More Potential in the Second Half of the Year

The first half of the year was shaped by various factors that significantly influenced investment performance. Due to the war, stocks plummeted, particularly in March. Some sectors and business models recovered more quickly than others afterward. In Switzerland, the recovery did not gain significant momentum until June, and even then, it was not uniform across all sectors.

We have now entered the second half of the year. We remain confident that, as the situation in the Middle East stabilizes, the global trend toward disinflation will gain momentum. Crude oil was last trading at around $70 per barrel, well below the $118 recorded at the end of April. This massive decline bolstered consumer sentiment, improved various business climate indices, and stimulated economic growth. The relief is likely to extend well into the second half of the year.

The global economy proved resilient—despite temporarily high energy prices, which immediately translated into higher inflation rates worldwide. Some central banks remained calm, while others made an immediate 180-degree turn in their easing path and moved to raise key interest rates. The fact is that not only stocks but also bonds suffered as a result. The global bond index was down (-0.9%) at mid-year; the Swiss Bond Index was less exposed to inflation fluctuations and managed to gain slightly (+0.7%). Overall, bonds performed as expected. With stocks, however, performance depended much more on geographic, currency-related, and sector-specific differences. The so-called AI-driven rally is far weaker than the headlines suggest.

Portfolios Made Up Ground in June

The capital markets showed their positive side in June. While tech stocks cooled off (Nasdaq -2.8%), European markets gained ground. They had already been the winners before the war in Iran, but suffered disproportionately heavy losses due to energy-related supply and price turbulence. With the framework agreement signed last month, this picture changed again. While stock prices in the U.S. fell across the board in June (S&P 500 -1.1%), they managed to gain ground in Europe (Stoxx Europe 600 +2.5%). The Swiss Market Index performed even better. Alternative investments (private market investments, gold, Bitcoin), on the other hand, faced challenges.

In the lowest risk class (R1: -0.7%), the withholding tax credit of 0.4% must be added to the total return since the beginning of the year. The higher risk classes (R3: +0.7%, R4: +1.6%, and R5: +2.9%) have remained in positive territory since the beginning of the year. The dividend-focused strategy posted the strongest gains in June (+2.5%). Its total return since the start of the year (+4.2%) is once again well in positive territory.

The most encouraging returns were achieved by our DecarbRevo solutions (+13.2% to +17.5% year-to-date), which are well-suited as portfolio diversifiers due to their narrow thematic focus. These investments benefit from the growing demand for decarbonized energy and the corresponding energy infrastructure. In particular, dependence on fossil fuels and the uncertainties surrounding their transportability have opened up new prospects for business models capable of generating and storing energy locally.

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

Strategy performance*

	June 2026	2026 YTD
Zugerberg Finanz R1	+0.4% ↗	−0.7% ↘
Zugerberg Finanz R2	+0.6% ↗	−0.3% ↘
Zugerberg Finanz R3	+1.0% ↗	+0.7% ↗
Zugerberg Finanz R4	+1.1% ↗	+1.6% ↗
Zugerberg Finanz R5	+1.5% ↗	+2.9% ↗
Zugerberg Finanz RDividends	+2.4% ↗	+4.2% ↗
Zugerberg Finanz Revo1	+0.1% ↗	−0.9% ↘
Zugerberg Finanz Revo2	+0.0% →	−0.8% ↘
Zugerberg Finanz Revo3	+0.5% ↗	+0.2% ↗
Zugerberg Finanz Revo4	+0.6% ↗	+1.1% ↗
Zugerberg Finanz Revo5	+0.9% ↗	+2.1% ↗
Zugerberg Finanz RevoDividends	+2.1% ↗	+3.5% ↗
Zugerberg Finanz DecarbRevo3	+1.6% ↗	+13.2% ↗
Zugerberg Finanz DecarbRevo4	+2.0% ↗	+15.8% ↗
Zugerberg Finanz DecarbRevo5	+2.4% ↗	+17.5% ↗

Zugerberg Finanz Vested benefits

Strategy performance*

	June 2026	2026 YTD
Zugerberg Finanz Vested benefits R0.5	+0.2% ↗	−1.4% ↘
Zugerberg Finanz Vested benefits R1	+0.3% ↗	−1.1% ↘
Zugerberg Finanz Vested benefits R2	+0.2% ↗	−1.0% ↘
Zugerberg Finanz Vested benefits R3	+0.2% ↗	−0.5% ↘
Zugerberg Finanz Vested benefits R4	+0.5% ↗	+0.5% ↗
Zugerberg Finanz Vested benefits R5	+1.5% ↗	+2.9% ↗
Zugerberg Finanz Vested benefits RDividends	+2.4% ↗	+4.2% ↗

