Photo: Andreas Busslinger

Robust Global Economy Thanks to the AI Boom

Global economic conditions have proven remarkably resilient in recent years in the face of three major negative shocks. These shocks include the outbreak of the Russia-Ukraine conflict in 2022, a radical shift in U.S. trade policy in April 2025, and the war waged by the U.S. and Israel against Iran since late February 2026. However, these negative shocks are offset by a positive one: the AI boom is driving global investment in data centers and chip manufacturing facilities on a scale the global economy has never seen before. This boom is likely to continue for several more years, while there is some cause for optimism that the negative events will eventually come to an end.

Certainly, it is always crucial that, in any case, other positive developments help to cushion or offset the negative effects of the three shocks: In this context, it is worth noting a robust recovery in consumer spending and overall economic activity following the pandemic in 2022, lower inflation (until the start of the war in the Middle East), and monetary easing in 2025, which was brought to an end by energy-price-driven inflation this year. But above all else stands the power of the AI boom.

The world's only company with a market capitalization of more than $5 trillion recently demonstrated just how much growth is likely to accelerate. As part of an overarching strategy, Nvidia even pointed out that it is using its own balance sheet to fuel the AI boom, because banks and capital markets are already limited in their ability to finance this significantly faster growth with equity and debt capital. Leading research labs such as OpenAI and Anthropic—to name just two of many—are growing at an unprecedented pace, far faster than their balance sheets and creditworthiness would allow. To secure the ever-increasing computing capacities they require, they rely on Nvidia as the "house bank of the AI boom."

In August, some tech indices rebounded

In July, the capital markets were initially marked by deep-seated fears surrounding a potential AI bubble, but many tech indices rebounded in August. The U.S. Nasdaq 100 (-2.6% since the start of the quarter) remains in negative territory, while more defensive indices are showing surprising stability. The Swiss Market Index (SMI; +0.7% since the start of the quarter) lagged slightly behind the Euro Stoxx 50 (+1.5%) and the U.S. S&P 500 (+2.5%).

Bonds have been under pressure globally for months. The global bond index (-1.6%) has remained in negative territory since the start of the quarter, mirroring the performance of the Swiss government bond index (-1.6%). The Swiss Bond Index (-1.0%) underperformed, as did the Zugerberg Income Fund (-1.2%). In contrast, the Credit Opportunities Fund (+0.3%), which focuses primarily on corporate bonds, managed to post a small gain—in a challenging environment in which yield curves across all currencies rose structurally.

In the lowest risk class (R1: -0.9%), the withholding tax credit of 0.4% must be added to the total return so far this year. Incidentally, liquidity was reduced slightly in this class, and the allocation to gold was increased to 4.0%. The equity allocation stands at just under 20%.

The higher risk classes rose by up to 2.0% in August and have been clearly in positive territory since the start of the year (R3: +1.6%, R4: +3.3%, and R5: +5.3%). The dividend-focused strategy slipped slightly in August (RDividends: +5.2% year-to-date). We see further potential across all risk classes through the end of the year.

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

	Strategy performance*	
	August 2026	2026 YTD
Zugerberg Finanz R1	+0.2% ↗	−1.0% ↘
Zugerberg Finanz R2	+0.5% ↗	+0.3% ↗
Zugerberg Finanz R3	+0.9% ↗	+1.6% ↗
Zugerberg Finanz R4	+1.5% ↗	+3.3% ↗
Zugerberg Finanz R5	+1.8% ↗	+5.3% ↗
Zugerberg Finanz RDividends	−0.9% ↘	+5.2% ↗
Zugerberg Finanz Revo1	+0.2% ↗	−0.9% ↘
Zugerberg Finanz Revo2	+0.6% ↗	+0.1% ↗
Zugerberg Finanz Revo3	+1.0% ↗	+1.5% ↗
Zugerberg Finanz Revo4	+1.6% ↗	+3.2% ↗
Zugerberg Finanz Revo5	+2.0% ↗	+4.8% ↗
Zugerberg Finanz RevoDividends	−0.6% ↘	+4.8% ↗
Zugerberg Finanz DecarbRevo3	−0.1% ↘	+10.2% ↗
Zugerberg Finanz DecarbRevo4	−0.2% ↘	+12.6% ↗
Zugerberg Finanz DecarbRevo5	−0.3% ↘	+13.9% ↗

Zugerberg Finanz Vested benefits

	Strategy performance*	
	August 2026	2026 YTD
Zugerberg Finanz Vested benefits R0.5	+0.4% ↗	−1.7% ↘
Zugerberg Finanz Vested benefits R1	+0.3% ↗	−1.1% ↘
Zugerberg Finanz Vested benefits R2	+0.5% ↗	−0.6% ↘
Zugerberg Finanz Vested benefits R3	+1.3% ↗	+0.9% ↗
Zugerberg Finanz Vested benefits R4	+1.7% ↗	+2.6% ↗
Zugerberg Finanz Vested benefits R5	+1.8% ↗	+5.3% ↗
Zugerberg Finanz Vested benefits RDividends	−0.9% ↘	+5.2% ↗

