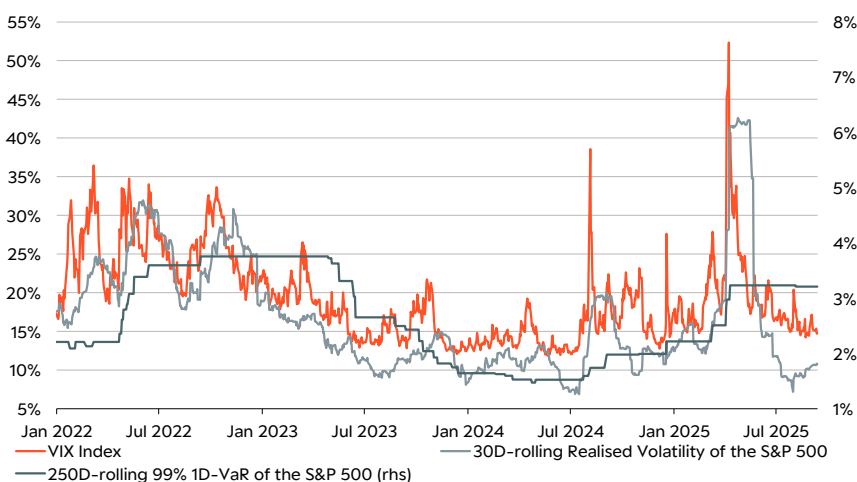


- Realised volatility is below its five-year average in all asset classes.
- Since Liberation Day, there has been no setback greater than 3% in global equity markets. In the case of EUR high yield, the maximum drawdown since mid-April has even been less than 0.5%.

The realised volatility (in per cent) measures the fluctuation range of a time series and is defined here as the standard deviation of the daily return over the last 60 trading days. Volatility is often used as a measure of risk.

Source: Bloomberg, Time period: 12/09/2020 - 12/09/2025

Volatility and Value-at-Risk of the S&P 500



- The VIX continues to fluctuate around the 15 mark. One reason why the VIX is not trading lower is the steep skew in the current environment. Implied volatility at the money over the next 30 days is just 11.4%. Volatility 10% out of the money is trading at 22.6%, almost twice as high.

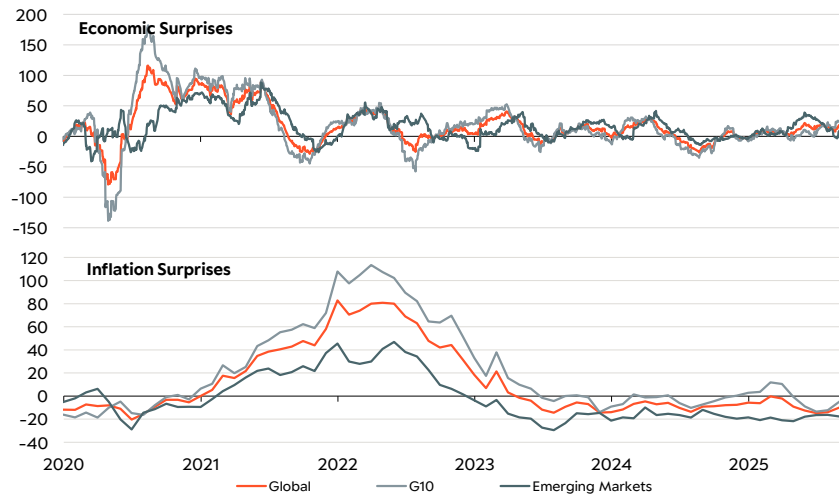
The VIX index is a measure of the implied volatility of the S&P 500 priced in options over approximately the next 30 days. Realised volatility indicates the range of variation in daily returns. The historical 99% value-at-risk indicates the minimum loss of the days that belong to the worst 1% of the observation period. The higher (lower) the VIX, realised volatility and value-at-risk, the fewer (more) stocks demand risk-based investment strategies.

Source: Bloomberg, Time period: 31/12/2021 – 12/09/2025



Surprise Indicators

Global

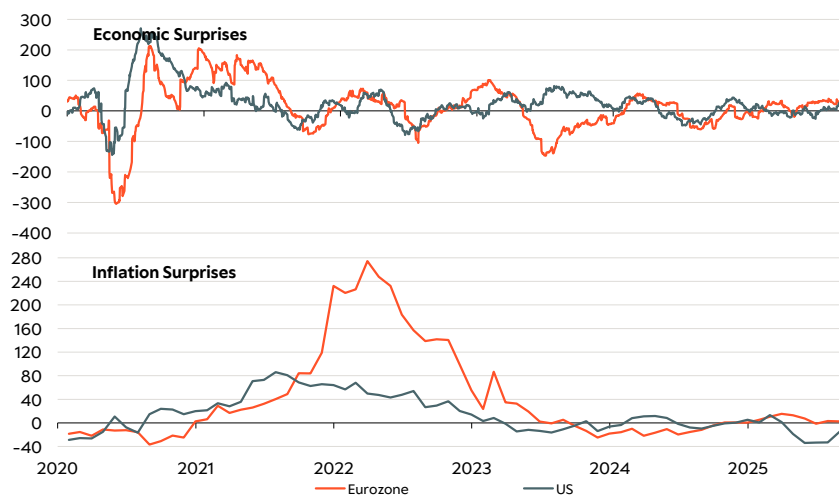


- Over the past two weeks, economic surprises have continued to be positive in both industrialised and emerging markets.
- In Australia, Brazil and Turkey, GDP growth in the second quarter exceeded expectations.
- In Canada, unemployment surprised on the upside in August, while in Switzerland it was in line with expectations.
- In Turkey, consumer price inflation surprised on the upside in August.

See explanations below.

Source: Bloomberg, Time period: 01/01/2020 – 12/09/2025

Eurozone and US

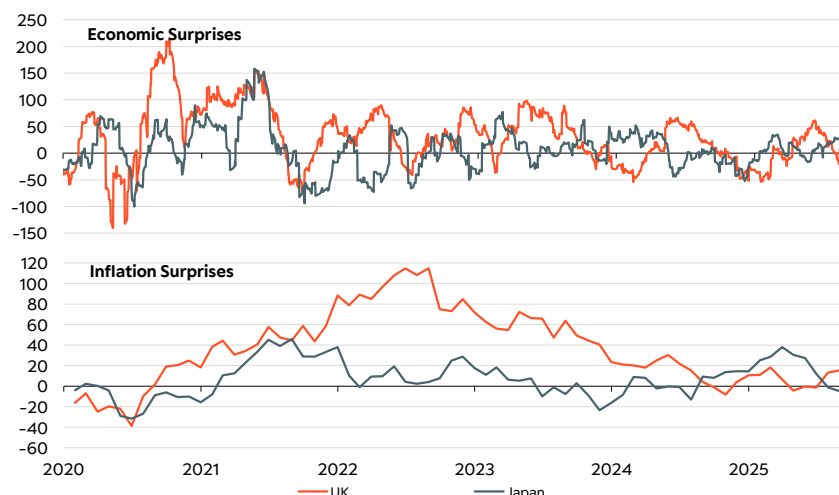


- Over the past two weeks, economic surprises in the US and the eurozone have been positive.
- In the US, the number of new jobs in August was lower than expected, while the unemployment rate was in line with expectations. US wholesale sales in July were higher than expected, while producer price inflation in August was lower than expected.
- In the eurozone, retail sales in July were below expectations.

