



## Ongoing Disruptions to Supply Chains

Markets remain hesitant to fully price in the fallout from the Iran conflict—ongoing supply chain disruptions, capital destruction across the Middle East, pressure on corporate profitability, and ultimately slower growth. Even under the optimistic assumption of a resolution between the U.S. and Iran's Revolutionary Guards, a swift return to a golden age appears unlikely.

Inflation figures are likely to develop above expectations worldwide compared to the start of the year. At the same time, the economy runs the risk of falling short of expectations, even if it remains robust for now. However, should the unfavorable scenario materialize—where reopening does not occur until the fall or even

later—the macroeconomic environment could shift from an inflation shock to a growth shock.

There are currently two factors driving prices: the closure of the Strait of Hormuz as a negative factor and artificial intelligence (AI) overall, with its positive impact. Investors should, however, prepare for increased volatility in risk assets and a consolidation in the AI bull market during the summer months. At present, it remains difficult to assess how higher energy prices will impact the general economic situation in the medium term and shape monetary policy shifts in many regions.

## Modest growth in May

All strategies posted slight gains. In the highest risk classes (Revo4: +1.6%, Revo5: +2.0%), the foreign influence on returns was most noticeable. In the Swiss-focused, income-oriented RevoDividenden solution (+0.8%), May was somewhat disappointing. Higher interest rates caused interest-rate-sensitive securities in particular—such as insurance stocks, real estate companies, and capital-intensive utilities—to underperform. All three sectors, like the telecommunications sector, are characterized by a multitude of long-term business models linked to attractive dividend payouts, though this does not always appear to be a top priority in the short term. In the RevoDividenden, the dividend yield stands at 4.1%, while in the Revo5 it is 3.2% due to the higher proportion of non-dividend-paying growth stocks.

In the lowest risk class (Revo1: +0.6% in May), one would still need to add the withholding tax credit of 0.4% “earned” in April. Nevertheless, the total return since the beginning of the year would still be slightly negative. However, we are confident that the portfolio changes we have implemented will help push the returns of all risk classes back into positive territory.

Our DecarbRevo solutions continued to generate the most encouraging returns since the start of the year. This is attributable to the continued strong demand for decarbonized energy and the corresponding energy infrastructure. Because the extremely high prices for fossil fuels moved downward in May (from \$118 per barrel of crude oil to \$91), these portfolios suffered minimal losses in an otherwise sunny May.

Strategies mainly based on individual titles,  
supplemented by ETFs and investment funds

Strategy performance\*

	May 2026	2026 YTD
Zugerberg Finanz R1	+0.6%	-1.2%
Zugerberg Finanz R2	+1.0%	-0.9%
Zugerberg Finanz R3	+1.1%	-0.3%
Zugerberg Finanz R4	+1.6%	+0.5%
Zugerberg Finanz R5	+2.2%	+1.4%
Zugerberg Finanz RDividends	+0.7%	+1.8%
Zugerberg Finanz Revo1	+0.6%	-1.0%
Zugerberg Finanz Revo2	+1.0%	-0.8%
Zugerberg Finanz Revo3	+1.1%	-0.3%
Zugerberg Finanz Revo4	+1.6%	+0.5%
Zugerberg Finanz Revo5	+2.0%	+1.1%
Zugerberg Finanz RevoDividends	+0.8%	+1.4%
Zugerberg Finanz DecarbRevo3	-0.1%	+11.3%
Zugerberg Finanz DecarbRevo4	-0.5%	+13.5%
Zugerberg Finanz DecarbRevo5	-0.8%	+14.8%

Zugerberg Finanz Vested benefits

Strategy performance\*

	May 2026	2026 YTD
Zugerberg Finanz Vested benefits R0.5	+0.3%	-1.6%
Zugerberg Finanz Vested benefits R1	+0.5%	-1.4%
Zugerberg Finanz Vested benefits R2	+0.7%	-1.2%
Zugerberg Finanz Vested benefits R3	+0.8%	-0.7%
Zugerberg Finanz Vested benefits R4	+1.3%	-0.1%
Zugerberg Finanz Vested benefits R5	+2.2%	+1.4%
Zugerberg Finanz Vested benefits RDividends	+0.7%	+1.8%

