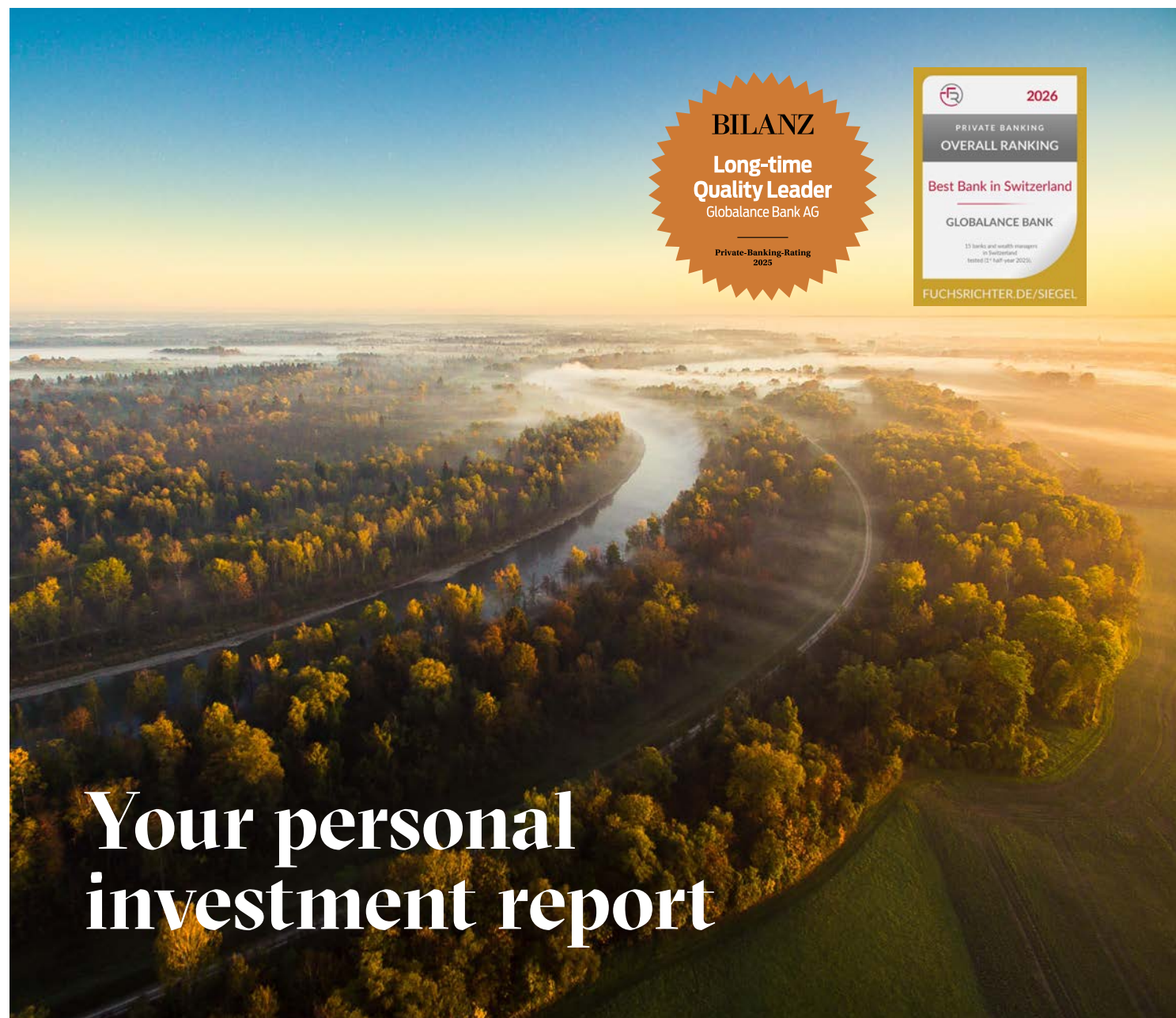


# Maren Stämpfli



## Your personal investment report

### YOUR ASSETS

Your investments  
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A year of  
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strategy for a  
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*Dear  
Ms Stämpfli*

2025 was not a year for automatic gains. It demanded substance and agility. The markets reacted sensitively to politics and the economy – yet progress was evident where real innovation is emerging: in AI, energy, health, and infrastructure. These areas are transforming our economy more profoundly than any interest rate cut.

For investors, this means the following: the simple returns are behind us. The relevant returns are ahead of us – for companies that solve problems instead of following short-term trends. We consistently pursue this. For 2026, we have raised the quality of the portfolios, refined positions, and balanced risks with greater intent.

Even if individual developments in the past year were disappointing, we are heading in the right direction, and the foundations are solid. The next few years will make the difference between short-term noise and long-term progress.

Globalance stands for the latter. Clarity in change, independence, responsibility, and the courage to invest in the future before it is obvious.



**Reto Ringger**  
Founder and CEO

# A year of transformation

2025 brought innovations, political upheavals, and surprising market developments. The key interest rates fell, gold reached an all-time high, and AI investments drove the US stock markets.

Despite geopolitical tensions and political interventions, the markets proved resilient. This was supported by interest rate cuts in Switzerland, Europe, and the US. In this environment, the Globalance portfolios benefited from their broad diversification and generated positive returns.

## Investing with foresight remains the key to long-term success.

### Two lessons from 2025

1. Hedging against a weak dollar protected investors from currency losses.
2. Despite the tariffs, the markets remained robust. Both AI tailwinds and investments in the energy transition opened up opportunities in the US, Europe, and China.

The following also applies in 2026: Long-term thinking outweighs short-term considerations. Political headlines will remain – even though their influence on the markets is usually short-lived. Investing with foresight – based on solid economic foundations, falling interest rates, and strong structural growth drivers in our future topics – will be crucial.

Please turn to the following pages for more information about these developments and our expectations.