Zugerberg Finanz 3a pension solution

	Strategy performance*	
	August 2026	2026 YTD
Zugerberg Finanz 3a Revo1	+0.2% ↗	−0.9% ↘
Zugerberg Finanz 3a Revo2	+0.6% ↗	+0.1% ↗
Zugerberg Finanz 3a Revo3	+1.0% ↗	+1.5% ↗
Zugerberg Finanz 3a Revo4	+1.6% ↗	+3.2% ↗
Zugerberg Finanz 3a Revo5	+2.0% ↗	+4.8% ↗
Zugerberg Finanz 3a RevoDividends	−0.6% ↘	+4.8% ↗
Zugerberg Finanz 3a DecarbRevo3	−0.1% ↘	+10.2% ↗
Zugerberg Finanz 3a DecarbRevo4	−0.2% ↘	+12.6% ↗
Zugerberg Finanz 3a DecarbRevo5	−0.3% ↘	+13.9% ↗

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

Macroeconomics

Positive Growth Shock from the AI Boom

Data Center (Image source: stock.adobe.com)

Negative growth shocks are dominating the headlines, but the global economy is currently strongly influenced by the positive growth shock driven by AI investments. Around the globe, investments are being made in chip factories, data centers, energy supply, and grid stability—on a scale the global economy has never seen before. Consequently, numerous sentiment indicators are showing positive results, suggesting that growth is gaining momentum.

The risks to growth are therefore not on the downside, but on the upside. With inflation having risen to well over 3% in both the eurozone and the U.S. in August, the respective central banks are heading into a fall of monetary policy that is likely to be characterized by key interest rate hikes.

However, monetary policymakers must also be aware that an interest rate hike cannot address the (war-related) root cause of inflation. The ongoing conflicts in the Middle East and low water levels in Central Europe as well as in the Panama Canal pose significant upside risks to inflation, and second-round effects loom should natural gas storage levels remain at alarmingly low levels.

From a macroeconomic perspective, Europe (including both the eurozone and Western Europe) has recently managed to surprise on the upside. Based on a series of macroeconomic indicators, numerous models have led to an upward revision of GDP growth forecasts for 2026 and 2027.

Meanwhile, economic sentiment in the eurozone improved more sharply in August than experts had expected. The Economic Sentiment Indicator (ESI) rose to 98.4 points (+1.3) compared to the previous month. This marks the fourth consecutive increase, with the figure now only slightly below the long-term average of 100 points. The upturn in the ESI was supported by increased confidence across all sectors. The ZEW Economic Expectations Index also rose significantly, despite various disruptions ranging from the unresolved Middle East conflict to the low-water crisis.

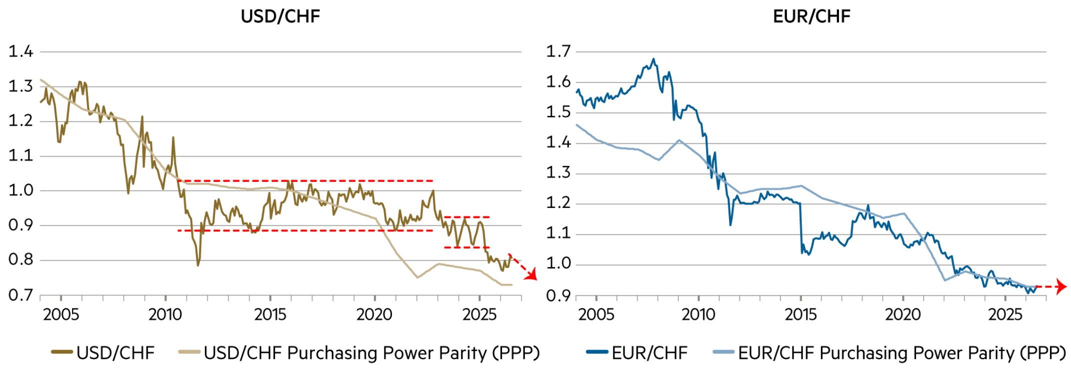
The German Ifo Business Climate Index also rose significantly in August, according to the Munich-based Ifo Institute, which reported on its survey of approximately 9,000 executives. This means that this key economic barometer has once again surpassed the level reached before the war with Iran broke out in late February. Despite another rise in energy prices, the German economy is recovering, a trend that is certainly also linked to increased investment in data centers, infrastructure, and defense. We expect the economy to have sustainably emerged from its trough.

South Korea's GDP was also revised upward as a result of strong foreign trade figures driven by success in memory chip exports.