Zugerberg Finanz 3a pension solution

Strategy performance*

	June 2026	2026 YTD
Zugerberg Finanz 3a Revo1	+0.1% ↗	−0.9% ↘
Zugerberg Finanz 3a Revo2	+0.0% →	−0.8% ↘
Zugerberg Finanz 3a Revo3	+0.5% ↗	+0.2% ↗
Zugerberg Finanz 3a Revo4	+0.6% ↗	+1.1% ↗
Zugerberg Finanz 3a Revo5	+0.9% ↗	+2.1% ↗
Zugerberg Finanz 3a RevoDividends	+2.1% ↗	+3.5% ↗
Zugerberg Finanz 3a DecarbRevo3	+1.6% ↗	+13.2% ↗
Zugerberg Finanz 3a DecarbRevo4	+2.0% ↗	+15.8% ↗
Zugerberg Finanz 3a DecarbRevo5	+2.4% ↗	+17.5% ↗

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

Macroeconomics

Recovery in the second half of the year

The global economy faces numerous growth risks (Chart: Zugerberg Finanz)

The consequences of the war in the Middle East launched by the U.S. hit European stock markets particularly hard. The first half of the year was nearly as turbulent as it was a year ago, when U.S. President Donald Trump disrupted the international trade landscape with tariffs. However, both in Europe and the U.S., a broad-based recovery in real economic output can be expected. Consumer sentiment and the business climate are picking up again as commodity prices have fallen significantly, provided there is no further military escalation.

An improvement in the key shipping route through the Strait of Hormuz alone will not significantly alter the global economy. However, as conditions continue to normalize, we expect this to be reflected in a parallel improvement in the stock markets.

Of course, it is important to analyze individual sectors and business models on a case-by-case basis. Energy stocks, for example, performed well in the first half of the year and were able to capitalize on the oil shortage. This is changing in the second half of the year. In contrast, banks appear to be more profitable than they have been since the 2008–09 financial crisis. Furthermore, they have become significantly less risky and their balance sheets are more robust. In the U.S., significant risks have shifted to the shadow banking sector. The transformation is also evident in the insurance industry. Capital levels are high, risks are manageable, and growth opportunities are clear. In many cases, this is leading to a generous dividend policy.

Enormous progress has also been made in the infrastructure sector. Its resilience is impressive, as is the order backlog in many companies' books, which extends several years into the future. Cyclical construction firms such as Holcim, Amrize, and Sika are benefiting from this, as are energy infrastructure companies. Chemical companies, in turn, are likely to see margin expansion due to lower commodity prices. The situation is more complicated for global pharmaceutical companies, which are torn between reshoring to the lucrative U.S. market and punitive tariffs on U.S. imports.

Automotive companies, meanwhile, have entered a period of technological substitution. Volkswagen, Europe's largest automaker, and Bosch, the world's largest automotive supplier, have just scrapped their plans for autonomous driving. They have long since been overtaken by other (tech) companies such as Google, Uber, and Baidu. It is also striking how rapidly the latest technology is being brought to market, while German industrial icons marvel at their competitors' "time to market."

This also yields some macroeconomic insights: Europe (including Switzerland), as an expensive business location, can only be justified as an investment as long as it is associated with above-average innovation capacity. It also remains important to have an attractive framework in which innovative startups can flourish and develop to the fullest. Less bureaucracy, fewer regulations, and a more performance-based approach to awarding contracts would be real milestones for the potential global market leaders of tomorrow.

Economic logic must take precedence in Europe. Political resistance to cross-border transactions is inappropriate and certainly ensures that international relevance, competitiveness, and growth in Europe will continue to suffer.

Region	3–6 months	12–24 months	Analysis
Switzerland	↗	↗	Although Switzerland does not play a key role in the global AI investment cycle, the country has proven resilient despite the trade war and structural challenges.
Eurozone, Europe	↗	↗	Over the past two years, GDP growth has been driven by domestic demand, supply-side efficiency improvements, and wage growth.
USA	↗	↗	Following strong GDP growth (approx. +3%), we expect it to level off again in the second half of the year at between 1.5% and 1.8%.
Rest of the world	↗	↗	Rising demand, technical bottlenecks, and the pass-through of energy price increases have created new upward pressure on prices for core goods.

Liquidity, currency

Proceed with a sense of proportion

In times of falling energy prices, it would be easy to succumb to euphoria, as the process of disinflation is affecting the entire global economy. However, the recovery in the financial markets will take some time, as skepticism remains about how long peace in the Middle East might last. We're only halfway through the 2026 stock market year, and a lot can still happen, as there are numerous risks to growth in the global economy.

