

MARKET OVERVIEW

APRIL 2025



APRIL NEWS 2025



MFM SKI DAY

Ending the season in style

The traditional MFM ski day took place on the magnificent slopes of the 4 Vallées. Between former competitive skiers and ski enthusiasts, the day was as sporty as it was fun.

ALPHA AL DENTE

Carbonara night with the investment team

At MFM, ideas keep simmering even after work hours... but this time around a highly important topic: pasta! What is the true and only authentic recipe for Pasta alla Carbonara?

Giordano Colombi, our Portfolio Manager and Data Scientist, hosted a dinner and brought the flavors of Italy to life with a live carbonara cooking demo.

The verdict? The best carbonara, of course - yet another reminder that our team's excellence extends beyond the realm of investment strategy at MFM!



In this section, we introduce one of the experts with whom we collaborate actively for the benefit of our clients.

WIZE

An easy and secure IT platform for our clients

Since 2018, MFM has trusted WIZE as its all-in-one IT solution dedicated to Wealth & Asset Management.

A major player in Portfolio Management System (PMS) solutions in Switzerland, WIZE has developed a tailor-made platform to manage our clients' portfolios, meeting both their needs and the requirements of our internal management team.



The platform's main advantage is its efficiency. It provides a comprehensive view of assets by aggregating data from multiple sources and consolidating it into a single, secure space.

This allows MFM clients to view their entire wealth, including assets not directly managed by MFM: bank holdings, pension accounts, real estate and mortgages, life insurance policies, or even tangible assets such as art collections.

The platform also supports decision-making, enabling our wealth managers to offer informed and strategic advice. Now an essential tool, it simplifies our daily operations and enhances overall efficiency.

Our commitment to offering secure management solutions is backed by the platform's compliance with strict FINMA standards, including multiple verification layers and advanced encryption to ensure data protection.

Over the past seven years, we have built a strong partnership with the WIZE team, whose expertise and service mindset are deeply valued. As they continue to grow and gain recognition in the industry, we are proud of this collaboration and excited to continue innovating together in the world of finance.

Contact: www.wize.net

WHEN AMERICA DOUBTS, CHINA ACCELERATES

In March, performances diverged depending on the region. Political uncertainty in the United States has reignited fears of a slowdown in consumption, threatening economic growth.

At the stock level, the global market fell sharply over the month, weighed down by the marked drop in US. This decline is explained by concerns raised by a multitude of contradictory announcements concerning new tariff barriers, the resumption of inflationary tensions and the first signs of a slowdown in economic activity. Conversely, China has rebounded strongly, driven by ambitious growth targets, still set at 5%, economic stimuli clearly oriented towards consumption, and solid corporate results. European markets performed well, driven by significant announcements from the German government relating to increased investments in defense and infrastructure. The Swiss equity market, for its part, benefited from its defensive bias and a further reduction in interest rates decided by its national bank. In sectoral terms, energy and community services stood out, supported by the rise in oil prices for the first, and by the search for safe havens for

Written by Frank Crittin,
CIO of MFM



the second. Regarding the performance of the investment factors, it should be noted that the Value factor (which focuses on companies with low valuations) clearly outperformed the Growth factor (focused on high-growth companies).

In the bond world, markets showed contrasting performances. In the United States, long-term interest rates fell on recession fears and a more dovish tone adopted by the Fed. This allowed government debt, particularly long maturities, to perform well. On the other hand, long-term rates outside the United States remained generally stable, thus limiting the gains. Europe even saw its rates rise significantly at the start of the month, driven by the euphoria linked to public spending announcements. Swiss bonds even fell, despite a rate cut decided by the SNB, illustrating the persistent nervousness of investors regarding the macroeconomic environment.



TOPOLOGY APPLIED TO THE WORLD OF FINANCE

Topology offers a powerful framework to represent complex structures, with real-world applications in fields such as medicine and finance.

