Tellenörtli bathing spot in Oberwil, Zug (Photo: Andreas Busslinger)

Entering the second half of the year with confidence

At the beginning of the second quarter, the global economy was severely unsettled by a tariff war instigated by the US. However, gradual progress on trade agreements stabilized the weakening sentiment among companies and private households. Hard data improved thanks to robust consumption, and fiscal concerns about US government debt eased somewhat.

However, the development momentum remains volatile. The unexpectedly strong resilience of the US labor market led to a wait-and-see attitude regarding interest rate cuts, but the end of the super-restrictive monetary policy is looming.

The US Federal Reserve is likely to bring itself to cut interest rates four to five times over the next 12 months. The outlook for fixed-income securities is more difficult: recent developments in both economic data and the ongoing process of passing the Republicans' budget compromise have reduced the scope for a significant decline in bond yields in the near term.

The dollar remains in an unfavorable downward trend, as structural pressures are likely to continue with falling interest rates. In contrast, the tactical outlook for global equities looks favorable given the decline in volatility and the upside potential for corporate earnings. In the medium term, the rotation of foreign capital flows out of the US is likely to continue, which will support European stock markets in particular.

The risks of escalation in the Middle East for global equity markets are low, and the four key risk channels (oil prices, freight and trade, geopolitical risk premiums, and tourism) remain manageable. We are entering the second half of the year with a cautiously optimistic stance and are maintaining our overweight positions in equities and corporate bonds and our underweight position in government bonds.

June ultimately ended on a negative note

In June, US equities found a conciliatory path out of the crisis, although the weak dollar weighed heavily on many stocks. The broad US S&P 500 stock index gained (+1.8% in CHF), with the technology index (+3.3%) performing slightly better. After a volatile month, European indices were down around 1%, but still significantly higher than at the beginning of the year.

By contrast, the Swiss stock index (-2.5%) was disappointing. Nestlé (-10%), although delivering broad-based growth in Q1, was the worst performer in the Swiss Market Index (SMI). The Swiss Bond Index (-1.1%) also performed poorly, but was significantly outperformed by our bond solutions.

The dollar was very weak (-12% USD/CHF since the beginning of the year). The dollar fell below 80 centimes, dragging the entire global stock index (BBG World -4.9% in CHF) down with it. The Zugerberg Finanz strategies posted slightly negative monthly returns in June (-0.4% to -0.9%). Only the dividend solution recorded a sharper setback after a very good performance to date. By contrast, the Revo Decarb solutions achieved positive returns, with the monthly return rising in line with the weighting of equities.

Strategies mainly based on individual titles	Strategy performance*	
	June 2025	YTD 2025
Zugerberg Finanz R1	−0.6% ↘	+0.8% ↗
Zugerberg Finanz R2	−0.5% ↘	+1.2% ↗
Zugerberg Finanz R3	−0.4% ↘	+1.4% ↗
Zugerberg Finanz R4	−0.6% ↘	+1.4% ↗
Zugerberg Finanz R5	−0.8% ↘	+1.6% ↗
Zugerberg Finanz RDividends	−1.6% ↘	+9.5% ↗
Zugerberg Finanz Revo1	−0.7% ↘	+0.8% ↗
Zugerberg Finanz Revo2	−0.7% ↘	+1.1% ↗
Zugerberg Finanz Revo3	−0.5% ↘	+1.4% ↗
Zugerberg Finanz Revo4	−0.7% ↘	+1.7% ↗
Zugerberg Finanz Revo5	−0.9% ↘	+2.0% ↗
Zugerberg Finanz RevoDividends	−1.7% ↘	+8.8% ↗
Zugerberg Finanz DecarbRevo3	+1.5% ↗	+3.5% ↗
Zugerberg Finanz DecarbRevo4	+2.0% ↗	+4.3% ↗
Zugerberg Finanz DecarbRevo5	+2.4% ↗	+5.2% ↗

Zugerberg Finanz Vested benefits	Strategy performance*	
	June 2025	YTD 2025
Zugerberg Finanz Vested benefits R0.5	−0.4% ↘	0.0%
Zugerberg Finanz Vested benefits R1	−0.5% ↘	+0.7% ↗
Zugerberg Finanz Vested benefits R2	−0.5% ↘	+1.1% ↗
Zugerberg Finanz Vested benefits R3	−0.3% ↘	+1.8% ↗
Zugerberg Finanz Vested benefits R4	−0.3% ↘	+2.2% ↗

