

Continued Positive Returns in a Corrupt World

April 2026 brought a pleasing continuation of the positive development of our strategies. GAMAG Black+White gained 0.68% during the month and, as of the end of April, is up 3.33% year-to-date. GAMAG Vola+Value also performed strongly in April, gaining 1.44% for the month and thereby almost fully offsetting the weaker start to the year.

Despite brutal information terror, market manipulation, and the continued distortion of public narratives, the strategies continue to perform. Hedging protects.

Strategy	April 2026	% against previous month	% since start of trading
G.A.M.A.G Black+White	19.590,04	+0,68 %	+595,05 %
G.A.M.A.G Vola+Value	11.918,36	+1,44 %	+ 41,85 %

This development confirms the robustness of our approach. However, it does not change the macroeconomic warning formulated in the March report. On the contrary: the underlying risks have become even more concentrated. The central problem is not a single economic indicator, but the combination of further rising government debt, sharply increasing interest expense, and an increasingly short-term refinancing structure. Almost everything you currently see in politics serves the purpose of preventing collapse.

Debt, Interest Rates and Maturities: The Real Risk Combination

The United States is facing a fiscal problem that is increasingly shifting from the absolute level of debt to the question of refinancing. Debt is not only rising in nominal terms, but also relative to economic output. As a result, the system is becoming ever more dependent on the willingness of capital markets to absorb very large volumes on an ongoing basis at sustainable conditions.

For a long time, this development was concealed by the zero-interest-rate environment. As long as the government could refinance itself at extremely low rates, even a very high level of debt appeared manageable. That phase is over. The interest-rate turnaround has turned the debt problem back into a cash-flow problem. The decisive question is no longer only how large the debt mountain is, but at what conditions it must be continuously refinanced.

