Autumn brings plenty of opportunities

The global economy is currently in the midst of a phase focused on adapting innovations and boosting productivity. Despite significant volatility in technology stocks and in the valuations of AI-related companies, we see the real potential for development as a major opportunity. To be sure, the (semiconductor) markets in particular are currently caught up in a turbulent interplay between investors' greed and their fear. Many investors have used borrowed capital to leverage their positions, and hedge funds often amplify both the upward momentum (as between April and June) and the downward momentum (as more recently in July). That is why even good quarterly reports sometimes fail to "save" the share prices of the companies concerned from an unexpected decline. But that's just the tip of the iceberg.

We are more interested in the underlying fundamentals. We meticulously analyze the individual factors behind each company's performance, turnover, margins, and profits. In general, we continue to observe a sense of optimism among purchasing managers, ranging from euphoria in some sectors to a more cautious stance in others, based on their current order situation. Earnings expectations, especially in Europe, are often so low that it is hardly surprising that most half-yearly reports have exceeded the estimates of analysts so far.

Defensive rotation in July

In July, the capital markets were shaped by deep-seated fears of a potential AI bubble. They closed their global bets on semiconductor shares and other AI-related technology stocks, some of which were highly leveraged. This led to a massive decline in the American SOX semiconductor index (- 20.6%) and the South Korean Kospi (-22.2%). The European tech index (STXE 600 Technology (- 7.3%) fell to a similar extent as the American Nasdaq 100 (-6.6%). The emerging markets index (- 3.3%) had a number of bad days, but ended the month only slightly down.

European share indices, such as the German DAX (+2.5%) and the French CAC40 (+1.3%), have benefited from the rotation into defensive stocks. The Swiss SMI (+1.1%) had a good month, with a performance significantly above the global stock index (+0.5%). The defensive rotation only took place within the equity asset class. There was no sign of this development in the lowest risk classes; on the contrary, these were characterized by losses on nominal assets.

Bonds also suffered relatively heavy losses in July due to higher global inflation rates. In any case, the Swiss Bond Index (-1.1%) fell by slightly less than the global bond index (-1.4%) over the course of the month.

In the lowest risk class (R1: -0.5%), the withholding tax credit of 0.4% would also have to be added to the total return since the beginning of the year. The higher risk classes rose slightly in the challenging conditions of July and have been in positive territory since the beginning of the year (R3: +0.7%, R4: +1.8%, and R5: +3.4%). The dividend-focused strategy saw the biggest gains in July (RDividends: +1.8%). Its total return after seven months (+6.1%) is expected to increase further in the second half of the year.

The most impressive returns were achieved by our DecarbRevo solutions (+10.3% to +14.2% year-to-date), which are well-suited as portfolio diversifiers given their narrow focus.

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

	Strategy performance*	
	July 2026	2026 YTD
Zugerberg Finanz R1	–0.5% ↘	–1.2% ↘
Zugerberg Finanz R2	+0.1% ↗	–0.2% ↘
Zugerberg Finanz R3	+0.0% →	+0.7% ↗
Zugerberg Finanz R4	+0.2% ↗	+1.8% ↗
Zugerberg Finanz R5	+0.5% ↗	+3.4% ↗
Zugerberg Finanz RDividends	+1.8% ↗	+6.1% ↗
Zugerberg Finanz Revo1	–0.2% ↘	–1.1% ↘
Zugerberg Finanz Revo2	+0.3% ↗	–0.5% ↘
Zugerberg Finanz Revo3	+0.3% ↗	+0.5% ↗
Zugerberg Finanz Revo4	+0.5% ↗	+1.6% ↗
Zugerberg Finanz Revo5	+0.7% ↗	+2.8% ↗
Zugerberg Finanz RevoDividends	+1.9% ↗	+5.5% ↗
Zugerberg Finanz DecarbRevo3	–2.5% ↘	+10.3% ↗
Zugerberg Finanz DecarbRevo4	–2.7% ↘	+12.8% ↗
Zugerberg Finanz DecarbRevo5	–2.8% ↘	+14.2% ↗

Zugerberg Finanz Vested benefits

	Strategy performance*	
	July 2026	2026 YTD
Zugerberg Finanz Vested benefits R0.5	–0.7% ↘	–2.1% ↘
Zugerberg Finanz Vested benefits R1	–0.2% ↘	–1.3% ↘
Zugerberg Finanz Vested benefits R2	+0.0% →	–1.0% ↘
Zugerberg Finanz Vested benefits R3	+0.1% ↗	–0.4% ↘
Zugerberg Finanz Vested benefits R4	+0.4% ↗	+0.9% ↗
Zugerberg Finanz Vested benefits R5	+0.5% ↗	+3.4% ↗
Zugerberg Finanz Vested benefits RDividends	+1.8% ↗	+6.1% ↗