Zugerberg Finanz 3a pension solution

Strategy performance\*

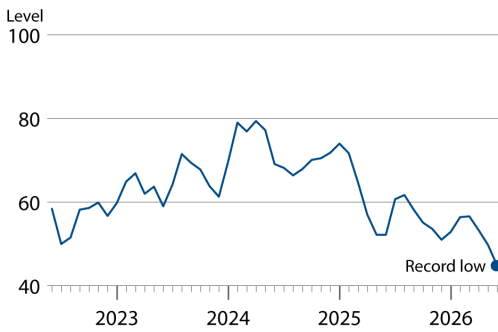
	May 2026	2026 YTD
Zugerberg Finanz 3a Revo1	+0.6%	-1.0%
Zugerberg Finanz 3a Revo2	+1.0%	-0.8%
Zugerberg Finanz 3a Revo3	+1.1%	-0.3%
Zugerberg Finanz 3a Revo4	+1.6%	+0.5%
Zugerberg Finanz 3a Revo5	+2.0%	+1.1%
Zugerberg Finanz 3a RevoDividends	+0.8%	+1.4%
Zugerberg Finanz 3a DecarbRevo3	-0.1%	+11.3%
Zugerberg Finanz 3a DecarbRevo4	-0.5%	+13.5%
Zugerberg Finanz 3a DecarbRevo5	-0.8%	+14.8%

\* The stated performance is net, after deduction of all running costs, excluding contract conclusion costs

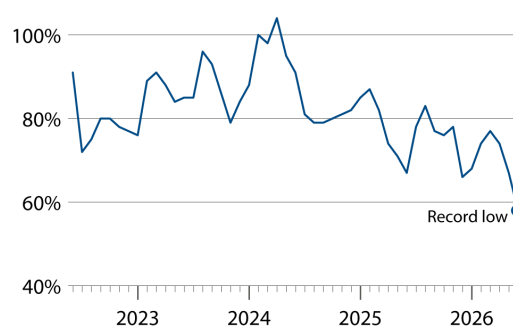
Macroeconomics

# Consumer confidence falls to a new record low

Consumer confidence in the U.S.



Financial situation in the U.S.



Consumer confidence in the U.S. falls to a new record low (Source: University of Michigan, May 2026 | Chart: Zugerberg Finanz)

Rising energy prices and higher inflation rates have driven consumer sentiment in the U.S. to a new record low. This is compounded by a bleak outlook for the labor market. AI is driving up the unemployment rate even among college graduates, raising fears that the economic path toward higher productivity will be extremely disruptive for some workers and make it harder for young people to enter the labor market. Wage growth fell to its lowest level in nearly five years in March.

For the past three months, Americans have been grappling with relatively sharp increases in gasoline prices and persistent inflation rising toward 4%, which has sent consumer confidence plummeting to a record low. Retailers such as Walmart and Lowe’s are already issuing urgent warnings that the rising fuel costs caused by the U.S. and Israel’s war against Iran will soon be reflected in the prices of products on their shelves.

If that happens, the purchasing power of U.S. consumers will deteriorate even further, putting lower-income consumers in particular under even greater pressure. Affluent Americans are propping up total consumer spending, one of the most important drivers of the global economy. According to the U.S. Department of Commerce, retail sales rose in April for the third consecutive month.

Yet even there, inflation concerns are weighing on consumer sentiment. The University of Michigan’s final sentiment index for May fell by 5 points from April to 44.8, according to the latest survey. This is the latest in a series of record lows and weaker than all forecasts in

a Bloomberg survey of economists.

The current pace of AI-related investment is moving in the opposite direction. It has reached a historically unprecedented scale and extends all the way to Switzerland. These investments now exceed all other capital expenditures for the construction of single-family homes, factories, power plants, industrial facilities, and apartments. This is likely to result in data centers worth approximately \$3 trillion appearing on hyperscalers’ balance sheets by 2030. What contributes significantly to growth today will require write-offs tomorrow.

Thanks to the existence of ETFs, the risk of this industrial renaissance is being passed on to many, but currently many are also benefiting from it. For example, in the U.S. in the first quarter of 2026, the contribution to the change in gross domestic product (GDP) from investments (+1.9%) was almost as much as the GDP growth (+2.0%) compared to the previous year. Without AI investments, the U.S. would have stagnated. Consumption no longer contributes to growth as it did in the past. Too much purchasing power is lost at the gas stations.

In addition, many hope that AI will have a deflationary effect, much like the IT boom around the turn of the millennium, thereby mitigating the energy price shock. On the other hand, attention is being drawn to the growing energy requirements for training AI, and the rapidly rising demand for advanced semiconductors is driving up prices for data centers, laptops, smartphones, and cars.