Zugerberg Finanz 3a pension solution	Strategy performance*	
	June 2025	YTD 2025
Zugerberg Finanz 3a Revo1	−0.7% ↘	+0.8% ↗
Zugerberg Finanz 3a Revo2	−0.7% ↘	+1.1% ↗
Zugerberg Finanz 3a Revo3	−0.5% ↘	+1.4% ↗
Zugerberg Finanz 3a Revo4	−0.7% ↘	+1.7% ↗
Zugerberg Finanz 3a Revo5	−0.9% ↘	+2.0% ↗
Zugerberg Finanz 3a RevoDividends	−1.7% ↘	+8.8% ↗
Zugerberg Finanz 3a DecarbRevo3	+1.5% ↗	+3.5% ↗
Zugerberg Finanz 3a DecarbRevo4	+2.0% ↗	+4.3% ↗
Zugerberg Finanz 3a DecarbRevo5	+2.4% ↗	+5.2% ↗

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

Macroeconomics

A golden opportunity for Europe

(Image source: stock.adobe.com)

The current conditions are a golden opportunity for a resurgent Europe. Neither US tariff disputes nor the tense situation in the Middle East have been able to halt the improvement in the business climate in Europe so far. The fiscal expansion program in Europe is providing a historic opportunity for industrial change that extends far beyond the defense and infrastructure sectors. Medium-term growth forecasts for Europe were raised in the first half of the year.

In combination with solid, well-implemented industrial strategies, the defense boost could help revive several key industries in Europe and strengthen the global competitiveness of European companies. The mood in the eurozone industry has continued to improve. In S&P Global's Purchasing Managers' Index (PMI), industrial sentiment is at its highest level since August 2022.

Consumer sentiment in Germany also brightened in June. As the German Trade Association in Berlin recently announced, its consumer confidence index climbed to 97.4 points (May: 96.1). This was the fifth consecutive increase, bringing the index to its highest level since August 2024. According to the data, the latest improvement in sentiment was widespread. Consumer concerns about inflation declined, their propensity to buy rose, and economic expectations improved. Nevertheless, the association cautioned that "a further and sustained improvement in consumer sentiment" was necessary for a noticeable recovery.

The outlook in the US is gloomier. Growth forecasts have been significantly revised downwards in recent months. Economists at the US Federal Reserve (Fed) now expect average real gross domestic product (GDP) growth of only 1.6% per year until the end of 2027. The halt in migration alone is responsible for low growth. In the past, this contributed an estimated 30% to annual GDP growth: a growth stimulus that is now missing and is also leading to a noticeable decline in productivity in agriculture and care.

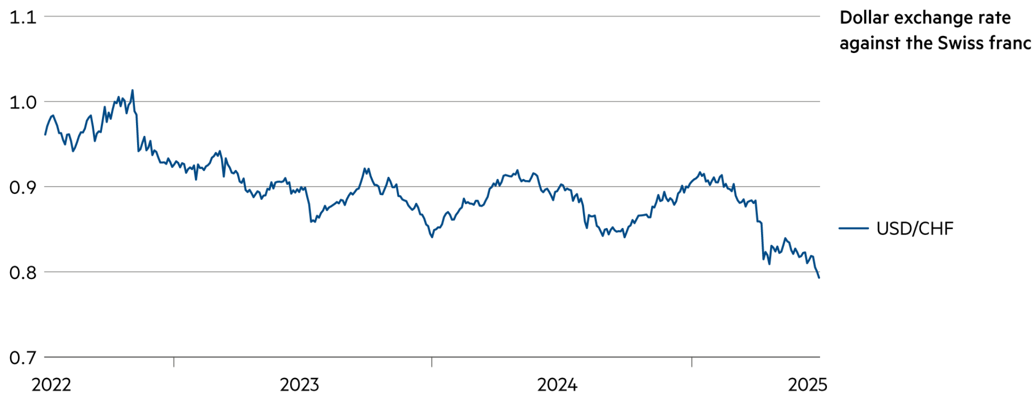
In addition, high interest rates in the US are having a negative impact: high construction financing costs are reducing new construction activity, and high financing costs are also reducing demand for car and industrial goods leasing. Various uncertainties are also shaping the overall economic picture: uncertainties in trade policy, inflation trends, and the labor market.

In any case, the low employment participation rate of 62% of all people of working age in the US is remarkable. In Germany, this rate is 77%, and it is clear that the employment rate must be increased if prosperity is to be maintained. In the Netherlands and Switzerland, far more people of regular working age are in employment than in Germany. In the US, on the other hand, around 100 million people of working age are not in employment.

Region	3–6 months	12–24 months	Analysis
Switzerland	↗	↗	The national consumer price index (-0.1%) is at its lowest level since April 2021. No significant increase is expected in the coming years.
Eurozone, Europe	↗	↗	Europe will also be able to come to terms with general import tariffs of 10% in the US. Many goods are so exclusive that US prices are likely to rise.
USA	→↗	→↗	Expectations are rising that the Fed will soon lower key interest rates. This is giving the ailing economy a boost and hope at the same time.
Rest of the world	↗	↗	The US accounts for around 20% of global GDP. The rest of the world is four times larger and growing at around twice the rate. This is stabilizing the global economy.

