

Seasonally Strong Start to the Quarter

Global economic conditions are better than recently anticipated. Crude oil supplies from the Middle East are nearly back to pre-war levels, thereby restoring the much-needed supply to the global market so that individual countries can replenish their strategic reserves. Almost more importantly, the right type of crude oil is reaching available refinery capacity, which will gradually bring down the high margins. Acts of sabotage and drone attacks repeatedly caused supply bottlenecks in the past quarter, which simultaneously fueled speculation. This is why crude oil prices rose so sharply in the third quarter. At the beginning of July, a barrel of crude oil was still trading at around $70; by the end of the quarter, it was around $100, and in September it even temporarily reached $110.

The global economic significance of energy supplies should by no means be underestimated. The conflict in the Middle East has driven up inflation rates and inflation expectations worldwide and triggered the start of a cycle of interest rate hikes by the world's major central banks. Inflation rates of over 3.5% in Europe and around 4% in the U.S. in September were still well above the 2% inflation target set by the respective central banks. However, the excess is exclusively due to energy prices. Now, there are increasing signs of a significant slowdown in the coming quarters. Oil futures are already trading slightly above (March contracts) and slightly below 90 dollars (April contracts). The December 2027 contracts are trading at around 80 dollars. While it is certainly still too early to declare the oil crisis over, it is important to position oneself correctly at an early stage.

This means we remain confident about stocks. In our view, inflation expectations are too high, as are expectations for corresponding interest rate hikes. Earnings momentum remains robust. In the labor markets, there are no signs that any wage-price spirals could jeopardize the economic recovery. Rather, wage and productivity pressures on workers are increasing in many places, and finding a job is becoming more difficult, particularly in service sectors where AI can generate significant productivity gains.

In September, almost everything happened

Capital markets reacted harshly to rising inflation rates in September. Both stock and bond markets ended the month in the red. Only the U.S. Nasdaq 100 (+2.9% in September), driven by select semiconductor companies, posted gains, while more defensive indices such as the Swiss Market Index (SMI) and the Dow Jones (both -3.5%) declined. Concerns about France's debt also fueled fears of higher corporate taxes. As a result, the benchmark CAC 40 index lost slightly more (-4.1%).

Bonds have been under pressure globally for months. The global bond index (-4.4% year-to-date) underperformed the Swiss government bond index (-2.0%) significantly. The Zugerberg Income Fund (-2.9%) falls somewhere in between. In contrast, the Credit Opportunities Fund (-0.5%) has demonstrated stability since the start of the year in an inflation-driven negative interest rate environment.

In the lowest risk classes (R1 and R2), portfolios suffered from rising yields in the bond markets. The highest risk class (R5) was least affected by this. The key question will be whether the tightening of monetary policy in both the U.S. and Europe will lead to average declines in the stock markets, as has been the case in all phases since 1994.

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

	Strategy performance*	
	September 2026	2026 YTD
Zugerberg Finanz R1	−2.0%	−3.0%
Zugerberg Finanz R2	−2.1%	−1.8%
Zugerberg Finanz R3	−1.7%	−0.1%
Zugerberg Finanz R4	−1.2%	+2.1%
Zugerberg Finanz R5	−1.1%	+4.1%
Zugerberg Finanz RDividends	−3.8%	+1.2%
Zugerberg Finanz Revo1	−2.4%	−3.3%
Zugerberg Finanz Revo2	−2.4%	−2.4%
Zugerberg Finanz Revo3	−2.1%	−0.6%
Zugerberg Finanz Revo4	−1.6%	+1.5%
Zugerberg Finanz Revo5	−1.6%	+3.1%
Zugerberg Finanz RevoDividends	−4.4%	+0.2%
Zugerberg Finanz DecarbRevo3	−0.3%	+9.9%
Zugerberg Finanz DecarbRevo4	−0.1%	+12.4%
Zugerberg Finanz DecarbRevo5	−0.1%	+13.8%

Zugerberg Finanz Vested benefits

	Strategy performance*	
	September 2026	2026 YTD
Zugerberg Finanz Vested benefits R0.5	−1.6%	−3.2%
Zugerberg Finanz Vested benefits R1	−1.3%	−2.3%
Zugerberg Finanz Vested benefits R2	−1.4%	−2.0%
Zugerberg Finanz Vested benefits R3	−1.0%	−0.1%
Zugerberg Finanz Vested benefits R4	−1.0%	+1.6%
Zugerberg Finanz Vested benefits R5	−1.1%	+4.1%
Zugerberg Finanz Vested benefits RDividends	−3.8%	+1.2%