Region	3–6 months	12–24 months	Analysis
Switzerland	→↗	↗	The resilience is fascinating, as is the strong Swiss franc, although negative factors (including the tightening of the Lex Koller law) are spreading in the real estate markets.
Eurozone, Europe	→↗	↗	Europe differs fundamentally from the U.S. in one respect: government debt and the deficit are much lower here than in the U.S.
USA	→↗	↗	The IPOs of SpaceX and the unprofitable AI developers Anthropic and OpenAI are generating short-term enthusiasm, but they also heighten the risk of a crash.
Rest of the world	→↗	↗	China is poised to take the lead in innovation and cost efficiency across numerous future-oriented technologies: an immense challenge!

Liquidity, currency

## German yields are significantly higher



Yields on German government bonds are well above those in Switzerland, 01/2000 – 05/2026 (Source: Bloomberg L.P. | Chart: Zugerberg Finanz)

Although yields on German 10-year government bonds are the lowest in the eurozone, they have risen to a record high of 3.0% compared to 0.4% in Switzerland. The 260-basis-point spread is also driving up hedging costs. Currently, approximately 2.4% per year must be paid to hedge a euro position against the Swiss franc. That is a lot, but still less than the hedging costs of around 3.8% for the dollar.

Confidence in the dollar’s stability is relatively low. On the one hand, there is the high and rapidly rising national debt. The high coupons associated with new issuances amplify this compound interest effect. However, nervousness is rising not only regarding the U.S.’s solvency but also regarding U.S. companies. Lenders have lost a lot of money to companies threatened by AI. That is why some fear a new financial crisis.

It is ideal, then, that Kevin Warsh, a new chairman, is now leading the U.S. Federal Reserve (Fed). He is financially independent of the office itself, as he has a net worth of at least \$100 million and his wife holds an investment portfolio of around \$2 billion. He once worked as an investment banker at Morgan Stanley and has close ties to Wall Street. This is likely to be of the utmost importance, especially in times of crisis.

But even in “stable” times, he is aware of the distortions caused by Fed interventions, such as continued bond purchases, which are

intended to reduce the cost of government debt and blur the lines between monetary and fiscal policy. That is why it remains a mystery why Donald Trump nominated a candidate whose past remarks on monetary policy seem very reasonable and place him in sharp contrast to the U.S. president’s desire for loose monetary policy.

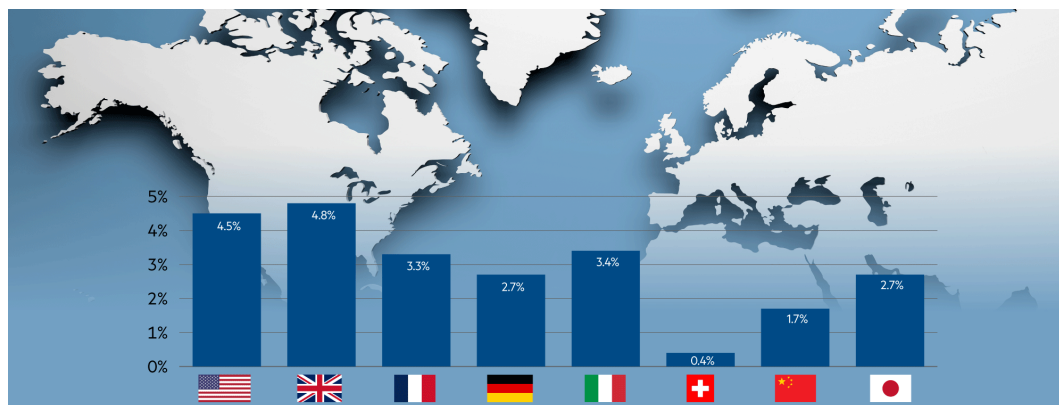
Another currency is somewhat overshadowed by the dollar but is also undergoing change: the British pound. At first glance, government bonds appear more attractive than at any point this century. However, a change in government may be on the horizon. The mayor of Manchester is seeking to succeed Keir Starmer. His pro-spending agenda could put further pressure on bonds and the currency. Meanwhile, the yield on 10-year government bonds stood at 5.2% in May and 4.9% in early June. Bonds with a 30-year maturity even yielded 5.9%, their highest level since 1998. But this is similar to the situation with the Japanese yen.

The high yields are merely harbingers of massive currency devaluations. From 10 francs per pound in the spring of 1972, the exchange rate has fallen to its current level of 1.06. That represents a nearly 90% decline in just over 50 years. With the Japanese yen, we don’t have to look that far back. In the last 12 months alone, the currency has depreciated by 14%. Since the fall of 2021, the cumulative depreciation has been 42%.