Liquidity, currency

Government bonds cause concern



The dollar exchange rate against the Swiss franc over the last three years (Graphic: Zugerberg Finanz)

The wave of interest rate cuts that has followed the decline in inflation since 2023 is gradually coming to an end. Inflation is under control in Europe. In large parts of Asia, it is also no longer a cause for concern. The most uncertain place at present is the US. Rising inflation rates are even expected there due to the tariff and fiscal policies of US President Donald Trump. The dollar performed accordingly weakly, trading at 0.79 against the Swiss franc.

The US government bond market is, in a sense, the center of all financial markets. Even Donald Trump had to abandon his aggressive tariff war when the government bond market began to tremble. Some feared that countries such as China would take retaliatory measures in the trade dispute with the US, such as quickly selling off their holdings of US government bonds.

This would have caused massive disruption, which is not welcome in this key market. The responsible US Treasury Secretary Scott Bessent is well aware of this, which is why he ultimately announced a 90-day pause, thereby restoring stability to the government bond market. Even this market is not as liquid as people always believe.

The benchmark ten-year US Treasury bond yielded 4.2% at the end of June, reflecting investors' inflation fears. The comparable government bond from Germany yields 2.6% and that of Switzerland 0.4%. The higher yield in dollars sounds tempting at first glance, but a further currency downturn must be expected. Hedging the dollar currently costs 4.4% per annum – costs that cannot be deducted from interest income subject to income tax.

Countries that have their budgets reasonably under control are currently valued on the capital market. Following important reforms in Italy and Greece, their bonds are yielding only 3.4% and 3.3% respectively at the beginning of July – a relatively low, almost record-low premium over German bonds. In the US, where the budget situation is also likely to deteriorate significantly as a result of the new "One Big, Beautiful Bill", demand for long-term bonds is waning despite attractive yields (4.8% for 20- and 30-year bonds). The federal government in Washington alone has already accumulated USD 36 trillion in debt and will have to issue USD 9 trillion in new government bonds over the next 12 months.

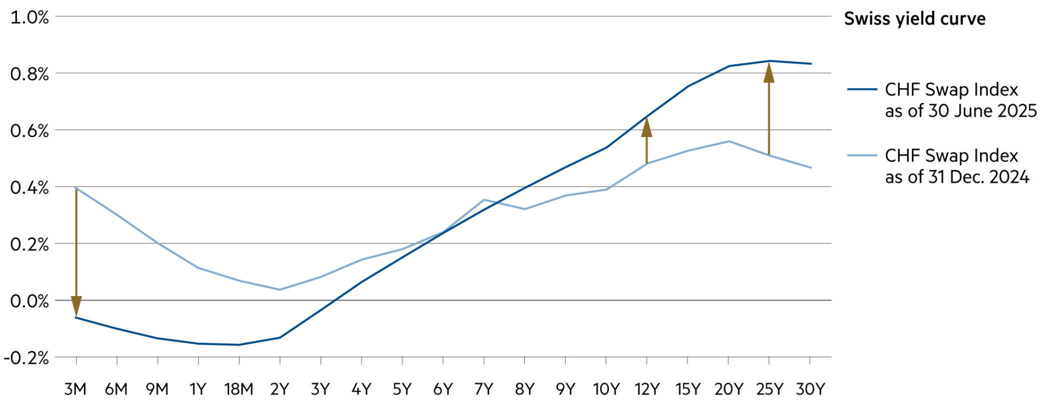
The US economy is experiencing significant economic inconsistencies, primarily due to its ultra-expansionary fiscal policy, which is contributing to an annual increase of approximately 7% of GDP in debt, and its ultra-restrictive monetary policy. There is certainly considerable scope for interest rate cuts in the US, especially as goods price inflation has been hovering around 0.0% for months and service price inflation is declining. High key interest rates are having a counterproductive effect on the economy. The conflict between Donald Trump and Fed Chairman Jerome Powell is coming to a head.

If the Fed, which is under heavy pressure from the president, is persuaded to cut key interest rates too soon, yields at the shorter end of the yield curve are likely to fall, as is the dollar. Purchasing power parity is around 0.75, which is where the exchange rate is likely to end up.

Asset class	3–6 months	12–24 months	Analysis
Bank account	↘	↘	At the short end, banks are lending to each other at -0.07% (3 months), -0.16% (12 months) and -0.04% (3 years): we remain in the negative interest rate period.
Euro / Swiss franc	→	→	Financial stability in the eurozone strengthened the euro and had a net positive impact on GDP due to reduced volatility, which in turn strengthened the euro.
US dollar / Swiss franc	→↘	↘	The sharp appreciation of the Swiss franc (+14.6% CHF/USD) is contributing to declining inflation and negative import prices (e.g. raw materials).
Euro / US dollar	→↗	↗	The euro has appreciated more quickly than expected to 1.18 (+13.8% since the beginning of the year). These are exceptionally strong fluctuations on the currency market.