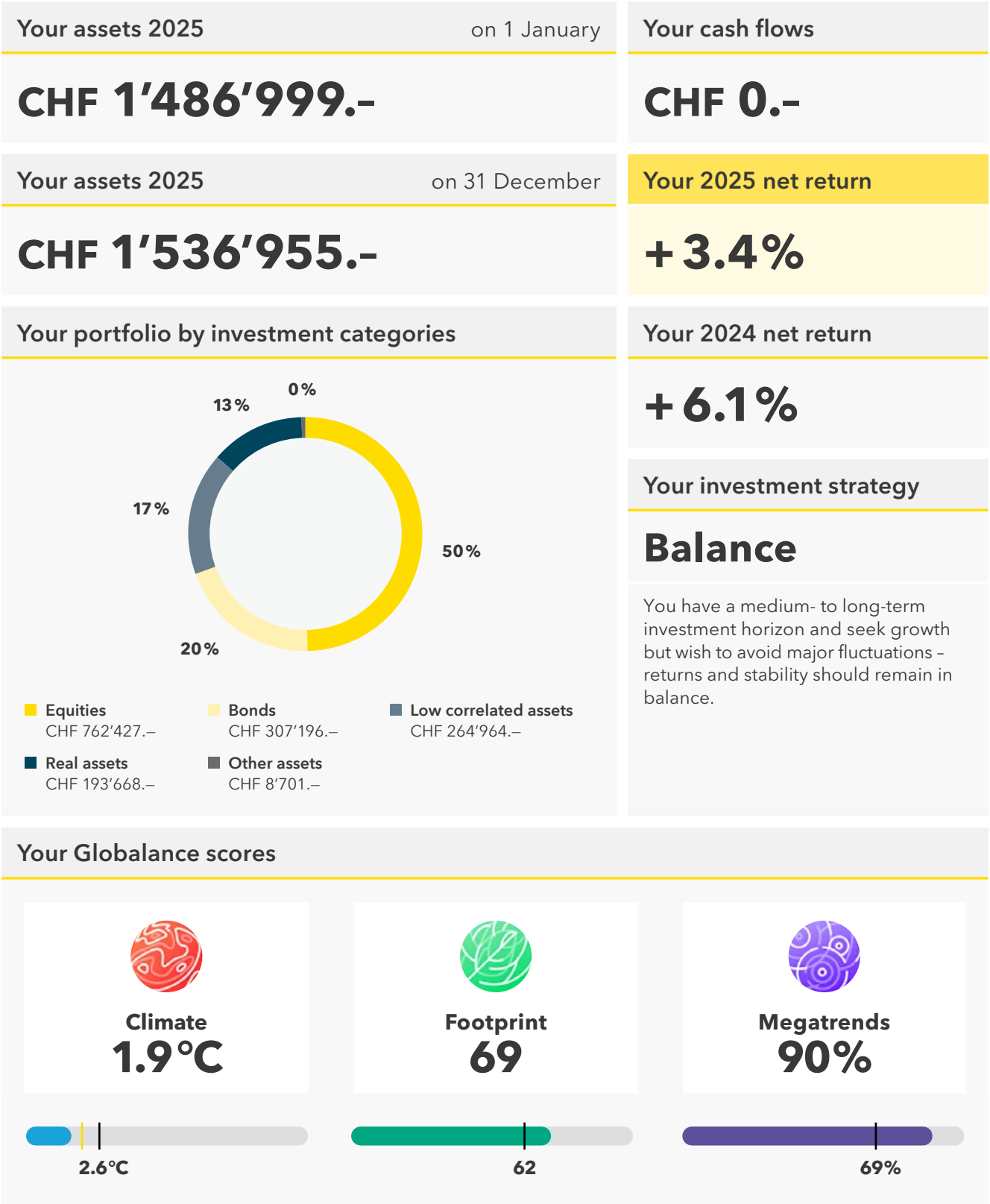
We hope this gives you valuable insight.



**Vanessa Peter**  
Your personal contact

# Your assets in a nutshell

How your assets develop, make an impact, and generate returns – transparently, at a glance.



# Capital markets with remarkable resilience

Globalance pursued a prudent strategy in a new world order and achieved clear gains in the year-end spurt.

2025 was marked by uncertainty. New trade tariffs and increasing geopolitical tensions made market conditions more challenging.

Inflation followed different trajectories. In the USA, it rose because of more expensive imports, while in Europe it was approaching the 2% target. Central banks reacted with a cautious easing: the Swiss National Bank (SNB), the European Central Bank (ECB), and the US Federal Reserve initiated interest rate cuts. The ECB reached a neutral level of 2.0%, while the US Federal Reserve cut its policy rate for the third time in December to 3.5–3.75 percent to support growth.

## How the environment shaped the markets

Despite political interventions and geopolitical tensions, the markets proved resilient. Although global equities corrected in April because of the tariff announcements, they recovered quickly. Trump’s retreat from tariff announcements, robust corporate earnings, and expected rate cuts boosted prices.

A broad diversification across low correlated assets such as insurance-linked securities and real assets such as gold as well as globally diversified stocks with a clear US focus paid off. In the second half of the year, the higher equity ratio led to gains, especially in European financial and energy transition stocks.

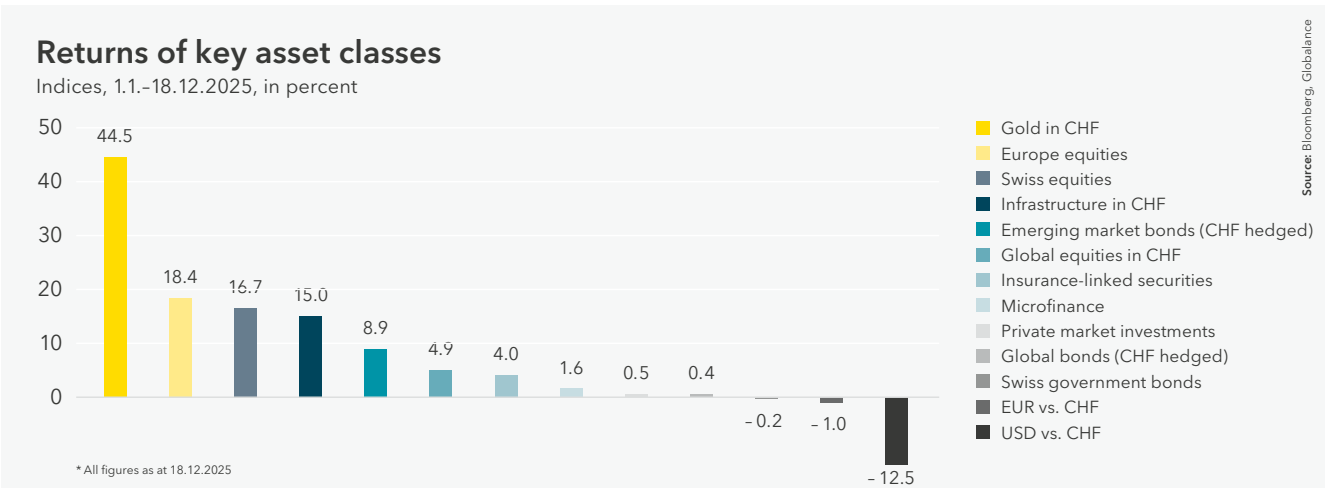
The graph below shows the returns of various asset classes in 2025: Gold was the top performer. Driven by investments in artificial intelligence (AI), US technology and communications stocks generated the strongest gains. The wide application of AI shows how central future-oriented themes are in the investment strategy. Emerging markets delivered above-average results thanks to a weaker US dollar and local factors such as robust Chinese technology stocks.