Region	3–6 months	12–24 months	Analysis
Switzerland	↗	↗	According to the SNB, medium-term inflationary pressure remains "virtually unchanged." If necessary, the SNB remains prepared to intervene more aggressively in the Swiss franc market.
Eurozone, Europe	↗	↗	The economy will grow more strongly than expected in 2026. In the bond markets, the funding needs of European companies are clashing with the appetite for capital from the U.S.
USA	↗	↗	According to the Fed Chair, U.S. economic growth appears to have strengthened in the third quarter (and can therefore comfortably withstand a key interest rate hike).
Rest of the world	↗	↗	GDP growth forecasts for India have been raised to 7.5%. GDP forecasts for South Korea and Taiwan saw an even larger increase.

Liquidity, currency

The Dollar Is Regaining Stability



The dollar is more vulnerable to depreciation than the euro (Source: Bloomberg L.P. | Chart: Zugerberg Finanz)

On July 28, the dollar was still at 0.82 francs; three weeks later, it was near 0.79 francs, and by the end of the month—thanks to Fed Chairman Kevin Warsh's keynote speech in Jackson Hole—it was back at 0.81 francs. The euro fluctuated much less and was last trading at 0.94 francs. Both developments could help a large number of Swiss companies boost their annual results through currency gains.

The dollar is trading well above its purchasing power parity and thus remains vulnerable to depreciation. In contrast, the current euro exchange rate corresponds to parity and is therefore in equilibrium with the Swiss franc. August also saw a much-noted milestone: U.S. debt reached $40 trillion for the first time. The largest creditors are no longer China or Russia, but private investors, hedge funds, and European central banks. Together, the latter hold more than 10% of outstanding U.S. Treasury bonds.

The significant growth in government debt and rising bond yields are driving up interest expenses and limiting the government's room to maneuver. In the U.S., Japan, and France, spending on interest already exceeds spending on defense. But financing campaign promises with government debt will eventually become impossible.

In his keynote speech at Jackson Hole, Kevin Warsh delivered his clearest, most focused, and most targeted statement since succeeding Jay Powell. Unlike during congressional hearings and his prepared remarks at press conferences following Fed meetings, Warsh was able to say exactly what he wanted to say, exactly how he wanted to say it, without being obliged to address anything else he did not wish to discuss.

So what did he say? Warsh made it clear that the Fed's 2% inflation target is "a firm, unchanging goal" and that recent developments in inflation data do not indicate that underlying trends have "improved significantly." Given the Fed's primary focus on prices, "we must be confident that underlying inflation is moving clearly and at a sufficient pace toward our target. Otherwise, we still have work to do. That is our task ... our mandate ... and our mission, which we must fulfill."

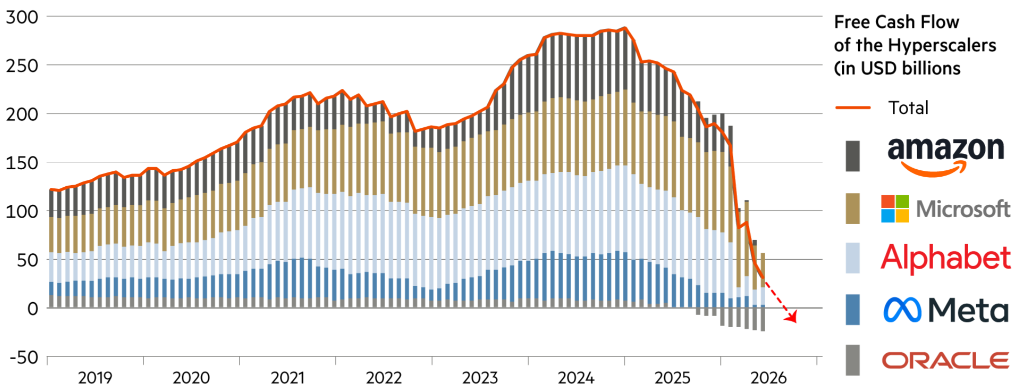
Warsh expressed concern that, of the 199 individual components in the benchmark basket of goods, 54% had risen in price by more than 3% over the past twelve months. At the same time, he emphasized that medium-term inflation expectations had generally proven stable. This speaks to the markets' confidence that the Fed will achieve price stability. However, history teaches us that market-based inflation expectations often appear stable until they suddenly are no longer. They are still well anchored. But the Fed must do everything in its power to prevent them from unanchoring.

The ECB is also heading into the fall with the same line of reasoning. Following the latest inflation figures (+3.4% in August), the ECB is expected to raise its key interest rate on September 10.

Asset class	3–6 months	12–24 months	Analysis
Bank account	↘	↘	As of the end of the month, SARON swaps are in negative territory (-0.1%) for terms of 3 months, return to above zero for a 1-year term, and stand at +0.7% for a 10-year term.
Euro / Swiss franc	→	→	At 0.94, the euro is slightly stronger. The cost of currency hedging has risen inexorably from 2.1% at the start of the year to 2.6% as of the end of August.
US dollar / Swiss franc	→	↘	The USDCHF exchange rate was virtually unchanged at 0.81 at the end of August, remaining at the previous month's level: hedging costs still stand at 4.0% p.a.
Euro / US dollar	→	↗	At 1.16, the euro has gained slightly but remains slightly below the level at the start of the year (-1.1%).