See explanations below.

Source: Bloomberg, Time period: 01/01/2020 – 12/09/2025

UK and Japan



- In the UK, retail sales surprised on the upside in July.
- In Japan, second-quarter GDP growth surprised on the upside, while producer price inflation in August was below expectations.

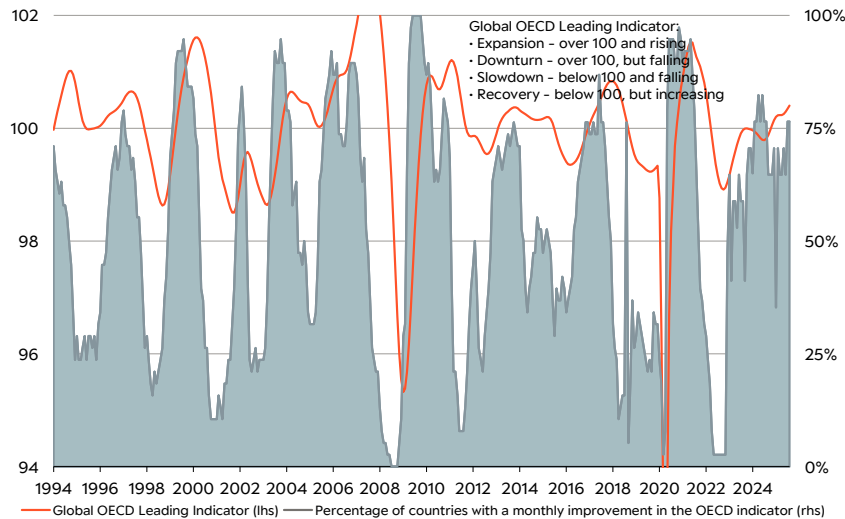
The Citigroup Economic Surprise Indices are defined as weighted historical normalised data surprises (actual releases vs. Bloomberg survey median) over the past three months. A positive value of the index indicates that, on balance, economic data have outperformed consensus. The indices are calculated daily in a rolling three-month window. The indices use a time decay function to replicate the markets' limited memory, i.e. the weight of a data surprise decreases over time.

Source: Bloomberg, Time period: 01/01/2020 – 12/09/2025



Economics

OECD Leading Indicator

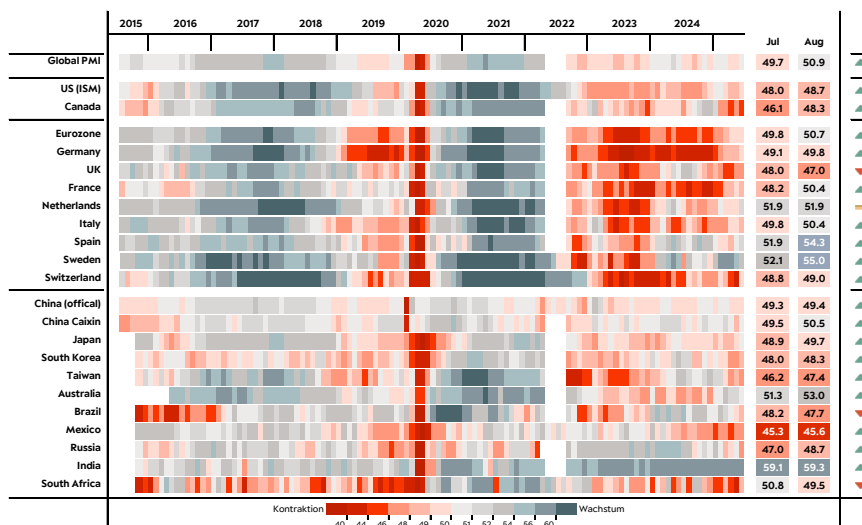


- Global economic expansion continues. At 100.4 in August, the revised OECD leading indicator was above the 100 mark for the tenth consecutive month.
- According to the revised leading indicator, the economic situation improved in August in 76% of the countries surveyed compared with the previous month.

The OECD Leading Indicator is composed of a set of selected economic indicators whose composition provides a robust signal of future turning points. A turning point usually signals a turning point in the business cycle in 6-9 months. However, lead times are sometimes outside this range and turning points are not always correctly identified.

Source: Bloomberg, Time period: 31/01/1994 – 12/09/2025

Manufacturing Purchasing Managers Index (Manufacturing PMI)

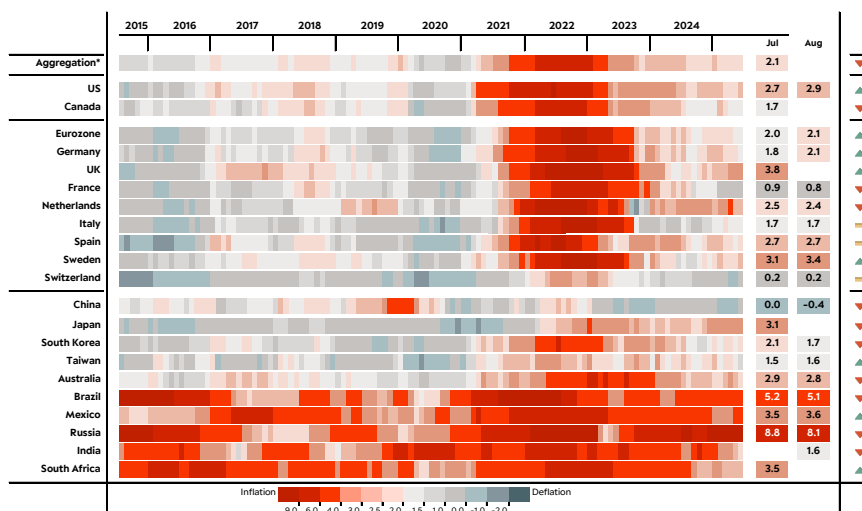


- PMI data for August points to rising global manufacturing activity. In the UK, Brazil and South Africa, however, the purchasing managers' index fell below the previous month's figure.

The PMI is an overall index that provides a general overview of the economic situation in industry. The PMI is derived from a total of eleven sub-indices, which reflect the respective change from the previous month. A value of 50 is regarded as neutral, a value of over 50 points as an indicator of rising and a value of under 50 points as an indicator of declining activity in industry compared to the previous month. On average, the index has a lead time before actual industrial production of three to six months. The PMI is based on a survey of a relevant selection of purchasing managers on the development of key indicators such as new orders.

Source: Bloomberg, Time period: 01/01/2015 – 12/09/2025

Headline Inflation



- Consumer price indices for August pointed to a further slowdown in global inflation. In France and Australia, for example, the annual harmonised inflation rate declined compared with the previous month. In Germany, rising food prices contributed significantly to an unexpected increase in the annual harmonised inflation rate compared with the previous month.