## Markets defy tariffs and geopolitical risks.

### Developments outside the stock markets

Infrastructure assets benefited from government fiscal spending and more favourable financing conditions. Emerging-market bonds and low correlated assets outperformed Swiss government bonds.

The sell-off of the US dollar showed that the USA itself is increasingly perceived as a risk factor – triggered by weaker growth, political pressure on the central bank, and concerns about debt, deficit, and customs policy.





## Our main portfolio adjustments in 2025

### March

#### Green bonds and premium strategies

Because corporate bond risk premiums have declined, we are applying premium strategies to generate returns in volatile markets.

### April

#### Fewer stocks, more gold

Rising geopolitical tensions and growing trade conflicts are leading to a more defensive orientation with a lower equity ratio and higher gold position.

### September

#### Positioned more offensively again

The first signs of a normalization in trade and solid earnings are increasing our equity allocation. We focus on banks and insurers in Europe, emerging-market bonds, and the Enetia Energy Transition Fund.

### June

#### Core stock review with focus on US tariffs

We analyse the consequences of US customs policy and sell Best Buy because of tariffs. The sale lowers the warming potential of the portfolio because Best Buy is showing hardly any progress on its emissions targets.

### October

#### Future-oriented themes and China tech

In the review, we add companies from the areas of resource scarcity and automation. Furthermore, we are expanding our equity portfolio to include attractively valued Chinese technology stocks.

### November

#### Investing in health and AI

The core equities were expanded to include companies in digitalization and AI – including a cybersecurity provider – as well as two leading players in drug research in order to promote longer and healthier lives.

## Highlights of your returns

The five assets in your portfolio with the best absolute return.

- Royal Mint Responsibly Sourced Physical Gold**  
 HANetf The Royal Mint Physical Gold is an exchange-traded fund that invests in physical recycled gold.
- Swiss Rock Gold Nachhaltig Beschafft Fond**  
 Offers physically backed gold with a supply chain traceable to the mine (in the US and Australia).
- Alphabet**  
 Google is an innovative company at the forefront of the digital and automation megatrends, revolutionising access to knowledge and education.
- ASML**  
 ASML shapes semiconductor manufacturing and acts as a precursor for sustainable solutions, for example in the mobility sector.
- Roche**  
 The pharmaceutical company promotes health through its medicines and diagnostics. Adapts its pricing policy to the income level of the country.

Return in local currency, including dividend.

## What we can learn from 2025

### + Resilience despite tariffs

Our initially defensive assessment of the market situation in light of US trade policy shifted. Despite tariffs, geopolitical tensions, and a new world order, markets proved remarkably robust. Share prices remained driven by corporate profits – supported by AI innovations and future-oriented themes such as automation, energy, and climate as well as the high demand for CO<sub>2</sub>-free electricity.

### + Global equities supported by AI momentum

The global equity strategy with a clear US focus proved effective. Geographical diversification opened up opportunities in Europe, China, and Japan and strengthened the resilience of the portfolio. US tariffs on Swiss exports also made it clear how important it is to be independent of individual markets.

### + Hedging against dollar weakness

The depreciation of the US dollar weighed on international investors. Thanks to a strategic hedge covering around 80% of foreign-currency exposures, we were able to noticeably limit currency losses.

### + A successful bond strategy

In a dynamic interest rate environment, a flexible and global fixed-income strategy proved indispensable. Corporate and emerging market bonds outperformed Swiss government bonds.

### + Gold as the stability anchor

Gold maintained its traditional function and delivered strong returns.



**Susanne Kundert**

Head of Investments,  
member of the Executive Board



Photo: ABCDstock, Adobe Stock

# Your portfolio benefits from climate measures

Your portfolio is on a path that would lead to a long-term warming of 1.6°C and thus clearly better than the global stock market (2.8°C). The lower the value, the more robust and future-proof the companies.

## Decarbonization is gathering pace

In 2025, renewable energies overtook coal as the world's leading source of electricity, a historic milestone. Although the global demand for electricity continues to rise, the strong growth in solar and wind energy has covered all additional demand and even contributed to a slight decrease in coal and gas consumption. This trend will intensify exponentially.

## Your assets help build the new energy infrastructure

The portfolio includes companies from all key areas of the energy value chain: from raw material extraction and energy production to transport and efficient consumption. They manufacture solar panels, wind turbines, cables, heat pumps, batteries, and electric cars.

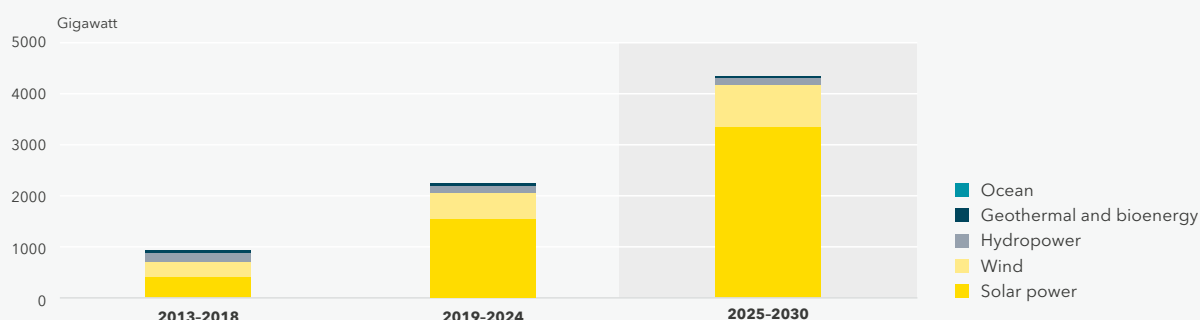
These companies help align your portfolio with the goals of the Paris Climate Agreement. Globalance aims for a 1.5°C pathway by 2040 and net zero emissions by 2050.

## Companies that meet their CO<sub>2</sub> emissions budget are more resilient.

## Globalance continues to be the most transparent bank

It remains the case that not all Swiss banks publish the climate temperatures of their portfolios. In 2026, Globalance will continue to be the only bank to provide fully transparent information on all assets under management in accordance with the Swiss Climate Scores standard.

