

LAPIS INVESTOR LETTER Q3 2025

Teaser:

- ZWEI Wealth Conference Winner – LAPIS takes the stage
- LAPIS Top 5 Performers led by LAPIS Global Aerospace & Defense 25 Analysis + 24.31%

“The Clear Path to Growth”

EDITORIAL

Staying Disciplined in Dynamic Markets

Dear Clients and Partners,

Welcome to the inaugural edition of our **reimagined LAPIS Investor Letter** — a quarterly window into how we think, invest, and position your capital for the long run. This new format is designed to bring clarity and consistency, with deeper insights and tangible outcomes.

Looking back, Q2 2025 was a masterclass in emotional resilience. After a sharp drop of nearly 19% between February and early April in the S&P 500 — triggered by renewed tariff shocks and geopolitical friction — many investors panicked, fearing a prolonged downturn. And yet, from that trough, the index staged a powerful rebound — rising by more than 24% in less than three months. By the end of June, the S&P 500 had not only recovered all its losses but reached a new all-time high, underscoring the value of staying focused through volatility.

This is the value of discipline. At LAPIS, we believe in structure over sentiment. Evolutionary instincts might have told us to sell during the panic — but history reminds us that such impulses come at a high cost. Selling low and re-entering too late doesn't just hurt performance; it breaks the compounding engine that long-term investing relies on.



I'm incredibly proud of how our team performed during this volatile stretch — not only in terms of returns, but visibility and trust. **Winning first place at both the Zurich and Geneva editions of the ZWEI Wealth Office Conferences** was more than a recognition; it was a confirmation of the LAPIS Way.

This edition's **Market Deep Dive** explores one of the biggest shifts in monetary history: **the rise of Money 3.0**. We unpack how digital currencies — particularly U.S.-backed stablecoins — are quietly transforming sovereign debt financing and global liquidity. It's not science fiction; it's already happening. Platforms like Tether and Circle now rival nation-states in U.S. Treasury holdings. As these digital rails scale, they're not just displacing banks — they're becoming the plumbing of the new financial world.

You'll also find updates on new product launches, app enhancements and our strongest performers— led by our **LAPIS Global Aerospace & Defense 25 Analysis**, which surged + **24.31%** in Q2.

I hope you enjoy reading this new edition as much as we've enjoyed creating it for you.

Warm regards,

Andreas Wüger

CEO, LAPIS Asset Management

LAPIS HIGHLIGHTS & NEWS

Momentum, Milestones, and Market Recognition

Written by Camilla Fattarina and Carlo Giorgi

NEW INVESTOR LETTER FORMAT

To offer you a more focused and insightful reading experience, we've restructured the Investor Letter into four core sections:

1. **Editorial** – A message from our CEO providing market context and a preview of the topics covered in this edition.
2. **Highlights & News** – Key updates from LAPIS, including new products, awards and important milestones.
3. **Market Deep Dive** – Expert analysis of a single, timely financial theme shaping the investment landscape.
4. **Strategy & Top Performers** – A look into our current investment positioning and the performance of our top 5 strategies, presented with supporting data.

This new format is aimed at keeping you informed, aligned with our thinking, and fully up to date on what matters most. Enjoy the read!



LEGAL UPDATE

FINMA Circular 2025/2 entered into force on **1st July 2025**. It introduces binding guidelines on **concentration risks** within managed portfolios. Specifically, the following thresholds are defined:

- **10% exposure to a single security**
- **20% exposure to a single issuer**

Once these thresholds are exceeded, the exposure is considered relevant and must be monitored and disclosed to the client.

We are actively monitoring portfolios and will notify clients if these thresholds are exceeded. Our internal mandate templates have been updated accordingly, and all relevant teams are engaged in identifying, flagging, and managing these risks. Clients will be informed directly and transparently where needed.

ZWEI WEALTH OFFICE AWARD



LAPIS has been awarded **1st place** in the Equity/Growth category at both the Zurich and Geneva editions of the **Zwei Wealth Office Conference 2025**, prevailing over 20 of Switzerland's top banks and asset managers.

