



# Portfolio Management Quarterly Report.

Q3 2025

*Gutmann*  
PRIVATE BANKERS

# Executive Summary.

- **The market's short memory**

Pessimism in spring quickly gave way to renewed optimism. Equity markets climbed to new highs. Euro-based investors, however, felt the impact of their own currency's strength.

- **Japan on the rise**

Structural reforms and record share buybacks by listed companies pushed stock prices higher. Japanese equities now account for 14% of the equity strategy.

- **AI boom**

The euphoria remains intact. However, weightings in our portfolios remain stable. Discipline and contrarian positioning prevent overextension.

- **Currencies**

Dollar and yen weakness weighs on euro-based investors. We focus on companies with global business models whose earnings power does not depend on the reporting currency.

- **Bonds**

Despite rate cuts, headwinds persist. Inflation-linked bonds offer protection – 10% of the bond strategy is allocated to them.

- **Outlook**

Market calm should not be misleading. Diversification remains key to seizing opportunities and cushioning risks.



## THE MARKET'S SHORT MEMORY.

What a difference a quarter makes. At the end of April, nervousness and pessimism hung in the air. The world of yesterday seemed lost, old alliances appeared fractured, and friendships across the Atlantic felt strained. At the same time, equity prices fell and with them, investor confidence. But fear dissipated quickly. Today there is barely even a shrug; yesterday's worries seem forgotten.

Equity markets have recovered and reached new highs. For investors in the euro area, however, the flip side of the coin matters. The strength of the their own currency dampens returns from US dollar and yen investments.

Some wonder whether investing in the local ATX or German Dax might have been the better choice. But the temptation to cherry-pick the best-performing indices in hindsight is misleading. With the benefit of hindsight, some things always shine. The future, however, remains uncertain.

That is precisely why a clear investment process is so important. Quarterly moves are background noise.

What really matters: broad diversification to seize opportunities, balance risks, and maintain discipline. Only then does a stable foundation emerge – regardless of how far markets swing between fear and euphoria.



Robert Karas  
Chief Investment Officer  
Partner

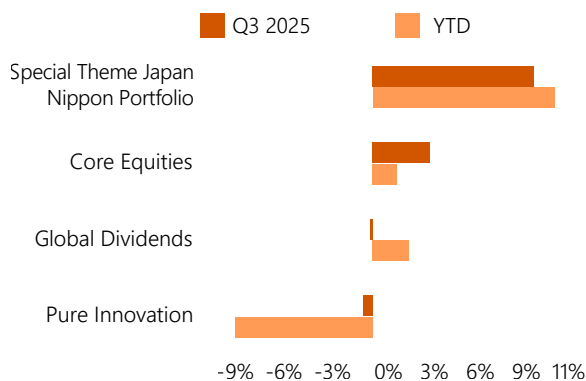


# A strong quarter for Japanese equities.

The strongest positive momentum in the Gutmann equity strategy came from Japan in the third quarter. As recently as April, US tariff announcements had weighed on Japanese markets. Yet a gesture of goodwill by President Trump towards the Japanese automotive industry was enough to lift share prices across the archipelago.

## Performance Gutmann Equity Strategy

Past performance is not indicative of future returns.



The Special Theme Japan and Core Equities generated positive returns in the third quarter. Since the beginning of the year, only Pure Innovation has been in the red.

Performance over a decade:

Gutmann Core Equities: 2014 11.62%, 2015 9.61%, 2016 8.94%, 2017 4.52%, 2018 -9.36%, 2019 29.11%, 2020 4.34%, 2021 26.35%, 2022 -12.23%, 2023 18.23%, 2024 18.92%.

Gutmann Global Dividends: 2014 16.55%, 2015 10.20%, 2016 7.58%, 2017 4.31%, 2018 -5.15%, 2019 22.95%, 2020 -8.25%, 2021 25.85%, 2022 1.46%, 2023 3.38%, 2024 14.03%.

Gutmann Pure Innovation: 2022 -13.42% (fund launch in March 2022), 2023 15.49%, 2024 1.86%.