Bonds

Hyperscalers Drive Upward Pressure



Free cash flow of five hyperscalers, 2019–2026 (Source: Bloomberg L.P. | Chart: Zugerberg Finanz)

The world is currently experiencing an infrastructure boom: the energy transition, rising electricity demand, AI, and digitalization are driving unprecedented investment needs. From renewable energy grids and battery storage to hyperscale data centers and fiber-optic networks—the infrastructure on which tomorrow's economy is based requires trillions in funding. This, combined with the capital hunger of highly indebted nations, is driving upward pressure on bond yields.

Traditionally, large infrastructure projects have relied heavily on debt financing. However, as banks have become more selective with long-term loans and infrastructure spending has risen, private capital has entered the market. To "finance" these investments, long-term contracts and commitments are entered into that do not appear on the balance sheet. This is reminiscent of the iceberg phenomenon. A (small) portion is visible, while the larger portion remains hidden. An analysis by The Wall Street Journal of nine leading tech companies revealed approximately $3,000 billion in off-balance-sheet obligations. This comes as no surprise, since by 2030, approximately $5,000 billion will be invested in data centers, of which about $2,000 billion will come from global bond markets.

This is gradually starting to affect credit risk premiums. The so-called spreads in the technology sector have risen from 60 to 140 basis points over the past 18 months. This marks a reversal of the long-standing premium advantage enjoyed by tech companies and is attributable to recent trends in free cash flow.

However, we do not believe that these issuances will trigger a credit crisis. The hyperscalers' balance sheets remain among the strongest in the index. But there could be some digestion issues if concerns about off-balance-sheet liabilities intensify. Bond markets globally are working to absorb the supply as smoothly as possible.

Given their multi-year expansion, the hyperscalers are issuing long-term bonds on a significant scale. This is a sensible strategy in markets with high pension coverage, such as Europe, where demand for duration to match liabilities is deeply rooted, while U.S. demand for long-term corporate bonds is lower and is reflected in steeper yield curves for hyperscaler bonds. In February, Alphabet issued a rare 100-year bond worth £1 billion in the sterling market. This was the first century bond issued by a major tech company since Motorola in 1997, backed by pension funds and insurers.

In the U.S., hyperscaler bonds were solidly oversubscribed by 3.5 to 4.5 times in the first half of 2026. However, the first hyperscaler issuance in the second half of the year was oversubscribed by only 1.4 times. This points to waning demand, as the high level of issuance activity is gradually taking its toll. Tapping into global markets (including the CHF market!!) to meet the additional demand is a smart treasury management strategy; at the same time, it is a tacit admission that demand for dollar-denominated bonds alone cannot absorb the upcoming supply.

Asset sub-class	3–6 months	12–24 months	Analysis
Government bonds	→	↘	High budget deficits and growing long-term financing needs are causing particular concern in the U.S. As a result, yields rose to 5.3%.
Corporate bonds	↗	↗	Companies currently enjoy greater confidence than governments. Their risk premium relative to government bonds is near its 12-month lows.
High-yield, hybrid bonds	↗	↗	Market jitters in recent weeks have not affected new issuance activity. Hybrid bonds from top-tier issuers remain attractive.

Zugerberg Finanz bond solutions

Zugerberg Solutions: Relatively Solid

Category	Name	Return
Global Bonds	Global Aggregate	-2.5%
US Government Bonds	US Treasurys	-3.2%
Eurozone Government Bonds	German Bunds	-2.7%
Swiss Government Bonds	SBI Domestic Government	-1.5%
US Corporate Bonds	USD IG Corporates	-3.1%
EUR Corporate Bonds	EUR IG Corporates	-1.5%
CHF Corporate Bonds	SBI Corporates	+0.2%

Total return on bonds, Jan. to Aug. 2026, in CHF or currency-hedged in CHF (Source: Bloomberg L.P. | Chart: Zugerberg Finanz)

The global bond index stood at -2.5% at the end of August, significantly lower than at the start of the year. All government bonds posted poor returns, though Switzerland (-1.5%) fared better than the U.S. (-3.2%). For corporate bonds, the differences between Switzerland (+0.2%) and the U.S. (-3.1%) are even greater. The Zugerberg Income Fund (-1.2%) has performed slightly better than the Swiss Bond Index so far this year. The Credit Opportunities Fund's return (+1.0%) outperforms all typical bond performances.

The global bond markets are vast, and the range of options (currencies, issuers, ratings) is diverse. Yet they all have one thing in common: the challenge of generating a positive return while maintaining a buffer within a balanced portfolio in case a crisis occurs. To address the latter scenario, it is essential to hold multi--year bonds issued by robust issuers with solid ratings. The longer the remaining maturity, the greater the potential upside (i.e., price appreciation) in the event of a crisis.