Topology is a branch of mathematics that studies shapes and spaces - not by measuring their size or length, but by focusing on their fundamental properties, such as the number of holes they contain.

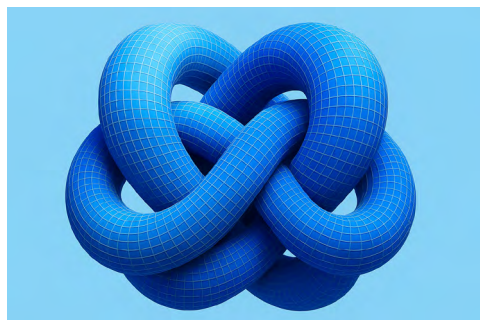
For over a year, MFM has been exploring how topology can extract deeper insights from complex datasets, while also assessing the potential of machine learning algorithms to process financial data more effectively.

Topological Data Analysis (TDA), an emerging field that bridges algebraic topology and data science, provides powerful tools - such as persistent homology - to identify topological structures like loops and voids across multiple scales. By integrating these insights with advanced machine learning methods, MFM seeks to develop more resilient quantitative tools to support portfolio construction, risk management, as well as uncovering new sources of alpha.

Machine learning is particularly relevant to finance because it can uncover intricate relationships within large datasets—relationships that traditional methods often overlook. By leveraging sophisticated algorithms, we can extract predictive signals that improve both forecast accuracy and adaptability.

Our Quantitative Researcher, Christophe Beney - who holds a master's degree in theoretical mathematics from EPFL -

Written by C. Beney,
Quantitative Researcher



collaborates with internationally renowned academic partners to advance this interdisciplinary approach.

By blending topological insights with machine learning techniques, we aspire to establish a fully systematic investment framework that remains competitive in an ever-evolving financial landscape. As our research advances, we anticipate the development of more resilient investment strategies able to adapt dynamically to shifting market conditions and supporting more effective, data-driven decision-making in all our investment strategies.

DEFINING AND TAMING UNCERTAINTY

On April 2nd, Donald Trump announced heavy « reciprocal » customs duties, including a minimum of 10% on all trading partners, and higher rates for 60 countries running a trade surplus with the United States.

Retaliations and negotiations will continue in the coming weeks, making the assessment of the impact of this trade policy on the world economy particularly complex. American businesses and consumers are now operating in a thick fog. From one day to the next, the rules change, exemptions fall or are negotiated opaquely, and the final objectives remain unclear. Even before the tariffs come into force, the economic consequences of this uncertainty are already very real: a loss of visibility for businesses, leading to a freeze in investments, and, on the household side, a decline in consumption. The uncertainty generated by this chaotic approach, even more than the tariffs themselves, is becoming a major brake on economic activity.

One of the most used, even worn out, terms in economic and financial analyzes is uncertainty. Sometimes invoked to explain a market decline, sometimes to justify increased caution in forecasts, it is omnipresent. But since Donald Trump's return to power, this term has taken on a whole new dimension. According to the dictionary, uncertainty is the character of that which is not known with certainty. In finance, uncertainty is distinguished from risk. When we can assign probabilities to different scenarios and evaluate their consequences, we speak of risk. This allows you to rely on statistical approaches to optimize your strategy, especially if the decision is repeatable over time. Uncertainty escapes this logic. It occurs when the probabilities



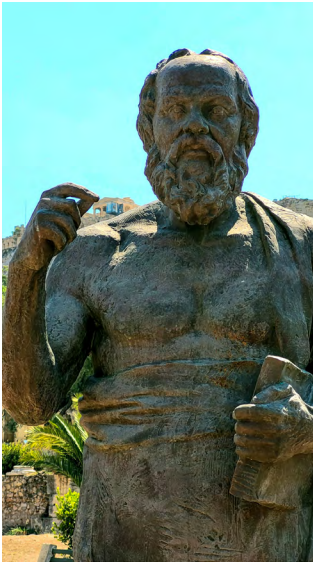
are unknown, and the consequences are difficult to assess. Managing it requires broader strategic thinking.