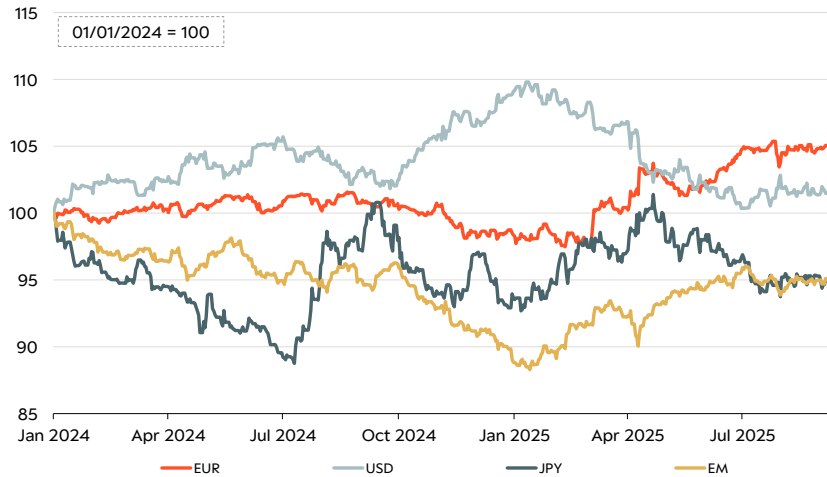
Inflation (in %, compared to the previous year) is measured using a consumer price index, also called a basket of goods. This basket contains all goods and services that a household purchases on average per year. * = Weighting according to gross domestic product.

Source: Bloomberg, Time period: 01/01/2015 – 12/09/2025



Foreign Exchange

Trade-Weighted Currency Development

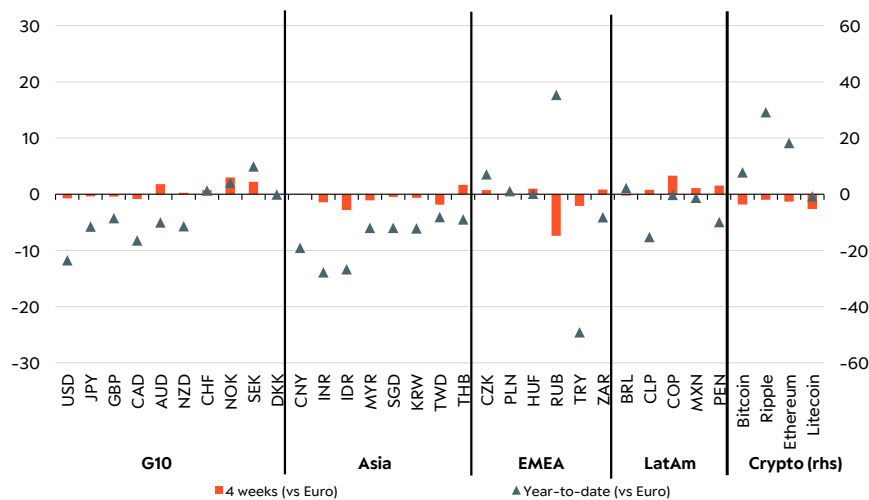


- Over the past four weeks, the trade-weighted currency indices shown have moved sideways.
- As expected, the ECB left its key interest rate unchanged after its scheduled meeting last week. The ECB Governing Council's assessment of the inflation outlook also remained essentially unchanged.

A trade-weighted index is used to measure the effective value of an exchange rate against a basket of currencies. The importance of other currencies depends on the share of trade with the country or currency zone.

Source: Bloomberg, Time period: 01/01/2024 – 12/09/2025

Currency Moves vs Euro

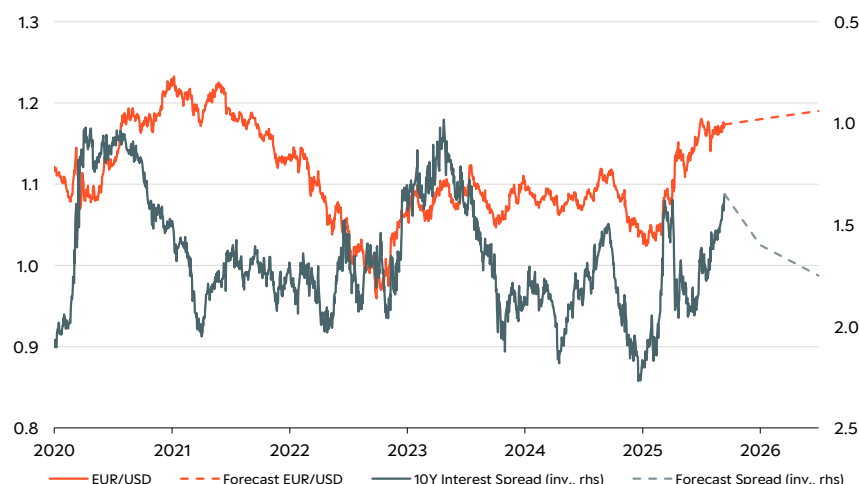


- Over the past four weeks, the euro has shown mixed performance against most of the currencies presented here.
- Following its scheduled meeting on 3 September, the Polish central bank lowered its key interest rate by 25 basis points as expected, while the political environment in Poland continues to deteriorate.
- The Turkish central bank lowered its key interest rate more than expected following its scheduled meeting last week.

Performance of selected currencies against the euro, in percent.

Source: Bloomberg, Time period: 01/01/2025 – 12/09/2025

EUR/USD Exchange Rate and Interest Rate Differential of 10Y Bonds



- Falling yields on ten-year US government bonds recently led to a narrowing of the interest rate differential between German and US bonds to just under 140 basis points.
- The euro has moved sideways against the US dollar over the past two weeks and is currently trading at around 1.17.

EUR/USD exchange rate and interest rate differential (in percentage points) of 10-year US government bonds and 10-year Bunds. The forecasts were prepared by Berenberg Economics.

