

LAPIS INVESTOR LETTER

10 YEARS EDITION | 2015–2025

“The Clear Path to Growth”

Dear Clients and Partners,

This special edition of our LAPIS Investor Letter is not a celebration of longevity – LAPIS has a longer history. It is a reflection on method: what we built over the last ten years, why it worked across changing market regimes, and what this implies for the decade ahead.

If the last ten years taught investors one reliable lesson, it is this: markets spend much of their time trading not on facts, but on the gap between expectations and subsequent reality. When expectations rise too far, fragility increases. When reality disappoints, corrections follow – sometimes quickly, sometimes with a delay.

That is why the LAPIS Way was designed from the start to favour clarity over complexity, structure over sentiment, and patience over haste – a framework intended to endure difficult environments and systematically capture opportunities when volatility inevitably returns.

With 2026 now underway, we invite you to take a step back and see what truly made the difference over the past decade.

We hope you enjoy reading this 10 Years Edition and that it provides a clear, useful perspective for the year ahead.

Warm regards,



Andreas Wueger
CEO, LAPIS Asset Management Ltd

Expectations vs. Reality – And Why Discipline Still Wins

At LAPIS, we believe the main driver of financial market performance lies between market expectations and the reality that follows. When expectations become excessive, the probability of disappointment rises, and with it the probability of correction. Many investors remember periods where “certainty” felt high right before it collapsed; the mechanism is not new, only the narrative changes.

We are firm believers that the market price is the most honest summary of what is known, and what is expected. Millions of decisions, opinions, and news flows are aggregated into one number. This also means that widely discussed information is usually priced in faster than we think. The “top topic” on every screen rarely creates an edge by itself. The practical consequence is straightforward: if we want consistency, we should avoid building portfolios on headlines and instead build them on a repeatable, transparent framework.

2025 provided a timely reminder of how quickly consensus can be overtaken by events. Entering the year, the dominant narrative felt almost like a baseline: a “soft landing”, rate cuts gradually returning, and another year in which U.S. leadership – powered by the same handful of mega-cap winners and an ongoing AI boom – would set the tone. Many strategists even framed the baseline as a steady, mid-to-high single digit to roughly 10% type year for U.S. equities; a continuation rather than a regime change.

Reality was shaped by surprises that were hard to model in advance. Trade and policy uncertainty resurfaced and unsettled global sentiment, with discussions around Trump’s tariffs reminding investors that markets do not price growth and rates, but politics and geopolitics.

At the same time, leadership broadened: investors increasingly looked beyond U.S. assets, with Europe benefiting from a different mix of drivers, including shifting fiscal priorities and a re-rating narrative of its own. And while “AI” started the year as a market theme, it increasingly became an everyday experience, moving from data centres and earnings calls into consumer devices, as on-device AI features and smartphone adoption accelerated.

As we begin 2026, confident outlooks are back on every screen – not because the future is clear, but because narratives quickly become the baseline. The wish list is familiar: inflation normalising, central banks easing, and growth holding up. At the same time, the AI story is shifting from fascination to monetisation – from “what is possible” to “who captures the value”. And politics remains a live variable, where trade headlines and renewed tariff debates can move sentiment faster than any model can recalibrate.