We are well aware that, at first glance, the Zugerberg Income Fund (ZIF) has underperformed. This is due, among other things, to the fact that only a portion of the interest (65%) is reinvested, while another portion (35%) is withdrawn from the portfolio as withholding tax credits. This portion reduces our clients' tax liability.

Since the ZIF's inception in 2018, it has been in positive territory during certain periods (2019, 2021), but the wave of inflation (2022) sent the fund plummeting to -15.7% (October 2022). The year 2022 was by far the worst year for bonds in the past 50 years and also caused a massive decline in the Swiss Bond Index (-12.1%). Since then, the ZIF's total return has improved to -7.6% (August 2026). Over the past three years, the Zugerberg Income Fund's return (+5.2% total return) lagged behind that of the Swiss Bond Index (+8.1%), but was significantly ahead of the return on the Global Bond Index (-0.4%). Since the yield to maturity is significantly higher than that of the Swiss Bond Index, the ZIF is likely to turn its lag behind the Swiss Bond Index into a lead in the medium term.

Recently, it has been encouraging to see yields rise again. We therefore took the opportunity to add a subordinated bond with a BBB rating from the Zug-based construction chemicals group Sika to the ZIF portfolio. The 500 million bond was issued in euros and was 7.5x oversubscribed. That did not prevent us from acquiring 1 percent of the bond for the ZIF, as it yields 1.8% more than a comparable German government bond. Sika is very well capitalized and, through this bond issuance, gains further flexibility to finance acquisitions as a market leader without diluting its share price.

The Credit Opportunities Fund (COF) also saw a number of transactions, though these did not significantly alter the fund's profile. The fund's assets of approximately 471 million Swiss francs are broadly diversified across 225 issues from a wide range of industries. Hyperscalers remain underweight.

	Zugerberg Income Fund	Credit Opportunities Fund
Yield in 2026 (since the beginning of the year)	-1.2%	+1.0%
Yield since the start (annualized)	-7.6% (-1.0%)	+40.2% (+2.5%)
Proportion of months with positive yield	57%	68%
Credit risk premium in basis points (vs. previous month)	97 BP (+1 BP)	352 BP (+0 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

Real Estate Markets Remain Robust

City of Zug (Photo: Maurice Pedergnana)

The residential investment property segment in Switzerland remains robust and popular among both private and institutional clients. Vacancy rates are typically very low. Lower interest rates (compared to 2022) have recently led to lower discount rates. This, in turn, has allowed for higher revaluations even with stable rental income. Some institutional investors have once again fallen below the 3% threshold for net initial yield in order to expand their portfolios.

The low interest rates associated with Swiss government bonds (0.4% for 10-year bonds) are driving gross and net initial yields for multifamily residential properties to historically low levels among institutional investors. The median net initial yield in Switzerland is currently estimated to be around 3.0% to 3.5%.

According to FPRE, market indices for income-generating real estate have performed exceptionally well over the past four quarters. Prices for multifamily residential properties in the second quarter of 2026 were significantly higher than in the same quarter of the previous year (+6.9%). The strongest price increases were recorded in the Mittelland (+7.5%), Eastern Switzerland (+7.4%), and the Alpine region (+7.3%).

The market values of office properties also rose year-over-year, though not quite as sharply (+4.2%). This is attributable to lower discount rates, as contract rents remained stable year-over-year (+0.3%), across Switzerland, contractual rents for new office leases actually declined noticeably compared to the previous year (-1.1%), and this in an economic environment that is growing nominally by 1.5% (2026) to 2.2% (2027).

Production costs did not deviate significantly from the national consumer price index. According to the Swiss Builders' Association, production costs for multi-family homes rose by 1.1% compared to the previous year. This is difficult to compare with the high post-pandemic inflation rates in the Swiss construction price index, which ranged from 8% to 10% in 2022.

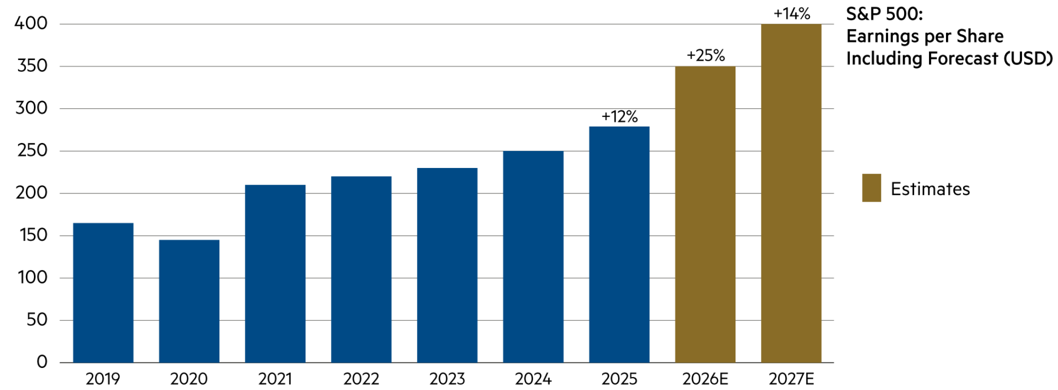
Real estate funds are struggling. They are highly valued in Switzerland and, on average, are paying out just 2.2%. Not much more is to be expected. Real estate stock companies such as Mobimo, Allreal, and Investis are also struggling, though for a different reason. Under the tightening of the Lex Koller law, foreign investors will no longer be allowed to hold any shares at all. The existing exemption for the acquisition of shares in publicly traded residential real estate funds or companies by foreign individuals is set to be repealed, which would amount to a de facto ban.