Zugerberg Finanz 3a pension solution

	Strategy performance*	
	July 2026	2026 YTD
Zugerberg Finanz 3a Revo1	–0.2% ↘	–1.1% ↘
Zugerberg Finanz 3a Revo2	+0.3% ↗	–0.5% ↘
Zugerberg Finanz 3a Revo3	+0.3% ↗	+0.5% ↗
Zugerberg Finanz 3a Revo4	+0.5% ↗	+1.6% ↗
Zugerberg Finanz 3a Revo5	+0.7% ↗	+2.8% ↗
Zugerberg Finanz 3a RevoDividends	+1.9% ↗	+5.5% ↗
Zugerberg Finanz 3a DecarbRevo3	–2.5% ↘	+10.3% ↗
Zugerberg Finanz 3a DecarbRevo4	–2.7% ↘	+12.8% ↗
Zugerberg Finanz 3a DecarbRevo5	–2.8% ↘	+14.2% ↗

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

Macroeconomics

Continued optimism for the second half of the year

Microchip production on a "wafer", a thin disc of semiconductor material, usually silicon (Image source: stock.adobe.com)

The consequences of the war in the Middle East launched by the USA have led to higher energy prices and transport costs, rising inflation figures, and a downturn in consumer sentiment worldwide. This has had a more pronounced impact on consumer goods companies than on pharmaceutical companies. Experience has shown that disease patterns are resilient to economic fluctuations. Sales figures declined worldwide in the automotive industry. In both mechanical engineering and robotics, there were record levels of orders related to production automation in some cases; in others, however, orders were also delayed and investment projects postponed due to the war.

Overall, the macroeconomic picture is not so easy to pin down. At the end of the first half of the year, it remained unclear at both the country level and the sector level whether the published results were influenced more by company-specific success factors or by macroeconomic events (such as the energy price shock, etc.). Even the central banks are baffled. In the USA, it was even openly reported just how divided the Federal Open Market Committee was when it came to setting the key interest rate.
Some members wanted to respond to the inflation caused by the US President by raising the key interest rate, as if this could influence the war in the Middle East and, as a result, energy prices. In any case, what is interesting about the USA is that its economy depends primarily on the enormous capital investments related to AI business models and data centers. These factors accounted for around 60% to 70% of GDP growth in the first half of the year. Without these investments, the USA would be on the brink of a recession.

In Europe, the single market has proven to be a genuine source of prosperity for more than 30 years. Some countries, such as Poland, have taken more advantage of this than others, as in the case of Hungary, where the political leadership pocketed every money transfer for themselves until recently. Meanwhile, more and more countries in south-eastern Europe are keen to join this single market, and even the insular United Kingdom is once again longing for simpler rules governing the exchange of goods and services with continental Europe.
Europe still has a great deal of potential to continue its success story and increase its competitiveness. Due to its age structure, Europe has high savings, which should increasingly be channeled into productive investments and innovative companies. As Apple founder Steve Jobs once said: “Design is not just what it looks like [...]. Design is how it works.” Of course, this also applies to policy design in the European Union. In order for all countries to act in concert, it is important to not only look at things from a national perspective, but also focus on the benefits for Europe. Ultimately, everyone stands to benefit from this, including Switzerland.
But in the end, we have to keep this in mind when we ask ourselves whether our national economies can still keep up—for example, with the rapid development of high-tech manufacturing and automation in China: no single country or industry is competitive or not. This view is misleading. Competition does not take place between abstract systems. It takes place between companies—in specific markets and with specific customers. Companies become competitive by facing up to the competition, learning from successes and mistakes, and continually adapting.

Region	3–6 months	12–24 months	Analysis
Switzerland	↗	↗	The KOF Economic Barometer rose to 103.5 points in July 2026. The Swiss economy is expected to achieve real growth of 1.2% this year (SNB).
Eurozone, Europe	↗	↗	The economy is growing in 2026 and is proving resilient, driven by moderate expansion, a stable labor market, and regional champions.
USA	↗	↗	Real GDP grew only slightly in the second quarter (+1.5% year-on-year). At best, the economy will grow by 2.0% over the year as a whole; in 2027, the figure is likely to be lower.
Rest of the world	↗	↗	The major disappointment remains the weak growth in China. Investment in plants and equipment (-6%) and real estate (-18%) fell sharply.

Liquidity, currency

The dollar at an interim high

The US dollar vs. the Swiss franc from August 2022 to July 2026 (Source: Bloomberg | Graph: Zugerberg Finanz)

The dollar has been trading at an interim high since spring 2026 due to the war and energy prices. At just under 0.81 Swiss francs to the dollar, however, the exchange rate is significantly lower than it was four years ago, when it stood at 1.00 Swiss francs. The large difference between current inflation rates in the USA (3.5%, trending upwards) and in Switzerland (0.6%, trending stable), as well as the high hedging costs on the capital market (17% over the past four years for investors in Swiss francs), are good indicators that the dollar will likely continue to depreciate in the medium term.