Nippon Portfolio (EUR): 2014 7.83%, 2015 18.05%, 2016 6.01%, 2017 4.53%, 2018 -18.95%, 2019 20.85%, 2020 10.36%, 2021 5.74%, 2022 -15.95%, 2023 15.28%, 2024 10.61%.

Subscription fees of up to 5% are excluded from the performance data. Performance is presented in EUR. Due to currency fluctuations, returns for investors with a different reference currency may vary. Clients of Bank Gutmann are not subject to any subscription fees.

Performance calculation by Gutmann KAG, data as of September, 30, 2025.

The rally did not end there. Longer-term changes within Japan, already underway for some time, became increasingly visible.

Corporate leaders are embracing shareholder-friendly policies with growing conviction. Cross-shareholdings are being unwound, freed capital is flowing into higher dividends and share buybacks. Even hostile takeovers are possible today – unthinkable just a few years ago. The numbers speak for themselves: share buybacks by Japanese companies will reach new record levels in 2025.

Currently, 12% of the Gutmann Equity Strategy is invested in the Nippon Portfolio equity fund. Added to this are holdings from the Global Dividend Strategy as well as a new position in the Gutmann Core Equities Strategy. In total, Japanese equities account for 14% of the equity strategy – a sharp increase from 5% in 2021. For comparison: Japan represents roughly 6% of global market capitalization. We are deliberately overweight.

## New position: Sony.

Our most recent addition was Sony. This broadly diversified entertainment and technology company operates across gaming, music, film, consumer electronics, and image sensors. Its insurance business is being spun off, streamlining the business model.

The stock's valuation is attractive. Future dividend increases and share buybacks are possible. Growth drivers include music and film streaming, automotive image sensors, and new game releases. Risks stem from currency fluctuations, potential new tariffs, and setbacks in the gaming segment.

# Contrarian action firmly embedded.

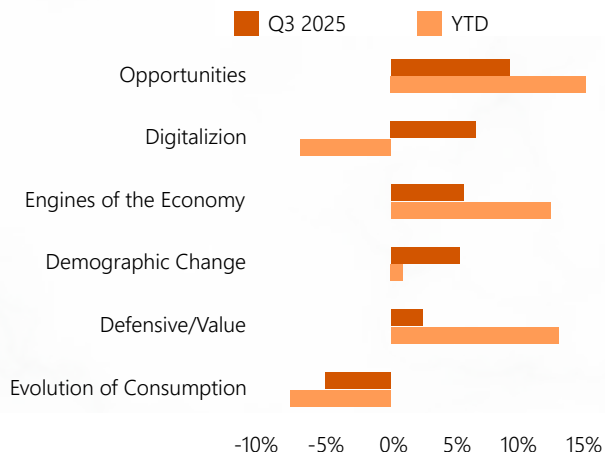
A balanced valuation level helps maintain a cool head even in times of euphoria.

## AI boom.

Artificial intelligence remains one of the dominant investment themes. This boom, driven by a handful of stocks, is fueling the US equity market. But valuations of individual titles appear stretched and cause unease.

## Themes of Gutmann Core Equities Strategy

Past performance is not indicative of future returns.



All equity segments, with the exception of Evolution of Consumption, delivered positive returns in the third quarter. Opportunities have posted the strongest gains since the beginning of the year.

Performance Gutmann Core Equities over 10 years: 2014 11.62%, 2015 9.61%, 2016 8.94%, 2017 4.52%, 2018 -9.36%, 2019 29.11%, 2020 4.34%, 2021 26.35%, 2022 -12.23%, 2023 18.23%, 2024 18.92%.

Subscription fees of up to 4% are excluded from the performance data. Performance is presented in EUR. Due to currency fluctuations, returns for investors with a different reference currency may vary. Clients of Bank Gutmann are not subject to any subscription fees.

Performance calculation by Gutmann KAG, data as of September 30, 2025.

Yet this excess is not reflected in the Gutmann equity strategy. Our portfolios continue to move within the valuation range of the past eight years.

The reason is active management. In the Gutmann Core Equities Strategy, we regularly top up positions in attractively valued stocks and trim holdings whose prices have surged. This embeds contrarian action firmly in the process. The result: a balanced valuation level that helps us maintain composure even during periods of euphoria.