Zurich Airport, on the other hand, is in a favorable position. The company expects passenger numbers to increase by 3% for the full year. Profitability in the first half of the year was slightly below expectations, as was the news regarding Noida Airport south of Delhi (India). Both are likely to show more encouraging developments in 2027. At current price levels, the dividend yield is expected to be around 4.5%.

Asset sub-class	3–6 months	12–24 months	Analysis
Residential properties CH	→↗	↗	Prices for multi-family homes in the second quarter were 6.9% higher than the previous year's figure. The strongest growth was seen in the Mittelland (+7.5%) and in Eastern Switzerland (+7.4%).
Office and retail properties CH	→↗	↗	The commercial real estate market is performing exceptionally well in a few locations, but PSP (+3.9%) and Swiss Prime Site (+4.1%) have been clearly in positive territory since the start of the year.
Real Estate Fund CH	→	→↗	The tightening of the Lex Koller regulations is weighing on publicly traded real estate companies. The SWIIT (-1.1%) and CHREF (-0.6%) are posting negative total returns.
Infrastructure Equity / Fund	↗	↗	Zurich Airport, with its more than 150 buildings, is generating strong (rental and user) revenue and now offers a distribution yield of 4.5%.

Equity

Strong Quarterly Earnings



S&P 500, strong earnings growth with a positive outlook (Source: Bloomberg L.P. | Chart: Zugerberg Finanz

Second-quarter earnings were exceptionally high, driving stock indices in many countries to new all-time highs. The outlook for 2027 looks even more promising. For the S&P 500 stock index, analysts expect average earnings growth of 20% this year and 12% next year. Corporate earnings are also expected to develop favorably in Switzerland and in Europe in general.

In the real economy, growth was not as steep as it was for earnings. Large U.S. corporations, in particular, delivered impressive results. This resulted in the strongest earnings season for the S&P 500 since 2021. Approximately 85% of companies exceeded earnings expectations. And in numerous cases, it is evident how AI is having a positive impact on the corporate landscape.

It must be emphasized, however, that the seven largest tech companies continue to exert a significant influence on earnings growth. The “Magnificent Seven” collectively account for about one-third of the S&P 500’s market capitalization, but have had a very mixed year so far because AI investments are expected to exceed cash flows in the near future. For example, Microsoft’s stock price has already fallen by more than 25% twice since the start of the year (once in March and once in June), but confidence has returned, and by the end of August, the price was already 6% higher than at the start of the year. Any momentum from this “glorious seven” helps the entire index reach new highs. However, with fluctuating fear and greed surrounding the monetization of major AI investments, these momentum shifts are likely to swing back and forth from time to time.

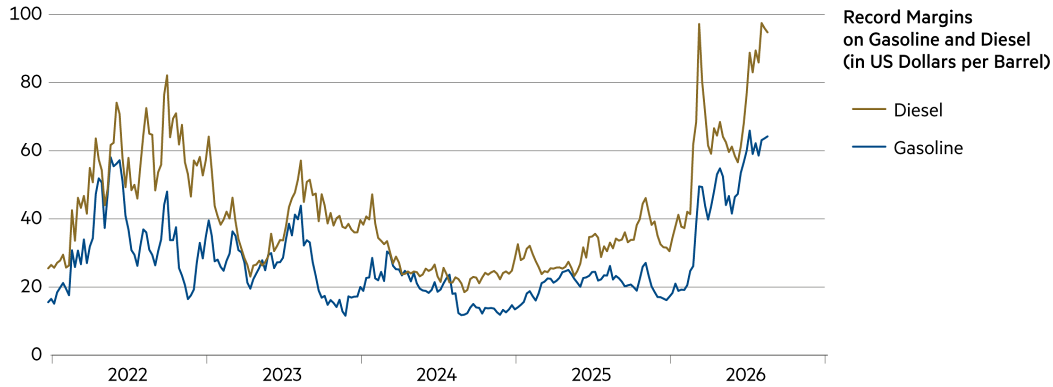
The stock markets’ biggest Achilles’ heel is likely not their earnings growth, but the rise in long-term bond yields. A dollar-denominated investor earns a yield of 5.3% on 30-year government bonds in their reference currency. We haven’t seen that in a quarter-century. Back then, however, inflation was higher; now there’s a good chance that inflation will return to around 2%, which would offer bond investors the prospect of high real returns over the long term.