Source: Bloomberg, Time period: 01/01/2020 – 30/06/2026



Equities – Performance & Earnings

European Sector & Style Performance

	4-week & YTD		12-month periods over that last 5 years				
	4W (15/08/25 - 12/09/25)	YTD (31/12/24 - 12/09/25)	12/09/24	12/09/23	12/09/22	12/09/21	11/09/20
Consumer Discretionary	-5.3	2.4	0.3	-0.3	15.1	-15.0	40.5
Health Care	-2.1	2.1	-13.9	15.6	10.7	3.4	13.7
Industrials	1.4	21.6	26.2	24.5	14.8	-14.8	38.1
Growth	1.2	4.2	1.9	14.4	7.2	-11.5	30.0
Materials	1.2	4.7	1.1	12.7	1.9	-7.7	33.5
Consumer Staples	0.6	5.1	-0.6	1.6	-1.6	4.7	11.9
Information Technology	-3.4	0.1	0.6	24.7	11.8	-26.7	49.6
Energy	-0.3	6.2	3.5	-3.9	16.0	5.5	35.0
Value	-0.5	19.3	20.4	15.7	12.1	2.9	27.5
Finance	-1.2	32.1	40.8	27.8	14.9	1.3	38.0
Telecommunications	-1.3	15.6	15.0	19.9	0.7	-5.5	23.5
Utilities	-2.1	17.9	10.3	14.8	3.6	-0.1	13.7

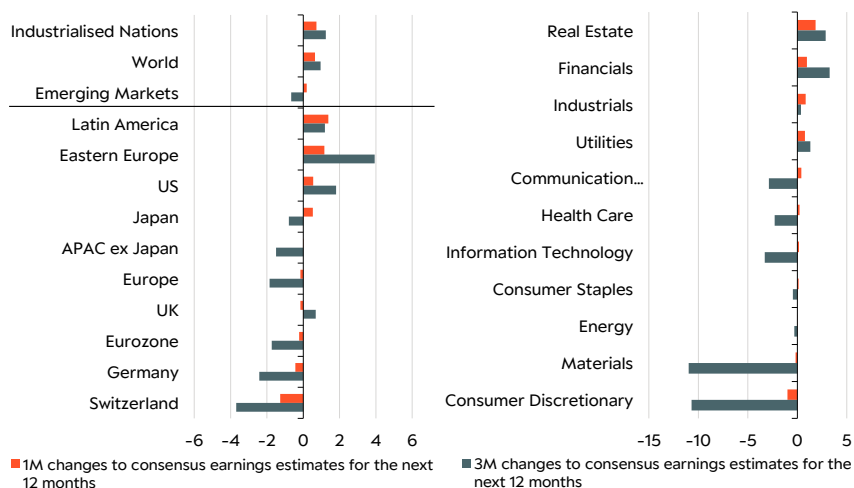
Consumer Discretionary: MSCI Europe Consumer Discretionary NR; Consumer Staples: MSCI Europe Cons. Staples NR; Energy: MSCI Europe Energy NR; Finance: MSCI Europe Financials NR; Health Care: MSCI Europe Health Care NR; Industrials: MSCI Europe Industrials NR; Information Tech.: MSCI Europe Inform. Tech. NR; Materials: MSCI Europe Materials NR; Communication Services: MSCI Europe Communication Services NR; Utilities: MSCI Europe Utilities NR; Value: MSCI Europe Value NR; Growth: MSCI Europe Growth NR.

- European equity sectors have performed unevenly over the past four months. Healthcare stocks and cyclical consumer goods have been the main gainers.
- The financial sector remains the best-performing sector with a return of 32.1 per cent since the beginning of the year, but has recently declined slightly.

Total return of European equity sectors and European style indices, in euros and in percent, sorted by 4-week performance. The difference between Value and Growth lies in the valuation. A growth stock is highly valued because the company is expected to grow strongly. Value stocks usually have less growth potential and are valued lower.

Source: Factset, Time period: 11/09/2020 – 12/09/2025

Changes in Consensus Earnings Estimates

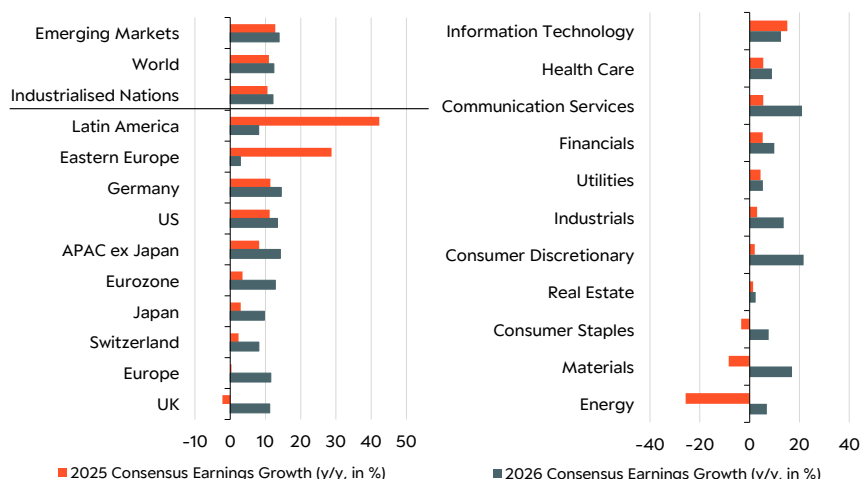


- Global earnings expectations have been revised upwards again in the last four weeks.
- Analysts' earnings revisions for European sectors paint a mixed picture. While higher earnings than four weeks ago are expected in the real estate, finance and telecommunications sectors, the basic materials and consumer cyclicals sectors have seen negative earnings revisions.

1-month and 3-month changes in consensus earnings estimates for the next 12 months of the regional and Europe sector MSCI indices, in per cent.

Source: FactSet, as of 12/09/2025

Earnings Growth



- Overall, earnings expectations for 2025 are positive. Global earnings growth of over 10% is expected. Only for the United Kingdom do analysts expect negative earnings growth.
- A decline in earnings is expected this year in the European consumer goods, basic materials and energy sectors.

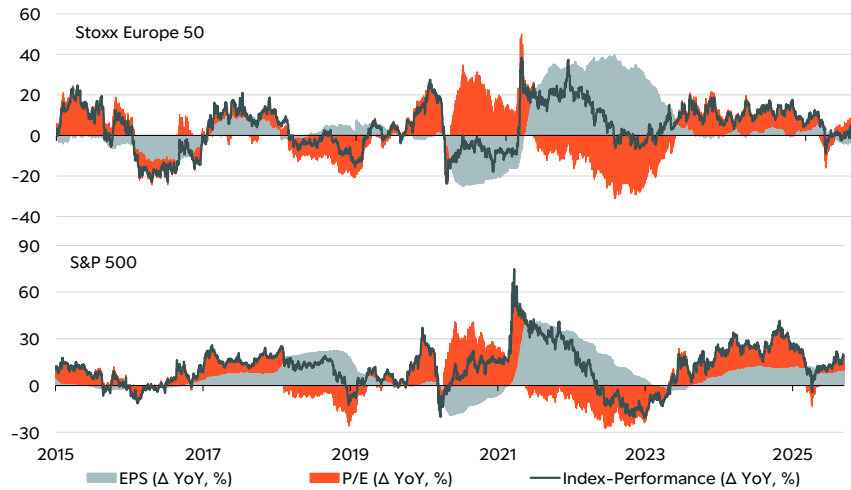
Consensus expected calendar year earnings growth for selected equity regions, year-on-year and in percent. The earnings estimates of the individual companies are aggregated upwards using the index weights ("bottom-up"). Regional and Europe Sector MSCI Indices. APAC ex Japan = Asia Pacific excluding Japan