One can discuss many growth risks, yet the term "currency war" surprisingly receives little attention. This represents a massive intervention in the terms of trade, which is of particular significance in the case of China.

Against the backdrop of increasing fragmentation in global trade—characterized by geopolitical tensions, the resurgence of protectionist measures, and the realignment of supply chains—China is restructuring its foreign trade model with the help of regional trade architectures.

The country is no longer limiting itself to its traditional role as the "world's factory" within a conventional framework of globalization. Beijing is now shaping its trade flows through regional agreements, targeted partnerships, and specialized trade platforms designed to strengthen its economic security and self-sufficiency, enabling it to withstand sanctions in the event of an intervention in Taiwan. This strategy serves several objectives: securing critical supply chains, diversifying export markets, and shaping value chains in which China remains the industrial, logistical, and regulatory center of gravity.

Currency policy is also linked to the clear intention to continue exerting strong influence over production, distribution, and import flows. One of the most serious interventions in the global economy is the manipulation of China's national currency. China is accused by its Western trading partners of systematically undervaluing the yuan (renminbi) to gain unfair competitive advantages through cheaper exports and to protect domestic industries. The trade advantages are obvious.

China's trade surplus, amounting to a record-high 1,200 billion dollars (in 2025, i.e., in a year marked by a peak in the trade dispute), would have to lead to an appreciation of the yuan in a market with freely convertible currencies. If, for example, European demand for Chinese goods rises more sharply than the reverse, net demand for the euro falls (while demand for the yuan rises). As a result, the euro would have to depreciate against the yuan, European products would become cheaper relative to those from China, and the trade balance would tend to return to equilibrium.

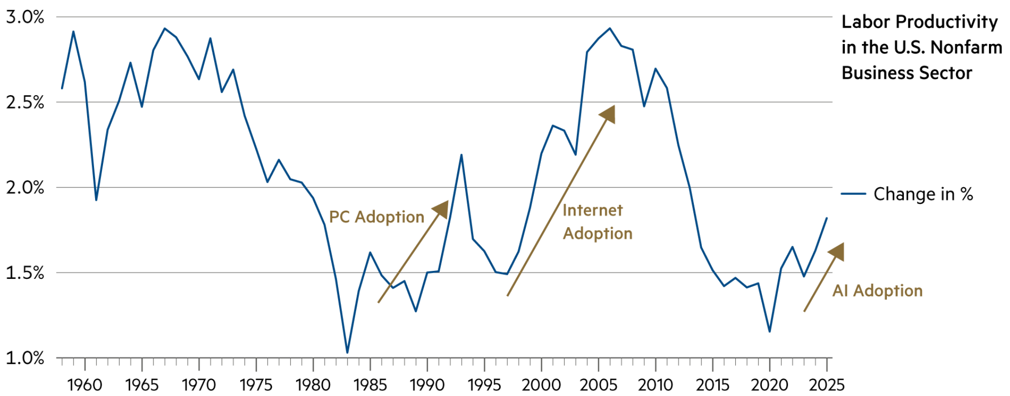
Instead, the currency remains at the same level relative to the euro and the dollar as it was many years ago. The Chinese central bank does not allow free trade and regulates capital flows in and out of the country very strictly. This prevents free market forces from driving up the value of the currency. The countries that import Chinese goods—such as electric vehicles—are the ones that suffer as a result. Due to massive currency manipulation, these goods are about 40% cheaper than they would be in a market with freely floating currencies.

Analyses by the German Economic Institute from 2025 underscore that the Chinese central bank not only prevents the yuan from appreciating against the euro but also causes massive price disadvantages and distortions of competition for European companies. From a European perspective, Chinese currency manipulation results in a subsidy-like advantage for all Chinese companies.

Asset class	3–6 months	12–24 months	Analysis
Bank account	↘	↘	SARON swap rates remain slightly negative for maturities up to 9 months. 10-year swap rates stand at +0.5%.
Euro / Swiss franc	→	→	At 0.92, the euro continues to show strength at the end of June, as even the ECB has so far detected "no second-round effects" in inflation trends.
US dollar / Swiss franc	→	↘	At 0.81, the USD/CHF exchange rate at the end of June is about 1% higher than at the start of the year, although fluctuations were more pronounced than with the euro.
Euro / US dollar	→	↗	The U.S. remains one of the few major economies currently offering growth, returns, and liquidity (which strengthens the USD) all at once.