US Debt Burden Becomes Unsustainable

US federal debt held by the public: USD tn and % of GDP

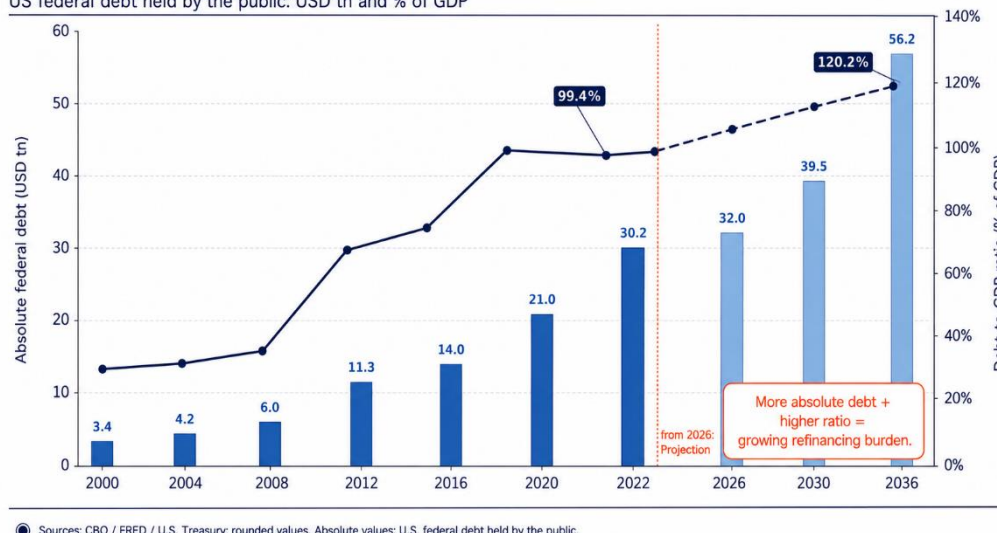


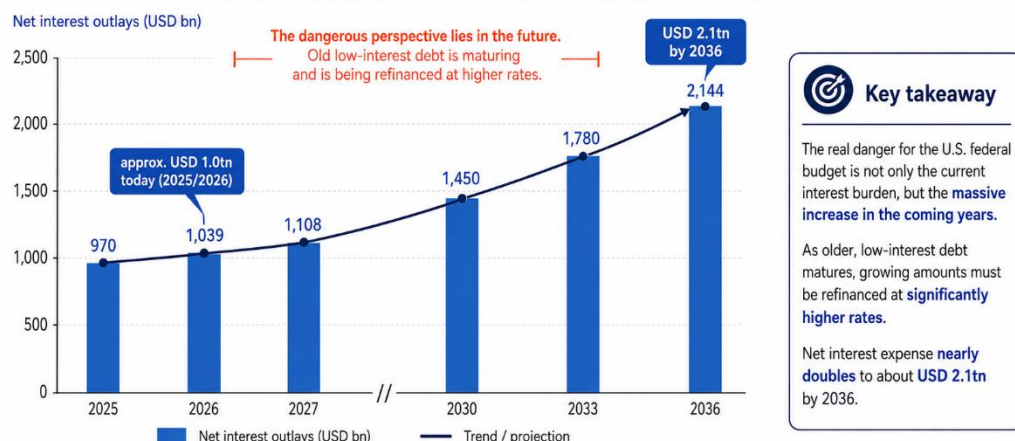
Chart 1 shows this starting point: the U.S. debt ratio does not stabilize, but continues to rise in the projections. This increases dependence on a permanently functioning Treasury market. The problem is not only the absolute level of debt, but the increasing decoupling of debt growth from economic output.

Even more serious is the interest burden. It is now in the order of roughly one

trillion U.S. dollars per year and continues to rise sharply in the projections. This is no longer a marginal item in the federal budget, but one of the central drivers of future deficit dynamics. The decisive mechanism lies in the delayed repricing of the existing debt stock: old, low-interest bonds mature and must be replaced with new, higher-yielding securities.

Massive Forward Effect: US Net Interest Expense Rises Toward USD 2.1tn

US federal net interest outlays – current level and projection



Sources: CBO / U.S. Treasury; rounded values.

Chart 2 makes this dynamic visible. It shows not only today's burden, but the forward perspective. Interest itself becomes an accelerator of deficits. The higher the interest expense, the larger the deficit; the larger the deficit, the greater the new financing need; and the greater the financing need, the greater the dependence on the market.

Short-Term Funding as an Interest-Rate Bet

The current tendency to rely more heavily on short maturities is particularly problematic. At first glance, short-term funding may appear rational. If one assumes that interest rates will soon fall, it may seem attractive not to lock in today's high long-term yields, but instead to finance short-term and later refinance into longer maturities at lower rates.

But this is precisely where the asymmetric risk lies. This strategy is not a neutral administrative technique. It is an interest-rate bet. It only works if the expected rate cuts actually occur. If the opposite happens — persistent or renewed inflation, rising short-term rates, or a renewed inversion of the yield curve — short-term funding turns into a refinancing trap.

The short end of the yield curve reacts most quickly to inflation expectations and monetary policy. If short-term rates rise, or even move above long-term rates, short-term funding loses its apparent cost advantage completely. The government then receives less planning security and may even pay a higher, or at least hardly lower, interest rate than for longer maturities. It takes on more roll-over risk without receiving a genuine interest-rate saving.

The central point is therefore this: short-term funding may save interest today, but it increases tomorrow's dependence on the conditions under which the market is willing to provide follow-up financing.

The Difference Between 30 Years and 2 Years

The decisive difference between long-term and short-term government financing lies not only in the interest rate, but in the investor's position of power.

With a 30-year bond, the government has the money for 30 years. If the investor wants to exit before maturity, they must find a buyer in the secondary market. The government itself is not immediately affected. It does not have to refinance as long as the bond has not matured. The investor bears the price risk and must seek liquidity in the market.

With 2-year financing, the situation is completely different. The investor does not have to sell, does not have to find a buyer, and does not have to realize any market-price risk. They can simply wait for maturity, receive the principal repayment, and then decide not to reinvest. For the government, this is exactly when the real risk arises: it has to place the matured debt again.

