LeoVest

PIO Quarterly: Storytellers

By Yves Hauser and Ronnie Weber

- *Markets still reward narrative over nuance.*
- *Passive investing demands discipline - not disengagement.*
- *Staying invested, diversified, and unemotional remains the most reliable strategy.*

Zurich, 10 October 2025

Anyone who has followed the speeches at the United Nations General Assembly in New York recently will have noticed: the larger the country, the grander the narrative. Big words, little substance. Smaller nations, on the other hand, tend to focus on facts and content. As long as the audience rewards grand stories over grounded reality, the imbalance persists.

The financial world works in much the same way.
Markets love storytellers. The louder the narrative – "AI revolution," "soft landing," "new paradigm" - the more attention (and capital) it attracts. Yet beneath the headlines and price charts, the truth is often far less sensational.

Storytelling vs. Substance
California, with a GDP of USD 4.1 trillion, would rank as the world's fourth-largest economy - ahead of Germany. Its success stems largely from technology, entertainment, agriculture, and tourism. Forward-thinking regulation and openness to innovation built this momentum. But it also demonstrates how markets chase dominant stories: in this case, "tech."

Markets, like politics, reward confidence more than caution. Yet when everyone tells the same story, the danger lies in believing it must be true.

The Year So Far – Facts Over Fiction
Despite the often-repeated mantra that "September is a bad month for stocks," this year proved the exception. Global equity markets performed surprisingly well, while bond investors - particularly those holding long-term maturities - enjoyed notable gains thanks to declining interest rates.

Currencies, however, told a different story. For many investors, returns made in equity markets were offset by a strengthening US dollar, turning impressive local-currency gains into muted overall results.

The lesson? Even in passive investing, timing and currency exposure matter.

Staying the Course – Without Emotion
At LeoVest, our passive investment strategies rest on four fundamental pillars:
Value, Momentum, Growth, and *Small/Mid-Caps*.
Across regions and risk profiles, these exposures are implemented through ETFs and mutual funds that together hold more than 2,000 individual securities.

On the fixed-income side, we focus exclusively on corporate bonds, typically with maturities of eight years or longer. The maturity structure varies by risk profile, but our conviction remains constant: duration, properly managed, can be a source of return – not just risk.

Beyond Benchmarks
Our Matrix illustrates how the same strategy behaves across currencies and risk levels. It shows that results differ – not because of "better" or "worse" management, but due to timing, market entry, and currency effects.

Return Overview as of September 30th, 2025

Index Mandates: Track Record since 2007

Equity / Bond Ratio			100 / 0			80 / 20			60 / 40			30 / 70		
Periode			**2025**	2007 - 2025		**2025**	2007 - 2025		**2025**	2007 - 2025		**2025**	2007 - 2025	
Investor	Regions	Allocation	YTD	Inception	**CAGR**	YTD	Inception	**CAGR**	YTD	Inception	**CAGR**	YTD	Inception	**CAGR**
EUR	**EU**	**Pure**	13.58%	208.26%	**6.19%**	11.40%	185.02%	**5.75%**	9.23%	156.44%	**5.15%**	5.96%	109.17%	**4.01%**
	EU, US, CH	1/3	7.25%	370.60%	**8.61%**	5.61%	316.17%	**7.90%**	3.96%	260.31%	**7.08%**	1.49%	179.64%	**5.64%**
	EU, US	1/2	5.30%	401.36%	**8.98%**	3.81%	332.30%	**8.12%**	2.33%	264.89%	**7.15%**	0.10%	172.80%	**5.50%**
	EU, CH	1/2	12.39%	260.82%	**7.08%**	10.31%	234.89%	**6.66%**	8.24%	203.35%	**6.10%**	5.13%	150.65%	**5.02%**
USD	**US**	**Pure**	11.95%	639.95%	**11.26%**	11.04%	505.97%	**10.08%**	10.12%	386.67%	**8.80%**	8.75%	238.12%	**6.71%**
	US, EU, CH	1/3	21.60%	332.92%	**8.12%**	19.74%	219.67%	**6.39%**	17.88%	181.09%	**5.66%**	15.09%	123.41%	**4.38%**
	US, EU	1/2	20.34%	370.47%	**8.60%**	18.65%	241.91%	**6.77%**	16.96%	192.79%	**5.89%**	14.42%	123.76%	**4.39%**
	US, CH	1/2	18.06%	426.80%	**9.26%**	16.50%	358.15%	**8.45%**	14.94%	290.60%	**7.53%**	12.61%	196.57%	**5.97%**
CHF	**CH**	**Pure**	10.65%	153.45%	**5.08%**	8.69%	137.45%	**4.72%**	6.73%	117.11%	**4.22%**	3.79%	81.64%	**3.23%**
	CH, EU, US	1/3	7.31%	189.67%	**5.83%**	5.66%	142.43%	**4.83%**	4.02%	113.21%	**4.12%**	1.56%	69.48%	**2.85%**
	CH, EU	1/2	11.84%	116.90%	**4.21%**	9.77%	101.30%	**3.80%**	7.71%	82.33%	**3.25%**	4.62%	50.65%	**2.21%**
	CH, US	1/2	4.47%	257.37%	**7.02%**	3.08%	210.83%	**6.23%**	1.70%	165.02%	**5.33%**	-0.37%	101.25%	**3.80%**
GBP*	GB, US	**Global**	10.11%	123.69%	**10.95%**	9.38%	97.23%	**9.16%**	8.65%	73.30%	**7.35%**	7.56%	41.75%	**4.60%**

This transparency is what sets our approach apart. Rather than comparing ourselves to broad benchmarks, we compare one strategy – ours – across its many shapes.

The outcome speaks for itself: a consistent, rules-based approach that avoids emotional reactions and resists the market's ever-changing stories.

Because in the end, it's not the storyteller who wins – it's the investor who listens to the facts.

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