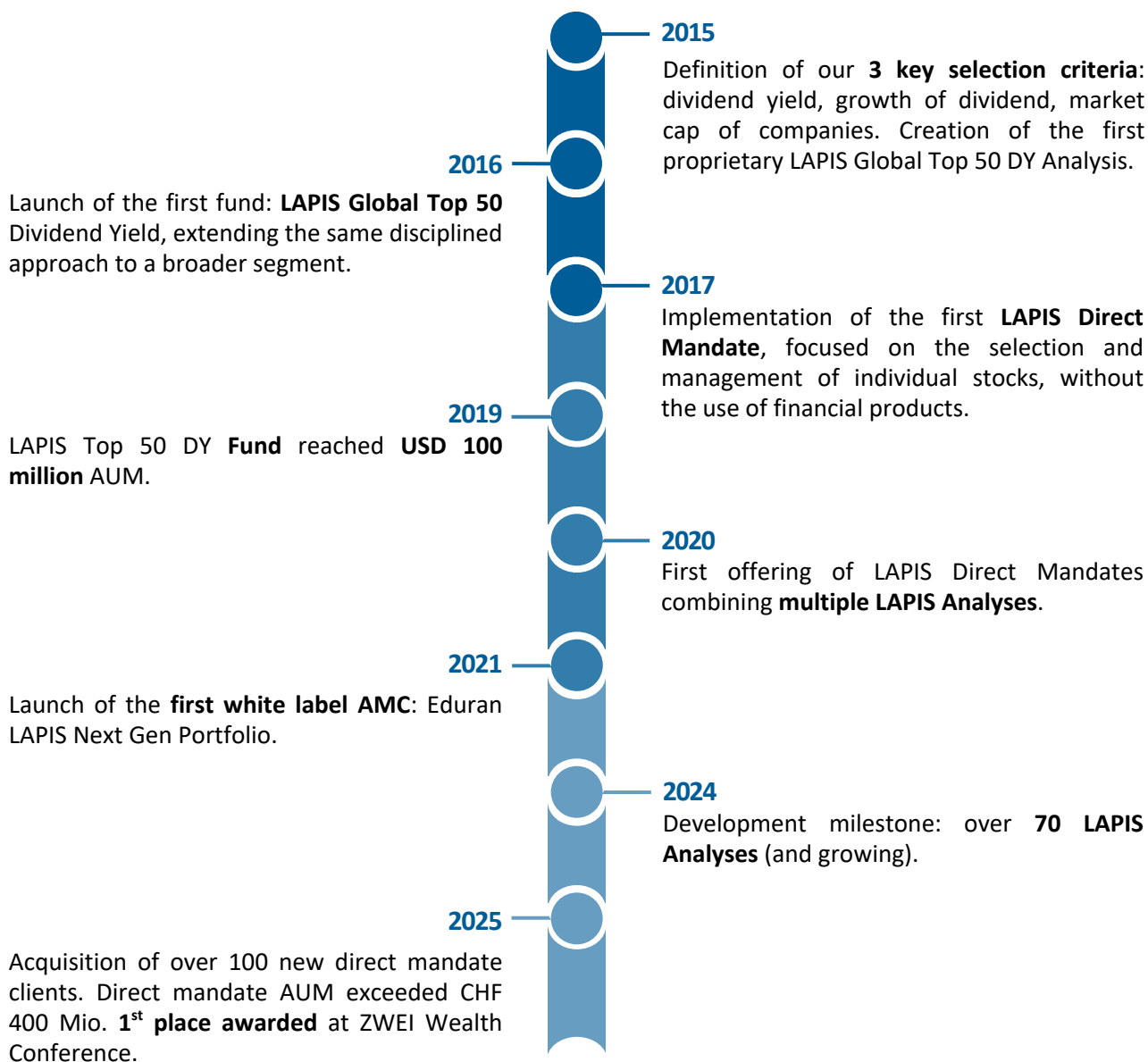
That is precisely why our response is not to forecast better. Forecasts tend to converge – and markets tend to price them in – while the decisive moves often come from what nobody confidently writes down. Instead, we allocate entrusted assets through the LAPIS Way: a repeatable, transparent framework designed to stay disciplined when narratives turn loud, to focus on quality when uncertainty rises, and to systematically capture the opportunities that volatility reliably creates over multi-year horizons.

LAPIS MILESTONES

10 Years in One View – The Evolution of the LAPIS Way

“The last decade was not defined by a single market call. It was defined by building a framework and expanding it – step by step – into a broad investable universe, while keeping the same discipline at its core.”

Andreas Wueger (CEO)



What Stayed Constant

Across all expansions, the core logic remained the same: build portfolios on transparent rules, prioritise durability and quality, and let time and discipline do the heavy lifting. This DNA is visible both in the long-standing dividend frameworks and in newer innovation-oriented strategies designed to bridge today's stability with tomorrow's opportunity.