Short-term government financing is therefore structurally closer to a roll-over loan than to genuine long-term capital provision. The government does not receive capital for a generation, but only capital until the next maturity date. Formally, the funding is secured until then. Economically, however, stability depends on whether the same or new investors are willing to roll the system at every maturity.

The question is no longer merely: "What does the debt cost?" The question becomes: "Who will provide the government with the money again when the debt matures?" With long-term financing, this question is postponed for decades. With 2-year financing, it is asked again and again.

The Refinancing Balloon Is Growing

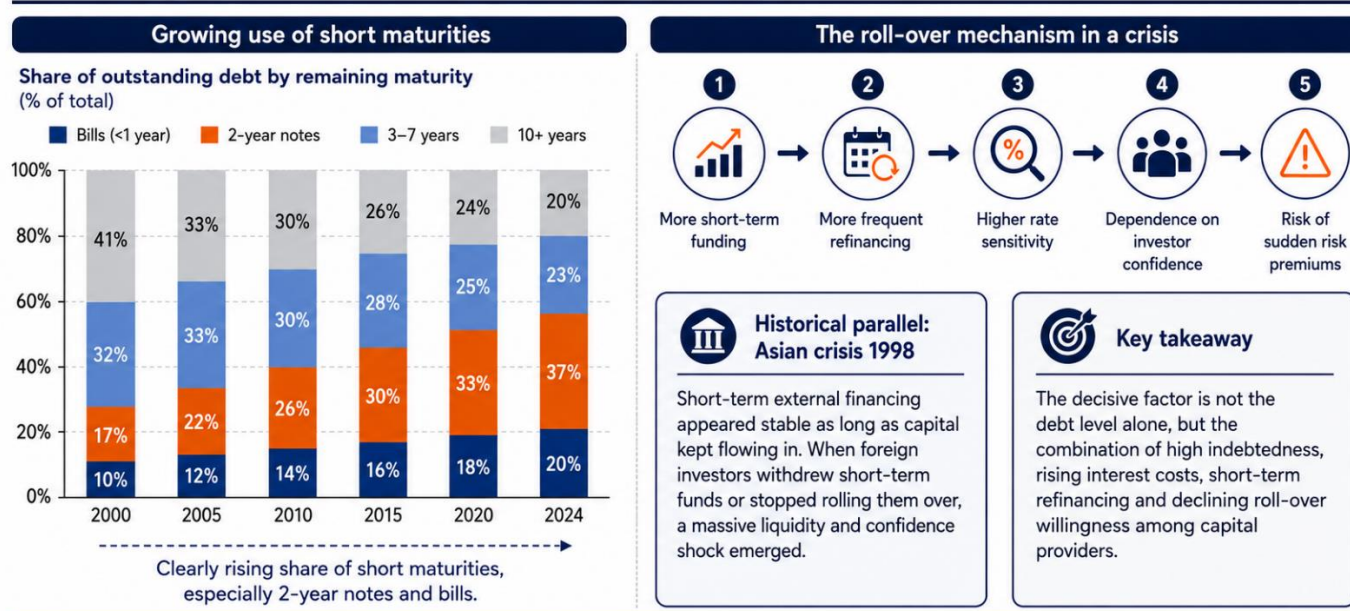
There is another particularly dangerous reinforcing mechanism: the refinancing balloon is not shrinking, but continuously growing. The reason is that older, longer-dated financing matures over time and is increasingly replaced by shorter maturities. As a result, not only the absolute debt level increases, but also the share of the debt mountain that must be placed again in the market at ever shorter intervals.

The problem therefore intensifies dynamically. Short-term funding is not only riskier in individual cases; it changes the structure of the entire debt portfolio. Every expiring long-term financing that is not replaced with another long-term instrument, but instead converted into short maturities, increases future refinancing requirements. The government thereby creates for itself an ever larger block of liabilities that are not secured for ten, twenty or thirty years, but are once again at the disposal of the capital market after only a short period of time.

