

Newsletter

Cash

Q4 2025

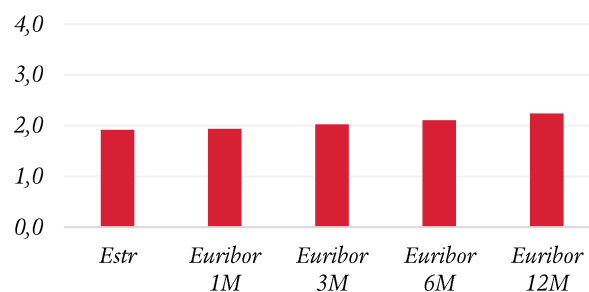
The quarter confirmed the resilience of money markets despite an economic environment marked by macroeconomic uncertainties. The ECB is maintaining a cautious stance, adjusting its communication without altering the direction of its monetary policy. In the United States, the Fed continued its easing cycle with two 25-bp cuts. This decision comes against a backdrop of still-robust household consumption, contrasting with a decline in production.

Highlights of the quarter

Rates

In an environment that remains marked by persistent macroeconomic uncertainty, short-term rates continued to exhibit contained volatility while offering attractive yield levels. Over the quarter, the ECB maintained a wait-and-see approach, keeping its key policy rates unchanged after the cuts implemented earlier in the year. Monetary reference rates remained stable: the €STR held at 1.92% and the 3-month Euribor at 2.03%.

Money market rates below 12 months



Source: Swiss Life Asset Managers as of 31/12/2025

Central banks

With inflation close to its 2% target and growth remaining resilient, the ECB kept its deposit rate at 2.00%. In contrast, the Fed continued to ease its monetary policy by lowering its policy rate, reflecting signs of a slowdown in the U.S. economy, particularly the deterioration in the labor market.

Expectations

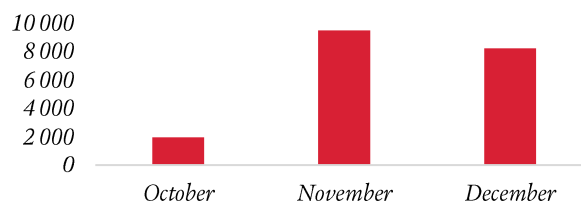
Inflation expectations have led markets to rule out any scenario of ECB rate cuts for 2026. For now, the slowdown in growth is generating only limited concern among investors. Across the Atlantic, the effects of Trump's policy decisions are gradually materializing. In this context, the market anticipates that the Fed will maintain an accommodative monetary policy stance, with two rate cuts expected in 2026.

Disclaimer: Source: Swiss Life Asset Managers France, Bloomberg. This presentation contains historical market data. Historical market trends are not a reliable indicator of future market behavior. These data are provided for illustrative purposes only. Depending on the date of publication, the information presented may differ from the updated data.

Primary market

The cyclicity of issuances was particularly evident in December, a period during which the market progressively tightened as the end-of-year holidays approached. However, in the context of historically tight *spreads*, issuance volumes increased compared with the fourth quarter of the previous year, reaching €19.6 bn versus €12.3 bn in Q4 2024, representing a 60% rise.

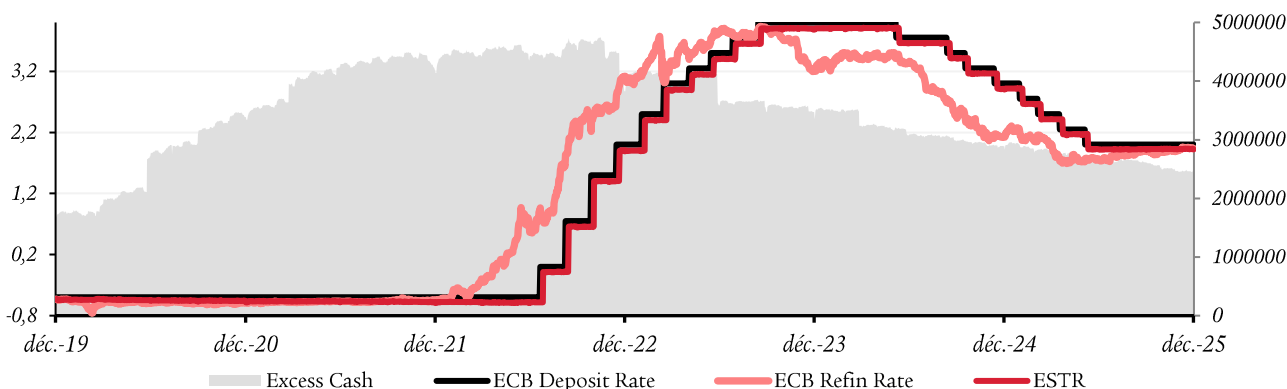
Issue volume (millions)



Source: Swiss Life Asset Managers as of 31/12/2025

Eonia + surplus liquidity

Central Bank Indicators



Source: Swiss Life Asset Managers as of 31/12/2025

Our strategy

«*In the absence of rate cuts, the money market remains an attractive asset class*»



Albane Desjardins, CFA
Portfolio Manager,
Investment Grade



Yann Verrier
Portfolio Manager,
Investment Grade

- In the fourth quarter of 2025, the market environment continued to be characterized by limited visibility regarding the future trajectory of monetary policies. Expectations for the coming year remain stable, enabling short-term rates to stay at attractive yield levels. This environment allows us to hold securities offering compelling remuneration while maintaining a prudent approach to duration management.
- In a year-end context where the market tends to tighten as the holiday season approaches, we maintained a significant allocation to short maturities in order to preserve strong flexibility to meet investors' liquidity needs. This positioning also enables us to take advantage of the anticipated reopening of the market at the beginning of 2026, which is expected to bring a substantial volume of primary issuance.

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About Swiss Life Asset Managers

Swiss Life Asset Managers has more than 165 years of experience in managing the assets of the Swiss Life Group. This insurance background has exerted a key influence on the investment philosophy of Swiss Life Asset Managers, which is governed by such principles as value preservation, the generation of consistent and sustainable performance and a responsible approach to risks. Swiss Life Asset Managers offers this proven approach to third-party clients in Switzerland, France, Germany, Luxembourg, the UK, Italy and the Nordic countries.

As at 30 June 2025, assets under management for third-party clients amount to EUR 147.3 billion. Together with insurance assets for the Swiss Life Group, total assets under management at Swiss Life Asset Managers stood at EUR 301.7 billion. Swiss Life Asset Managers is a leading institutional real estate investor in Europe¹. Of the assets totalling EUR 301.7 billion, EUR 94.9 billion are invested in real estate. In addition, Swiss Life Asset Managers, in cooperation with Livit, manages real estate totalling EUR 25.9 billion in value. Total real estate assets under management and administration at the end of June 2025 thus came to EUR 120.9 billion.

Swiss Life Asset Managers employs more than 2300 people in Europe.

A financially self-determined life

Swiss Life enables people to lead a financially self-determined life and look to the future with confidence. Swiss Life Asset Managers pursues the same goal: We think long-term and act responsibly. We use our knowledge and experience to develop future-oriented investment solutions. This is how we support our customers in achieving their long-term investment objectives, which in turn also take account of their client's needs so they can plan their future in a financially self-determined manner.

¹ #2 IPE Top 150 Real Estate Investment Managers 2024 Ranking Europe, #2 INREV Fund Manager Survey 2024
Swiss Life Asset Managers data at 31.12.2025

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Find all our publications on:

www.swisslife-am.com

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