Commentary from Management

The LAPIS Way began with a simple long-term insight: the strongest investment outcomes come from durable businesses compounding over years. It is therefore less about timing and more about consistency and discipline. A century-long view of market segments points to a clear pattern: companies that consistently pay and grow dividends have outperformed over time. Not because dividends are “magic”, but because dividends are the consequence of the fundamentals that long-term quality investors look for: resilient cash flows, sound balance sheets, disciplined capital allocation, and management teams aligned with shareholders, treating capital as a resource. Over long horizons, reinvested dividends and dividend growth are key drivers of total return compounding.

The second observation was structural – and it reshaped the industry: costs and discipline matter more than most investors would expect. The rise of low-cost, client-driven indexing proved that transparent rules beat complexity, and that activity is not the same as value creation. For us, the conclusion was clear: combine a quality-first mindset with a rule-based, measurable framework and make it implementable in the most direct and cost-efficient way.

This is why we began calculating our own LAPIS Analyses: focused exclusively on highly liquid listed equities and, within that focus, on dividend continuity and dividend growth. It defines clear investable universes, it builds portfolios with conviction rather than narrative, and it keeps the process repeatable across cycles.

We started with our most conservative analysis: a portfolio of top global companies, equally weighted, above a minimum size threshold, and with very long histories of rising dividends. Client feedback was encouraging, as it offered something rare in their financial world: an approach that non-professional investors could follow and trust. You can see what you own – real companies, held directly in the portfolio – with dividends as a clear anchor.

From there, the approach scaled naturally. Over the past decade, we expanded into a broad but distinctive research universe – comprising over 70 LAPIS Analyses across regions, sectors, and themes – while keeping the same quality-first discipline at the core.

The key was always practicality. Our analyses are not academic exercises – they are designed to be directly implemented. They allow us to construct portfolios through direct investments in selected companies and to tailor allocations to client objectives, without relying on packaged products. Combined with a competitive fee structure, this practicality is what differentiates the LAPIS model: clarity in the process, precision in implementation, and alignment with the client’s long-term outcome.

Finally, experience reinforced an important truth: in difficult environments, it matters as much what we avoid as what we own. Mistakes in investing come from concentration or business models that break under stress. Diversification, equal-weighted construction, and a disciplined process protect compounding when markets test conviction.

Commentary from the Analytics Team

Dividend yield has long played a central role for investors, not only as a source of recurring income, but as a practical indicator of financial discipline and cash-flow strength. In 2015, we translated this idea into a systematic research approach at LAPIS: analysing companies with long, uninterrupted dividend histories – no cuts, no suspensions.

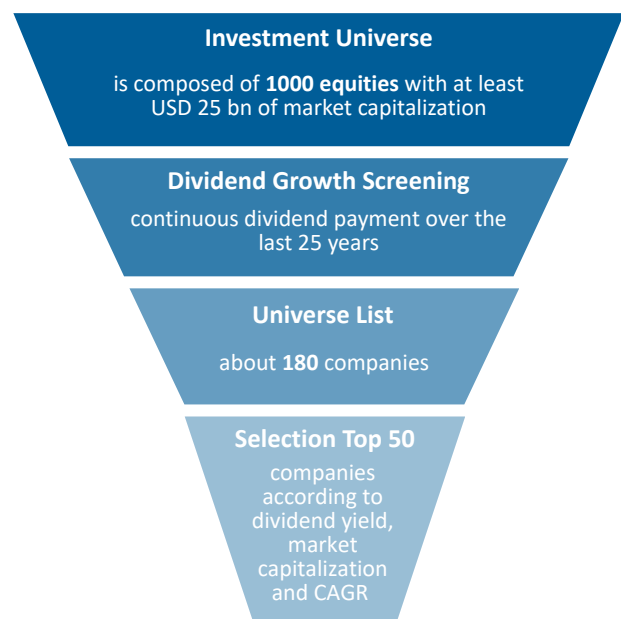
We started with large-cap equities, where dividend policies tend to be most stable. Yet the opportunity set proved broader than initially expected. The result was a clear, rule-based selection of the top global companies that met our criteria – above a defined size threshold and with at least 25 consecutive years of regular dividend payments. Back-testing confirmed the robustness of the framework and its ability to outperform major benchmarks. This was not only the first LAPIS Analysis, it was the conceptual starting point of the LAPIS Way.