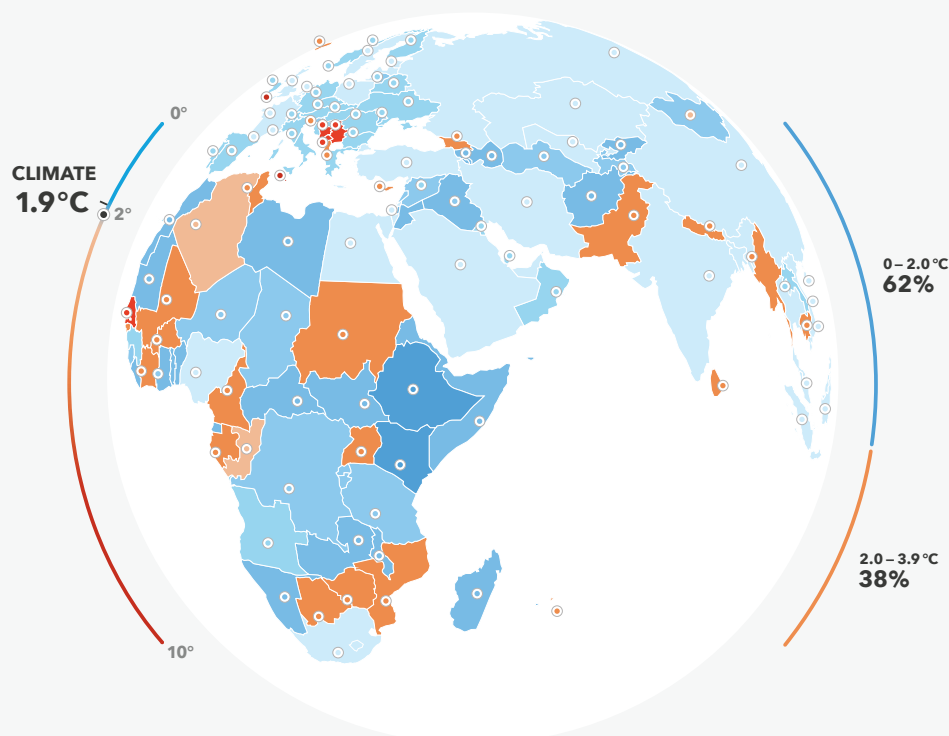
## Renewable electricity growth by technology



Source: www.iea.org

## Your portfolio

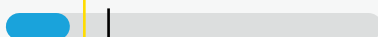
Globalance invests in instruments with the lowest possible degree of global warming potential and puts a special emphasis on the ITR at the portfolio level. A lower climate index means lower risks for the company and investors.



Your climate contribution  
**1.9°C**

2.0°C

Paris Climate Agreement



2.6°C

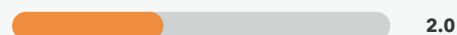
World Benchmark Index  
MSCI

## Your climate contribution in comparison

International equity indices compared (in °C)

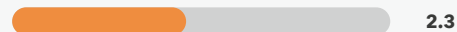
### SPI

Switzerland



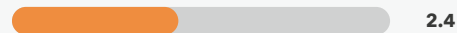
### Nikkei 225

Japan



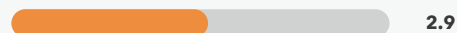
### DAX

Germany



### S&P 500

United States



### Shanghai Composite

China



## Your climate scores

The five investments in your portfolio with the best climate scores.

1	Accenture Plc Class A Ireland	1.3°C
2	Alphabet Inc. Class A United States	1.3°C
3	Renewables Infrastructure Group Limited GBP Red.Shs United Kingdom	1.3°C
4	Wolters Kluwer N.V. Netherlands	1.3°C
5	ASML Holding NV Netherlands	1.3°C



Photo: evoks24, Adobe Stock

# Your assets help shape the future

## Companies in emerging markets

The economy, society, and the environment are closely intertwined. Clean water promotes health, sustainable energy creates independence, and environmentally friendly production protects ecosystems. All of these are building blocks of sustainable development. In 2025, Globalance increased its investments in companies in emerging markets. Your portfolio thus supports progress and benefits from positive returns from such resilient business models.

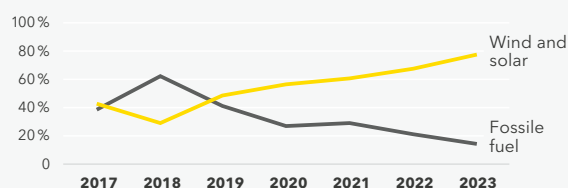
## Companies are advancing the energy transition

In India, ReNew Energy Global operates large wind and solar farms that bring electricity to remote villages. This energy reduces dependence on coal. In 2023, the company supplied millions of households and relies on fair leases with landowners.

In Turkey, WE Soda reduces the environmental impact of the industry. The company is a leading global producer of natural soda ash (sodium carbonate,  $\text{Na}_2\text{CO}_3$ ) and produces almost half the  $\text{CO}_2$  emissions of conventional competitors. Emerging markets are shaping the energy transition: today, roughly 80% of newly installed facilities come from wind and solar energy (see chart below).

### Net power generation capacity additions in emerging markets

excl. China



Source: www.cif.org

Emerging markets are a major force behind the energy transition. The expansion of capacities of renewable energy significantly exceeds that of coal and strengthens growth and  $\text{CO}_2$  reduction.

## Companies committed to progress

Topics	Subtopics
<b>Circular economy</b>	<ul style="list-style-type: none"> <li>– Resource efficiency</li> <li>– Material recovery and reuse</li> </ul>
<b>Sustainable energy</b>	<ul style="list-style-type: none"> <li>– Access to energy</li> <li>– Clean energy</li> <li>– Energy efficiency</li> </ul>
<b>Food and agriculture</b>	<ul style="list-style-type: none"> <li>– Access to affordable nutrition</li> <li>– Food quality</li> <li>– Sustainable agriculture</li> </ul>
<b>Water and hygiene</b>	<ul style="list-style-type: none"> <li>– Access to water and hygienic sanitation</li> <li>– Clean water</li> <li>– Water efficiency</li> </ul>
<b>Health</b>	<ul style="list-style-type: none"> <li>– Access to health and social benefits</li> <li>– Improved healthcare</li> <li>– Treatment</li> </ul>

## What is the Globalance footprint?

Your footprint shows how much your assets contribute to the future viability of the economy, society, and the environment – measurably, comparably, and transparently. These complex factors are summarized on a scale from 0 (very poor) to 100 (very good).

The diagramme on the right shows your portfolio assessment based on the nine footprint criteria. These represent the sustainable foundations of prosperity, the future viability of society, and the preservation of our natural life-support systems.



# Your portfolio

The Globalance footprint score from 0 to 100 shows the sustainability impact of your assets at a glance.