Bonds

The steepening of the yield curve



Yield curve as of 30 June 2025 vs. 31 December 2024 (Source: Bloomberg | (Graphic: Zugerberg Finanz)

The Swiss yield curve has steepened since the beginning of the year. At the short end, yields have fallen by 45 basis points from 0.4% to -0.05%. This is mainly attributable to the two key interest rate cuts by the SNB in March and June. At the long end, however, yields have risen, with the 12-year yield, for example, rising by around 15 basis points (from 0.50% to 0.65%). This means that longer-dated bonds have suffered significant price losses in some cases over the past six months.

A steepening of the yield curve is a healthy sign of a "normalized" capital market. Short-term investments should yield lower returns than those made available to the economy over the long term.

From the perspective of the Swiss mortgage market, the first half of the year saw a parallel development to the yield curve, with SARON-based short-term mortgage loans becoming cheaper and longer-term fixed-rate mortgages becoming more expensive. This underpins a structurally sound, sustained divergence between short--term and long-term interest rate expectations. However, since the beginning of the year, the lack of bank deposits, more expensive refinancing via covered bonds, and stricter capital requirements have made the Swiss mortgage market more expensive in general.

What is special about the Swiss franc interest rate market is that short-term yields have already drifted back into negative territory and remained there. The yield curve is negative in the 3-month to 3-year loan segment. At the beginning of the year, the entire yield curve was still above zero.

In general, bond markets steepened in the first half of 2025. This was evident in both the euro swap curve and US Treasuries. The rise in longer maturities is also a sign of increasing risk aversion toward holding long-term bonds.

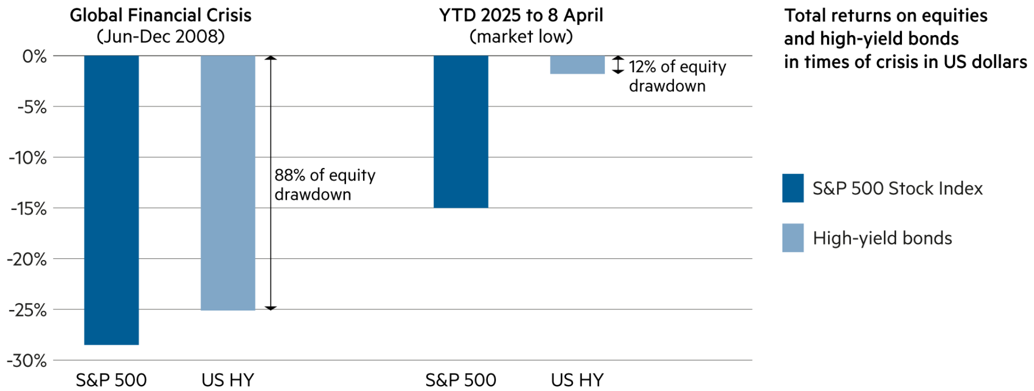
Towards the end of June, tensions in the Middle East eased further and progress was made in trade negotiations in other regions. Risk appetite increased, some stock indices reached new all-time highs, credit spreads narrowed, and credit risk premiums (CDS spreads) approached the lower end of their usual ranges. This also contributed to a noticeable recovery in issuance volumes, particularly in segments with higher beta such as high-yield bonds and hybrid (euro) corporate bonds.

Sectors that performed well in the first half of the year included European banks, with AT1 bonds performing particularly well. The real estate sector, on the other hand, continues to lag behind, especially in Europe. We maintain our positive view on bank bonds and remain cautious on the European real estate sector. The risk-friendly environment is supporting the ongoing recovery in auto and energy-related bonds.

Asset sub-class	3–6 months	12–24 months	Analysis
Government bonds	→↗	→↗	Government bond markets will continue to grow on the back of expansionary fiscal policy. This may increase the volatility of these "risk-free" securities.
Corporate bonds	↗	↗	Stronger competition between banks, non-banks, and capital markets is leading to a specialized bond offering that requires a disciplined selection.
High-yield, hybrid bonds	↗	↗	The outlook for subordinated and high-yield corporate bonds remains positive. Resilience has clearly improved.

Zugerberg Finanz bond solutions

Bonds offer much more stability than in the past



Equities and high-yield bonds in times of crisis in dollars (Source: Bloomberg Finance L.P. | Graphic: Zugerberg Finanz)

During the global financial crisis in the second half of 2008, high-yield bonds reacted very similarly to equities in terms of book losses. This is referred to as "high correlation." Since then, the trend has clearly improved. Financial managers have become more crisis-conscious and their balance sheets more crisis-resistant. As a result, high-yield bonds hardly reacted as significantly in the latest phase of the trade war, which bottomed out on April 8, 2025, as they did in the crisis periods of 2008 or 2020 (COVID-19 pandemic).