From there, the methodology expanded in a natural sequence: first into mid-caps, then into regional universes (Switzerland, Europe, the United States, Emerging Markets), and later into thematic strategies such as Global Brands, Medical Devices, and Financial Technology. Some analyses were developed to sharpen the framework; others emerged directly from client conversations – as we translated real portfolio needs into clear, investable universes. Throughout, the emphasis remained the same: transparency, investability, and reliability.

As investor interest increased, the universe broadened further into additional regions (United Kingdom, Asia, Japan) and into innovation-driven sectors and themes such as Software, Semiconductors, Cyber Security and emerging areas including Artificial Intelligence, Quantum Computing, and Data Centres.

The story of the past decade is therefore not a pivot from “dividends” to “themes”. It is the expansion of the same disciplined approach into more opportunity sets – while keeping the core logic unchanged.

Modus Operandi LAPIS Global Top 50 DY Analysis



Dividends: a Core Pillar of LAPIS Way

Dividends are a cornerstone of long-term equity investing not merely because they provide recurring income, but because they reveal business quality. Companies that can pay and grow dividends consistently tend to share the same fundamentals: durable cash flows, balance-sheet strength, and disciplined capital allocation. Dividend continuity is also a stamp of maturity. It signals a business model that is proven in the market, resilient through cycles, and guided by management teams that treat capital as a scarce resource. In our experience, that is what separates

“good stories” from truly resilient businesses. Market stress is where dividend growth proves its value. Companies that sustain and raise payouts tend to be structurally more resilient in downturns. They preserve capital better, stabilise investor confidence, and keep rewarding shareholders when uncertainty is highest. And when dividends are reinvested, they become far more than income: they are a compounding engine that steadily builds total returns and smooths outcomes across cycles. This is not a side feature of our approach – it sits at the core of the LAPIS Way.

The Dividend Sweet Spot: Sustainability over Headline Yield

The best dividend opportunities are rarely found by chasing the highest yield. In practice, unusually high yields are often a warning sign – reflecting financial stress, weakening fundamentals, or payout policies that are simply not built to last. A disciplined dividend strategy therefore focuses on sustainability and quality, not headline income. The true “dividend sweet spot” lies in businesses that combine earnings growth, financial strength, and prudent capital allocation. These companies can reinvest for long-term growth, preserve balance-sheet flexibility, and still reward shareholders consistently through rising dividends – fully aligned with the LAPIS investment framework.

Microsoft: a Dividend Stock You Can Buy and Hold Forever

Microsoft illustrates how dividend growth and capital appreciation can coexist over extended investment horizons. Over the past decade, the company has increased its dividend at a double-digit annual pace, supported by exceptional free cash-flow generation and disciplined capital allocation. At the same time, Microsoft delivered outstanding long-term share price performance, driven by structural leadership in cloud computing, enterprise software, and the accelerating build-out of AI. Together, rising dividends and sustained price appreciation create a powerful compounding engine, highlighting dividends as a contributor to value creation rather than a constraint on growth.

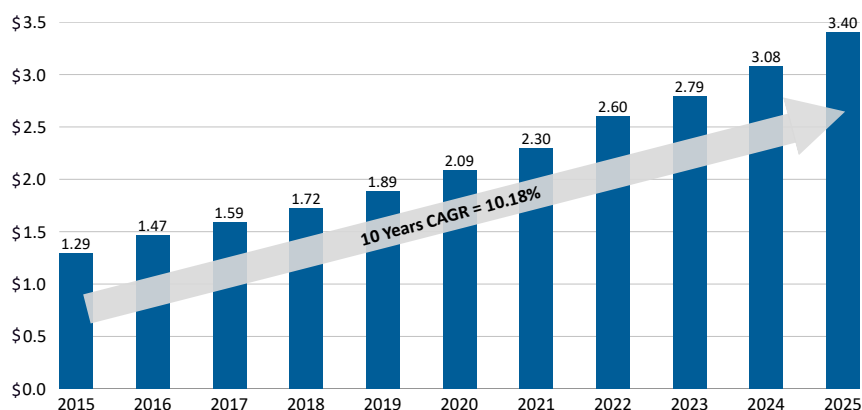


Figure 1: Microsoft (MSFT); 2015-2025; dividend evolution over time (by LAPIS Analytics).