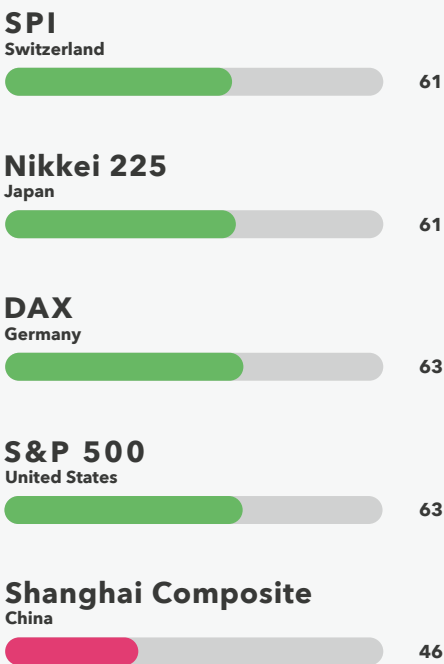
Your footprint  
**69**

**62**  
Global  
Comparative index  
MSCI



## Your footprint in comparison

International share indices in comparison



## Your footprint scores

The five investments in your portfolio with the best footprint scores.

1	InvestInvent Wind Energy Fund	93
2	Renewables Infrastructure Group Limited GBP Red.Shs United Kingdom	88
3	Goldman Sachs Funds III SICAV - Goldman Sachs Green Bond -I CAP CHF (hedged i)- Capitalisation	86
4	BlackRock Fixed Income Dublin Funds PLC - iSharesGreen Bond Index Fund (IE) Accum D Hedged CHF	86
5	Finreon Volatility Income Units -IHC-	86

# Your assets help harness the power of megatrends

## Strengthen returns and invest in valuable growth areas

Megatrends are not fleeting topics but rather powerful structural forces. They also shape the economy and its future growth.

### Megatrends strengthen your portfolio

#### – Long-term growth potential

Megatrends bear fruit over decades and enable long-term growth. Companies that adapt early gain a competitive advantage.

#### – Stability in uncertain times

Future-oriented themes offer broader diversification and reduce risks associated with short-term or cyclical sectors.

#### – Future relevance

Sustainability and technology benefit from political tailwinds and social acceptance, which reinforces their long-term development.

Artificial intelligence continued to gain momentum in 2025 and is shaping the public debate. The megatrend of urbanization is steadily driving transformation across many world regions, thereby creating opportunities for economies and investors alike.

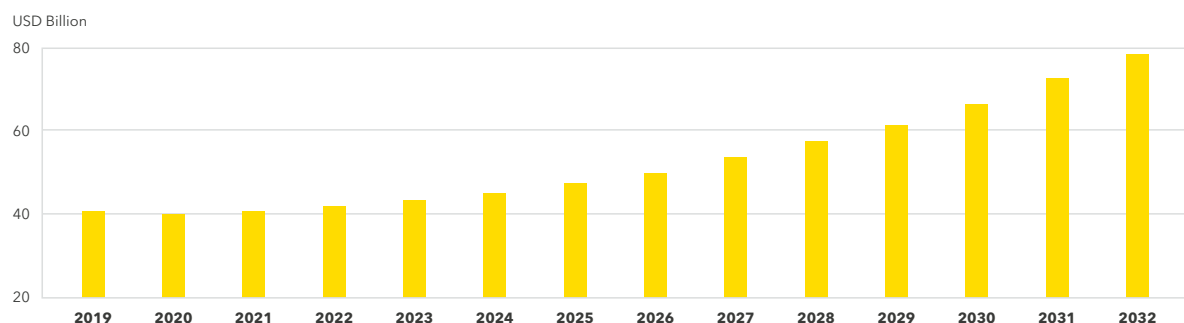


## Your portfolio helps build smart cities

Sustainable cities use data and digital technologies to make life easier and more sustainable. Examples include reduced traffic through smart parking information, efficient public transport, and resource-efficient building technology with optimized energy use. Companies are developing battery-powered buses, building heat pumps, and operating modern

communication systems. They are already part of your portfolio today and contribute to overcoming challenges such as housing shortages and energy consumption. Those who invest in this way benefit from innovations that make cities more liveable and fit for the future.

### Europe smart transportation market size



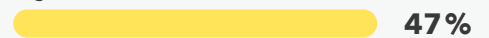


## The megatrends in your portfolio

Globance measures a company's share of revenue generated in one or more megatrends. The higher this share, the more the company is positioned in the markets of the future.

Your portfolio is broadly diversified across these future-oriented themes.

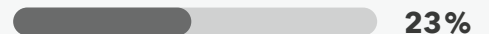
### Digitalization



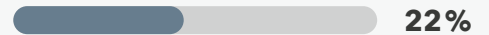
### Urbanization



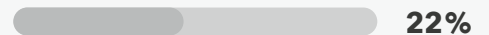
### Resource scarcity



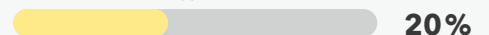
### Consumer society



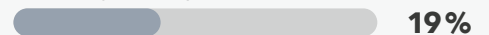
### Automation



### Climate and energy



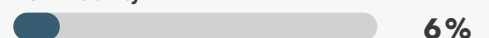
### Knowledge society



### Health and age



### New mobility



## Your share in global megatrends



Megatrends  
**90%**

69%  
Global  
Comparative index  
MSCI



## Your megatrend scores

The five investments in your portfolio with a big megatrend element.

- 1 ABB Ltd.  
Switzerland **Climate and energy**
- 2 American Water Works Company, Inc.  
United States **Resource scarcity**
- 3 Adobe Inc.  
United States **Digitalization**
- 4 Eli Lilly and Company  
United States **Health and age**
- 5 Palo Alto Networks, Inc.  
United States **Digitalization**

# Navigating a multi-polar world

The year 2026 begins amid tensions between strong investment and expectations surrounding AI as well as renewed momentum in traditional industries. The US tariffs imposed are having a smaller impact on growth than expected, and the market is anticipating interest rate cuts. A neutral position in higher-risk investments therefore remains appropriate.

In the US, there are many indications of solid growth in 2026. Tax reliefs are cushioning the effects of the new tariffs while the labour market is losing some momentum. Consumer behaviour is divided: in higher income groups, it remains stable, while in lower income groups, it is under pressure because of rising living costs.

The eurozone presents a different picture. Economic growth remains modest but is supported by expansionary fiscal policies. At the same time, a strong euro and US import tariffs are holding back economic momentum.

And China? The country is increasingly emerging as a technology leader, even though the real estate market and domestic consumption remain weak. Many emerging markets are benefiting from loose monetary policy and a weak dollar.

## Central banks lower interest rates

Inflation is largely under control, but differences between the US and Europe persist. There is still a risk that inflation in the US could rise further because of the new tariffs. Worldwide, central banks are initiating interest rate reduction cycles. The speed at which they proceed depends primarily on inflation and the labour market.