Statements from the US Federal Reserve (Fed) have a significant influence on the exchange rate against the dollar. Under its new chairman Kevin Warsh, uncertainty has increased about the direction US monetary policy will take. This is not unusual at the beginning of a term of office. Managing monetary policy expectations has also been made more difficult by the fact that no fewer than five new committees have been set up to review monetary policy and how it's communicated.

The decision not to raise the key interest rate in the USA had been widely expected. That alone would not have shaken the markets. Rather, it was the way Warsh interpreted and communicated this decision (after all, there were three dissenting views that sought to raise interest rates). It is bond traders who analyze the explanations closely in order to predict the future direction of inflation and monetary policy. As a result, the Fed's decisions and the explanations for them have a decisive influence on current market interest rates.

The majority of bond traders now believe that Kevin Warsh, as Donald Trump's nominee for Fed chair, is fully committed to lower interest rates. He is perfectly entitled to take this approach, and there would be good reasons to do so. However, these reasons were not set out or explained. Core inflation in the USA stands at just 2.6%. This is relatively close to the monetary policy target of "2% on average".

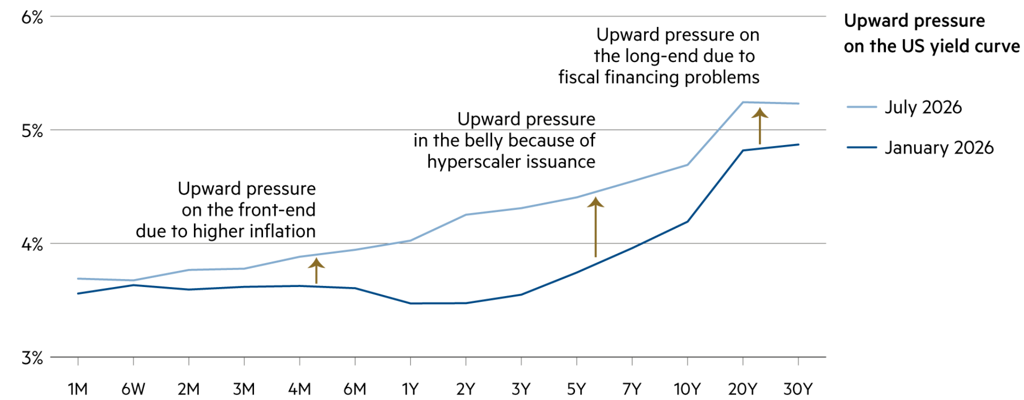
Nevertheless, the bond market did not react well to Warsh's appearance, and numerous traders sold off their long-term bonds. They likely assumed there was a good chance that the Fed would keep interest rates too low for too long, thereby fueling inflation. The shock bond investors suffered in 2022 is still fresh in everyone's minds.

Warsh's remarks led the market to lose confidence in his commitment to tackling inflation. This caused share prices to fall and yields to rise. The yield on 30-year bonds skyrocketed, reaching the highest level in 19 years at 5.3%, a whopping 43 basis points higher than at the beginning of the year. Admittedly, this is "only" a 9% difference in yield, but due to the effect of compound interest, this results in a 17% increase in debt servicing costs over the entire term of a 30-year bond compared to the beginning of the year. The widening interest rate differential with the Swiss franc is doubtless another reason why the dollar will depreciate in the longer term.

Asset class	3–6 months	12–24 months	Analysis
Bank account	↘	↘	Commercial banks' sight deposits with the SNB that exceed the threshold will continue to earn clearly negative interest (-0.25%).
Euro / Swiss franc	→	→	At 0.93, the euro was still relatively strong at the end of July and unchanged compared to the beginning of the year—despite higher inflation rates and higher interest rates.
US dollar / Swiss franc	→	↘	At 0.8075, the USD/CHF exchange rate remained almost unchanged at the end of July compared to the previous month; this is likely to prove an interim high in the medium term.
Euro / US dollar	→	↗	At 1.15, the exchange rate remains above the average of the last 5 years. The Fed recently sold the strong euro in order to prop up the weak yen.

Bonds

Upward pressure on interest rates



Upward pressure on the yield curve, using the USA as an example in January vs. July 2026 (Source: Bloomberg | Graph: Zugerberg Finanz)

Yield curves worldwide are higher than they were at the start of the year. The easiest way to explain this is using the example of highly liquid US Treasury bonds. At the short end, the increased inflation rates due to tariffs and the war led to a still-moderate rise of 20 basis points. At the long end, yields are around 43 basis points higher than at the beginning of the year. The yield on 30-year government bonds has risen to a 19-year high of 5.3%. However, the sharpest rise was in bonds with maturities of 2 to 5 years, which saw very high increases of 82 and 72 basis points respectively.