Nvidia’s quarterly results, published toward the end of the month, at least dispel fears of an economic slowdown. The AI investment cycle is sweeping the globe and extends far beyond the narrower IT sector. Nvidia reported “accelerated demand” and highlighted projects such as the world’s largest data center in Portsmouth, Ohio, which will ultimately require investments of $350 billion. There are also individual sectors, such as semiconductor stocks, which generated massive market gains from April through June but have since stagnated. The Philadelphia Semiconductor Index remains more than 21% below its June 22 high.

Asset sub-class	3–6 months	12–24 months	Analysis
Equity Switzerland	↗	↗	Partners Group (+9%) was the top-performing SMI stock, ahead of Geberit (+7%), Alcon, and Sika (both +6%). Swiss Life and Zurich (both -4%) and Amrize (-10%) posted the biggest losses.
Equity Eurozone, Europe	↗	↗	In August, materials stocks (+9%) outperformed technology (+4%) and financial services (+3%). Consumer goods (-5%) and real estate (-4%) posted losses.
Equity USA	↗	↗	Tech stocks after 8 months: Nvidia (+18%), Apple (+17%), Amazon (+13%), Alphabet (+18%), Google (+8%), Microsoft (+5%), Meta (-12%), Tesla (-18%).
Equity Emerging markets	↗	↗	The MSCI Emerging Markets Index has consolidated at elevated levels over the past three months.

Alternative investments

Margins Rise to Record Levels



Record-high margins for petrol and diesel (Source: Bloomberg L.P. | Chart: Zugerberg Finanz)

It’s not crude oil prices that are at a record high, but refining margins. We’re now talking about margins for diesel and gasoline that are just as high as crude oil itself. This is infuriating policymakers, who are watching as profit margins on refined products far outpace the rise in crude oil prices. They’re considering skimming off the windfall profits through special taxes. Although the Strait of Hormuz remains a bottleneck, more ships are now passing through it than was feared just a short time ago.

The main reason crude oil prices have recently been fluctuating between $88 and $94—rather than rising to $120 to $150—is the informal shipping traffic through the Strait of Hormuz. Many ships pass through the strait at night, without transponders, escorted by the U.S. military. Meanwhile, traffic volume has returned to 30% to 40% of “normal” levels, and the strait has been virtually cleared of sea mines.

Another reason lies with the People’s Republic of China, the main importer of Iran’s crude oil. Thanks to its strategic reserves sufficient for four years, this economy can afford to do without Iranian oil for an extended period. Of course, it does not do so entirely, but the shortfall relative to daily demand is covered by reserves and by ramped-up energy production from renewable sources.

In addition, the U.S., having secured access to Venezuela’s heavy oil, now has exactly the type of fuel it values most. Its refineries along the Gulf of Mexico are designed to process this heavy oil. The situation is different for Europe. A number of refineries are currently unable to supply adequate quantities because they have, in part, relied on refineries located beyond the Strait of Hormuz. About half of the kerosene needed in Europe and one-fifth of the diesel come from this source. However, a portion of these products—especially during the da—is prevented from passing through the strait.

Another factor that has driven up prices, particularly for diesel, is the Ukrainian drone attacks on several Russian refineries, forcing them to scale back or even halt production. Exports from what was previously the second-largest diesel exporter have largely come to a standstill. Over the past 83 years, the wholesale diesel price (which serves as the benchmark for Europe) has been about one-fifth higher than the price of Brent crude oil. Currently, it is nearly twice as high, despite the rise in oil prices. The two prices have never diverged so widely. Given the shortage of feedstock for diesel production, this is currently an exceptionally profitable business for refineries.

The situation is similarly critical for fertilizer, where demand as with diesel is less elastic than for gasoline. Prices for nitrogen fertilizers have climbed to more than $850 per metric ton following the closure of the Strait of Hormuz. That was 80% higher than in February 2026. Producing fertilizers requires a great deal of energy, which is why more than a third of synthetic fertilizers are produced in the Persian Gulf.

Asset sub-class	3–6 months	12–24 months	Analysis
Commodities	↗↘	→	Escalating tensions in the Strait of Hormuz caused the price of crude oil to rise to around $90 per barrel (Brent) at the end of the month.
Gold, precious metals	→↗	↗	In Risk Class 1, the gold allocation has been increased to 4%. We believe that the long-term growth opportunities significantly outweigh the downside risks.
Insurance Linked Securities	↗	→↗	ILS are used in our vested benefits solutions as part of our diversification strategy. Due to their low correlation, they are an attractive component.
Private equity	→	↗	At Partners Group, as with other major private market managers, the long-term trend is upward, though short-term volatility remains possible.