The award was part of the conference's *Battle of the Best*, where selected participants were invited to present their investment strategies in concise, high-impact pitches. The final ranking combined feedback from over 250 industry attendees with Zwei Wealth's evaluation criteria, which included performance, cost-efficiency, and provider quality.

This first-place finish builds on third and second-place rankings in previous two years — highlighting the consistency and discipline of our rules-based approach. More than a milestone, it's a strong incentive to keep improving every day.

"Our dividend strategy is the Clear Path to Growth." — Andreas Wueger, CEO



LAPIS HIGHLIGHTS & NEWS

Momentum, Milestones, and Market Recognition

NEW STRATEGIES LAUNCHED

In Q2, we expanded our offering with the launch of two new dividend-focused strategies:



LAPIS Canada Top 50 DY Analysis is composed of 50 equally weighted Canadian stocks with a minimum of CAD 5 billion of market capitalization and with uninterrupted and continuously increasing dividend payments over the last 5 years. This Lapis equity analysis is suitable for investors who are seeking a reliable income stream from Canadian companies. Supported by a stable politics and financial system, Canada stands out for its abundant natural resources and modern infrastructure in a context of world-renowned educational institutions. These factors allow for promising growth in a highly attractive country.

[Find out more](#)



LAPIS Japan Top 50 DY Analysis is composed of 50 equally weighted Japanese stocks with a minimum of JPY 1 trillion of market capitalization and with uninterrupted and continuously increasing dividend payments over the last 10 years. This Lapis equity analysis is suitable for investors who are seeking a reliable income stream from Japanese companies. Japan is the world's fourth largest economy – with structural changes including the economic rebound and corporate reforms, make a long-term potential country in an innovative and supportive macro.

[Discover more](#)

NEW PARTNERSHIPS

smartpurse

We are pleased to announce a **new collaboration with SmartPurse**. This partnership allows SmartPurse clients to access our investment programs and strategies, in line with their mission to “Unlock your financial freedom.” The values behind this partnership reflect our own: full transparency, cost efficiency and the commitment to delivering strong results without eroding returns through hidden fees. It also opens the door for smaller investors to follow our approach and benefit from the same investment discipline and structure that we apply to larger portfolios.

 **Schwyzer Kantonalbank**

We are now working with **Schwyzer Kantonalbank (SZKB)** as a **new custodian bank** alongside our existing partners. SZKB is a solid cantonal bank backed by the Canton of Schwyz. It is very well capitalised, with a Tier 1 ratio of around 22% (a key measure of a bank's financial strength and stability), well above industry standards.

For clients with portfolios from **CHF 300'000**, SZKB offers an **all inclusive custody fee of just 0.23% p.a.**, including tax reporting and with no minimum charges. A very attractive option for those who want low and transparent costs combined with the security of a strong Swiss bank.