The charts on page 7 show how stable valuations in the Gutmann Core Equities Strategy have remained in recent years. And this despite rising overall valuations - particularly in the crucial US market. The latter can backfire especially for passive index investors if the high growth expectations of the largest constituents are not met and these companies are repriced lower.

## Currency impact.

The dollar and yen weakness – or euro strength – was a defining theme in the third quarter. Many experts expect this trend to continue.

We question, however, whether the euro can stay sustainably strong. Interest rate differentials are already priced in, and European policy appears stable only in reaction to events in the US. Economic strength is therefore hardly the driver.

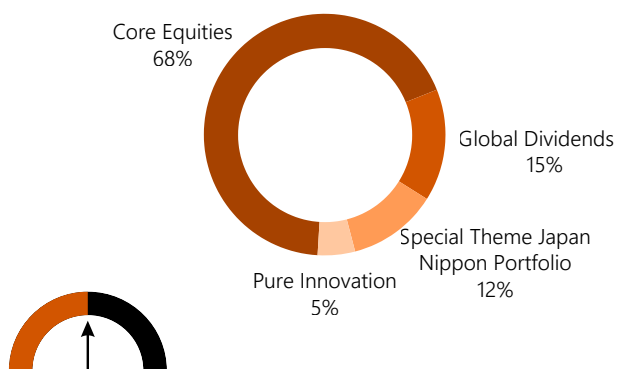
# Global equity strategy and fewer government bonds.

Over the past ten years, the dollar/euro exchange rate has fluctuated within a broad range. We are again at the edge of that band. Even if there is no natural law for a trend reversal, much points to a continuation of the familiar up and down. That makes a stronger US dollar possible once more.

## Globally active.

Dollar risk in portfolios stems from globally active companies. They may be listed in New York and report in dollars, but their production and sales markets are spread worldwide. The reporting currency does not alter the corporate value. It remains the same, regardless of the currency in which it is expressed.

## Gutmann Equity Strategy



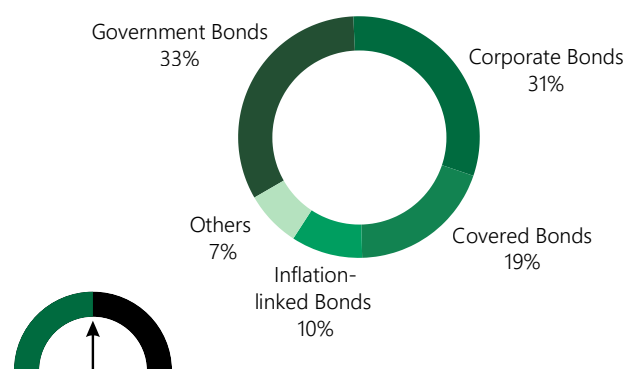
The speedometer indicates our current equity positioning: It corresponds to the strategic weighting. The Core Equities segment continues to be the most significantly weighted.

## Subdued bond markets.

Despite interest rate cuts in Europe, bonds face headwinds. Following the easing of the debt brake in Germany, yields on 10-year Bunds rose from 2.4% to 2.9%. Shortly afterwards, a flight to safety caused a temporary reversal. As equity markets calmed, yields rose again. France is currently in focus: political turbulence already led to higher yields in 2024, which now stand at the same level as Italian government bonds.

In the Gutmann bond strategy, we have increased the allocation to covered bonds and corporate bonds whilst reducing the weighting of government bonds. This enables us to achieve slightly higher yields without compromising quality.