Source: FactSet, as of 12/09/2025



Equities — Valuation

Contribution Analysis

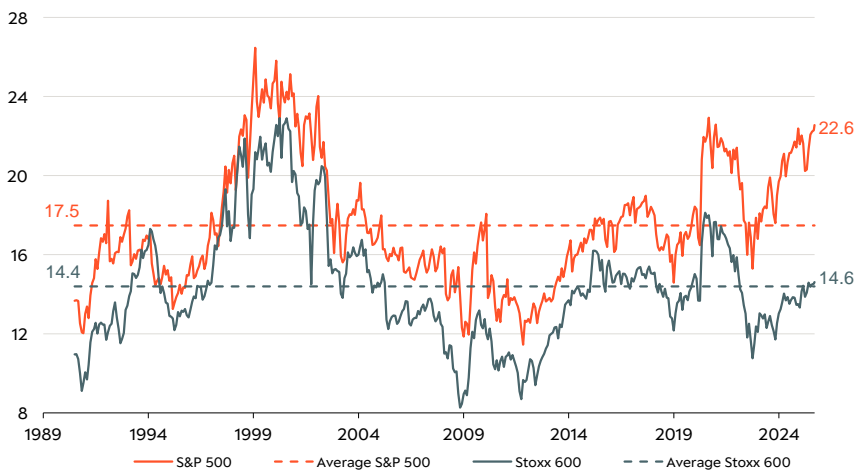


- The performance of the European stock market has recently been driven purely by an expansion in valuations. Earnings estimates have actually fallen compared with the previous year, partly due to the strong euro.
- In the US, share prices have recently been buoyed by an expansion in valuations and an increase in earnings estimates.

Analysis of the drivers of stock market development over the last 12 months. The change in earnings estimates and the change in valuation (price-earnings ratio) are taken into account. EPS = earnings per share

Source: Bloomberg, Time period: 01/01/2015 – 12/09/2025

Price-Earnings Ratio (P/E Ratio) of European and US Equities

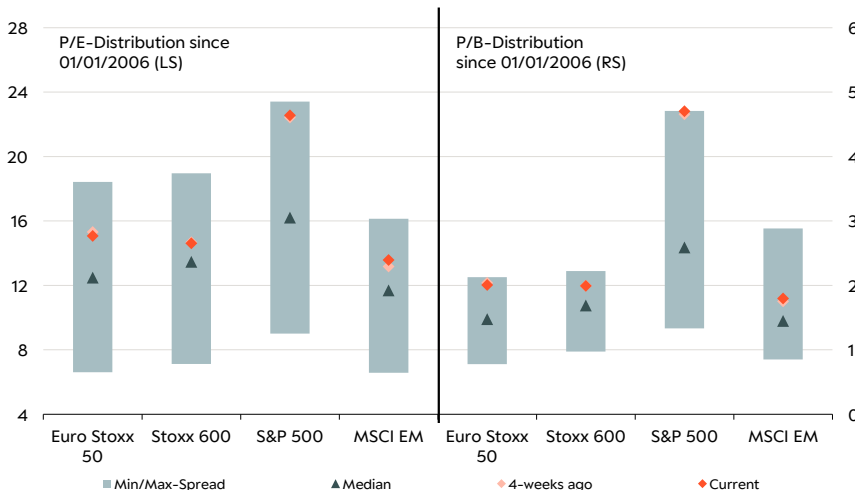


- Continued gains in US equity markets have recently pushed the S&P 500's P/E ratio to its highest level since 2020. With a P/E ratio of 22.6, US equities remain expensive.
- By contrast, the P/E ratio of European equities has hardly changed in the past two weeks. At 14.6, it is only marginally above its long-term average..

P/E valuation based on earnings estimates for the next twelve months of European and US equities as well as the respective P/E average since 1988. *For the Stoxx 600, the history before 2000 was taken from MSCI Europe.

Source: Bloomberg, Factset, Time period: 31/12/1987 – 12/09/2025

Historical Distribution: Price/Earnings and Price/Book Ratio



- Over the past four weeks, the P/E ratio for emerging market equities has expanded most significantly. However, with a P/E ratio of 13.6, they are still attractively valued compared to other markets.
- The P/B ratio for US equities is trading at the upper end of its historical distribution. Emerging market equities also appear to be attractively valued in this

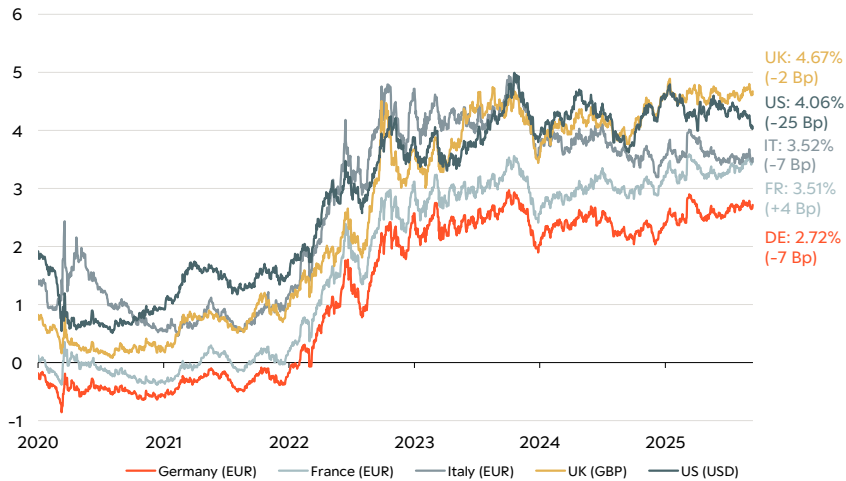
Historical distribution of valuation ratios for selected equity regions since 2006. In addition to the current value, the observation four weeks ago and the historical median, the maximum (upper limit of the blue bar) and minimum (lower limit of the blue bar) are shown.

Source: Bloomberg, Time period: 01/01/2006 – 12/09/2025



Sovereign Bonds & Central Banks

10-Year Government Bond Yields

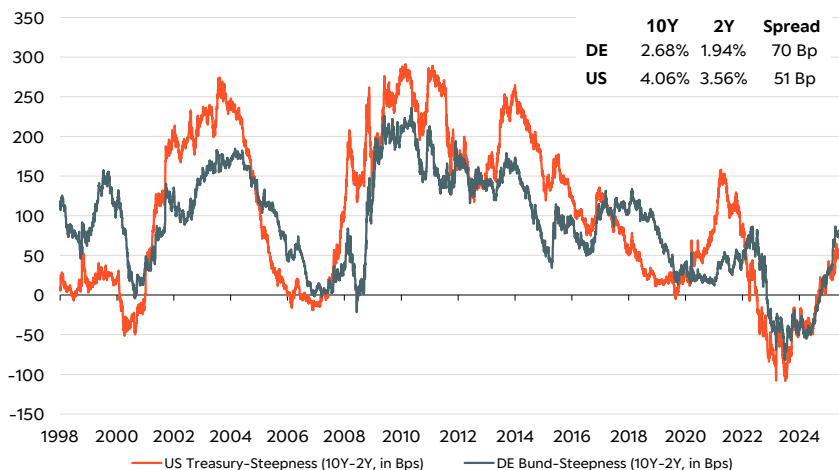


- Government bond yields have mostly declined over the past four weeks. The biggest movement was seen in US government bond yields, which fell by 25 basis points. German and Italian government bond yields fell by 7 basis points.
- French government bond yields, on the other hand, rose by around 4 basis points in the wake of budget concerns and Fitch's downgrade from AA- to A+.