DIVIDEND STRATEGY FRAMEWORK

Earnings Expansion as the Engine of Dividend Growth

Broadcom provides a complementary blueprint: disciplined dividend growth anchored in earnings expansion. The steady progression of dividend payments reflects a consistent commitment to shareholder returns, while the upward trend in earnings per share signals robust profitability driven by scalable, high-margin business models. This alignment between earnings growth and dividend progression captures a fundamental principle of sustainable dividend strategies: long-term payouts are not “promised” – they are earned.

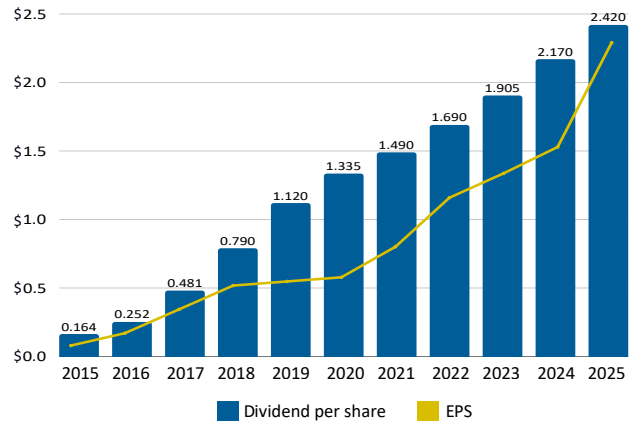


Figure 2: Broadcom (AVGO); dividend per share vs EPS over time (by LAPIS Analytics).

Dividends During Periods of Market Stress

Market downturns are the ultimate stress test. And time and again, dividend growers have proven to be among the most resilient parts of the equity market – typically preserving capital better than the broader market when volatility spikes. That resilience is not accidental. Dividend growth is the result of discipline: businesses with durable cash

flows, prudent balance sheets, and management teams that allocate capital responsibly. In moments when uncertainty rises, those qualities become decisive. For investors, dividends act as a stabilising force: supporting total returns, reinforcing long-term compounding, and helping portfolios stay anchored through short-term market turbulence.

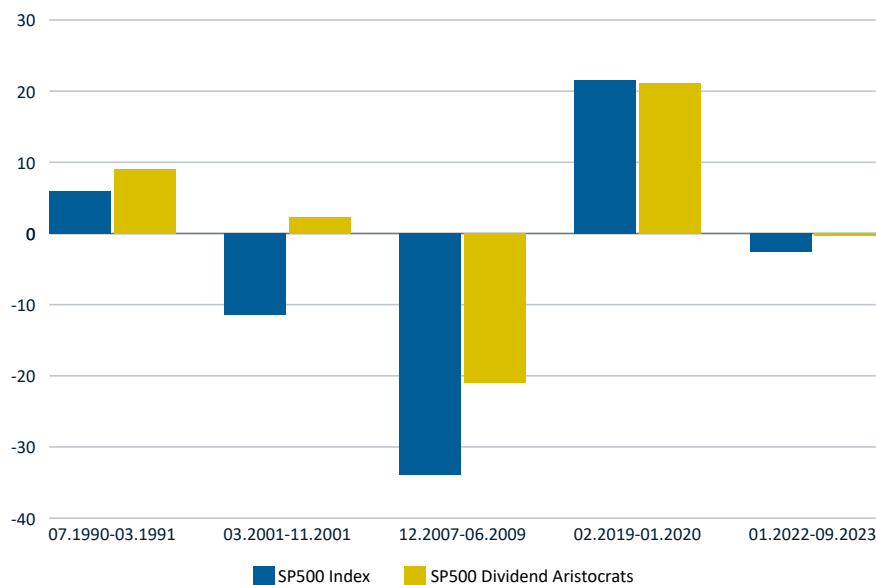


Figure 3: Performance of SP500 & SP500 dividend aristocrats TR index across market downturns (by LAPIS Analytics).