Asset class	3–6 months	12–24 months	Analysis
Bank account	↘	↘	SARON swap rates remain slightly negative for maturities up to 9 months. In contrast, 10-year swap rates stand at +0.4%.
Euro / Swiss franc	→	→	At 0.91, the euro shows no significant change. Since the beginning of the year, it has fluctuated between 0.90 and 0.93 within a narrow range.
US dollar / Swiss franc	→	↘	At 0.79, the USD/CHF exchange rate is, as expected, slightly at the upper end of the 0.76 to 0.80 range seen so far this year.
Euro / US dollar	→	↗	The EUR/USD rate tends to decline when hopes for an agreement between the US and Iran fade, boosting demand for the USD.

Bonds

## Higher yields on bonds



Yields on ten-year government bonds, end of May 2026 (Chart: Zugerberg Finanz)

The war-induced energy price shock not only caused inflation rates to rise worldwide, but also pushed up bond yields. In the U.S., the yield on the 10-year Treasury note rose by 43 basis points to 4.5% over three months, putting downward pressure on bond prices. It also makes borrowing more expensive, for example for home construction and investments, and thus for entire production processes. When valuing future cash flows, such as those from rental income and business activities, higher interest rates depress the present value.

Higher interest rates increase the cost of capital. The cost of equity rises because investors demand a higher return for their risk. Interest rates on debt also rise, meaning the total cost of capital increases. As a result, projects that still seemed attractive at lower returns no longer meet this threshold.

On the investment side, there are also considerations regarding this. For instance, the investment firm Berkshire Hathaway is currently investing very little in (volatile) stocks because the interest rates on the dollar capital market alone yield an annual return of 4% to 5% through the safest bonds. The company currently holds \$381 billion in “cash” (which includes highly liquid U.S. Treasuries) and is known for its caution during stock market phases when other investors are greedy.

Again: Higher interest rates lead to a higher discount rate in the valuation model, causing future cash flows to be discounted more

heavily and thus lowering the discounted cash flow valuation and, consequently, the current valuation of a company or asset. If actual valuations on the stock markets remain the same or even rise, this can be attributed mainly to two causes: Either the vast majority of investors believe that inflation is rising only temporarily, do not raise their inflation expectations, and are not unsettled by short-term fluctuations in the bond markets. This is rarely the case.

Much more common is the second cause: the—at least temporary—decoupling of sentiment between the bond and stock markets. Bond markets tend to be more heavily influenced by concerns and doubts. Ultimately, the key question is whether a bond will be repaid at maturity in x years and whether debt service (interest) can be consistently met until then. In equity markets, by contrast, current observations (the last and current quarters) are projected far into the future; for example, growth rates are extrapolated indefinitely.

The picture in the bond markets is increasingly characterized by divergence—regions, yield curves, sectors, and issuers are drifting apart. Higher effective interest rates and coupons provide protection against volatility in an uncertain economic environment where growth, inflation, and politics depend primarily on the development of energy prices. In this environment, security selection is crucial. The potential of the markets lies in the careful selection of government and corporate bonds. This reinforces the role of bonds as a source of income and a portfolio stabilizer.

Asset sub-class	3–6 months	12–24 months	Analysis
Government bonds	→	→	The Swiss Bond Index, which is heavily weighted toward government bonds and mortgage bonds, remained unchanged in May and is slightly down (-0.3%) year-to-date.
Corporate bonds	↗	↗	Despite an increase in May, the global aggregate index value (hedged in CHF) is up only slightly (+0.5%) year-to-date.
High-yield, hybrid bonds	↗	↗	The global aggregate index value (hedged in CHF) is slightly up (+0.3%) year-to-date following a moderate increase in May.

Zugerberg Finanz bond solutions

## Stable bond prices since the start of the year



(Image source: stock.adobe.com)

As of the end of May, it can be noted that global bond markets have remained fairly stable. The Swiss Bond Index (AAA-BBB Total Return, -0.3%) has outperformed the global bond index (-0.9%) slightly since the start of the year. The Zugerberg Income Fund operates within this environment and has so far achieved a slightly better performance (-0.2%). Our slightly more risk-seeking bond solution, the Credit Opportunities Fund (COF), consolidated its performance in May and is up for the year to date (+0.4%).