Effective yield on 10-year government bonds and change over the last four weeks in basis points (in brackets).

Source: Bloomberg, Time period: 01/01/2020 – 12/09/2025

Yield Curve Steepness (10Y - 2Y)

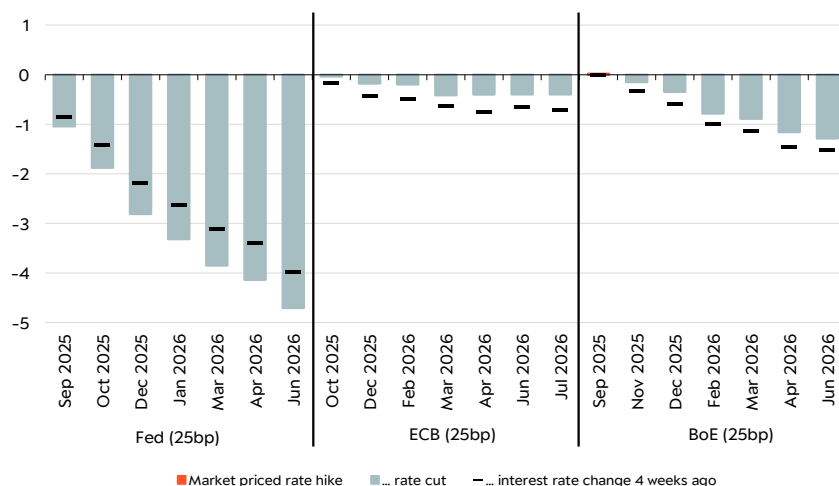


- Over the past two weeks, yield curves have flattened slightly in both Germany and the United States. Declining yields at the long end of the curve in particular have contributed to this flattening.

The yield curve distinguishes between the so-called short end and the long end. The reason for this is the way in which factors influence yields. Central banks control the short end of the curve through their monetary policy and key interest rates. In contrast, the long end is influenced less by central banks and more by inflation expectations, supply, demand and risk premiums.

Source: Bloomberg, Time period: 01/01/1998 – 12/09/2025

Implicit Changes in Key Interest Rates



- Concerns about a more pronounced slowdown in the US labour market have caused investors to further raise their expectations of several interest rate cuts by the Fed in the coming months.
- At its last meeting, the ECB left the deposit rate unchanged at 2%, which came as little surprise. Against this backdrop, expectations of future key interest rate cuts remained largely unchanged.

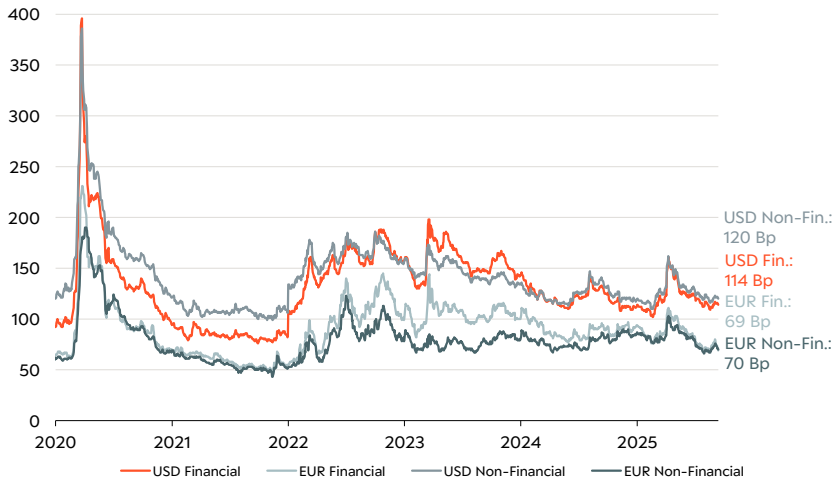
Derivatives on money market interest rates – such as the fed funds futures – can be used to determine the change (number of steps) in the key interest rate priced by the market.

Source: Bloomberg, Time period: 15/08/2025 – 12/09/2025



Corporate Bonds

Credit Spreads Financial and Non-Financial Bonds

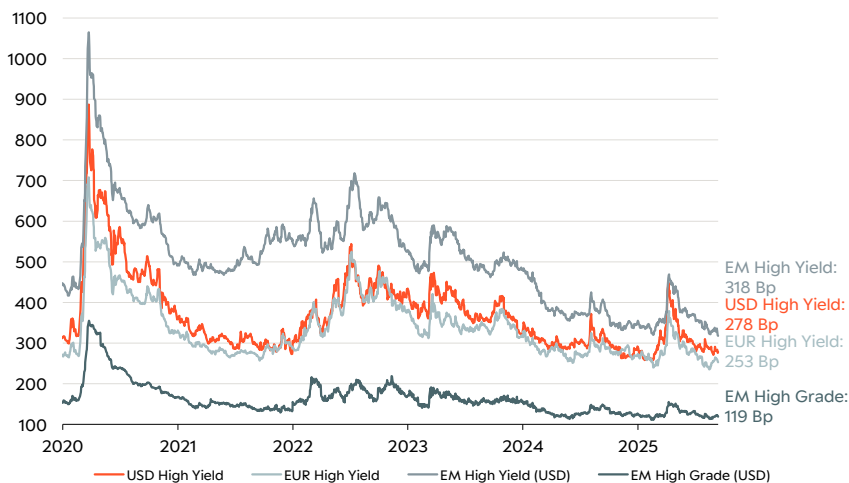


- Although risk premiums on European corporate bonds initially rose in the wake of French Prime Minister Bayrou's vote of confidence, they narrowed again even before the vote and are now trading close to their lows.
- Spreads on US corporate bonds have moved sideways over the past few weeks.

Explanations: see middle and lower figure.

Source: FactSet, Source: FactSet, Time period: 01/01/2020 – 12/09/2025

Credit Spreads High Yield and Emerging Markets Bonds



- EUR high-yield bonds and EM investment-grade bonds have seen risk premiums rise slightly over the past few weeks.
- By contrast, risk premiums for USD high-yield bonds have recently stagnated, while those for EM high-yield bonds have even fallen.

How high the risk associated with the corporate bond is shown by its asset swap spread (in bp). This indicates the yield that the issuer must pay in addition to the swap rate for the respective term as compensation for its credit risk. See further explanation below.