The Credit Opportunities Fund (COF), which focuses on credit risk premiums and can best be classified as a high-yield bond fund, lost slightly less (-1.0%) between the start of the year and April 8 than US high-yield bonds (-1.8%). It also recovered quickly. As of mid-year, the performance since the beginning of the year stands at +1.9%. This corresponds to an annualized return of +3.8% for the year as a whole.

Around one-third of the COF's volume of just under CHF 500 million is invested in high-grade bonds, making it somewhat more defensive than its peer group.

In financial terms, this means that the COF has significantly lower volatility than its peer group. Many conclude from this that the return is also likely to be significantly lower. However, this is not necessarily the case, as the COF proves. The stability of the COF in the current crisis compared to previous crises is certainly characteristic of its somewhat more defensive positioning.

However, there have also been significant improvements in the corporate landscape, whether in the establishment of crisis resilience or in general training and continuing education in the areas of financial management, treasury, and controlling. In Europe, corporate balance sheets in the high-yield segment have never been as healthy as they are today. The resilience of European companies is higher than ever before.

We therefore remain committed to significantly outperforming the Swiss Bond Index, which consists primarily of government bonds, mortgage bonds and similar "safe" securities, over a longer period with corporate bonds.

Since its launch more than 13 years ago, the COF has achieved an annual return of 2.5% in Swiss francs, net of all costs and fees. This means that an initial investment of 100 Swiss francs has grown to an impressive 136.85 Swiss francs thanks to compound interest.

Had the Swiss Bond Index been used as a benchmark instead, the return would have been just 110.24 Swiss francs (just under 0.8% per annum). The costs of the corresponding ETF solution (approx. 0.2% p.a. total expense ratio) would then have to be deducted from this.

With the Zugerberg Income Fund (ZIF; +1.3% since the beginning of the year; +2.6% annualized total return), we are clearly in positive territory after the first half of 2025. The ZIF's basic orientation is more defensive than that of the COF, and this is reflected in both its returns and its return expectations. It has become extremely challenging in the capital market to achieve a positive total return with bonds of the highest credit ratings.

	Zugerberg Income Fund	Credit Opportunities Fund
Yield in 2025 (since the beginning of the year)	+1.3%	+1.9%
Yield since the start (annualized)	-6.6% (-1.0%)	+36.9% (+2.5%)
Proportion of months with positive yield	56%	68%
Credit risk premium in basis points (vs. previous month)	92 BP (-6 BP)	397 BP (-8 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

Risk asymmetry in infrastructure stocks

Engie's decarbonisation solutions will help Airbus achieve its goal of a 20% reduction in its energy purchases and an 85% cut in greenhouse gas emissions at its sites by 2030 (Image source: https://en.newsroom.engie.com)

Risk asymmetry means that the probability of medium-term returns developing in one direction is higher than in the opposite direction. We therefore currently rate the sustainable return prospects for European infrastructure stocks higher than the risk of a sustained downturn. This is based on the framework conditions, which are likely to have a favorable impact on industry leaders in the coming years.

Infrastructure is and remains the backbone of society, providing important and valuable services for economic stability and growth. The shift toward increased production and distribution of electricity from renewable energy sources is driving a wave of investment in power grids and energy solutions.

Although we do not expect a second wave of inflation, the natural hedge against inflation offered by infrastructure stocks is an important argument in favor of such purchases: thanks to the regulatory environment, long-term contracts, and/or monopolistic pricing power, infrastructure stocks serve as a hedge against inflation.

Added to this is the advantage that they are a relatively defensive component of a diversified overall portfolio: limited overlaps, lower volatility than growth stocks, favorable downside risk control, and potentially robust risk-adjusted returns compared to global equities are the main arguments in this regard.

Nevertheless, potentially higher returns can be achieved than with a broadly diversified basket of stocks: reliable dividends and consistently higher yields compared to global stocks, as well as defensive bond characteristics during general stock market downturns, are important attributes of infrastructure stocks.

Take the energy infrastructure provider Engie, for example. Its price-to-earnings ratio for the year after next (2027: 9x) is around 30% below the industry average. In addition, the infrastructure stock offers a sustainable dividend yield of around 7%. We anticipate that this global energy group will achieve substantial earnings improvements in the coming years and will reduce its risk through two key measures.

First, asset restructuring and cost reductions will make the business more dependent on regulated activities (around 65% by fiscal year 2027) and ensure that it remains linked to a strong earnings model. Since 2016, Engie has increasingly focused on networks and services while reducing its exposure to the free market.