LAPIS FACTS APP NOW AVAILABLE

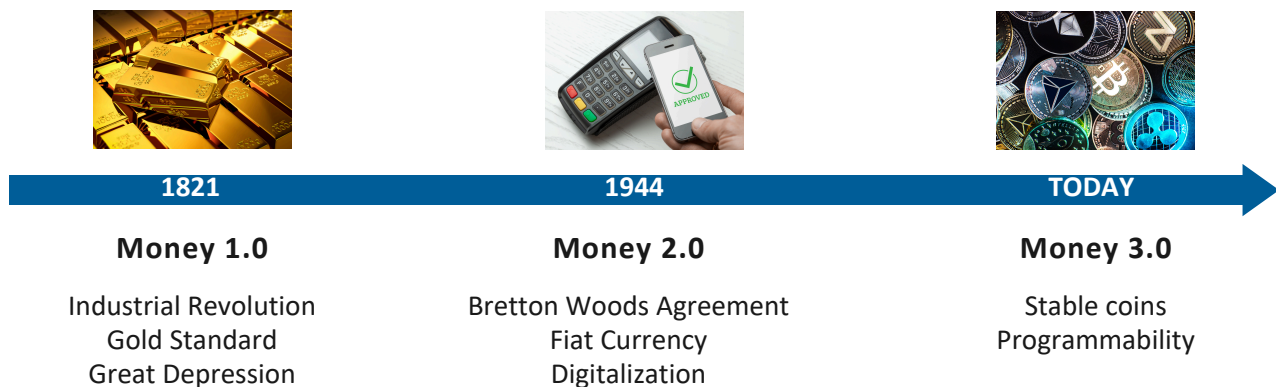


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MARKET DEEP DIVE

The Monetary Revolution: From Gold Standards to the Dawn of Money 3.0



Written by Mathias Schanz

Money has always been at the heart of human civilization, influencing politics, economics, wars, and societal transformations. Today, we stand on the precipice of yet another revolutionary monetary shift. Understanding the profound historical undercurrents shaping our monetary systems is essential to grasp the significance of Money 3.0 — the emerging era of sovereign-backed digital currencies.

The Foundations: Money 1.0 and the Gold Standard

The Gold Standard era, known as Money 1.0, arose prominently during the industrial revolution of the 19th century, formally established in Britain in 1821. Under this system, currencies were directly convertible into a fixed amount of gold, creating an unprecedented level of global monetary stability. This standard quickly spread worldwide, creating a unified international monetary system based on tangible reserves.

More fundamentally, Money 1.0 represents the **analogue era of money** — where value existed in physical form: gold coins, silver, or printed banknotes backed by reserves. Monetary transactions were inherently local and slow, constrained by geography and physical transfer. Communication and coordination over distance were extremely limited prior to the invention of the telegraph.

In this sense, **Money 1.0 was not only materially tied to gold, but also technologically bound to the pre-electronic age.**

However, this stability came with a price: rigidity. The gold standard constrained government spending and restricted monetary policy flexibility, contributing significantly to prolonged economic depressions. Most notably, during the Great Depression of the 1930s, adherence to the gold standard deepened economic downturns, leading governments worldwide to abandon the system gradually. The collapse of Money 1.0 marked the end of an era where currency derived value directly from tangible assets and operated through analogue mechanisms.

The Rise of Fiat: Money 2.0 and Bretton Woods

The end of the Second World War ushered in Money 2.0, symbolized by the Bretton Woods Agreement in 1944. This pivotal event established the US dollar as the world's reserve currency, effectively anchored to gold at \$35 per ounce, while other global currencies pegged their value to the dollar. This created a system dominated by the dollar's trustworthiness, backed indirectly by gold reserves.

Beyond its monetary architecture, **Money 2.0 marks the transition into the digital-but-not-programmable era of money.**

MARKET DEEP DIVE

The evolution began with the 19th-century telegraph and accelerated in the 20th century with mainframe banking, SWIFT messaging, electronic ledgers, credit cards, and digital banking platforms. These advances **enabled money to move across vast distances as information, not just as physical assets**. As a result, banks became informational hubs, intermediating trust and transaction logic on behalf of central authorities.

The Bretton Woods system significantly expanded global trade, facilitating economic growth and prosperity for nearly three decades. However, as the US faced mounting fiscal pressures from the Vietnam War and extensive social spending, President Nixon famously severed the dollar's convertibility to gold in **1971, marking the formal birth of pure fiat currency — and completing the detachment of money from any physical anchor**.

What followed was a **global monetary system built entirely on trust, legal frameworks, and centralized governance**, yet still lacking programmability. Despite digitization, money remained passive, requiring banks, central authorities, and payment processors to perform its functions.

The Petro-Dollar Era

Following the collapse of Bretton Woods, the Petro-Dollar arrangement emerged, providing another anchor to the fiat currency system. Through agreements primarily with Saudi Arabia, oil transactions globally became denominated exclusively in U.S. dollars. This arrangement ensured a continuous global demand for dollars, thereby maintaining its position as the dominant reserve currency despite no longer being gold-backed.