Bonds

AI Adoption Leads to Higher Productivity



Impact of the Adoption of New Technologies in U.S. Companies (Source: Bloomberg L.P. | Chart: Zugerberg Finanz)

The rapid adoption of AI in U.S. companies is driving stronger productivity growth than was expected just a few quarters ago. During this critical phase of a demographic decline in the labor force, the swiftest possible adoption of new technologies and their efficiency-driven application is emerging as a key competitive advantage. The productivity gains once enabled by the internet are likely to be significantly surpassed. This is fostering a positive sentiment in the bond markets as well.

In an uncertain economic environment, where growth, inflation, and politics depend primarily on the trend in energy prices, bond yields rose and prices fell until a month ago. As energy prices have fallen, interest rate forecasts are now being gradually revised downward again. Despite isolated fears of a recession, credit spreads remain at low levels.

The Global Bond Index stands at -0.9% after the first half of the year (hedged in CHF). The sad reality, however, is that the index has been unable to recover from the inflation-driven collapse in 2022. As was already the case in the fall of 2022, it remains 13.3% lower than it was five years ago. Of course, bonds also generate coupon income, but unfortunately, hedging costs have risen as well. The bottom line is that there was no growth.

Hedging a USD bond in Swiss francs costs about 4% annually. While hedging costs against the euro are significantly lower at 2.4%, they are still much, much higher than five years ago, when they were stable at 0.2%.

In this environment, security selection is crucial. The potential lies not in diversified market exposure, but in the careful selection of a few government bonds and many corporate bonds—an approach characterized above all by a focus on quality and disciplined risk management.

The United States continues to outperform most major industrialized nations. Growth remains positive, labor markets are resilient, consumer spending continues to rise, and the economy remains firmly in expansionary territory. Despite restrictive monetary policy and repeated forecasts of an impending economic slowdown, the U.S. economy continues to demonstrate remarkable resilience.

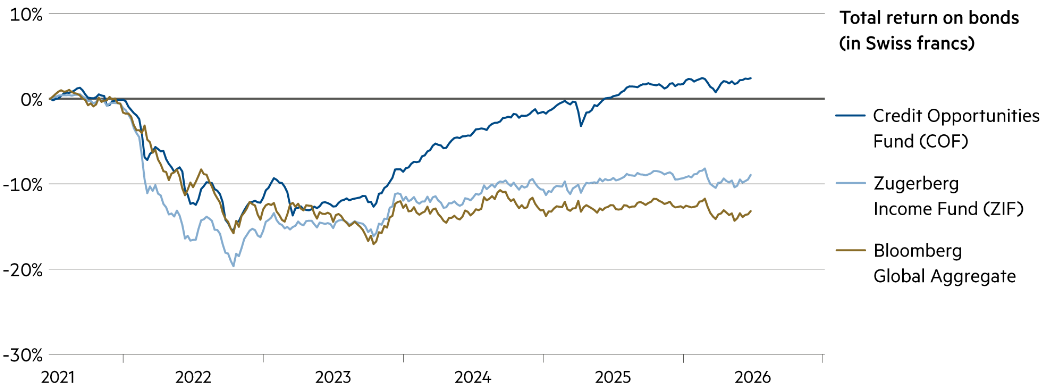
However, the most important development is no longer growth itself, but inflation. The overall Consumer Price Index (CPI inflation in the U.S.) has risen again to 4.2%; producer prices rose even more sharply in May, but overall price pressures eased in June, significantly improving the outlook for the second half of the year. The disinflation scenario is gaining momentum and could allow for significant monetary easing by the Federal Reserve under the new leadership of Chairman Kevin Warsh.

Bond markets are increasingly reflecting this reality. Yields on 10-year U.S. Treasury bonds remain high at 4.5%. Adjusted for inflation, this results in a real increase in purchasing power of 0.3% per annum—which is practically zero. In Switzerland, inflation (0.6%) is higher than the yield on 10-year government bonds (0.2%), resulting in a decline in purchasing power.

Asset sub-class	3–6 months	12–24 months	Analysis
Government bonds	→	→	In the U.S. in particular, high budget deficits and growing long-term financing needs are causing concern, including with regard to the value of the dollar.
Corporate bonds	↗	↗	The iTraxx Europe Index started 2026 at 51 basis points, rose to 74 (in March), and most recently fell back to 52—volatile, but virtually unchanged from January 1, 2026.
High-yield, hybrid bonds	↗	↗	The iTraxx Europe Crossover Index surged to 362 basis points during the escalation in the Middle East and narrowed again to 245—the same level as at the start of the year.