## Equities: opportunities in future-oriented themes

We remain neutral on equities. Although valuations are high, especially in the US, the structural growth potential continues to justify them. At the same time, valuation risks in the technology sector are increasing because the AI supercycle is already well advanced.

The next phase of AI development – away from pure infrastructure investments and towards companies that use AI productively and profitably – will be decisive. Profit growth will spread beyond the technology sector and into the health sector and automation. Potential

also arises from the increasing demand for resource efficiency and zero-carbon electrification. In addition to the US, we also expect convincing, sustainable winners in Europe and China in 2026.

## Global bonds: focus on quality

The global increase in public debt remains a key issue for the financial markets. This makes it all the more important to have a globally diversified strategy for bonds. We focus on high-quality bonds from companies as well as European green bonds with medium maturities. By contrast, we are wary of US government bonds in view of rising government indebtedness. Opportunities arise from corporate bonds in emerging markets with currency hedges. These bonds benefit from falling interest rates as well as from low correlated investments such as insurance-linked securities or premium strategies.

## The key asset classes

Our assessment for Q1 2026

Source: Globalance Bank



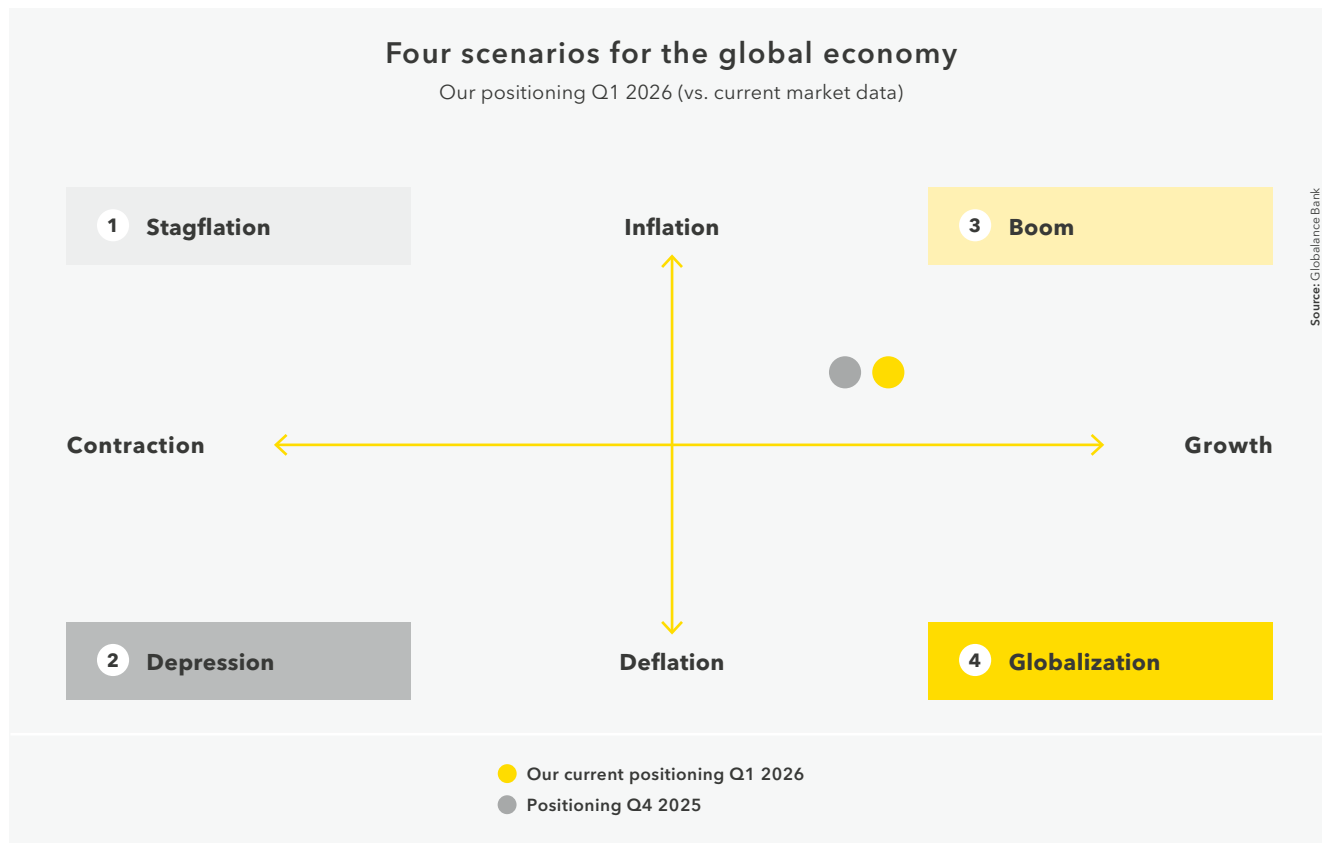
● ● The position of the circle indicates positioning compared to the Strategic Asset Allocation (SAA).



## Outlook

For the first quarter of 2026, we expect a slight pick-up in economic momentum with stable, somewhat elevated inflation. In the first half of the year, the positive effects of the US tax relief should largely offset the burden of the tariffs. In the second half, growth is likely to slow

down somewhat. Overall, the environment remains robust while political uncertainty in the new world order is increasing. Active portfolio management therefore remains just as important as broad diversification across regions and sectors.



Scenario	Description	Importance for investment strategy
<b>1 Stagflation</b>	An environment with little growth (0 to 1%) combined with persistently high inflation.	Nominal assets such as cash and bonds should be avoided. Equity quota geared towards quality. Real assets such as infrastructure and gold should be overweighted (inflation protection). Low correlated assets should be strongly weighted.
<b>2 Depression</b>	A clear and longer-lasting economic downturn. High unemployment, low consumption, and strong austerity measures are leading to falling prices.	Nominal assets such as cash and bonds should be clearly overweighted. Reduce equities and focus on defensive sectors. Gold as a crisis currency should be overweighted. Hold low correlated assets as a core component.
<b>3 Boom</b>	Strong economic growth with declining but historically still high inflation.	Nominal assets such as cash and bonds are to be generally avoided. Equities should be overweighted with a focus on companies with high pricing power and global growth themes. Productive real assets such as infrastructure should be overweighted. Hold low correlated assets as a core component.
<b>4 Globalization</b>	Full employment, production at full capacity, strong demand, and falling prices for consumers thanks to global division of labour and technological progress.	Nominal assets should be underweighted. Focus on equities, particularly global megatrend themes. Hold low correlated assets as a core component.