Second, the group is creating a stronger platform for further business growth. We believe that the refocus on renewable energies, electricity grids, and energy solutions will concentrate the portfolio on areas where the energy transition to net-zero emissions (through solar, wind, geothermal, biomass, hydropower, etc.) will bring significant investment and growth opportunities as well as value creation potential.

Asset sub-class	3–6 months	12–24 months	Analysis
Residential properties CH	↗	↗	Mortgage loans with low risks, such as residential property with low loan-to-value ratios, are becoming more attractive for banks. The reverse is also true.
Office and retail properties CH	→↗	↗	The Swiss office and retail real estate market will present a mixed picture in 2025, with prime properties continuing to be sought after.
Real Estate Fund CH	→	→↗	The Swiss Real Estate Fund Index (SWIIT) has achieved a total return of +3.2% since the beginning of the year, with "our" Mobimo (+15%) and PSP (+16%) performing significantly better.
Infrastructure Equity / Fund	↗	↗	In the first six months, the best-performing asset class was equities, with Engie (+40% total return), Vinci (+29%), Enel (+21%), BKW, and Veolia (both +18%).

Equity

Cautiously optimistic on stock markets

US stock indices	US-Dollar	CHF	PERe
Nasdaq	+5.5%	-7.9%	30
S&P 500	+5.5%	-7.9%	23

European stock indices	EUR	CHF	PERe
Euro Stoxx 50	+8.3%	+7.7%	15
DAX	+20.1%	+19.4%	16
Swiss Market Index		+2.8%	16

Stock markets since 1 January 2025 (Graphic: Zugerberg Finanz)

In generative artificial intelligence, Apple's lag is making investors increasingly nervous (-29% in CHF since the beginning of the year). Competitors such as Microsoft and Nvidia (+4% in CHF) are enjoying significantly more support. However, the European market is coming more into focus since European governments have pledged to provide an additional 800 billion for defense between 2026 and 2029. This opens up great opportunities for software companies, aerospace, automotive, electronics, telecommunications, and logistics companies.

The broad US stock index S&P 500 reached a new record high in terms of market capitalization at the end of June. It stood at USD 55,600 billion (June 30), surpassing the previous record high of February 19, 2025, by 1.0%. For those who do not use the dollar as their reference currency, however, there is still a significant difference between these two figures: calculated in Swiss francs, the S&P 500 was down 11.4% (excluding dividends) and 10.9% (including dividends) at the end of June, significantly lower than in mid-February. The exchange rate is currently having a massive impact on USD prices.

Nevertheless, the S&P 500 Index remains the benchmark for all companies. Amrize, Holcim's US business, which has been traded separately from the "rest of Holcim" since June 23, is also aiming to be included in this index. Jan Jenisch, from Zug, is CEO of the growth company, which has doubled its sales in the past five years and developed into the most successful equity story in the American construction industry. Amrize is currently number one in cement, number two in commercial roofing, and number five in roofing systems for residential buildings.

In view of the aging real estate stock, the renovation sector is currently booming, as is the construction of data centers, which is being driven by the AI wave. Nestlé shares had a miserable June (-10%), which also explains the relatively weak performance of the SMI (-2.5%).

The SMI was by far the weakest stock market in June. Asian and North American indices performed particularly well. Even taking into account the weakness of the dollar, the S&P 500 (+1.8% in Swiss francs) and the Nasdaq technology index (+3.3%) posted gains.

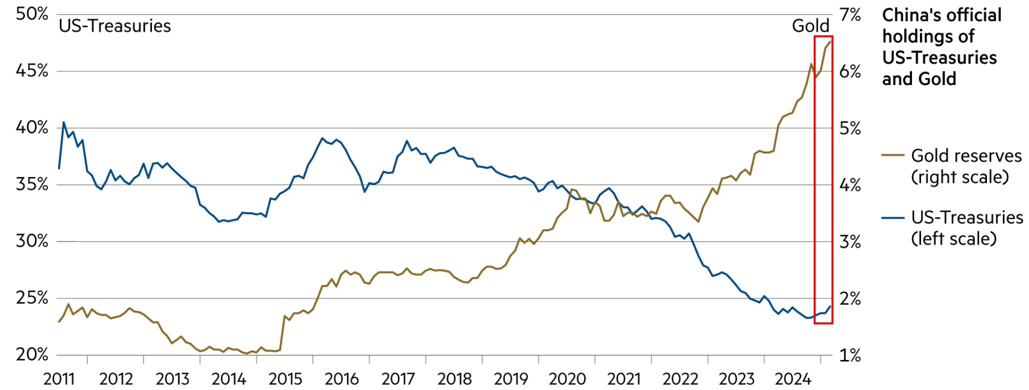
Cash flow in the second half of the year is difficult to assess. Typically, the first few weeks see rebalancing transactions in portfolios, i.e., markets and stocks that have risen sharply tend to be downgraded, while markets and stocks that have lagged behind are bought up. From this perspective, it would come as little surprise if, for example, the German stock market, with its benchmark index DAX, were to experience a slump after its strong overall return in the first half of the year (+20.1%).