Source: FactSet, Source: FactSet, Time period: 01/01/2020 – 12/09/2025

Bond Segments Overview

	Key figures			Asset Swap Spread			Total Return (% local)							
	Yield (in %)	Δ1M	Modified Duration	Spread (Bps)	Δ1M	10Y-Per- centile	1M	YTD	12/09/24	12/09/23	12/09/22	12/09/21	12/09/20	
									12/09/25	12/09/24	12/09/23	12/09/22	12/09/21	
EUR Government	2.85	0.01	6.9	-	-	-	0.2	0.3	0.3	7.5	-4.1	-15.2	0.0	
Germany	2.45	0.01	7.0	-	-	-	0.3	-1.1	-1.4	6.0	-5.8	-13.2	-1.2	
EUR Corporate	3.16	0.00	4.4	70	0	33	0.3	2.6	4.1	8.4	0.4	-13.0	2.1	
Financial	3.17	-0.02	3.7	69	-2	22	0.3	3.1	4.6	8.5	1.1	-11.1	1.9	
Non-Financial	3.15	0.01	4.8	70	1	43	0.3	2.3	3.8	8.3	0.0	-14.0	2.1	
EUR High Yield	5.51	0.11	3.3	253	13	10	0.1	4.2	7.1	11.4	6.3	-12.1	8.5	
US Treasury	3.89	-0.19	6.1	39	1	97	1.6	5.7	1.7	8.7	-2.0	-11.9	-2.6	
USD Corporate	4.80	-0.22	6.6	118	0	28	2.1	7.2	4.3	12.1	1.3	-15.6	2.4	
Financial	4.75	-0.19	5.0	114	0	39	1.6	7.0	5.3	12.0	1.8	-12.9	2.2	
Non-Financial	4.82	-0.23	7.3	120	-1	26	2.3	7.3	3.9	12.1	1.0	-16.7	2.5	
USD High Yield	7.03	-0.24	3.8	278	-12	2	1.5	6.9	8.3	13.3	5.2	-9.4	11.0	
EM High Grade	4.64	-0.23	5.5	119	0	1	1.5	6.9	5.4	11.0	1.6	-14.7	2.9	
EM High Yield	7.06	-0.24	4.2	318	-14	2	1.8	8.7	11.3	15.8	6.8	-21.6	7.0	

- Yields have fallen by 20 bp or more in many bond segments over the past month. Only EUR high-yield bonds recorded a noticeable rise in yields, driven by a widening of spreads.

- Although high yield is now very expensive across all regions, it still offers attractive yields in absolute terms at 5 to 7%.

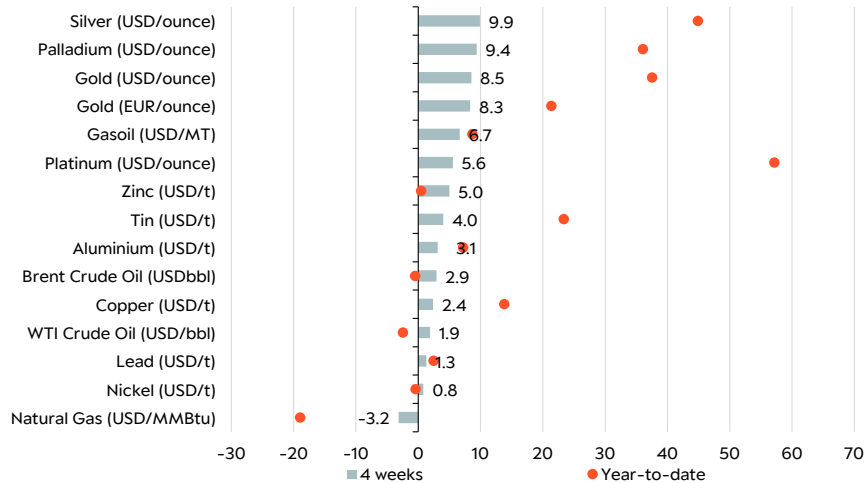
ICE BofA indices in the following sequence: Euro Government; German Government; Euro Corporate; Euro Financial; Euro Non-Financial; Euro High Yield; US Treasury; US Corporate; US Financial; US Non-Financial; US High Yield; High Grade Emerging Markets Corporate Plus; High Yield Emerging Markets Corporate Plus. EM indices are hard currency bonds.

Source: FactSet, Source: FactSet, Time period: 12/09/2015 – 12/09/2025



Commodities

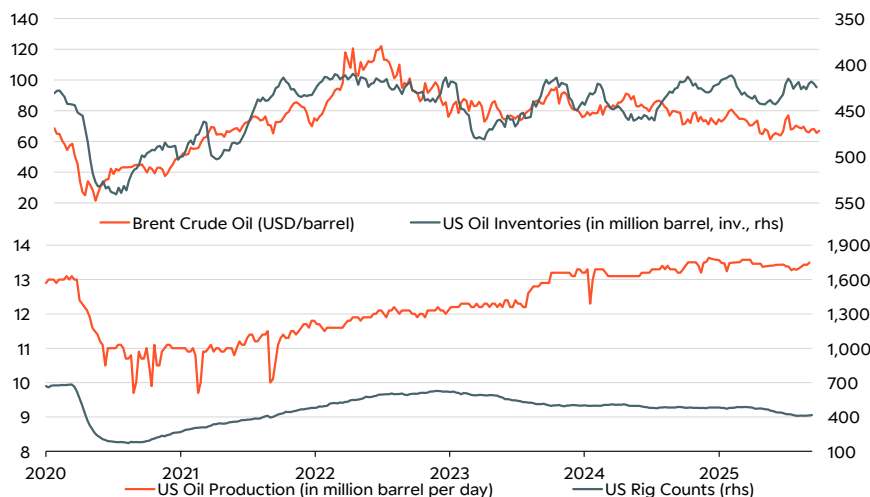
Commodities Performance



- Almost all commodities have gained over the last four weeks. Only natural gas, which has also been the clear loser since the beginning of the year, posted a negative return.
- Precious metals performed best. Silver even outperformed gold. Silver finally managed to break through the USD 40 per ounce mark. Not only is silver attractively valued relative to gold, but supply has also been in deficit for years.

Total return of selected commodity indices, in percent, sorted by 4-week performance. Source: Bloomberg, Source: Bloomberg, Time period: 31/12/2024 – 12/09/2025

Crude Oil

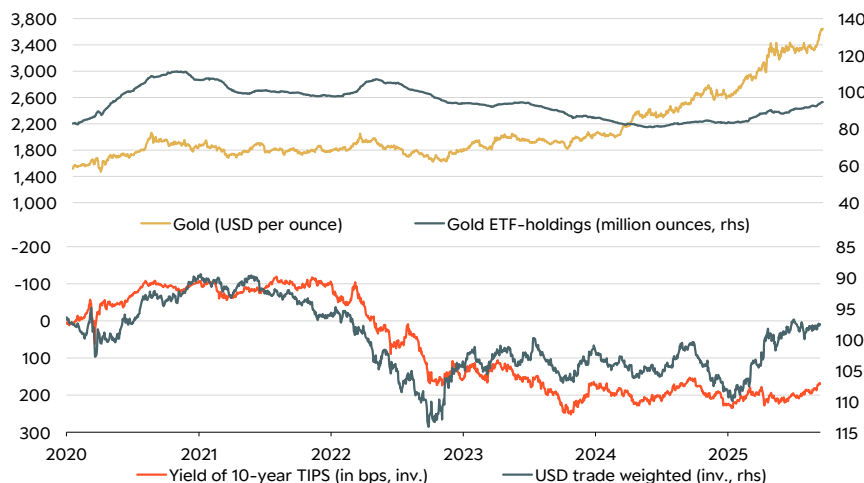


- The oil price has continued to trend sideways in recent weeks. Given OPEC+'s recent announcement that it will slightly increase production again next month, the oil price remains surprisingly robust.
- Meanwhile, the IEA has once again revised its forecast for a supply surplus upwards. The agency now expects the highest surplus in history, averaging 3.3 mbpd in 2026.