Zugerberg Finanz bond solutions

Positive Performance in June



Total return on bonds from July 2021 to June 2026; in Swiss francs (Source: Bloomberg L.P. | Chart: Zugerberg Finanz)

The global bond index continued to recover in June from its previous annual low on May 19 (-2.2%) and ended the first half of the year at -0.9%. The Swiss Bond Index rebounded more strongly over the same period, rising from -1.2% to +0.7%. Overall, all major bonds gained ground in recent weeks. The Zugerberg Income Fund also benefited from this trend, moving from a low of -1.5% to +0.5%. The Credit Opportunities Fund has experienced the least volatility so far this year. On May 19, it was only marginally in negative territory (-0.1%); conversely, its recovery to +0.7% has also been modest.

In the first half of the year, the bond solutions essentially fulfilled their mandate. They stabilized the portfolio. However, the scenario of an energy price shock highlighted that, in times of rising inflation and volatile stock markets, there is a positive correlation with the bond markets. There are many reasons to support the fundamental diversification assumption of a negative correlation (i.e., when stock prices fall, bond prices rise); however, experience shows that an energy price shock—which puts pressure on both stocks and bonds simultaneously due to its impact on inflation and inflation expectations—does not fit this pattern.

In the second half of the year, the positive correlation is likely to persist . The Bloomberg Commodity Index, which had risen to over 143 points by May 18, fell by 14% over six weeks. The decline was even more pronounced for energy, aluminum, and rebar prices. This will push inflation figures lower in the coming months, lead to an expansion in the profit margins of cyclical stocks, and provide bonds with further upside potential.

In the first half of the year, the markets were hesitant to fully price in the fallout from the war in Iran—ongoing supply chain disruptions, capital destruction across the Middle East, pressure on corporate profitability, and, ultimately, slower growth. At the same time, given the optimistic assumption of a swift resolution, a return to a golden age seemed unlikely.

This led to minor fluctuations in the first half of the year and, consequently, to compelling upside potential for bonds in the second half. While inflation in many countries is likely to come in slightly above expectations from the start of the year, the global economy is not at risk of falling substantially short of expectations. Real global growth of around 3% is expected to be achieved this year as well.

However, core interest rates in various currencies are likely to remain slightly elevated (particularly key dollar rates), with interest rate volatility serving as a key driver of credit performance as markets assess how quickly lower energy prices (particularly gasoline prices in the U.S.) will impact disposable income and the overall economic situation and shape the course of monetary policy.

Credit markets have remained orderly so far, supported by a favorable default environment, generally sound balance sheets, and limited short-term refinancing needs. These factors are likely to provide significant support should the macroeconomic environment, contrary to expectations, fail to improve significantly beyond the temporary shock.

	Zugerberg Income Fund	Credit Opportunities Fund
Yield in 2026 (since the beginning of the year)	+0.3%	+0.7%
Yield since the start (annualized)	-6.3% (-0.8%)	+39.8% (+2.5%)
Proportion of months with positive yield	58%	68%
Credit risk premium in basis points (vs. previous month)	97 BP (+3 BP)	352 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

Low Interest Rates Provide Relief for Everyone

Apartments in Zurich (Image source: stock.adobe.com)

Low interest rates in Switzerland are a relief for everyone. Property owners are paying less for financing, and tenants are benefiting from the fact that the reference interest rate is expected to remain at 1.25%. This interest rate determines rental agreements. Since we no longer expect a 0.25% increase this year, rent hikes are unlikely to occur on a broad scale.

Banks earn money from the interest rate spread between customer deposits (at 0%) and loans, e.g., mortgage-backed loans at an average of 1.3%. The cutoff date for calculating the mortgage reference rate was March 31. Since then, the interest rate index for residential real estate has risen slightly at times, but then fell back in June and remained virtually unchanged from the end of one quarter to the end of the next. In fact, rates are at the same level as in June 2025, when the Swiss National Bank lowered its key interest rate from 0.25% to 0.0%. That sounds tempting, but one should always bear in mind how quickly interest rate conditions can change (see 2022).

Rates for a ten-year fixed-rate mortgage range from 1.3% to 1.9%. For five-year mortgages, the range is between 1.1% and 1.7%. Money-market-linked SARON mortgage loans are sometimes offered starting at 0.8%. This raises the question of how best to finance real estate: on the one hand, which financing product to choose, and on the other, to what extent. In the case of owner-occupied residential property, the loan-to-value ratio may well be 60% or higher. For residential and investment properties, we recommend reducing the loan-to-value ratio to 60% over the long term; the same applies to commercial investment properties.