Investors often look at the yields on 10-year government bonds. These have risen significantly across the board since the beginning of the year. In the USA and the UK, yields are just under 60 basis points higher; in other words, bond yields in the USA have risen from below 4.2% to over 4.7%, while in the UK they have increased from 4.4% to 5.0%. The increase was larger in Japan, at 71 basis points, and smaller in Germany, at 35 basis points. In Switzerland, it was 16 basis points.

Yield increases on shorter-term bonds were more pronounced. In the UK, yields on 2-year government bonds rose from 3.7% to 4.4%; in Germany, they increased from 2.2% to 2.8%; and in France, they went up from 2.2% to 3.0%. This is primarily due to the hyperscalers' insatiable appetite for capital, as they have been siphoning off liquidity from various capital markets around the world to finance their immense investments. In doing so, they have not only pushed up the price of corporate bonds per se, but have also driven up the yield curve for their cloud solutions, especially in the middle segment. This also makes it more difficult for countries that are already heavily indebted to refinance their debt.

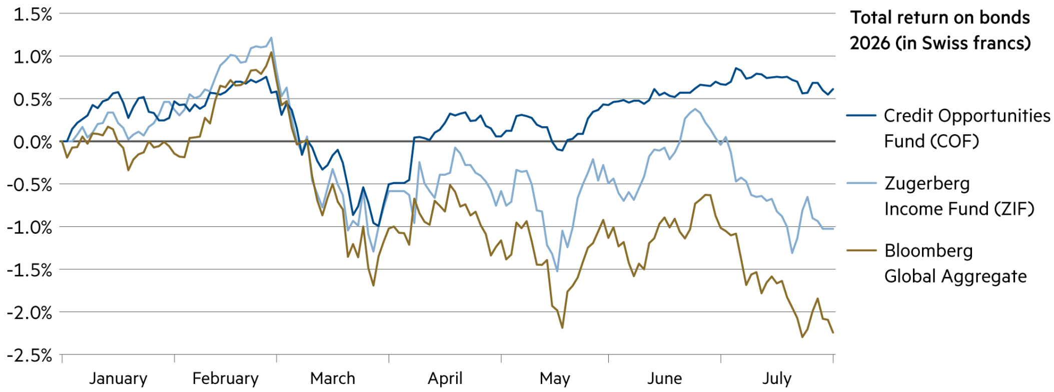
It had only been seven weeks since the new chairman of the US Federal Reserve (Fed), Kevin Warsh, promised to restore the central bank's reputation as a force fighting inflation. But when he took to the podium a week ago to explain why the Fed would continue to leave key interest rates unchanged, many analysts were left baffled. It was the lack of credibility in Warsh's statements that prompted traders to sell off the government bonds with the longest maturities. That is why the yields on 30-year Treasuries have risen to 5.3%—their highest level in 19 years. To a certain extent, these high yields reflect a long-term inflation risk premium stemming from the uncertainty surrounding monetary policy.

It is not even clear whether, under Warsh, the Fed's inflation target of "2% on average" will be changed before the US economy returns to 2% inflation. High inflation leads to a reduction in real debt. Given the serious fiscal problems in the USA, the prospect of persistently elevated inflation remains somewhat appealing. Immediately after Kevin Warsh's speech, the dollar fell by 1.5% against the Swiss franc. Hedging the dollar against the Swiss franc currently costs around 4% a year.

Asset sub-class	3–6 months	12–24 months	Analysis
Government bonds	→	→	In the USA in particular, the high budget deficits and growing need for long-term financing are causing concern. That is why yields rose to 5.3%.
Corporate bonds	↗	↗	According to the iTraxx Europe Index, credit risk premiums remained virtually stable. It was only among the hyperscalers, such as Oracle, that there were additional risk premiums.
High-yield, hybrid bonds	↗	↗	The iTraxx Europe Crossover Index shot up to 362 basis points during the escalation in the Middle East and has now returned to a moderate 261.

Zugerberg Finanz bond solutions

Tough July for bonds



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

In July, the global bond index fell back to near its previous annual low on 19 May (-2.2%), and ended July at -2.2%. The Swiss Bond Index has also slipped back into negative territory (-0.3%) due to higher yields on government bonds and is still significantly lower than it was five years ago (-2.9%). The Zugerberg Income Fund (-1.0%) has performed very similarly to the Swiss Bond Index so far this year. The volatility of the Credit Opportunities Fund was lower (which was rather counterintuitive given its more modest average rating). The COF is still just in positive territory, which has become rare among bond funds this year.

It wasn't just government bonds that took a beating in the first seven months. Corporate bonds also suffered, making active portfolio management of government and corporate bonds more difficult.