Higher oil production and higher inventories tend to weigh on oil prices and vice versa. An increase in active oil wells indicates higher oil production in the future.

Source: Bloomberg, Source: Bloomberg, Time period: 01/01/2020 – 12/09/2025

Gold



- When it comes to gold, the sky really does seem to be the limit this year. The precious metal has gained around 10% since the beginning of August alone. Since the start of the year, gold has risen by almost 40% in USD.
- The catalyst for the recent surge was a combination of impending interest rate cuts, weaker labour market data and milder inflation.

The US dollar and the real, i.e. inflation-adjusted, interest rate are among the fundamental price factors of the gold price. Rising real interest rates tend to weigh on the gold price, while falling real interest rates have a supportive effect. The same applies to the US dollar. The development of gold ETF holdings reflects financial investors' demand for gold.

Source: Bloomberg, Source: Bloomberg, Time period: 01/01/2020 – 12/09/2025



Publishing Information

Publisher

Prof Dr Bernd Meyer, CFA

Chief Strategist Wealth and Asset Management

Editors



Ulrich Urbahn, CFA

Head Multi Asset Strategy & Research
Focuses on the multi-asset investment process, the development of investment ideas and capital market communications.

T.: +49 69 91 30 90-501

E.: ulrich.urbahn@berenberg.de



Ludwig Kemper, CFA

Analyst Multi Asset Strategy & Research
Analyses financial markets, supports the multi-asset investment process and participates in capital market publications.

T.: +49 69 91 30 90-224

E.: ludwig.kemper@berenberg.de



Dr Konstantin Ignatov

Analyst Multi Asset Strategy & Research
Analyses financial markets, supports the multi-asset investment process and participates in capital market publications.

T.: +49 69 91 30 90-502

E.: konstantin.ignatov@berenberg.de



Mirko Schmidt

Analyst Multi Asset Strategy & Research
Analyses financial markets, supports the multi-asset investment process and participates in capital market publications.

T.: +49 69 91 30 90-2726

E.: mirko.schmidt@berenberg.com

► The Berenberg Markets series includes the following publications:

► Monitor

Focus

Investment Committee Protocol

www.berenberg.de/en/publications

Joh. Berenberg, Gossler & Co. KG

Neuer Jungfernstieg 20

20354 Hamburg (Germany)

Telefon +49 40 350 60-0

Telefax +49 40 350 60-900

www.berenberg.de

MultiAssetStrategyResearch@berenberg.de



Important Notices

This information is a marketing communication. This information and references to issuers, financial instruments or financial products do not constitute an investment strategy recommendation pursuant to Article 3 (1) No. 34 Regulation (EU) No 596/2014 on market abuse (market abuse regulation) nor an investment recommendations pursuant to Article 3 (1) No. 35 Regulation (EU) No 596/2014, both provisions in connection with section 85 (1) of the German Securities Trading Act (WpHG). As a marketing communication this document does not meet all legal requirements to warrant the objectivity of investment recommendations and investment strategy recommendations and is not subject to the ban on trading prior to the publication of investment recommendations and investment strategy recommendations. This document is intended to give you an opportunity to form your own view of an investment. However, it does not replace a legal, tax or individual financial advice. Your investment objectives and your personal and financial circumstances were not taken into account. We therefore expressly point out that this information does not constitute individual investment advice. Any products or securities described may not be available for purchase in all countries or only in certain investor categories. This information may only be distributed within the framework of applicable law and in particular not to citizens of the USA or persons resident in the USA. The statements made herein have not been audited by any external party, particularly not by an independent auditing firm. Any future returns on fund investments may be subject to taxation, which depends on the personal situation of the investor and may change in the future. Returns on investments in foreign currencies may increase or decrease due to currency fluctuations. The purchase, holding, conversion or sale of a financial instrument, as well as the use or termination of an investment service, may give rise to costs that affect the expected income. In the case of investment funds, you should always make an investment decision on the basis of the sales documents (key information document, presentation of past performance, sales prospectus, current annual, if applicable, semi-annual report), which contain detailed information on the opportunities and risks of the relevant fund. An investment decision should be based on all characteristics of the fund and not just on the sustainability-related aspects. Sustainability related disclosures can be found at www.berenberg.de/en/esg-investments. In the case of securities for which a securities prospectus is available, investment decisions should always be made on the basis of the securities prospectus, which contains detailed information on the opportunities and risks of this financial instrument, otherwise at least on the basis of the product information document. The fund is subject to

increased volatility as a result of its composition/the techniques used by Fund management; therefore, unit prices may increase or decrease significantly within short periods of time. All the aforementioned documents can be obtained from Joh. Berenberg, Gossler & Co. KG (Berenberg), Neuer Jungfernstieg 20, 20354 Hamburg, Germany, free of charge. The fund sales documents and the product information sheets for other securities are available via a download portal using the password »berenberg« at the Internet address <https://docman.vwd.com/portal/berenberg/index.html>. The sales documents of the funds can also be requested from the respective investment management company. We will be pleased to provide you with the specific address details upon request. A summary of your investor rights in English can be found at Investor-rights (<https://www.universal-investment.com/en/Corporate/Compliance/investor-rights/>), (<https://www.universal-investment.com/en/Corporate/Compliance/investor-rights-UII/>). In addition, we would like to point out that Universal-Investment may, in the case of funds for which it has made arrangements as management company for the distribution of fund units in other EU member states, decide to cancel these arrangements in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU, i.e. in particular by making a blanket offer to repurchase or redeem all corresponding units held by investors in the relevant member state. A fund investment involves the purchase of shares in an investment fund, but not a specific underlying asset (e.g. shares in a company) held by that fund. The statements contained in this document are based either on own company sources or on publicly accessible third-party sources, and reflect the status of information as of the date of preparation of the presentation stated below. Subsequent changes cannot be taken into account in this document. The information given can become incorrect due to the passage of time and/or as a result of legal, political, economic or other changes. We do not assume responsibility to indicate such changes and/or to publish an updated document. For important disclosures and information on index- and market data, see <https://www.berenberg.de/en/legal-notice/license-notice/>. Past performance, simulations and forecasts are not a reliable indicator of future performance. Please refer to the online glossary at <https://www.berenberg.de/en/glossary> for definitions of the technical terms used in this document. The images used in this document are for illustrative purposes only. They do not refer to specific products, services, persons or actual situations and should not be used as a basis for decisions or actions. Date 15.09.2025