Yet, this fiat era brought vulnerabilities. Without tangible backing, currency values became entirely dependent on trust, subjecting economies to inflation, speculative bubbles, and financial crises.

Cycles of Instability: Crashes of 1987, 2000, and the Great Financial Crisis of 2008

The vulnerabilities of fiat currency became increasingly apparent through a series of escalating financial crises. The Black Monday crash in 1987 illustrated how rapidly market confidence could collapse. Though relatively short-lived, it revealed significant systemic vulnerabilities.

In 2000, the Dotcom Bubble burst, driven by speculative excesses and loose monetary policy, further underscored fiat currency's inherent risks. Investors and regulators witnessed how unchecked monetary expansion and speculative fervor could culminate in devastating market corrections.

These events set the stage for the catastrophic Global Financial Crisis of 2008. Rooted in rampant debt accumulation, complex financial derivatives, excessive leverage, and a severe housing bubble, the crisis exposed profound systemic weaknesses. Central banks worldwide responded with unprecedented interventions, employing quantitative easing (QE) and dramatically expanding central bank balance sheets.

Debt Explosion and the COVID-19 Catalyst

Following 2008, debt levels globally continued rising sharply. Central banks resorted increasingly to QE, dramatically inflating monetary supplies. The COVID-19 pandemic further accelerated this trend, driving a nearly 40% increase in the U.S. money supply (M2) over the two years from late 2019 to 2021 — **the most rapid monetary expansion in modern history**. Debt-to-GDP ratios soared to unprecedented heights, leaving economies significantly more vulnerable.

The fiat currency model's inherent fragility has never been clearer: **massive debt levels, inflationary pressures, central bank interventions becoming perpetual rather than temporary solutions**, and trust in government-backed currencies eroding steadily.

Transition to Money 3.0: Disintermediating Banks, Unlocking Treasury Markets

The leap from Money 2.0 to Money 3.0 isn't just about digitizing money — it's a seismic structural transformation. The new paradigm dispenses with slow, bank-centric payment rails and legacy international settlement systems like SWIFT. Instead, it deploys **stablecoins backed by hard assets or government debt**, creating a faster, cheaper, and borderless monetary infrastructure.

Crucially, **Money 3.0 introduces a new category: programmable money**. For the first time, money itself becomes **code-native**, capable of executing logic, conditions, and automated flows. An opensource protocol embedded in blockchains allows transactions to be trustless, instant, and composable. In this system, **value and code are inseparable — money carries instructions, not just information**. This redefines financial intermediation, enabling lending, settlement, escrow, or compliance to occur autonomously without banks.

For the United States, this shift is strategic. With federal debt now exceeding \$36 trillion, the U.S. faces a historic refinancing challenge: nearly \$9 trillion in Treasury securities mature in 2025 alone, **the largest single-year rollover burden in its history**. At the same time, new fiscal policies — most notably the so-called “Big Beautiful Bill” — are expected to add up to \$3 trillion in new debt over the next decade, while annual deficits already approach \$2 trillion. This dual dynamic — **massive short-term refinancing needs combined with sustained new issuance** — puts enormous strain on Treasury markets.

Traditional buyers of U.S. debt, such as foreign central banks and global investors, are increasingly stepping back, citing geopolitical tensions, trade frictions, and diversification into Asian and European assets.

The result is a visible shift in market dynamics: **demand softens while issuance accelerates**, driving **upward pressure on yields** and threatening to significantly **increase the cost of debt service**.

Enter stablecoins: digital tokens fully reserved in assets like Bitcoin, gold, or U.S. Treasuries, which generate market-based yields. Each issuance of a dollar-pegged stablecoin embeds a Treasury-backed claim — **effectively, a digital IOU** (I owe you) that funds government debt directly. Recent studies confirm this mechanism: Tether and Circle now hold an estimated \$200 billion U.S. Treasury-backed assets, making them among the largest holders after sovereign nations. As the stablecoin ecosystem grows, so does demand for Treasuries — filling the gap left by retreating traditional creditors.