Recognizing that the future is uncertain is probably one of the cornerstones of rigorous management. To deal with this uncertainty, it is essential to adopt a structured approach, based on solid principles. Diversification remains an essential tool. Not betting everything on a single scenario by distributing exposures helps limit the effect of an unexpected shock. Likewise, flexible and dynamic asset allocation allows strategies to adapt to changing markets and the macroeconomic environment. These adjustments must be calibrated on tangible signals, whether qualitative or quantitative. Finally, a structured and systematic approach to crisis management is central. Market declines are an integral part

of investment cycles. We have calibrated a systematic approach rebalancing between asset classes and within each of our multi-asset strategies. This approach is applied to prevent managers from being influenced by certain behavioral biases such as panic or euphoria, which can have strongly negative consequences. Market corrections are inherent to investment cycles. In order to respond coherently, we have calibrated a systematic rebalancing process between the different asset classes and within our multi-asset strategies. This approach helps reduce the impact of behavioral biases, such as excessive emotional reactions, which are often damaging to long-term performance.

In a more chaotic world where surprise has become the norm, it is not the precision of forecasts that makes the difference, but the ability to navigate through the fog with rigor and lucidity.

In finance as in everyday life, uncertainty is not a threat to be eliminated, but a structural reality to be tamed. It forces us to demonstrate humility, to remain reactive, and to build strategies that do not seek to predict the unpredictable, but to resist shocks and take advantage of the opportunities that sometimes emerge from chaos.



The philosophers of Antiquity have offered us some ideas. Socrates had already identified that recognizing one's ignorance constitutes the first step towards wisdom: *« All I know is that I know nothing ».*

The Stoics, on the other hand, encourage us to focus our energy on what we can control.

More recently, Nassim Nicholas Taleb, in his book *The Black Swan* explains that it is the most improbable and often the most unpredictable events that generate the biggest impacts on our lives.

MAIN MARKET DRIVERS

Over the long term, overall growth, corporate profit growth, inflation and interest rates are the four main drivers of financial markets.



GROWTH

- United States: Political chaos and tariffs are weighing on consumers and corporate capital expenditures. The probability of a recession is above the historical average
- Europe: A delicate situation, but rate cuts and increased spending in Germany should provide support
- China: Encouraging macroeconomic data; consumption now needs to take off



CORPORATE PROFITS

- Despite the correction in U.S. equity markets, valuations still reflect high earnings expectations
- Uncertainty surrounding U.S. policy is dampening corporate investment spending



INFLATION

- According to a 2018 model from the U.S. Federal Reserve, the tariffs could lead to a 1.4% increase in prices
- Despite the recent rebound in Chinese equities, the risk of a deflationary spiral remains present in China
- Long-term drivers of low inflation, such as productivity and demographics, remain in place



INTEREST RATE

- Central bank decisions remain closely tied to macroeconomic data and inflation trends
- The number of financially distressed companies continues to rise, particularly in emerging markets and the U.S.



RADIANT WEATHER



VARIABLE WEATHER



STORMY WEATHER

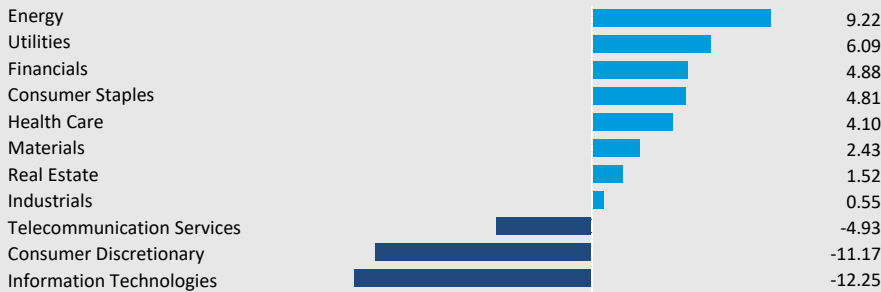
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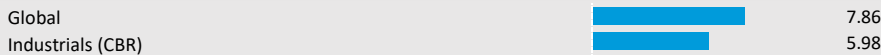
EQUITIES MARKET (LOCAL CURRENCY)