This is how a refinancing balloon emerges: ever larger volumes must be rolled at ever shorter intervals. As long as capital markets remain liquid and investors are willing to continue buying, this mechanism remains manageable. But if inflation, rising short-term rates or declining demand occur — especially from abroad — the stress does not affect only new borrowing. It also affects a continuously growing stock of existing debt that must now also be refinanced.

Short-Term Refinancing: The Dangerous Roll-over Mechanism

More funding at short maturities increases crisis vulnerability



Sources: U.S. Treasury / TBAC / IMF; schematic illustration.

Chart 3 illustrates this mechanism. Short-term funding transforms government debt into a series of continuous confidence votes by the capital market. Every auction, every maturing bill, every new 2-year note becomes a test of whether investors are willing to keep rolling U.S. financing — and at what interest rate.

The Parallel to the Asian Crisis of 1997/98

This is precisely where the historical parallel to the Asian crisis of 1997/98 lies. That crisis was not triggered simply by the existence of debt. The decisive issue was the structure of financing. Several of the affected countries were heavily dependent on short-term foreign funding. As long as foreign capital flowed in and short-term loans were extended, the system appeared stable. When investors withdrew or were no longer willing to roll short-term funds, a financing structure turned into a crisis mechanism.

Capital withdrawal therefore did not necessarily occur through hectic sales of existing claims. It could also occur simply because maturing exposures were not renewed. That is exactly the dangerous feature of short-term financing: investors do not need to find a buyer in order to exit. They can wait for repayment and then simply not reinvest.

Applied to today's U.S. fiscal structure, this does not mean that the United States should be equated with Asian emerging markets of the 1990s. The United States has the world reserve currency, a deep Treasury market, and a very

different institutional framework. The parallel does not lie in the identity of the countries, but in the mechanism: high or growing debt becomes particularly dangerous when it coincides with short maturities and ongoing dependence on follow-up financing.

The decisive sentence is therefore: the problem is not the level of debt alone, but the combination of high debt, rising interest expense, short-term refinancing and declining roll-over willingness among capital providers.

The Counter-Scenario: Inflation Instead of Relief

The optimistic scenario is that interest rates fall, the government gains time, and later refinances into longer maturities at more favorable conditions. This scenario is possible. But it is only one scenario.

The decisive risk lies in the counter-scenario. If inflation remains persistent or rises again, the short end of the yield curve may come under renewed pressure. In that case, precisely those financing costs that pass through most quickly to the government budget in a short-term funding structure will rise. In such an environment, the strategy of financing short-term today and extending more cheaply later would fail. Instead of a bridge, it would become a trap.

A renewed phase in which short-term rates exceed long-term rates would be particularly dangerous. In that case, the government would not only assume more roll-over risk for shorter funding, but might also pay the higher interest rate. It would receive less security and no real saving. This is exactly the risk when a highly indebted government shortens the maturity structure of its debt.

Consequences for Investors

This analysis does not imply a mechanical crash forecast. Highly indebted systems can remain stable for longer than fundamental indicators would suggest. Central banks, regulation, liquidity management and financial repression can delay adjustment processes. But that is precisely why the risk has not disappeared. It is being shifted into the future and may appear there in larger form.

For investors, this means that positive market developments must not be mistaken for an all-clear in the macroeconomic picture. Markets can continue to rise while the foundation becomes more fragile. The key issue remains whether interest rates, maturity structure and investor confidence remain stable at the same time. If one of these factors breaks, the situation can change much faster than it would in a system financed with long-term debt.

This is why we use hedging strategies. Our positive performance in April 2026, following an already positive March, shows that GAMAG can generate returns regardless of whether indices rise or fall. Sitting out drawdowns and even buying more has worked historically, but in our view it will not work in the future. The core warning from March remains valid and has become even more serious with the renewed rise in markets. Nothing has been solved. On the contrary, interest rates have risen further.

We view the recent market rise as another episode of market manipulation by some large investors seeking one more opportunity to unload major positions. It is better to be able to earn money even during a crash.