Conversely, many US investors have little international exposure. More and more analysts are advising them to invest in Europe. This could have a huge impact. Some see great potential in the European defense industry, which would generally serve to improve industrial manufacturing capacity. Of course, with a Russian president like Vladimir Putin, peace policy and peacekeeping mean something different than they did in the days of Gorbachev.

Asset sub-class	3–6 months	12–24 months	Analysis
Equity Switzerland	→↗	↗	Holcim (+34%) was the standout stock in the SMI in the first half of the year. Novartis (+12%) outperformed Nestlé (+9%), which fell sharply in June without any news.
Equity Eurozone, Europe	→↗	↗	The largest portfolio contributions in Swiss francs were made by Axa (+28%), Allianz (+21%) and Siemens (+20%) in the first half of 2025.
Equity USA	→	↗	Return contributions in the first half of the year were positive for Microsoft and Nvidia (+4% in CHF) and negative for Mastercard (-8%), Amazon (-11%), Berkshire (-12%) and Apple (-29%).
Equity Emerging markets	→↗	↗	The first half of the year was very mixed for emerging markets. Some markets suffered greatly from the tariff disputes with the US.

Alternative investments

China sold US government bonds on a large scale



China's official holdings of US-Treasuries and Gold (Source: (Source: London Stock Exchange, Incrementum AG | (Graphic: Zugerberg Finanz)

Some were surprised by the rise in gold prices, but now it is clear: the Chinese central bank alone quadrupled its gold reserves over the past ten years, creating massive demand. At the same time, as the largest foreign creditor, it sold off US government bonds. Seven years ago, these still accounted for around 37% of its currency reserves. Now they account for only 22%.

Some analysts interpreted the ever-higher gold prices of recent years as primarily reflecting investor fears. However, the price of gold rose to new record highs in the wake of massive purchases by the Chinese central bank. The peak was reached on June 13, 2025, at $3,432 per ounce. By the end of the month, the price had fallen by almost $200, finally ending at $3,269 (still up 24.8% since the beginning of the year) and resulting in the first negative monthly return of the year in June.

In Swiss francs, the rise in the gold price was less spectacular (+10.3% since the beginning of the year), a price level that has been trending sideways since mid-February 2025. However, it is still around 50% higher than the average gold price in the years 2020 to 2023.

The Chinese central bank has accumulated large foreign exchange reserves thanks to its large trade and current account surpluses with the US. However, it appears that a significant amount of these dollars have been exchanged for gold. Progress on the trade agreement with the US has also led to a decline in the price of gold.

It is likely that China will be pressured to hold more US government bonds again, which would weigh on the price of gold. Conversely, various geopolitical tensions are likely to support demand for "safe havens" for asset preservation. In addition, Asian countries with high current account surpluses have generally increased their international currency reserves significantly. The purchase of gold alongside the dollar was a diversification measure. Culturally, these countries are closer to gold than to the euro, for example.

Gold has become the second most important reserve currency of all central banks after the dollar and ahead of the euro. Together, they held 36,197 tons of gold at the end of 2024. And an unusually large number want to build up their positions to better protect themselves against a collapse of the dollar, according to the World Gold Council.

It is certainly interesting to note that American households that had once snapped up gold bars and coins and stashed them at home or in safes sold off their precious metal holdings in the first half of 2025. Like US stock traders, they feel more comfortable with Donald Trump's tariffs, rising government debt and geopolitical tensions.

That is why, after the breathtaking rally in the gold price over the past two years, they are probably ready to cash in their gains. Many small investors tend to be Republican anyway. From their point of view, there is therefore less reason to buy or hold gold as an "angst currency".

Asset sub-class	3–6 months	12–24 months	Analysis
Commodities	↘	→↗	The temporary rise in oil prices signaled the end of the crisis by the end of the month (WTI at $66). Adjusted for inflation, oil prices are still far from their peak levels.
Gold, precious metals	→↗	→↗	Bitcoin can be seen as a "digital substitute for gold". However, central banks do not place the same level of trust in it as they do in gold.
Insurance Linked Securities	↗	→↗	Due to the weakness of the dollar, we continue to recommend a currency-hedged solution. The volume of ILS is likely to increase significantly in 2026/27.
Private equity	↗	↗	Because many IPOs and transactions are not expected to take place until 2026/27, private market managers experienced price setbacks in the first half of 2025.