Despite low interest rates, our main message remains that we do not see the real estate market as being inflated, as was the case in the U.S. in 2007–08, which triggered the global financial and economic crisis. A key feature remains the strict financial requirements that must be met to obtain a mortgage: First, at least 20% of the purchase price must be contributed as down payment, and at least 10% must come from equity that does not originate from occupational pension plans.

Second, the annual costs resulting from high notional interest rates (typically 5%), ancillary costs (a flat rate of 0.7% to 1.0% of the property's value), and amortization payments (for second mortgages) must not exceed 33% of gross annual income to ensure the mortgage remains affordable in the long term. This also means that special solutions should be sought to ensure that the mortgage on the home remains affordable during retirement.

Third, amortization must be taken into account: In the case of owner-occupied residential property, the mortgage debt must be amortized to two-thirds of the property's mortgage value within a maximum of 15 years. This amortization must be carried out on a straight-line basis, beginning no later than the end of the quarter 12 months after disbursement, as specified in the Swiss Bankers Association's Self-Regulatory Guidelines of August 2019.

Asset sub-class	3–6 months	12–24 months	Analysis
Residential properties CH	→↗	↗	Affordable SARON mortgages encourage home ownership, but the greatest risk factor arises from rapidly changing key interest rates.
Office and retail properties CH	→↗	↗	Depending on the leverage effect, these properties offer solid net returns of 2% to 6% after all costs and fees, as long as the properties can be financed without undue strain.
Real Estate Fund CH	→	→↗	In many projects, returns are maximized at the expense of quality of life. Projects like the Chäsimatt in Rotkreuz are far too few and far between.
Infrastructure Equity / Fund	↗	↗	A deteriorating infrastructure limits future growth potential. Given this fact, there is still insufficient investment in infrastructure.

Equity

Significant fluctuations

At the start of the year, our outlook for the stock market was positive against the backdrop of the AI supercycle led by the U.S., a view that was confirmed in the first two months. This was followed by a severe setback driven by the war and rising energy prices. The “risk-off” sentiment did not last long and was concentrated primarily in March. In the second quarter, the long-awaited recovery finally set in—at varying paces and with some surprising developments. Initially, U.S. markets benefited more, but momentum then shifted to select emerging markets as well as to Japan and Europe.

The performance in June alone shows just how abruptly an upward trend can be temporarily interrupted. Stocks of promising, market-leading companies such as Microsoft (-17%) and Amazon (-12%), as well as Netflix (-17%), suffered steep losses. We took advantage of the lower prices in the middle of the month to increase the U.S. allocation in our equity positions.

Fundamental factors were not the decisive cause of the decline in stock prices. Numerous sell-offs took place (including in gold and Bitcoin) to gain exposure to the “speculative growth” segment, with SpaceX as its flagship. In this segment, the supply of shares is highly likely to increase the most in the second half of the year, which is expected to strain liquidity and temporarily weigh on the momentum factors of the current market leaders.

However, given the easing of geopolitical uncertainty, we are convinced that the second half of the year will be favorable for the stock markets. Furthermore, the new Fed Chairman, Kevin Warsh, is likely to refrain from pursuing a potentially tighter monetary policy, which would weigh on stock price-to-earnings ratios. On the contrary, the mantra of “higher interest rates for longer” does not fit into our main scenario of disinflation.

Therefore, we remain convinced that, in a fundamentally sound environment, large-cap market leaders and technology stocks are likely to be favored once again. Periods of technical weakness should be used as buying opportunities to build positions in market leaders.

Caution is warranted when it comes to speculative darlings. Even though the mass media tends to focus on these stocks, the risk of a flash crash remains highest there.

Regionally, however, we not only expect further upside potential in the U.S., but also believe that Europe will become attractive again in an environment of lower energy prices. Global market volatility is likely to ease somewhat in the second half of the year compared to the first. The vague upward pressure on key interest rates could dissipate during the summer months, thereby reducing the inflation risk premium.

What remains notable, however, is the relatively high concentration of AI stocks in the indices of both developed and emerging markets. Major indices now include significant exposure to AI hardware. This is the so-called “memory chip” trade, through which two South Korean stocks—Samsung Electronics and SK Hynix—are weighted more heavily in the MSCI Emerging Markets Index than the entire Indian stock basket.

South Korea aims to make itself indispensable to the global memory chip market through a government-coordinated effort to build new chip factories. A total of approximately $500 billion is to be invested in the construction of the two new chip factories to double production within five years. South Korea’s Minister of Science and ICT recently emphasized the importance of a leading position in AI computing power: “In the AI era, data is the lifeblood, and data centers are something like the heart of the global economy.” With its own data centers, AI is set to become an export commodity for South Korea.