A key observation during the first seven months of this year was the increased involvement of hyperscalers, which issued bonds in numerous countries and currencies. However, fortune did not necessarily favor those who invested early. Oracle, for example, issued 3.5 billion dollars-worth of 30-year bonds with a coupon of 5.95% in September 2025. The rating still seemed sound, as did the outlook. However, the price has fallen by 22% since the bonds were issued ten months ago; this means that, despite the accrued interest, the total return to date is still negative at -17.2%.

At the time, we decided not to include the bond in the portfolio, even though it had been included in the passive bond indices. This makes sense for another reason as well. If private investors earn a coupon of 6%, they have to pay tax on around a third of it (about 2%) as interest income. Since we generally hedge foreign currencies in the Zugerberg bond solutions—and this costs around 4% a year in the case of the dollar—there would be hardly anything left for investors at the end of the day—apart from the risk of a fall in price. We strive to mitigate this relatively one-sided asymmetry through intelligent portfolio composition.

One measure is to place more capital on the Swiss franc bond market. However, from a global perspective, this is a tiny market with limited liquidity, which makes it virtually impossible to use optimization algorithms. Another strategy is to favor bonds that are trading in the 85 to 95 range. If the repayment is made at 100, at least part of the total return is exempt from income tax. Additional measures make it possible to achieve small successes even in a challenging financial market environment.

The complexity involved in selecting corporate bonds is often underestimated. Compared to equities, however, the data structure is much more complex, as individual bonds issued by the same company are not directly comparable across different characteristics such as maturities, coupons, ranks and ratings, convexity, etc. Furthermore, the price is heavily influenced by systemic interest rate risk, particularly in the case of bonds in the ZIF. Credit risk is the dominant factor for bonds held in the COF.

	Zugerberg Income Fund	Credit Opportunities Fund
Yield in 2026 (since the beginning of the year)	-1.0%	+0.6%
Yield since the start (annualized)	-7.4% (-0.9%)	+39.6% (+2.5%)
Proportion of months with positive yield	58%	68%
Credit risk premium in basis points (vs. previous month)	96 BP (-1 BP)	352 BP (unchanged)
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 projects on the rise

Expansion of transport infrastructure (image source: stock.adobe.com)

Investments in infrastructure are currently being made more by private funding vehicles than by listed companies. Of course, there are the major concessionaires, such as the listed company Vinci, which operates airports, toll roads, and energy solutions in more than 120 countries with its 294'000 employees. But private-market investors such as Partners Group are more significant players and, above all, have even greater financial resources.

The infrastructure sector is massive in scale. Around 3'000 billion dollars are set to be invested annually (!) in the renewable energy sector over the next five years. According to the hyperscalers, at least another 3'000 billion dollars will be invested cumulatively in data centers by 2030. In addition, there is expenditure related to transport infrastructure, such as railways, roads, ports, and airports, as well as the daily supply of water and sewage services. For a lot of projects, you have to act in the course of years, but think in terms of decades.

Infrastructure is an asset class that differs significantly from real estate. When it comes to investing, you can choose between listed stocks, listed funds, and ETFs, on the one hand, or unlisted vehicles from private market providers on the other. The largest provider worldwide is the Canadian company Brookfield, which currently manages around 175 billion dollars in the infrastructure sector (out of a total of 614 billion dollars' worth of assets). Brookfield is known for generating resilient free cash flows across all its operating business segments, securing around 108 billion dollars' worth of new money commitments in 2025 alone. AI infrastructure is likely to be a key focus in the future.

For the private market investor Partners Group, infrastructure is now the second-largest sector, and while its portfolio differs from that of Brookfield, its ambitions remain equally sky-high. By the end of June alone, a funding round totaling 20 billion dollars had been completed: 15 billion dollars is earmarked for direct investments in infrastructure projects, and 5 billion dollars for what are known as secondary market transactions, although the original target had been 3 billion dollars. Confidence in their investment expertise therefore remains strong.

In total, Partners Group already manages over 40 billion dollars in the infrastructure sector. This figure is expected to exceed 100 billion dollars by 2033. The principle is the same as in private equity: the manager acquires a stake, actively influences its development, and then sells it on at a later date—either through an initial public offering or a resale—in order to maximize the profit. Partners Group, for example, is investing in next-generation energy suppliers in order to benefit indirectly from the boom in AI data centers.

Another field of infrastructure is developing in space, for example with a fleet of satellites. And Starlink is by no means the only player here. More service providers are entering this market, in a sense providing the technical infrastructure for a modern AI world.