Market data

Asset class		Price (in local currency)	Monthly / YTD / Annual performance (in CHF)				
Equity		**30.06.2025**	**06/2025**	**2025YTD**	**2024**	**2023**	**2022**
SMI	CHF	11'921.5	−2.5%	+2.8%	+4.2%	+3.8%	−16.7%
SPI	CHF	16'534.7	−1.9%	+6.9%	+6.2%	+6.1%	−16.5%
DAX	EUR	23'909.6	−0.3%	+19.3%	+20.4%	+13.1%	−16.3%
CAC 40	EUR	7'665.9	−1.0%	+3.3%	−1.0%	+9.6%	−13.9%
FTSE MIB	EUR	39'792.2	−0.6%	+15.6%	+14.1%	+20.4%	−17.3%
FTSE 100	GBP	8'761.0	−1.7%	+2.7%	+12.1%	−0.3%	−8.8%
EuroStoxx50	EUR	5'303.2	−1.1%	+7.7%	+9.6%	+12.1%	−16.0%
Dow Jones	USD	44'094.8	+0.8%	−9.3%	+22.1%	+3.5%	−7.7%
S&P 500	USD	6'205.0	+1.4%	−7.7%	+33.4%	+13.1%	−18.5%
Nasdaq Composite	USD	20'369.7	+2.9%	−7.7%	+39.2%	+30.6%	−32.3%
Nikkei 225	JPY	40'487.4	+2.8%	−3.0%	+15.2%	+8.6%	−19.7%
Sensex	INR	83'606.5	−1.0%	−6.5%	+13.8%	+7.4%	−4.8%
MSCI World	USD	4'026.4	+0.7%	−5.0%	+26.6%	+10.8%	−18.5%
MSCI EM	USD	1'222.8	+2.1%	−0.5%	+13.6%	−2.6%	−21.5%
Bonds (mixed)		**30.06.2025**	**06/2025**	**2025YTD**	**2024**	**2023**	**2022**
Glob Dev Sov (Hedged CHF)	CHF	153.4	+0.4%	+0.1%	−1.4%	+2.2%	−13.2%
Glob IG Corp (Hedged CHF)	CHF	186.0	+1.0%	+1.6%	−0.8%	+4.2%	−16.7%
Glob HY Corp (Hedged CHF)	CHF	369.4	+1.4%	+2.5%	+6.1%	+8.7%	−13.6%
USD EM Corp (Hedged CHF)	CHF	278.8	+1.4%	+2.6%	+2.4%	+4.5%	−18.2%
Government bonds		**30.06.2025**	**06/2025**	**2025YTD**	**2024**	**2023**	**2022**
SBI Dom Gov	CHF	182.8	−2.2%	−2.2%	+4.0%	+12.5%	−17.0%
US Treasury (Hedged CHF)	CHF	138.5	+0.9%	+1.6%	−3.8%	−0.5%	−15.0%
Eurozone Sov (Hedged CHF)	CHF	178.9	−0.4%	−0.7%	−0.8%	+4.8%	−18.9%
Corporate bonds		**30.06.2025**	**06/2025**	**2025YTD**	**2024**	**2023**	**2022**
CHF IG Corp (AAA-BBB)	CHF	191.5	−0.4%	+0.3%	+5.1%	+5.7%	−7.5%
USD IG Corp (Hedged CHF)	CHF	187.8	+1.5%	+2.0%	−2.4%	+3.5%	−18.5%
USD HY Corp (Hedged CHF)	CHF	622.8	+1.4%	+2.5%	+3.7%	+8.5%	−13.7%
EUR IG Corp (Hedged CHF)	CHF	168.9	+0.1%	+0.6%	+2.0%	+5.9%	−14.1%
EUR HY Corp (Hedged CHF)	CHF	307.3	+0.2%	+1.5%	+5.4%	+9.8%	−10.9%
Alternative investments		**30.06.2025**	**06/2025**	**2025YTD**	**2023**	**2022**	**2021**
Gold Spot CHF/kg	CHF	84'223.9	−5.2%	+10.0%	+36.0%	+0.8%	+1.0%
Commodity Index	USD	102.0	−1.4%	−9.6%	+8.3%	−20.4%	+15.1%
SXI SwissRealEstateFunds TR	CHF	2'808.1	−0.1%	+3.4%	+16.0%	+5.4%	−17.3%
Currencies		**30.06.2025**	**06/2025**	**2025YTD**	**2024**	**2023**	**2022**
US dollar / Swiss franc	CHF	0.7931	−3.6%	−12.6%	+7.8%	−9.0%	+1.3%
Euro / Swiss franc	CHF	0.9348	+0.2%	−0.6%	+1.2%	−6.1%	−4.6%
100 Japanese yen / Swiss franc	CHF	0.5507	−3.6%	−4.4%	−3.4%	−15.4%	−11.0%
British pound / Swiss franc	CHF	1.0893	−1.6%	−4.1%	+6.0%	−4.2%	−9.3%