## Gutmann Bond Strategy

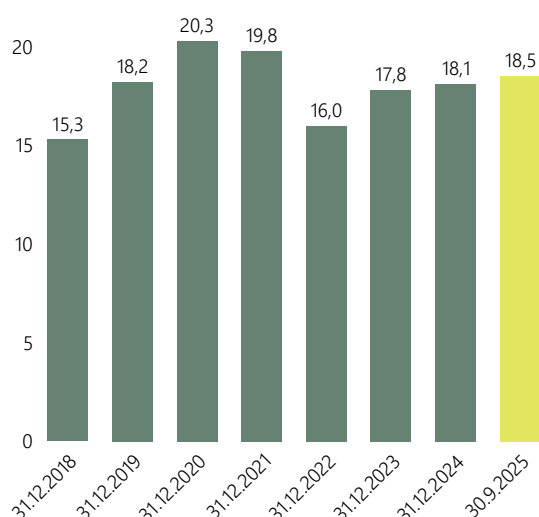


The speedometer indicates our current bond weighting, which corresponds to the strategic weighting. Government bonds and bonds from selected corporations are the most significant segments of the Gutmann Bond Strategy.



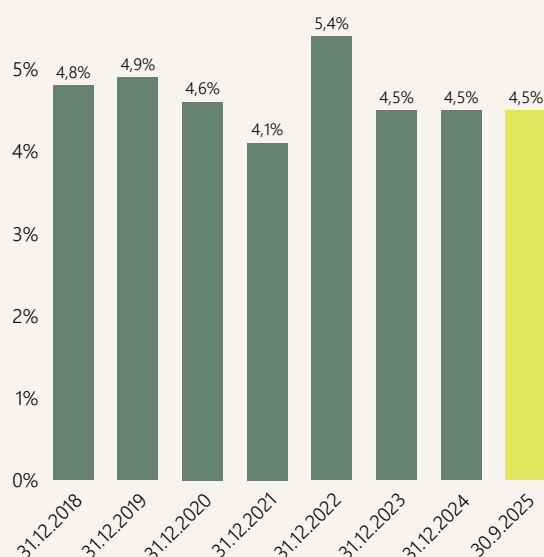
# Attractive valuation by design.

Estimated price/earnings ratio



The investment discipline of the Core Equities Strategy helps maintain stable valuations. This prevents market excesses that would otherwise manifest in very high valuations. Passive index investors, by contrast, must accept rising valuations.

Free cash flow yield



Due to active position adjustments in the Core Equities Strategy, the free cash flow yield can be kept relatively stable.

Source: Bloomberg, Gutmann KAG. Free cash flow yield calculation excludes financials (banks, insurance companies), which use different accounting standards. Data as of September 30, 2025.

# Inflation protection.

Client conversations show that concerns about inflation persist. Memories of the 1970s resurface, when inflation was declared defeated too early. Inflation-linked bonds offer direct protection: for the next ten years, they lock in an inflation expectation for the euro zone of below 2% in the eurozone. The actual inflation rate is continuously compensated, regardless of its level.

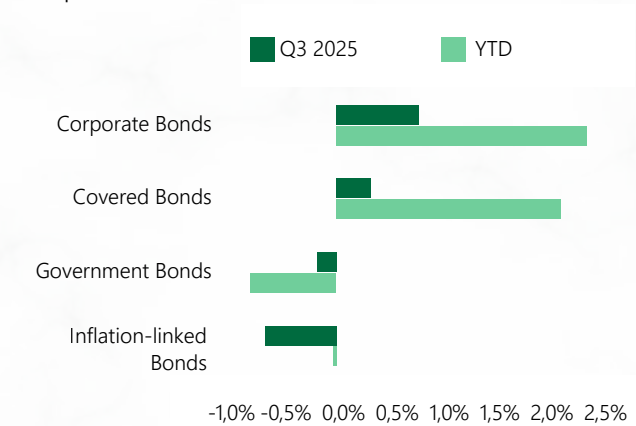
This holds true if the bonds are held to maturity. This is important because bond prices can fluctuate considerably during their term. Inflation expectations are traded daily. And how issuers are rated also has an impact. The number of countries issuing inflation-linked bonds is limited. In the euro area, these are Germany, France, Italy, and Spain. An important issuer is France, where the rapid rise in government debt is already affecting traded creditworthiness.

Bond management is a highly technical craft. We remain broadly diversified in the bond space and currently hold 10% in inflation-linked bonds, but are also active in many other types of fixed-income securities.

Bonds have contributed little to performance so far this year. However, we expect real positive results over the coming years. By 'real' we mean the return after inflation.