In May, European bonds were able to recoup most of the losses recorded in March, as the announcement of a 60-day ceasefire raised hopes for an end to the war and a swift reopening of the Strait of Hormuz. Risk appetite remained supported throughout the month by de-escalation efforts, though doubts about the success of the negotiations surfaced repeatedly. Ultimately, the month ended without any significant improvements in shipping traffic through the strait or any clearly discernible progress on the negotiating front.

As a result, European and U.S. interest rates remained weak despite the more positive sentiment in the AI sector. Nevertheless, they ended May slightly below the decade's high overall. This is particularly evident in government bond indices. The index for U.S. Treasuries (hedged in CHF) is even lower (-1.7%) than that of Swiss bonds (-1.3%).

Credit markets have remained orderly so far, supported by a favorable default environment, generally solid balance sheets, and limited short-term refinancing needs. These factors are likely to provide significant support should the macroeconomic environment deteriorate beyond a temporary shock. While valuations—consistent with an environment of low default rates—remain high and credit risk premiums are relatively moderate, total returns continue to offer attractive carry income.

Within the bond markets, we are sticking to our strategy of achieving our yield targets primarily through corporate bonds. The best strategy is likely to diversify across different maturities and sectors. You'll never catch the perfect timing. But when bonds hit the Swiss franc market promising a yield to maturity of 2.1% in May 2051, we'll jump on them—especially in the case of Amazon. That particular bond is also in the ZIF portfolio due to the issuer's strong credit rating.

However, we have generally not followed the data center euphoria, but have remained cautious and opportunistic. After all, overcapacity could develop, making it impossible for smaller operators to service the interest and repay the bonds. In the case of an investment (e.g., the 4-year €750 million bond from Polar DC, of which we acquired a portion for the COF), we value the short duration.

	Zugerberg Income Fund	Credit Opportunities Fund
Yield in 2026 (since the beginning of the year)	-0.2%	+0.4%
Yield since the start (annualized)	-6.7% (-0.9%)	+39.5% (+2.5%)
Proportion of months with positive yield	58%	68%
Credit risk premium in basis points (vs. previous month)	94 BP (no change)	343 BP (-9 BP)
Average rating (current)	A-	BB

You can find more information in the [factsheets](#) on the Zugerberg Income Fund and the Credit Opportunities Fund.

Real estate, infrastructure

## Infrastructure funds focused on data centers



"Hyperscale location" ZRH2 of Green Data Center in Dielsdorf (Image: courtesy of the publisher)

By expanding its infrastructure, an economy lays the foundation for its future growth potential. In this context, the construction and operation of data centers have become increasingly important—not only in the U.S. but around the globe. Switzerland is also benefiting from investments in data centers, as are the many pension funds that have significantly expanded the infrastructure portion of their portfolios in recent years.

Partners Group, for example, is seeing strong demand for infrastructure from institutional investors (pension funds, collective foundations, insurance companies). It began making such investments 15 years ago. Another private market provider is the IFM Global Infrastructure Fund, which is owned by pension funds and also invests a significant portion of long-term retirement savings in the infrastructure sector.

The asset manager IFM Investments has a high profile in the Zurich area because it acquired Green.ch on October 30, 2025, thereby gaining numerous data centers (DCs). Headquartered in Switzerland, Green plans, develops, and operates state-of-the-art data centers for hyperscalers such as Alphabet/Google, Amazon, Microsoft, and, of course, a wide range of corporate clients. The company is a leader in the Swiss market for DC services and benefits from long-term contracts with global cloud providers as well as corporate clients.

The image shows a data center site in Dielsdorf, whose capacity is currently being expanded. Other locations include Lupfig, Glattbrugg, and Schlieren—all around the city of Zurich. The focus is always on achieving the perfect combination of high performance, high security, and high energy efficiency through sustainable concepts. AI development, training, and operations require extreme computing power. This significantly drives up energy consumption per computing unit.

In addition to computing power, the underlying infrastructure (power supply and its resilience, cooling, network capacity, transport/logistics, and availability of semiconductors) is also crucial for scalability, reliability, and costs.

AI workloads increase the demand for affordable, stable energy prices. Carbon footprints and decarbonization also play a significant role. This, in turn, leads to interesting companies in Switzerland (e.g., Belimo for advanced cooling technologies such as immersive cooling). Such companies shape our DecarbRevo strategies.

ABB, Schneider Electric, and Siemens, as well as construction-related companies such as Implenia, Holcim, and Sika, play a key role in the data center market. Even smaller, research-oriented technology companies like Huber + Suhner, which supply high-performance optical switches to large hyperscale data centers, can occupy a specific market niche and are rewarded for it on the capital market.