DIVIDEND STRATEGY FRAMEWORK

The Rise of Dividend-Paying Technology

For decades, technology companies prioritised reinvestment over shareholder distributions. In the early years, every dollar went into research & development, market expansion, and winning the category. But as the sector matured, the leaders reached a different reality: dominant market positions, recurring revenue, and cash flows so durable that they could fund innovation at scale and return capital at the same time. Dividends became a signal of maturity and strength – not “less growth,” but the ability to do both: invest aggressively while rewarding shareholders consistently.

Microsoft paved the way. In 2003, it declared its first dividend: a signal that the company had entered a cash flow phase robust enough to return capital without sacrificing strategic investment. More recently, Meta, Salesforce, and Alphabet initiated dividends, marking a meaningful structural shift for the sector. For investors, the message is unmistakable: these decisions do not signal an end to growth. They signal maturity, strength, and confidence: business models powerful enough to fund innovation and expansion while consistently rewarding shareholders.




 Meta			 Salesforce			 Alphabet		
Fiscal Year	Dividend per Share	Ex Date	Fiscal Year	Dividend per Share	Ex Date	Fiscal Year	Dividend per Share	Ex Date
2025	\$0.525	15.12.2025	2025	\$0.416	18.12.2025	2025	\$0.21	08.12.2025
2025	\$0.525	22.09.2025	2025	\$0.416	17.09.2025	2025	\$0.21	08.09.2025
2025	\$0.525	16.06.2025	2025	\$0.416	18.06.2025	2025	\$0.21	09.06.2025
2025	\$0.525	14.03.2025	2025	\$0.416	10.04.2025	2025	\$0.20	10.03.2025
2024	\$0.50	16.12.2024	2024	\$0.40	18.12.2024	2024	\$0.20	09.12.2024
2024	\$0.50	16.09.2024	2024	\$0.40	18.09.2024	2024	\$0.20	09.09.2024
2024	\$0.50	14.06.2024	2024	\$0.40	09.07.2024	2024	\$0.20	10.06.2024
2024	\$0.50	21.02.2024	2024	\$0.40	13.03.2024			

Figure 4: Evolution of dividend initiation and payment timelines for Meta, Salesforce and Alphabet (by LAPIS Analytics).

Dividends the LAPIS Way

This is what dividends mean in the LAPIS Way. We do not treat dividends as a standalone income feature, we treat them as a quality filter and a discipline check. Companies that can pay and grow dividends through cycles tend to combine the traits that matter most for long-term outcomes: durable cash flows, prudent balance sheets, and management teams that allocate capital responsibly. By embedding dividend continuity and dividend growth into a systematic, rule-based process, we turn that quality signal into portfolio construction. The goal is straightforward: build resilient equity portfolios that can deliver sustainable returns across market cycles. Dividends are not just a payout – they are an anchor of stability, a source of confidence, and a compounding engine that keeps working when markets test conviction.

Key Takeaways

- ✓ Dividends are a quality signal – not just an income feature.
- ✓ The sweet spot: sustainability beats high yield.
- ✓ Dividend growth supports resilience – anchoring compounding in stress.

Progress Will Accelerate and Quality Will Matter Even More

Writing a ten-year outlook is an exercise in humility. The next decade will likely bring faster technological change than the last decade and with it a wider dispersion of outcomes across countries, sectors, and, most importantly, companies. The defining feature will not be a single forecastable path, but the speed at which innovation moves from “possible” to “everyday,” and the frequency with which markets reprice that new reality.

Technology Will Move Faster Than Institutions

Artificial intelligence is shifting from fascination to infrastructure. Robotics and automation continue to scale as competitiveness tools. Digital money and tokenised finance are steadily pushing the financial system to evolve. Each of these forces is already visible; what remains uncertain is how fast they scale, how they interact, and what they trigger downstream. The key tension is simple: technology compounds quickly, while institutions adapt slowly. Regulation, education, and political consensus move in steps, while adoption accelerates in waves. That gap creates opportunity and friction. Progress will be real, but the transition will rarely be smooth.