## Key Segments Performance of the Gutmann Bond Strategy

Past performance is not indicative of future returns.



In the third quarter of 2025, the Corporate Bonds and Covered Bonds segments were positive. Inflation-linked Bonds and Government Bonds were in negative territory.

Performance of the Gutmann Global Bonds Strategy over 10 years: 2014 6.58%, 2015 0.35%, 2016 2.31%, 2017 0.44%, 2018 -1.87%, 2019 3.02%, 2020 0.70%, 2021 -0.60%, 2022 -9.85%, 2023 6.41%, 2024 2.13%.

Subscription fees of up to 3% are excluded from the performance data. The performance is presented in EUR. Due to currency fluctuations, returns for investors with a different reference currency may vary. Clients of Bank Gutmann are not subject to any subscription fees.

Performance calculation by Gutmann KAG, data as of September 30, 2025.

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# Adaptable corporations.

Calm returned to financial markets in the past quarter. The MOVE index, a seismograph for expected volatility in US Treasury yields, fell to its lowest level in three years. Equity volatility indices also reached summer lows. Investors appear to expect little movement.

This is precisely the moment to ask critical questions: What positions are in the portfolio? Have concentration risks built up? And what happens if lofty AI hopes do not translate into profits so quickly?

We regularly describe in our quarterly reports how our portfolios are diversified. In equities, we deliberately avoid focusing on a single theme or region. The business models of the companies we invest in are globally oriented.

Corporations adapt flexibly to new political and economic conditions.

Tariffs shift production locations, supply chains are reorganized. But entrepreneurship adapts and remains competitive.

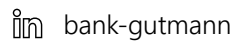
## Spreading risk.

Owning shares in single company means singular exposure and concern about the earnings capacity and, ultimately, the survival of that company. That is challenging. But investing is about the whole picture. As experienced equity investors, we have the advantage of spreading risk across many business models. In our strategies, we do this deliberately and rely on thorough analysis.

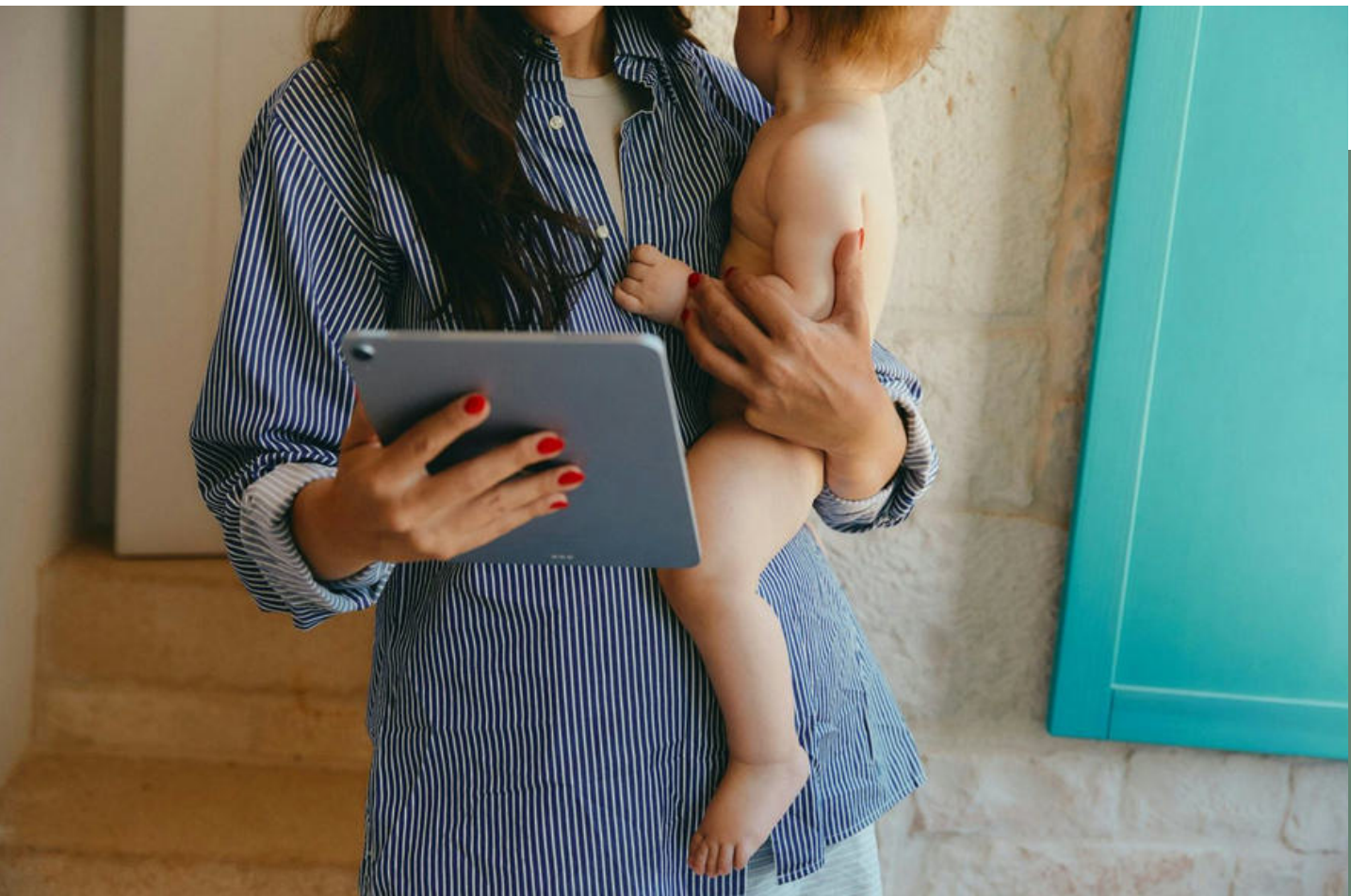
With solid diversification and resilient business models, we look confidently towards the final quarter and beyond.