Asset sub-class	3–6 months	12–24 months	Analysis
Residential properties CH	→↗	↗	The SXI Swiss Real Estate Funds TR Index continues to underperform (+1.5% year-to-date), while the SWIIT Index is up just +0.9%.
Office and retail properties CH	→↗	↗	PSP Swiss Property (+7% year-to-date) and SPS (+10%) both lost around 4% in May, as did Mobimo, but the outlook remains positive.
Real Estate Fund CH	→	→↗	Premiums remain at around 35%. In "risk-on" periods like May, real estate stocks tend to be sold, whereas in "risk-off" periods they are in demand.
Infrastructure Equity / Fund	↗	↗	Zurich Airport (+7%) rebounded in May following April's sell-off. The expected dividend yield stands at a robust 4.1%.

Equity

## AI and, consequently, geography are decisive



The Strait of Hormuz has been a key factor in share price movements since the end of February 2026 (Image: AI-generated)

The geographic location of corporate headquarters perceived as AI winners has been the most important distinguishing factor in the stock markets so far this year. Added to this as a negative factor is the Strait of Hormuz. Economies dependent on high energy imports, such as India and China, have suffered, while the stock markets of Taiwan, South Korea, and Japan—dominated by semiconductor companies—are in a bull market. Europe is up slightly overall.

For the U.S., we used the S&P 500 Index (+9.1% in Swiss francs) as a benchmark, although it is more heavily weighted toward technology stocks than ever before. The broader Dow Jones Index (+4.6%), which is geared toward U.S. consumer spending, did not differ significantly from European indices.

In the first two months, the markets showed a different side. The MSCI Europe gained ground (+4.7% in Swiss francs) while the S&P 500 fell (-2.5%). The MSCI Emerging Markets Index was already performing strongly (+9.5%), although the Indian Nifty 50 (-7.9%) declined. With the war in Iran and the resulting energy price shock, the picture changed rapidly.

Energy-importing countries suffered losses. Poorer emerging economies with energy-intensive production processes, such as India, were hit harder. Inflation, which had fallen to less than 2%, rose rapidly. Consequently, the trade and current account balances shifted quickly, the currency depreciated, and the central bank was forced to raise key interest rates. It had to accept the resulting

slowdown in the economy.

Energy-exporting economies like the U.S. were less severely affected than feared. There, too, energy prices rose and eroded household purchasing power, but the momentum from AI-related investments outweighed these effects. Individual companies such as Alphabet (Google) reported in May that their order books had grown by \$225 billion in the first quarter. To fulfill these orders, the company will invest around \$1 billion on every working day over the next twelve months.

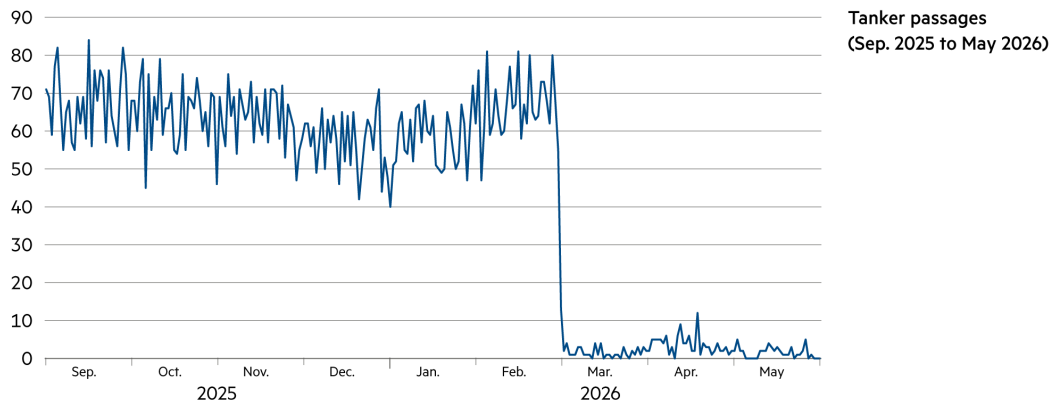
This order volume is partly directed toward the construction industry, which was able to offset the otherwise recessionary trends in the U.S. In the semiconductor industry, however, bottlenecks are emerging, as other companies such as Amazon, Microsoft, Apple, Oracle, and Tesla (xAI) have also increased their investment plans alongside Alphabet. The shortage of memory chips needed to build a data center has driven up the share prices of market-leading manufacturers such as TSMC (+38% year-to-date in CHF), Samsung Electronics (+150%), SK Hynix (+241%), Intel (+204%), and Micron Technology (+228%).