Asset sub-class	3–6 months	12–24 months	Analysis
Equity Switzerland	↗	↗	Our best reason to stay invested: If you miss just the top 10 days on the stock market over the course of a decade, you can cut your total return in half.
Equity Eurozone, Europe	↗	↗	In June, banks and insurance companies (both +6%) led the way, followed by technology and utilities (both +5%). Auto, basic resources, and telecommunications (all -10%) underperformed.
Equity USA	↗	↗	Tech leaders lost ground in June, led by Microsoft and Netflix (both down 17%), Amazon (down 12%), Apple (down 7%), Alphabet (down 6%), and Nvidia (down 5%).
Equity Emerging markets	↗	↗	The MSCI Emerging Markets Index consolidated in June (-2% in USD) following a strong rally in April and May.

Alternative investments

Disinflation Is in Full Swing

Oil price from July 2025 to June 2026, followed by futures market prices up to December 2026 (Source: Bloomberg L.P. | Chart: Zugerberg Finanz)

Just as quickly as energy-price-driven inflation rose globally, it is unlikely to fall back just as quickly. Relief in gasoline prices was already clearly noticeable starting in June and is likely to signal an upturn in real consumer spending well into the second half of the year. It is now important to draw the right lessons from Europe's structural energy dependence in order to increase economic resilience.

Fundamentally, it is positive that energy intensity in economic output has declined significantly in Europe over the past decades. The transportation sector, which is 73% dependent on oil, is less significant than in the U.S., where much greater distances must be logistically managed.

Not every sector is equally vulnerable to shocks. In the industrial sector, a significant portion of final energy consumption in Europe is met by natural gas. Supply chains also vary in robustness depending on the energy source. LNG shipments from the U.S. now account for 45% of Europe's imports and enhance resilience. In any case, when comparing gas prices in Europe in March 2026 with those in 2021–22, the most recent fluctuations were less pronounced.

Seasonality also plays a role in European gas prices. The price has plummeted well below its Brent oil equivalent, possibly due to subdued LNG demand in Asia and strong supply from the U.S. But perhaps traders are also underestimating the impact of the off-season, which is known for low consumption and high demand flexibility, particularly in Europe.

In a world of energy shortages, however, we maintain the view that oil remains the ultimate benchmark and plays a leading role in energy pricing, which is why the European gas price—at least in the short term—still has "upside potential" driven by oil. According to industry studies, the EU's natural gas reserves stand at around 30%, which is about 6.5 percentage points below the previous year's level.

Nuclear energy also plays a role, which is why inflation in France, for example, is significantly lower than in Germany, and Paris has the edge over Berlin in the competition to attract new industrial investments, secure stable energy supplies, and create future-oriented jobs.

In the long term, structural transformation will be necessary to achieve robust energy autonomy by mid-century. A central role in this is played by the expansion and increased flexibility of the power grids, whose congestion costs could double by 2040 without countermeasures. Spain has the potential to produce a great deal of solar energy, but the transmission lines are lacking to harness that potential for continental Europe.

The potential for wind energy generation in the Atlantic off the coast of France also remains untapped. Strategically, this has been neglected for decades to avoid competing with the country's own electricity production from nuclear power plants. Overall, however, investments of approximately 2,200 billion euros are projected for grid infrastructure by 2050, as well as about 100 billion euros annually for renewable energy.

Asset sub-class	3–6 months	12–24 months	Analysis
Commodities	↗↘	→↗	The Bloomberg Commodity Index stands at 123.0 (+11.9% year-to-date), well below its high of 143.1 reached on May 18, 2026. Disinflation is underway.
Gold, precious metals	→↗	→↗	At the end of June, gold fell below the $4,000 mark for the first time since November 2025. That is about 27% below the high of January 28, 2026.
Insurance Linked Securities	↗	→↗	In the insurance risk business, nothing substantial has changed in early summer. Risk premiums remain attractive, and hedging costs remain high.
Private equity	→	↗	It looks like it will be a strong year for transactions. However, many portfolios still hold companies acquired at inflated prices in 2021–22.