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**Gutmann Global Bonds Strategy may invest mainly in categories of assets other than securities or money market instruments.**

**Due to the composition of the portfolio and the used portfolio management techniques the Gutmann Core Equities, Gutmann Pure Innovation and the Nippon Portfolio under certain circumstances can show an increased volatility, i.e. the value of units may be exposed to high up- and downturns within short periods of time.**

Further Information on the main risks of the Funds can be found in the Key Information Document ("PRIIPs-KID") as well as the prospectus or the information for investors pursuant to Article 21 German Act on Alternative Investment Fund Managers (AIFMG - Alternatives Investmentfonds Manager-Gesetz) under the item "Risk profile of the Fund".

The Funds pursue an active management strategy without reference to a benchmark.

All figures made without guarantees. Errors and omissions excepted.

For interested parties the Key Information Document ("PRIIPs KID") in accordance with the Regulation (EU) No 1286/2014 for Nippon Portfolio, Gutmann Global Bonds Strategy, Gutmann Core Equities, Gutmann Global Dividends and Gutmann Pure Innovation respectively the prospectus in accordance with section 131 InvFG for Nippon Portfolio, Gutmann Core Equities, Gutmann Global Dividends and Gutmann Pure Innovation respectively the Information for investors according to section 21 AIFMG for Gutmann Global Bonds Strategy

in their current versions are provided in German language free of charge at Gutmann KAG and Bank Gutmann AG, both Schwarzenbergplatz 16, 1010 Vienna, Austria and on the Website [www.gutmannfonds.at](http://www.gutmannfonds.at) as well as for Nippon Portfolio, Gutmann Core Equities and Gutmann Global Dividends at the German information center Dkfm. Christian Ebner, Attorney at Law, Theresienhöhe 6a, 80339 Munich as well as for Nippon Portfolio at the Dreyfus Söhne & Cie AG, Aeschenvorstadt 14-16, 4002 Basel. The distribution of fund units was notified to the German Federal Financial Supervisory Authority (BaFin). Gutmann KAG may de-notify the distribution of funds in Germany as far the conditions according to Art 93a of Regulation 2009/65/EG are fulfilled.

Further information on the sustainability-relevant aspects of the Funds can be found at [www.gutmannfonds.at/gfs](http://www.gutmannfonds.at/gfs).

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