# Our measures for 2026



## Resilience through broad dispersion

Diversification across different asset classes is – and will remain – key. Low correlated assets such as insurance-linked securities proved their worth in 2025 and will continue to be an important part of our portfolios. They offer an attractive alternative to government bonds, which are losing appeal in view of the ongoing rise in debt. Gold remains an hedge against geopolitical uncertainties and fiscal risks. Real assets such as green infrastructure are benefiting from lower interest rates while further strengthening diversification.



## Geographically diversified portfolios

The new world order is defined by deglobalization. The interplay between trade policy, domestic policy, and geopolitics continues to have a strong influence. At the same time, growth and inflation are developing increasingly differently in Europe, the US, and emerging markets. This makes a comprehensive global allocation across equities and bonds even more important. In this environment, we view Chinese technology stocks and emerging market bonds as attractive additions.



## Decarbonization as a driver of growth

Favourable economic conditions support the stock markets. The decarbonization of the economy also creates new opportunities – from power generation to energy storage and network infrastructure to energy efficiency. The increasing demand for energy from AI is further reinforcing the trend towards decarbonization. We invest in companies that create sustainable growth from this.



## Investing in AI-driven growth areas

Artificial intelligence has left the experimental phase and is increasingly being used productively. The first clear signs of monetization are already visible. In addition to semiconductors and software, AI-driven applications in numerous industries such as energy-efficient building control, personalized drug research, and precision agriculture stand to benefit. We focus on the winners of this technological upheaval.



## Long-term investing out- weighs short-term trading

Political events will continue to determine the news situation in 2026. However, their market impact is usually short-lived. After the trade and geopolitical turmoil of 2025, it will be crucial to invest proactively. The focus will be on the major transformation issues, robust fundamentals, and structural growth drivers.

# Vertex Pharma- ceuticals

Precision medicine with breadth: market leader in cystic fibrosis and a driver of innovation in gene therapy and pain treatment.

Vertex is one of the most innovative biotech companies in the world. The group became known for its leading therapies for cystic fibrosis (CF). These medications provide stable, predictable revenue. They also lay the foundation for major investment in new therapy approaches such as gene and cell therapies and non-opioid pain treatments.

Vertex is thus well positioned in important future health fields: chronic conditions are on the rise, precision medicine is becoming more important, and the need for alternatives to opioids is growing.

## Vertex invests CF revenues in gene and cell therapies as well as innovative painkillers.

### Innovation that changes lives

Cystic fibrosis therapies remain the backbone of the business. The company is also expanding into new fields. Together with CRISPR Therapeutics, Vertex has developed CASGEVY®, the world's first approved gene therapy to work with the CRISPR gene scissors. It treats the two blood diseases thalassemia and sickle cell disease and is already available in the USA, in Europe, in the UK and in Switzerland. The therapy considerably improves the health of those affected and relieves the burden on the health system in the long term.

With JOURNAVX™ (VX-548), Vertex has developed a novel oral pain therapy that specifically blocks a pain channel. It works without the addiction and respiratory risks of traditional opioids and is thus an important advance in pain medicine.

Vertex is also taking new approaches in type-1 diabetes. Islet cells derived from stem cells are designed to



Photo: SneakyPeakPoints/peopleimages.com, Adobe Stock

restore endogenous insulin production. Initial clinical data are promising, and the programme was further expanded in 2025.

### Growth with strong visibility

Vertex combines the stability of a profitable CF business with a broad development pipeline. Risks remain: new therapies must demonstrate clinical efficacy – and be reimbursed by health systems. At the same time, the company's solid balance sheet and many years of experience with successful product launches strengthen its growth prospects.

For long-term investors, Vertex offers a rare combination: high profitability today and strong innovation for tomorrow.

### The contribution of Vertex Pharmaceuticals



Health and age



69

Footprint score



1.5°C

Global warming potential



100%

Megatrend as share of sales

# China after Trump's return: reforms, risks, and new opportunities

China's economy is stabilizing, its policy stance is opening up, and the USA-China relationship is shaping the world order. China expert Markus Herrmann Chen explains what this means for investors and for Europe.



**Markus Herrmann Chen** is a China expert and co-founder of the China Macro Group situated in Zurich, Munich, and Beijing. He advises companies, governments, and international organizations on Chinese politics, business, and regulation.

## Mr Herrmann Chen, many western investors have avoided China in recent years. Was this justified?

This reluctance is understandable but above all it shows how far apart the investor perspective and the real economy can be. China's economy is barely financed by stock markets; many companies are not listed at all, and there are few English-language analyses of Chinese stocks. That's why the view from the outside is often restricted – and thus also the perception of dynamism, innovation, and structural change.

Even if the economy has recovered more slowly than hoped after the pandemic, it is now stabilising. The current growth of around 5% is in the target range and is supported by services, high-tech, and exports.

## Where is China's economy today?

The real estate sector continues to shrink. But other areas have already largely closed this gap. The "new productive forces" (i.e. high-tech and future industries) are becoming more important. The government deliberately refrains from major economic stimulus programmes and instead focuses on structural change. This slows down the recovery but makes it more sustainable.

## China has recently accelerated its reforms. Why?

That's because Beijing expected Donald Trump to return early. The leadership sought to be prepared and moved ahead with reforms: further opening markets, applying consistent rules to private, state, and foreign capital, and building an integrated domestic market. Many companies are only active regionally or in the export business; but this should change.

China is also selectively opening up: simplified visas, easier investment processes, more open data flows, and lower tariffs for many developing countries. Much of this is an alternative to a closed-off US economy.



## China – an economic power with an edge

China is the second largest economy in the world and has a huge domestic market. In key sectors such as batteries, solar modules, and e-mobility, the country is in the lead. Despite challenges such as demographic change and a weakened property sector, a long-term industrial policy and strong entrepreneurial dynamism are accelerating innovation.



### **How is the relationship with the US developing?**

Both countries are moving towards a G2 structure: two dominant powers with clear conflicts of interest and a strong need for stability.

China is increasingly reacting to US restrictions with its own export controls (e.g. on germanium, gallium, and rare earths). These raw materials are central to Western industries and strengthen China's negotiating position. However, this does not change the structural rivalry.

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## **China is focusing on structural transformation rather than quick stimulus measures – this makes the recovery slower but more sustainable**

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### **China remains a leader in key industries such as batteries, solar panels, and e-mobility. Why can't Western funding programmes compensate for this?**

Because many of China's strengths are structural. The industrial policy is long-term and consistent. Infrastructure, research, suppliers, and training are developed along common goals.