Nvidia's stock price (+11% year-to-date) is currently in a consolidation phase because, although Nvidia reports impressive growth figures, it "merely" designs semiconductors rather than manufacturing them itself and will need to spend more on future production than in the past.

Asset sub-class	3–6 months	12–24 months	Analysis
Equity Switzerland	→↗	↗	In the Revo5, Also Holding (+16%) as well as UBS, Holcim, Sika, and ABB (each +7%) gained ground in May. Swiss Life, Swiss Re, and Accelleron (each -7%) were negative surprises.
Equity Eurozone, Europe	→↗	↗	Siemens and SAP (each +7%) and Deutsche Telekom (+5%) rose in May. The worst-performing European stock in the portfolio was Axa (-3%).
Equity USA	→↗	↗	Tech leaders also gained ground in May. Apple (+15%), Microsoft (+10%), and Nvidia (+6%) performed well; Netflix (-8%) was clearly in the red.
Equity Emerging markets	→↗	↗	The MSCI Emerging Markets Index was once again a top performer in May (+9% in USD). The India Growth Fund (-1%) suffered from the ongoing energy crisis in India.

Alternative investments

## A certain degree of calm in oil and gas prices



Tanker passages through the Strait of Hormuz from September 2025 to May 2026 (Source: Bloomberg L.P. | Chart: Zugerberg Finanz)

Prices on the commodities markets have recently fallen significantly in May. A month ago, prices were still about 30% higher, but most recently, a barrel of Brent crude oil was trading at just \$91. In addition, oil is trading even lower on the futures market. December contracts for Brent crude were last quoted at \$81, while the U.S. WTI grade was trading at just \$77. This suggests that the blockade at the Strait of Hormuz is highly likely to end.

In principle, it is positive that energy prices are not being driven up speculatively again. Yet this apparent calm is deceptive. Behind the scenes, all manner of scenarios are now being considered. As on the stock markets, one can never be certain whether investors are underestimating or overestimating a situation.

What is certain, however, is that a prolonged shutdown would have far-reaching consequences for energy prices and downstream supply chains. The Swiss commodities trader Mercuria recently pointed out that high prices and shortages would also dampen demand. Poorer countries would reduce demand more quickly than richer ones.

The situation is different in the gas sector. There, it is increasingly important to operate within seasonal cycles. For example, storage levels in Europe are currently about 35% full. Filling them in time for the coming winter is becoming a source of anxiety for traders and

suppliers, as over 70% of storage capacity has already been contracted. This leaves a supply gap that needs to be filled at moderate prices.

The war is also disrupting supply chains for fertilizers, helium, and kerosene. The procurement and distribution markets for aviation fuel are unique. The looming shortage during the flight-intensive summer months was largely averted by the rapid conversion of individual refineries. This has also caused airfares to drop again recently, after they skyrocketed in March. Kerosene accounts for between 25% and 40% of ticket costs.

China is holding up relatively well. State-owned oil companies were given the green light to tap into their commercial reserves just a few days after the war broke out. The only restriction was on exports. China began building up a domestic oil reserve sufficient to meet two years' worth of demand some time ago. These reserves are far larger than those of the U.S., Germany, and Japan combined. And they are stockpiled solely for domestic use, which led to accusations by U.S. Treasury Secretary Scott Bessent that China is an "unreliable global partner." Conversely, during Donald Trump's visit, Xi Jinping stated that China does not supply Iran with weapons. And a few days later, China rejected an offer of strategic gas supplies from Russia.

Asset sub-class	3-6 months	12-24 months	Analysis
Commodities	↗↘	→↗	The resumption of shipping in the Gulf is likely to recover only slowly, even if an agreement is reached. Hundreds of ships are waiting.
Gold, precious metals	→↗	→↗	For gold, rising real interest rates increase the opportunity cost of interest-free investments. With the opening of the Strait of Hormuz, the price of gold is rising again.
Insurance Linked Securities	↗	→↗	With well-balanced insurance risks, CEO Andreas Berger is steering Swiss Re toward a stable and solid future. The company has already generated a third of its annual profit after just three months.
Private equity	→	↗	The investment years 2021/22 were disappointing. Since then, the industry has been recovering, and successful years lie ahead, particularly with private infrastructure investments.