Asset sub-class	3–6 months	12–24 months	Analysis
Residential properties CH	→↗	↗	SARON mortgages are likely to remain affordable for a few more quarters, which will curb housing cost inflation and enable structural growth in the construction industry.
Office and retail properties CH	→↗	↗	In the commercial real estate market, the prospects for returns are higher and transaction prices (measured by cash flows) are lower. But there are risks here too.
Real Estate Fund CH	→	→↗	As an asset class that is structurally overvalued, the Swiss indices (SWIIT: -0.4% year-to-date; CHREF: +0.1%) are still failing to attract new investors.
Infrastructure Equity / Fund	↗	↗	Stable, non-cyclical returns and long-term protection against inflation are the two most important characteristics, which is why pension funds invest up to 10% in this asset class.

Equity

Persistently high volatility

The interplay between greed and fear is leading to record-breaking volatility in AI-related stocks, due to the use of numerous leveraged ETFs and algorithms. One day IBM drops 25%, then Microsoft jumps 18% a few days later, and the entire South Korean index rises 18% the very next day. However, it had previously fallen by 39% over a period of around five weeks—its worst run since October 2008. In July, some of the hype surrounding AI began to subside, as numerous companies were unable to set out a convincing monetization strategy for their persistently high levels of investment in AI. With Amazon, it was exactly the other way around, which is why the stock jumped 18%.

There is still a lot of potential for equities in the real economy. Valuation levels remain reasonable overall. There are individual segments that are at the mercy of speculative investors. In these sectors, the markets are experiencing truly incredible fluctuations.

But there are also markets that have continued to develop solidly, far removed from chip and AI-related news, and are likely to continue to do so in the future. If we look at the earnings yield in Switzerland, for example, it is 6% above the inflation rate. These are excellent prospects for an increase in real value for long-term investors.

The Swiss stock market was indeed a bit calmer in July, moving at a steady, rhythm that would delight a cardiologist: it achieved a considerable return (+1.1%) without any major fluctuations and, following the slump in March due to the war (-8.8%), posted a positive monthly performance for the fourth month in a row.

The Swiss Market Index (SMI) even climbed to a new all-time high of 14,535 points towards the end of the month and has risen significantly since the beginning of the year (+8.1%). In July, Sika (+9%) and Swiss Life (+7%) were among the positive surprises in the SMI, while Amrize (-6%) and ABB (-9%) were among the negative ones. Two heavyweights Nestlé (-2%) and Novartis (unchanged) contributed nothing to the SMI, while Roche (+6%) boosted the SMI with its pipeline of up to 19 drugs that could be relaunched by 2030.

After seven months, the Euro Stoxx 50 (+9.8%) has also increased slightly. Even the often-volatile US markets were unable to keep up. The tech-focused Nasdaq (+9.2%) is just barely below the broad S&P 500 (+9.4%), but on the same level as the Dow Jones, which includes typical US blue-chip stocks (+9.2%).

The USA experienced by far the best reporting season in years, especially for tech companies. Although some analysts have always managed to find a fly in the ointment, on the whole, the AI boom has significantly exceeded earnings expectations, suggesting that the decline in chip stocks was probably somewhat exaggerated.

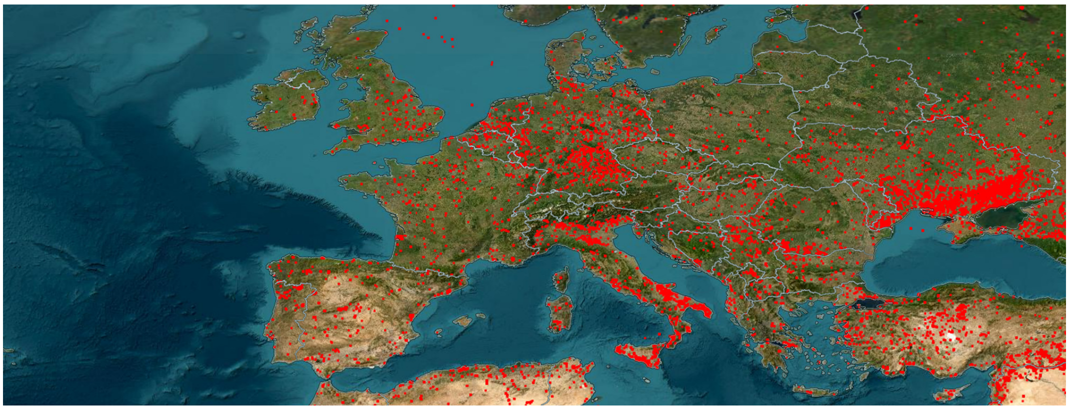
For the S&P 500, revenue forecasts per share for the next two years stand at around +8% (i.e. around 4% above inflation), while profit forecasts are around +12% (2026/27) and +11% (2027/28). Cash flow forecasts are not reliable indicators due to cycle-driven data center investments. However, the relatively low price-to-earnings ratios for 2027 (18) and 2028, derived from the forecasts, (16) suggest that there is still upside potential in the equity market even if the economy cools off somewhat, as is currently the case in the USA.