Market data

Asset class		Price (in local currency)			Monthly / YTD / Annual performance (in CHF)		
Equity		**30.06.2026**	**06/2026**	**2026 YTD**	**2025**	**2024**	**2023**
SMI	CHF	14'193.9	+4.8%	+7.0%	+14.4%	+4.2%	+3.8%
SPI	CHF	20'015.5	+4.5%	+9.9%	+17.8%	+6.2%	+6.1%
DAX	EUR	24'995.8	+0.8%	+1.3%	+21.6%	+20.4%	+13.1%
CAC 40	EUR	8'404.0	+3.9%	+2.2%	+9.4%	−1.0%	+9.6%
FTSE MIB	EUR	51'682.4	+4.5%	+14.1%	+30.0%	+14.1%	+20.4%
FTSE 100	GBP	10'497.1	+2.7%	+6.1%	+14.1%	+12.1%	−0.3%
EuroStoxx50	EUR	6'328.1	+5.8%	+8.3%	+17.3%	+9.6%	+12.1%
Dow Jones	USD	52'319.2	+6.1%	+10.9%	−1.3%	+22.1%	+3.5%
S&P 500	USD	7'499.4	+2.4%	+11.7%	+1.7%	+33.4%	+13.1%
Nasdaq Composite	USD	26'213.7	+0.6%	+14.9%	+5.2%	+39.2%	+30.6%
Nikkei 225	JPY	70'062.3	+7.0%	+36.7%	+10.9%	+15.2%	+8.6%
Sensex	INR	76'478.7	+6.2%	−13.0%	−9.3%	+13.8%	+7.4%
MSCI World	USD	4'825.5	+2.7%	+11.0%	+4.4%	+26.6%	+10.8%
MSCI EM	USD	1'722.9	+1.8%	+25.0%	+14.1%	+13.6%	−2.6%
Bonds (mixed)		**30.06.2026**	**06/2026**	**2026 YTD**	**2025**	**2024**	**2023**
Glob Dev Sov (Hedged CHF)	CHF	149.9	+0.1%	−1.2%	−1.0%	−1.4%	+2.2%
Glob IG Corp (Hedged CHF)	CHF	186.1	0.0%	−0.8%	+2.5%	−0.8%	+4.2%
Glob HY Corp (Hedged CHF)	CHF	382.2	+0.3%	+0.7%	+5.4%	+6.1%	+8.7%
USD EM Corp (Hedged CHF)	CHF	287.9	+0.3%	+0.0%	+5.9%	+2.4%	+4.5%
Government bonds		**30.06.2026**	**06/2026**	**2026 YTD**	**2025**	**2024**	**2023**
SBI Dom Gov	CHF	186.1	+1.3%	−0.1%	−0.2%	+4.0%	+12.5%
US Treasury (Hedged CHF)	CHF	136.3	0.0%	−1.7%	+1.7%	−3.8%	−0.5%
Eurozone Sov (Hedged CHF)	CHF	177.0	+0.2%	+0.1%	−1.8%	−0.8%	+4.8%
Corporate bonds		**30.06.2026**	**06/2026**	**2026 YTD**	**2025**	**2024**	**2023**
CHF IG Corp (AAA-BBB)	CHF	193.7	+0.5%	+0.8%	+0.7%	+5.1%	+5.7%
USD IG Corp (Hedged CHF)	CHF	187.6	−0.1%	−1.2%	+3.1%	−2.4%	+3.5%
USD HY Corp (Hedged CHF)	CHF	631.5	−0.1%	−0.1%	+4.0%	+3.7%	+8.5%
EUR IG Corp (Hedged CHF)	CHF	169.3	+0.3%	+0.2%	+0.7%	+2.0%	+5.9%
EUR HY Corp (Hedged CHF)	CHF	313.3	+0.4%	+0.7%	+2.8%	+5.4%	+9.8%
Alternative investments		**30.06.2026**	**06/2026**	**2026 YTD**	**2025**	**2024**	**2023**
Gold Spot CHF/kg	CHF	104'168.7	−8.2%	−5.4%	+43.8%	+36.0%	+0.8%
Commodity Index	USD	123.2	−5.6%	+14.4%	−2.9%	+8.3%	−20.4%
SXI SwissRealEstateFunds TR	CHF	3'031.5	+0.6%	+1.6%	+9.9%	+16.0%	+5.4%
Currencies		**30.06.2026**	**06/2026**	**2026 YTD**	**2025**	**2024**	**2023**
US dollar / Swiss franc	CHF	0.8084	+3.5%	+2.0%	−12.8%	+7.8%	−9.0%
Euro / Swiss franc	CHF	0.9232	+1.4%	−0.8%	−1.0%	+1.2%	−6.1%
100 Japanese yen / Swiss franc	CHF	0.4972	+1.4%	−1.7%	−12.1%	−3.4%	−15.4%
British pound / Swiss franc	CHF	1.0720	+2.0%	+0.4%	−6.1%	+6.0%	−4.2%