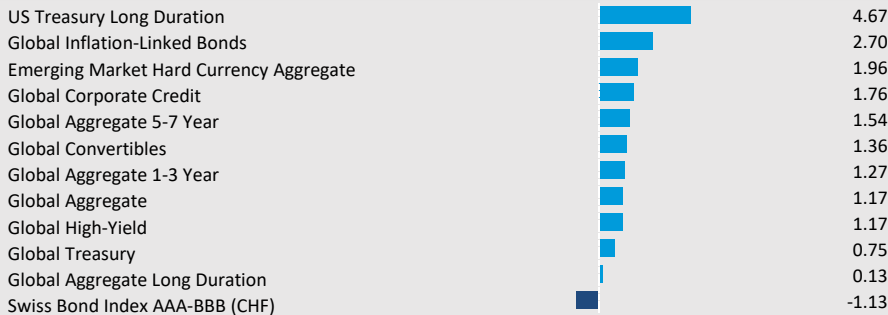
EQUITIES SECTOR (LOCAL CURRENCY)



OTHERS (USD)



FIXED-INCOME (USD HEDGED)



MFM RECOGNIZED FOR ITS COMMUNICATION

MFM wins the award for Best Client Communications at the WealthBriefing Swiss EAM Awards 2025.

What sets your client communications apart and led to winning this award?

Laetitia Oguey: I would say we have our own « MFM way » of communicating - one that resonates with our clients and sets us apart.

When I joined MFM, the directors asked me to think « outside the box », to go beyond the communication approach in the banking sector, and to bring a fresh perspective.

With a background in sociology and not in finance, I needed more than just numbers, reports, and factsheets to understand why MFM has thrived over the years. I wanted to understand what makes MFM stand out - its unique formula for success - and then translate that into meaningful, high-quality content.

I asked my colleagues countless questions about how and why they do things. Their insights gave me a better understanding of their role in MFM success and what was relevant to communicate.

What do you choose to communicate?

The scope of MFM's communication is vast. While the core content remains similar to that of other independent wealth managers - factsheets, and reports - I have infused our communication with human-centered and engaging content.

I've crafted personal interviews, produced videos, included office updates in our newsletter, and strengthened our LinkedIn presence.



Laetitia Oguey (Communication & Marketing Manager)

How do you bring MFM's identity to life?

It's about finding the right balance between the different types of content to create our multifaceted identity.

Showcasing not only our innovative approach, excellent results and services but also our talent, our different personality, and passions within our team.

By highlighting what each of us brings to the table to contribute to MFM's success, we offer a deeper, more concrete understanding of who we are and what we stand for.

« The success of a company is not only measured by performance reports or polished presentations; it is primarily defined by its daily actions and the people who embody its values and drive its success. »



Wealth Briefing: [Awards magazine](https://awards.magazine)

OUR UNIQUE SERVICES

Where institutional asset management meets wealth management

12 INVESTMENT STRATEGIES

Benefit from institutional-quality strategies combining qualitative and quantitative approaches.

WEALTH MANAGEMENT

We are here to manage your wealth and provide you with active advice.

MORTGAGE

We find the best financing solution for your real-estate project.

PLANNING

We guide you to serene retirement and estate succession.

FORESIGHT

We set up your Swiss pension plan for the 2nd and 3rd pillars (1E, libre-passage and 3A)

FAMILY OFFICE

We collaborate with a network of professionals in the legal, tax, insurance and cryptocurrency fields.

ACCESS TO DIGITAL PLATFORMS

Benefit from the portfolio aggregator My MFM.



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