## Market data

Asset class		Price (in local currency)			Monthly / YTD / Annual performance (in CHF)		
		31.05.2026	05/2026	2026 YTD	2025	2024	2023
<b>Equity</b>							
SMI	CHF	13'542.7	+3.1%	+2.1%	+14.4%	+4.2%	+3.8%
SPI	CHF	19'157.8	+3.3%	+5.2%	+17.8%	+6.2%	+6.1%
DAX	EUR	25'104.7	+2.7%	+0.5%	+21.6%	+20.4%	+13.1%
CAC 40	EUR	8'183.3	+0.2%	-1.7%	+9.4%	-1.0%	+9.6%
FTSE MIB	EUR	50'036.8	+3.1%	+9.2%	+30.0%	+14.1%	+20.4%
FTSE 100	GBP	10'409.3	-0.7%	+3.3%	+14.1%	+12.1%	-0.3%
EuroStoxx50	EUR	6'050.5	+2.3%	+2.3%	+17.3%	+9.6%	+12.1%
Dow Jones	USD	51'032.5	+2.6%	+4.6%	-1.3%	+22.1%	+3.5%
S&P 500	USD	7'580.1	+5.0%	+9.0%	+1.7%	+33.4%	+13.1%
Nasdaq Composite	USD	26'972.6	+8.2%	+14.3%	+5.2%	+39.2%	+30.6%
Nikkei 225	JPY	66'329.5	+9.9%	+27.8%	+10.9%	+15.2%	+8.6%
Sensex	INR	74'775.7	-2.9%	-18.1%	-9.3%	+13.8%	+7.4%
MSCI World	USD	4'864.6	+4.2%	+8.1%	+4.4%	+26.6%	+10.8%
MSCI EM	USD	1'752.2	+9.3%	+22.9%	+14.1%	+13.6%	-2.6%
<b>Bonds (mixed)</b>							
Glob Dev Sov (Hedged CHF)	CHF	149.8	+0.2%	-1.3%	-1.0%	-1.4%	+2.2%
Glob IG Corp (Hedged CHF)	CHF	186.1	+0.6%	-0.8%	+2.5%	-0.8%	+4.2%
Glob HY Corp (Hedged CHF)	CHF	381.1	+0.5%	+0.4%	+5.4%	+6.1%	+8.7%
USD EM Corp (Hedged CHF)	CHF	287.1	+0.5%	-0.2%	+5.9%	+2.4%	+4.5%
<b>Government bonds</b>							
SBI Dom Gov	CHF	183.8	-0.3%	-1.4%	-0.2%	+4.0%	+12.5%
US Treasury (Hedged CHF)	CHF	136.3	-0.2%	-1.7%	+1.7%	-3.8%	-0.5%
Eurozone Sov (Hedged CHF)	CHF	176.7	+1.0%	-0.1%	-1.8%	-0.8%	+4.8%
<b>Corporate bonds</b>							
CHF IG Corp (AAA-BBB)	CHF	192.8	+0.2%	+0.3%	+0.7%	+5.1%	+5.7%
USD IG Corp (Hedged CHF)	CHF	187.9	+0.5%	-1.0%	+3.1%	-2.4%	+3.5%
USD HY Corp (Hedged CHF)	CHF	631.9	+0.2%	0.0%	+4.0%	+3.7%	+8.5%
EUR IG Corp (Hedged CHF)	CHF	168.8	+0.8%	-0.1%	+0.7%	+2.0%	+5.9%
EUR HY Corp (Hedged CHF)	CHF	312.1	+0.8%	+0.3%	+2.8%	+5.4%	+9.8%
<b>Alternative investments</b>							
Gold Spot CHF/kg	CHF	114'002.1	-1.7%	+3.6%	+43.8%	+36.0%	+0.8%
Commodity Index	USD	135.1	-4.0%	+21.3%	-2.9%	+8.3%	-20.4%
SXI SwissRealEstateFunds TR	CHF	3'014.4	+1.6%	+1.1%	+9.9%	+16.0%	+5.4%
<b>Currencies</b>							
US dollar / Swiss franc	CHF	0.7810	-0.1%	-1.5%	-12.8%	+7.8%	-9.0%
Euro / Swiss franc	CHF	0.9105	-0.7%	-2.2%	-1.0%	+1.2%	-6.1%
100 Japanese yen / Swiss franc	CHF	0.4904	-1.7%	-3.1%	-12.1%	-3.4%	-15.4%
British pound / Swiss franc	CHF	1.0508	-1.1%	-1.6%	-6.1%	+6.0%	-4.2%

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