This dynamic positions stablecoins not just as a new payment rail, but as a **Trojan horse for refinancing U.S. debt** — bypassing sluggish international investors and outdated banking systems. And it's not just a financial evolution — it is the strategic continuation of U.S. monetary hegemony by digital means.

From Oil to Code: The Geopolitical Logic Behind Stablecoins

This strategic use of stablecoins echoes the logic of the Petro-Dollar era. After the collapse of Bretton Woods in 1971, the United States anchored the dollar's dominance by tying it to global energy flows — securing international demand through oil, or what could be called “chemical energy.” Today, amid record-high debt levels and renewed distrust in fiat currencies, Treasury-backed stablecoins may serve a similar purpose.

By embedding the dollar into programmable financial infrastructure — a new form of “digital energy” — the U.S. extends its monetary reach without the need for physical reserves, ensuring

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that the dollar remains indispensable in global settlement. Just as the Petro-Dollar system once turned oil into the anchor of dollar hegemony, the stablecoin era may turn digital code into its next geopolitical foundation.

It is, once again, a **ledger-based system engineered for structural dominance** — already functioning as a globally accepted dollar proxy for users in emerging markets. People in South America, Africa, and the Middle East use Tether and USDC to transact, while indirectly funding U.S. government debt.

In essence, Money 3.0 is the fusion of monetary sovereignty with programmable infrastructure. The U.S. Treasury merges directly with the ledger, and banks become redundant, replaced by **tokenized sovereign debt and cryptographic reserves**. Thus, Money 3.0 isn't primarily about regulatory oversight — as viewed by institutions like the European Central Bank — but rather about reinforcing U.S. financial dominance and sovereignty through digital monetary infrastructure.

Who Gains — and How

In Money 3.0, **beneficiaries are not defined by access to central vaults, but by digital infrastructure and Treasury-backed liquidity.**

First, U.S. Treasury and Debt Managers stand to gain significantly. **Stablecoin issuance becomes a complementary channel to issue and maintain short-term debt**, diversifying the investor base beyond foreign central banks.

Next, digital-native stablecoin issuers — such as Tether (USDT) and Circle's USDC — emerge as powerful intermediaries. Tether, for example, has vaulted into the role of a major non-sovereign holder of short-term Treasuries — surpassing Germany and rivalling South Korea.

Meanwhile, financial networks that once thrived on slow SWIFT processing now compete with instant, blockchain-based transfers. For global users facing inefficiencies in conventional systems, **stablecoins offer seamless dollar-denominated payments around the globe at the speed of light**, anchoring demand and embedding trust in the dollar through digital channels.

Finally, in the corporate realm, key publicly listed digital payment and infrastructure firms — including **PayPal (PYPL), Block (SQ), Coinbase (COIN), Visa (V), and Mastercard (MA)** — are already building integration with blockchain rails and stablecoin frameworks. These firms will **profit from both settlement fees and partnerships with sovereign stablecoin initiatives as Money 3.0 scales.**

LAPIS STRATEGY & TOP PERFORMERS

Quality & Themes Continue to Deliver

At LAPIS, we believe that consistent structure outperforms short-term speculation. Our equity strategies are built on a rule-based and transparent foundation — what we call the **LAPIS Way** — and are powered by our proprietary **LAPIS Analytics** platform, which enables us to screen, evaluate and manage over 70 thematic equity analyses globally.

As highlighted in this quarter's **Market Deep Dive**, the global monetary system is undergoing a fundamental shift. The rise of Money 3.0 — blockchain-based payment rails and stablecoins backed by sovereign debt — represents more than a trend. It is a structural reordering of how capital flows, how value is stored, and how debt is financed. At LAPIS, we have long recognized the investment implications of this transformation.