Market data

Asset class		Price (in local currency)			Monthly / YTD / Annual performance (in CHF)		
Equity		**31.08.2026**	**08/2026**	**2026 YTD**	**2025**	**2024**	**2023**
SMI	CHF	14'286.4	−0.4%	+7.7%	+14.4%	+4.2%	+3.8%
SPI	CHF	20'111.2	−0.2%	+10.4%	+17.8%	+6.2%	+6.1%
DAX	EUR	26'258.1	+3.3%	+8.2%	+21.6%	+20.4%	+13.1%
CAC 40	EUR	8'334.5	−1.3%	+3.1%	+9.4%	−1.0%	+9.6%
FTSE MIB	EUR	52'612.7	+1.6%	+18.2%	+30.0%	+14.1%	+20.4%
FTSE 100	GBP	10'824.3	+0.2%	+11.9%	+14.1%	+12.1%	−0.3%
EuroStoxx50	EUR	6'420.2	+1.8%	+11.8%	+17.3%	+9.6%	+12.1%
Dow Jones	USD	53'185.9	+1.2%	+12.7%	−1.3%	+22.1%	+3.5%
S&P 500	USD	7'686.1	+2.5%	+14.4%	+1.7%	+33.4%	+13.1%
Nasdaq Composite	USD	26'370.9	+3.8%	+15.6%	+5.2%	+39.2%	+30.6%
Nikkei 225	JPY	66'311.9	+2.7%	+31.7%	+10.9%	+15.2%	+8.6%
Sensex	INR	76'957.3	−1.2%	−13.1%	−9.3%	+13.8%	+7.4%
MSCI World	USD	4'967.9	+2.4%	+14.2%	+4.4%	+26.6%	+10.8%
MSCI EM	USD	1'719.3	+3.1%	+24.7%	+14.1%	+13.6%	−2.6%
Bonds (mixed)		**31.08.2026**	**08/2026**	**2026 YTD**	**2025**	**2024**	**2023**
Glob Dev Sov (Hedged CHF)	CHF	147.4	−0.3%	−2.8%	−1.0%	−1.4%	+2.2%
Glob IG Corp (Hedged CHF)	CHF	182.9	0.0%	−2.5%	+2.5%	−0.8%	+4.2%
Glob HY Corp (Hedged CHF)	CHF	381.3	+0.5%	+0.5%	+5.4%	+6.1%	+8.7%
USD EM Corp (Hedged CHF)	CHF	284.3	+0.4%	−1.2%	+5.9%	+2.4%	+4.5%
Government bonds		**31.08.2026**	**08/2026**	**2026 YTD**	**2025**	**2024**	**2023**
SBI Dom Gov	CHF	183.6	+0.1%	−1.5%	−0.2%	+4.0%	+12.5%
US Treasury (Hedged CHF)	CHF	134.2	0.0%	−3.2%	+1.7%	−3.8%	−0.5%
Eurozone Sov (Hedged CHF)	CHF	172.1	−0.8%	−2.7%	−1.8%	−0.8%	+4.8%
Corporate bonds		**31.08.2026**	**08/2026**	**2026 YTD**	**2025**	**2024**	**2023**
CHF IG Corp (AAA-BBB)	CHF	192.7	+0.1%	+0.2%	+0.7%	+5.1%	+5.7%
USD IG Corp (Hedged CHF)	CHF	184.0	+0.1%	−3.1%	+3.1%	−2.4%	+3.5%
USD HY Corp (Hedged CHF)	CHF	631.8	+0.7%	−0.1%	+4.0%	+3.7%	+8.5%
EUR IG Corp (Hedged CHF)	CHF	166.5	−0.4%	−1.5%	+0.7%	+2.0%	+5.9%
EUR HY Corp (Hedged CHF)	CHF	312.4	+0.3%	+0.4%	+2.8%	+5.4%	+9.8%
Alternative investments		**31.08.2026**	**08/2026**	**2026 YTD**	**2025**	**2024**	**2023**
Gold Spot CHF/kg	CHF	115'327.8	+9.8%	+4.8%	+43.8%	+36.0%	+0.8%
Commodity Index	USD	141.4	+7.0%	+31.3%	−2.9%	+8.3%	−20.4%
SXI SwissRealEstateFunds TR	CHF	2'965.0	−0.7%	−0.6%	+9.9%	+16.0%	+5.4%
Currencies		**31.08.2026**	**08/2026**	**2026 YTD**	**2025**	**2024**	**2023**
US dollar / Swiss franc	CHF	0.8084	+0.1%	+2.0%	−12.8%	+7.8%	−9.0%
Euro / Swiss franc	CHF	0.9391	+0.9%	+0.9%	−1.0%	+1.2%	−6.1%
100 Japanese yen / Swiss franc	CHF	0.5060	−1.2%	+0.0%	−12.1%	−3.4%	−15.4%
British pound / Swiss franc	CHF	1.0953	+0.6%	+2.6%	−6.1%	+6.0%	−4.2%