Political Dispersion Becomes an Investing Variable

Rapid technological change does not happen in a vacuum. It affects jobs, competitiveness, energy demand, security, and inequality. And those pressures inevitably feed politics. That makes the next decade harder to call in a neat line, because political and geopolitical paths can diverge sharply and shift quickly.

For investors, the practical outcome is not that politics becomes the only story. It is that dispersion becomes wider and headline risk more frequent. Markets price confidence, policy stability, the rules of the game: the value of resilience rises when those rules can change.



SHORT VERSION (for readers in a hurry)

Over the next ten years, technological progress is likely to accelerate, while politics and policy may become more disruptive and less predictable. In such an environment, precise forecasts matter less than durable principles: quality businesses, disciplined capital allocation, and a repeatable investment process. Innovation will express itself through companies, and the strongest will increasingly combine growth with shareholder rewards. **The LAPIS Way is built for exactly this: quality and discipline, transparently implemented, compounded over time; and adaptable as new technologies become investable.**

When the Future Is Wide, Principles Become the Anchor

If the next decade is harder to forecast, how can an investor act with conviction? The answer lies in owning enduring principles rather than trying to predict events. Long market history is not a story of steady progress. It is a story of shocks, regime changes, and technological revolutions. Yet through those transitions, patient risk capital has tended to be rewarded and dividends have been a meaningful component of long-term equity returns. The lesson is not that the next decade will be easy. The lesson is that quality and discipline survive change and become more valuable when change accelerates.

OUTLOOK | THE NEXT 10 YEARS

Innovation Expresses Itself Through Companies

Innovation is not abstract: it becomes real when it is funded, built, scaled, and distributed. This happens through companies, which organise talent, deploy capital, take risks, and turn ideas into products tested by demand in competitive markets.

That is also why the “high-tech story” evolves in phases. Early on, leaders reinvest aggressively to win the category. In maturity, the strongest companies reach a different reality: dominant positions and cash flows durable enough to fund innovation and return capital at the same time.

What makes this even more remarkable is that technology’s progress has been structurally deflationary, delivering more capability at steadily lower unit costs. And yet it can still produce extraordinary value creation. The winners scale, build ecosystems, and turn “cheaper over time” into durable cash flows. Dividends, in that sense, are not an admission of lower ambition. They are the signature of market leadership: investing for the future while consistently rewarding shareholders, even in structurally deflationary environments.

The LAPIS Way for the Next Decade

If the next decade is defined by faster change and wider dispersion, the most valuable investing qualities are clarity, discipline, resilience, and long-term compounding. That is exactly what the LAPIS Way is designed to deliver.

We focus on quality businesses with durable cash flows and disciplined capital allocation. We choose discipline over narrative and build portfolios with transparent, rule-based logic, because repeatability creates reliability. We believe in compounding, as time turns small edges into meaningful outcomes.

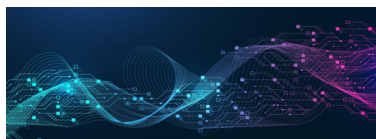
At the same time, we will not stand still. We will follow technological change with motivation and curiosity, and we will continue to expand our research universe as innovation becomes investable. But our core values remain unchanged: quality and discipline, implemented transparently, compounded over time.

Find Out Our Innovative Analyses

LAPIS Global NextGen



LAPIS Global Quantum Computing



LAPIS Global Data Center



LAPIS Global Artificial Intelligence



LAPIS Global Semiconductor



LAPIS Global Cyber Security



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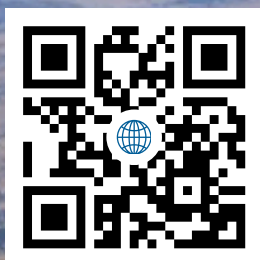
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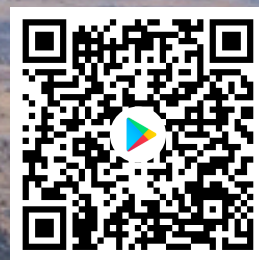
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