In Europe, economic momentum is picking up. Inflation rates are lower there, and therefore so are revenue forecasts (+5%; only about 2% above inflation). Above all, however, European equities in the Stoxx Europe 600 are considered to have limited potential for long-term growth. However, the profit forecasts of around +9% (2026/2027) and +15% (2027/2028) are promising because valuations are low. These figures result in a price-to-earnings ratio of 14 in 2027 and a P/E ratio of 12 for 2028—with substantial dividend streams of between 3% and 4%.

Asset sub-class	3–6 months	12–24 months	Analysis
Equity Switzerland	↗	↗	The Swiss Market Index (SMI) climbed to a new all-time high of 14'535 points towards the end of the month.
Equity Eurozone, Europe	↗	↗	In July, energy stocks (+9%) outperformed banks (+6%), as well as financial services, insurance companies, and automotive stocks (all +5%); technology (-7%) was the weakest sector.
Equity USA	↗	↗	The technology leaders after 7 months: Amazon (+18%), Apple and Alphabet (+14% each), and Nvidia (+8%). Microsoft (-3%), IBM (-24%), and Tesla (-31%) are all down.
Equity Emerging markets	↗	↗	Among the emerging markets, China continues to underperform (MSCI China -7% YTD), while India has managed to recover from its lows.

Alternative investments

Insurers are getting ready



Fires in Europe from July 28 to August 3, 2026 (Image source: NASA, Fire Information for Resource Management System, August 3, 2026)

Insurers are getting ready for a new era of disaster risk in Europe, fueled by rising temperatures on the fastest-warming continent in the world. Insurers, reinsurers, and brokers are forecasting rising premiums and higher claims relating to natural disasters. They do not see the recent heat waves as a temporary shock, but as a long-term trend.

The Swiss Re Institute notes that wildfires are now the fastest-growing weather-related hazard worldwide. From an actuarial perspective, it will be interesting to see to what extent the focus is on market share or profitability. Swiss Re, which impressed us at the recent meeting with the CFO, would rather give up its market share than imprudently enter into contracts in which the premiums do not cover the entire costs (damages, operating costs, and capital). It is clear that we have entered an era of unstoppable wildfires. There is a risk that, come autumn, politicians will once again forget about forests. As foresters often say: “The best time to fight summer fires is in winter”. But prevention, which requires a great deal of patience and money, is then often neglected once again.

There are many reasons for this, which we will not go into here, but one thing is clear in the industry: this change in our physical reality also brings with it greater financial burdens. The losses caused by wildfires go far beyond damage to property. Spain, France, Greece, and Italy are regularly affected. But even regions of Europe that previously considered themselves too far north—and therefore safe—are now at risk. The risk of wildfire extends as far as Scandinavia and the United Kingdom.

Managing climate risks is becoming a competitive advantage. However, historical data no longer provide a sufficient basis for calculating loss probabilities. Rather, it is a matter of trying to map non-linear development with future-oriented scenario analyses. Furthermore, the capital market enables the industry to transfer risks to a greater extent, for example through catastrophe bonds and other insurance-linked securities. But in almost all cases, only a portion is insured. The 2025 wildfire season in Spain resulted in economic losses of almost 5 billion euros, of which only 1 billion euros-worth was insured. That is why we must also urgently consider measures designed to protect against losses from the outset, rather than redistributing losses after the event.

Allianz, the largest primary insurer in Europe, recently stated that the heat had changed risk patterns in the region, as temperatures there are rising twice as fast as in the rest of the world. “Extreme weather and record temperatures are leading to a significant increase in the risk of wildfires and drought,” said Matthias Trüstedt, Global Head of Property and Liability Insurance at Allianz. The company is increasingly working with customers to protect them from losses. In Spain, Allianz launched an AI-powered, satellite-based wildfire warning service and notified thousands of customers.

Asset sub-class	3–6 months	12–24 months	Analysis
Commodities	↗↘	→↗	At the end of July, the Bloomberg Commodity Index stood at 132.1 (+20.4% year-to-date), which is again significantly higher than the figure of 123.2 recorded at the start of the month.
Gold, precious metals	→↗	→↗	Gold serves as a long-term hedge against monetary, fiscal, and geopolitical uncertainty in risk-averse portfolios.
Insurance Linked Securities	↗	→↗	Swiss Re is aiming for a combined ratio of less than 85%. This requires strict discipline in the underwriting process and makes it a dividend-bearing security.
Private equity	→	↗	Partners Group has the highest proportion of short sellers in the SMI, at around 10%. Positive surprises therefore have the potential to be game-changers.