One of our key strategies that reflects this view is the **LAPIS Global Financial Technology 25 Dividend Yield**. It provides targeted exposure to listed companies that form the operational backbone of global finance — from digital payments and market infrastructure to custody and transaction processing. The analysis deliberately excludes traditional commercial banks and credit institutions, instead focusing on scalable, tech-enabled business models poised to benefit from the shift toward tokenized financial flows.

All companies included meet strict selection criteria: a market capitalization above USD 5 billion and a consistent record of dividend payments. Over 80% of the constituents have increased or maintained their dividends over the past five years. The composition is reviewed through a structured risk-control process quarterly.

This strategy is particularly relevant as the institutional adoption of tokenized assets accelerates, and digital rails begin to replace traditional settlement frameworks.

The strategy has been available to investors for several years, including via a dedicated AMC issued by Julius Baer (ISIN-Nr. CH0534757460) — offering efficient and transparent access to one of the most relevant secular investment themes of the coming decade.

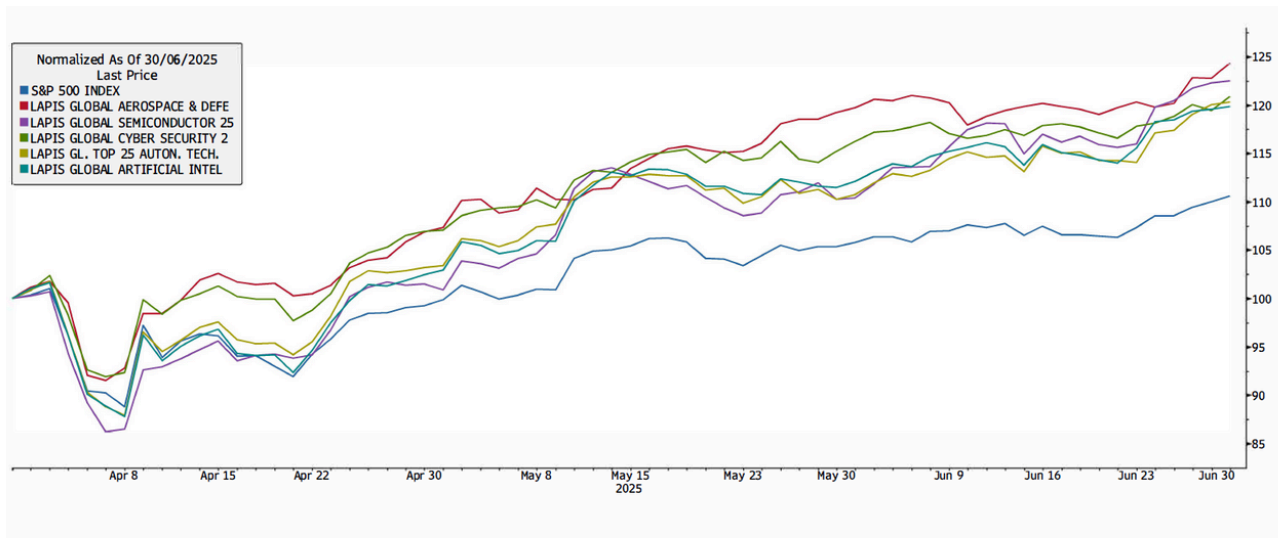
Our Top Performing Strategies for Q2 — visualized below — once again demonstrate the resilience of our quality and theme-driven approach, even in such challenging market conditions.

Product Name	Performance Q2
LAPIS Global Aerospace & Defense 25 - USD	+24.31%
LAPIS Global Semiconductor 25 DY TR - USD	+22.50%
LAPIS Cyber Security 25 - USD	+20.87%
LAPIS Global Top 25 Auto. Tech. & Robotics - USD	+20.29%
LAPIS Global Artificial Intelligence 40 - USD	+19.86%
Global Markets Q2 - 2025:	
MSCI ACWI Index	+10.97%
S&P 500 Index	+10.57%

by LAPIS Analytics

LAPIS STRATEGY & TOP PERFORMERS

LAPIS Top Analytics vs S&P 500



by LAPIS Analytics

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