In addition, there is a strong entrepreneurial spirit. Founder-led companies make decisions quickly, take risks, and draw on highly integrated local supply chains. The already large internal market, high competitive pressure, and lower energy and logistics costs provide additional momentum. This interlinking of politics, industry, and the market creates a pace that can hardly be achieved with subsidies alone.

### **What does this mean geopolitically for Europe?**

Europe is economically closely intertwined with China and technologically highly dependent on the USA. And many key technologies for the energy transition come from China.

In order to remain capable of acting in this situation, Europe needs more of its own strength: more innovation, a more active talent policy, and a more reliable industrial policy. The USA has become less politically predictable, China is gaining economic weight, and Europe is

somewhere in between. While the political debate is often ideological, many European companies are looking for more exchange with China.

### **What can Europe learn from China without adopting its political system?**

The consequence in implementation. China plans for the long term, sets clear priorities, and pursues them independently of election cycles. Europe must also catch up when it comes to focusing on forward-looking industries and promoting entrepreneurship.

### **What drives the Chinese leadership? And where is the country heading?**

The central goal is to increase the prosperity of the population. China is both a high-tech location and a developing country: more than 600 million people live on around CHF 150 per person per month. This is why the focus is on modernization, technological independence, and stable external relations. External conflicts are to be avoided; the gaze is directed inwards. By 2035, China should be much more prosperous and technologically independent.

**70 %**

China mines 70% of the world's rare earths and processes as much as 90%.

**1.4 billion**

The Chinese domestic market comprises 1.4 billion people, around 400 million of whom belong to the middle class.

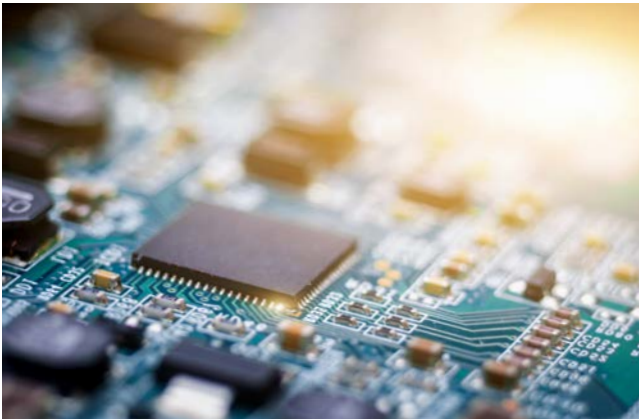
**120**

For 120 countries, China is the largest trading partner.

# Stewardship and shareholder engagement

Commitments under pressure: when climate issues become politically sensitive, many investors remain silent. But not Globalance. We show that conviction is not a mood but rather an attitude.

Photo: katerinasergeevna, iStock



Companies around the globe come under political pressure as soon as they comment on climate issues. In the USA, new policies and rising polarization hinder dialogue between investors and companies. Many companies are avoiding the topic of sustainability, and even major financial institutions are notably restrained.

But the votes in 2025 paint a different picture: anti-sustainability applications received an average of only 1.4% approval in the USA. This is a clear sign that responsible shareholders are sticking to their beliefs despite harsh political sentiment.

Globalance raised its voice in the year under review – for example with its own shareholder application to the US electronics retailer Best Buy, which called for climate targets in line with the Paris Agreement. The application received 13% approval. Further examples of our commitment can be found in the 2025 Stewardship Report. Detailed case studies and all voting results can also be found on our website.



[globalance.com/en/stewardship](https://globalance.com/en/stewardship)

## Focus 2025



### Climate strategies and management remuneration

#### Best Buy – climate targets as a touchstone

In a polarized environment, Globalance called on the US electronics retailer to adapt its climate plan to the science-based reduction path. The application received 13% approval – a clear signal that climate responsibility remains relevant even under pressure.

#### ASML – linking climate targets with management remuneration

In 2024, the leading semiconductor supplier linked its remuneration to sustainability goals, a topic that Globalance had also suggested. Today, 20% of the long-term incentive programme is tied to sustainability measures, including concrete climate targets such as reducing energy consumption per wafer run.

#### Applied Materials – progress through dialogue

At the semiconductor supplier Applied Materials, Globalance dealt with the integration of climate targets into management remuneration. The company responded with first steps towards more openness – an example of how continuous dialogue can trigger progress.



### Voting rights

We consistently exercise our voting rights for our customers according to sustainability principles. In 2025, we took part in all general meetings of our portfolio companies – a total of 39 meetings with 529 voting items. In 9% of cases (47), we voted against management and supported 33 shareholder proposals.

# Globalance Events in 2025

Pioneering spirit and sustainability were at the heart of the Globalance events in 2025.

Our guests experienced how responsible entrepreneurship shapes the future with technological innovation. Globalance wants to inspire you to think in the long

term and invest in strategies that combine economic success with positive change.

## Four highlights

### March

#### **Noriware - algae instead of plastic**

Jessica Farda presented innovative films made of algae with her start-up Noriware. The compostable alternative to plastic shows how the circular economy and entrepreneurship work together to create sustainable solutions for everyday life.

### May

#### **Soeder - manufacture of natural products**

Fresh, fragrant, sustainable: at the Soeder manufactory in Zurich, our guests experienced how high-quality natural soaps and care products are created from regional raw materials. Founder Johan Olzon Åkerström talked about the path to a real circular economy. Anyone who has visited in person feels it immediately: here, design meets responsibility, and sustainability becomes a lived experience.



### June

#### **XShore - electric boats on Lake Zurich**

A quiet whir instead of engine noise: out on Lake Zurich, the electric boats from Xshore showed what the future on the water feels like. Founder Konrad Bergström spoke about his vision to make an entire industry climate-friendly. The guests enjoyed the ride - and the sense of being part of a new beginning.



### November

#### **DigitalEye Clinic - early detection by AI**

Eyes are a window to health. Dr Matthias Becker and Dr Gábor Márk Somfai explained how AI in retinal medicine makes diseases visible at an early stage. From dementia to diabetes: the new diagnostics open up opportunities to maintain health and improve quality of life. Our guests experienced first-hand how medical innovation will shape the everyday life of tomorrow.



## Outlook for 2026

Also in the new year, our guests can look forward to a varied events programme featuring inspiring entrepreneurs and forward-looking projects.

Many other exciting events will be announced shortly on our website at [globalance.com/events](https://globalance.com/events).

**Tertianum:** Discover how modern technologies and new insights into longevity are changing our perspective on aging.

**Solafrika:** An event about innovative solar projects in Africa that highlights new opportunities and paves the way toward a sustainable, clean future.

**Innovation roundtable:** Discover innovations that are changing our world with Reto Ringger, founder and CEO of Globalance.

” We cannot change  
the wind, but we can set  
the sails differently.

Aristoteles



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