Market data

Asset class		Price (in local currency)	Monthly / YTD / Annual performance (in CHF)				
Equity		**31.07.2026**	**07/2026**	**2026 YTD**	**2025**	**2024**	**2023**
SMI	CHF	14'346.1	+1.1%	+8.1%	+14.4%	+4.2%	+3.8%
SPI	CHF	20'161.2	+0.7%	+10.7%	+17.8%	+6.2%	+6.1%
DAX	EUR	25'629.2	+3.5%	+4.8%	+21.6%	+20.4%	+13.1%
CAC 40	EUR	8'509.6	+2.2%	+4.5%	+9.4%	−1.0%	+9.6%
FTSE MIB	EUR	52'172.5	+1.9%	+16.3%	+30.0%	+14.1%	+20.4%
FTSE 100	GBP	10'868.1	+5.2%	+11.7%	+14.1%	+12.1%	−0.3%
EuroStoxx50	EUR	6'358.0	+1.4%	+9.8%	+17.3%	+9.6%	+12.1%
Dow Jones	USD	52'485.0	+0.3%	+11.3%	−1.3%	+22.1%	+3.5%
S&P 500	USD	7'489.7	−0.1%	+11.5%	+1.7%	+33.4%	+13.1%
Nasdaq Composite	USD	25'373.9	−3.2%	+11.3%	+5.2%	+39.2%	+30.6%
Nikkei 225	JPY	64'362.0	−6.2%	+28.2%	+10.9%	+15.2%	+8.6%
Sensex	INR	78'094.6	+1.2%	−12.0%	−9.3%	+13.8%	+7.4%
MSCI World	USD	4'847.9	+0.5%	+11.5%	+4.4%	+26.6%	+10.8%
MSCI EM	USD	1'665.9	−3.3%	+20.9%	+14.1%	+13.6%	−2.6%
Bonds (mixed)		**31.07.2026**	**07/2026**	**2026 YTD**	**2025**	**2024**	**2023**
Glob Dev Sov (Hedged CHF)	CHF	147.9	−1.3%	−2.5%	−1.0%	−1.4%	+2.2%
Glob IG Corp (Hedged CHF)	CHF	183.0	−1.7%	−2.4%	+2.5%	−0.8%	+4.2%
Glob HY Corp (Hedged CHF)	CHF	379.2	−0.8%	−0.1%	+5.4%	+6.1%	+8.7%
USD EM Corp (Hedged CHF)	CHF	283.3	−1.6%	−1.6%	+5.9%	+2.4%	+4.5%
Government bonds		**31.07.2026**	**07/2026**	**2026 YTD**	**2025**	**2024**	**2023**
SBI Dom Gov	CHF	183.4	−1.5%	−1.6%	−0.2%	+4.0%	+12.5%
US Treasury (Hedged CHF)	CHF	134.2	−1.5%	−3.2%	+1.7%	−3.8%	−0.5%
Eurozone Sov (Hedged CHF)	CHF	173.6	−1.9%	−1.9%	−1.8%	−0.8%	+4.8%
Corporate bonds		**31.07.2026**	**07/2026**	**2026 YTD**	**2025**	**2024**	**2023**
CHF IG Corp (AAA-BBB)	CHF	192.5	−0.6%	+0.1%	+0.7%	+5.1%	+5.7%
USD IG Corp (Hedged CHF)	CHF	183.8	−2.0%	−3.2%	+3.1%	−2.4%	+3.5%
USD HY Corp (Hedged CHF)	CHF	627.7	−0.6%	−0.7%	+4.0%	+3.7%	+8.5%
EUR IG Corp (Hedged CHF)	CHF	167.2	−1.2%	−1.0%	+0.7%	+2.0%	+5.9%
EUR HY Corp (Hedged CHF)	CHF	311.6	−0.5%	+0.1%	+2.8%	+5.4%	+9.8%
Alternative investments		**31.07.2026**	**07/2026**	**2026 YTD**	**2025**	**2024**	**2023**
Gold Spot CHF/kg	CHF	105'042.6	+0.8%	−4.6%	+43.8%	+36.0%	+0.8%
Commodity Index	USD	132.1	+7.2%	+22.7%	−2.9%	+8.3%	−20.4%
SXI SwissRealEstateFunds TR	CHF	2'985.0	−1.5%	+0.1%	+9.9%	+16.0%	+5.4%
Currencies		**31.07.2026**	**07/2026**	**2026 YTD**	**2025**	**2024**	**2023**
US dollar / Swiss franc	CHF	0.8075	−0.1%	+1.9%	−12.8%	+7.8%	−9.0%
Euro / Swiss franc	CHF	0.9304	+0.8%	0.0%	−1.0%	+1.2%	−6.1%
100 Japanese yen / Swiss franc	CHF	0.5124	+3.1%	+1.3%	−12.1%	−3.4%	−15.4%
British pound / Swiss franc	CHF	1.0887	+1.6%	+1.9%	−6.1%	+6.0%	−4.2%