Zugerberg Finanz 3a pension solution

	Strategy performance*	
	September 2026	2026 YTD
Zugerberg Finanz 3a Revo1	−2.4%	−3.3%
Zugerberg Finanz 3a Revo2	−2.4%	−2.4%
Zugerberg Finanz 3a Revo3	−2.1%	−0.6%
Zugerberg Finanz 3a Revo4	−1.6%	+1.5%
Zugerberg Finanz 3a Revo5	−1.6%	+3.1%
Zugerberg Finanz 3a RevoDividends	−4.4%	+0.2%
Zugerberg Finanz 3a DecarbRevo3	−0.3%	+9.9%
Zugerberg Finanz 3a DecarbRevo4	−0.1%	+12.4%
Zugerberg Finanz 3a DecarbRevo5	−0.1%	+13.8%

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

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Macroeconomics

Macroeconomic growth remains intact



In the U.S., the average price of diesel rose to $6.53 per gallon (Photo: T.P., Boston, September 21, 2026)

Of course, inflation driven by energy prices is painful, but the recent increases in the third quarter are likely to subside over the next two quarters. This will also ease the pressure for multiple interest rate hikes, and bond yields are expected to fall. As a result, financing conditions for companies can improve again. To meet growth-related capital needs in the public and private markets, there has been intense competition for capital.

Because crude oil supplies have almost returned to pre-war levels, crude oil prices and inflation expectations are likely to fall again in the coming weeks and months, which in turn would cause stocks and bonds to rise. A look at the futures markets reveals prices ranging from $80 to $95 next year—already significantly lower than current levels. This makes it all the more surprising that central banks have recently begun to classify the conflict in the Middle East as “ongoing.” Fearing that inflation rates—driven by higher energy prices—could remain well above their target levels for a long time to come, they raised key interest rates and announced several additional measures at once. This does not strike us as a well-considered move.

Core inflation in the U.S., for example, has been a key factor recently. Core goods prices rose only slightly (+0.2% in August) and, while up significantly year-over-year (+3.0%), they are clearly below the range of the federal funds rate (3.75% to 4.00%). Therefore, monetary policy must already be classified as restrictive, especially since the labor market is already showing signs of weakness.

Consumer sentiment is also at a historically low level, as are consumer outlooks. People’s assessment of their own situation regarding job prospects and spending power is at its lowest level since spring 2021.

Rising key interest rates have a macroeconomic dampening effect. Added to this, highly indebted countries are driving up yields – higher for longer. Out of concern for government deficits, investors are once again demanding higher compensation for the risk associated with long maturities. This makes mortgage loans more expensive, reduces the number of new construction projects, and generally curtails investment plans. Interest-rate-sensitive business models (e.g., utilities, but increasingly also cash-flow-negative hyperscalers) face headwinds during periods of rising interest rates. Yet for now, growth is still proving resilient.

Swiss gross domestic product (GDP), for example, posted its strongest growth since the third quarter of 2021 in the second quarter of 2026, at 1.5%. The chemical and pharmaceutical industry, in particular, served as a growth driver, as did the rest of the industrial sector. Their value added rose by 10.5% compared to the previous quarter, driven by rising exports and sales. Overall, the industrial sector posted strong economic growth (+3.9%). Growth in the services sector (+0.7%) remained moderate but broadly based, as shown by SECO surveys. The SNB expects slightly above-average GDP growth of 1.5% to 2.0% for the current year.

Region	3–6 months	12–24 months	Analysis
Switzerland	↗	↗	According to the SNB’s monetary policy assessment, medium-term inflationary pressures remain virtually unchanged.
Eurozone, Europe	↗	↗	In Europe, the latest growth forecasts were revised upward during the month of September. The order situation improved across a wide range of industries.
USA	↗	↗	The economy is projected to grow by approximately 2.3% in 2026. The Federal Reserve estimates real GDP growth at 2.4% (2027) and 2.2% (2028): This is certainly not a boom.
Rest of the world	↗	↗	At around 3%, GDP growth forecasts for the global economy as a whole are slightly higher in the rest of the world than in the highly developed industrialized nations.

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Liquidity, currency

Yields Shape Currencies

On July 28, the dollar was still at 0.82 francs; three weeks later, it was close to 0.79 francs, and on September 30, it had even reached just under 0.84 francs. This high volatility is difficult to explain. The enormous refinancing needs resulting from rising government debt, as well as relatively high energy prices and the associated inflation fears, pushed yields on 30-year government bonds to a 24-year high. However, the current level is at risk in the medium term due to the dollar's significantly lower purchasing power.

The market expects four interest rate hikes in the U.S. over the next 12 months. As a result, the dollar is trading well above its purchasing power parity and thus remains structurally vulnerable to depreciation. Federal Reserve official John Williams, president of the New York Federal Reserve Bank, sees "no reason to rush" following the September rate hike. In a recent speech at the University at Buffalo, Williams emphasized that policymakers have time to weigh the economic data before deciding on the next step. Nevertheless, he noted that another rate hike before the end of the year would likely be appropriate to push inflation back toward the 2% target—a level that, however, will not be reached again until 2028.

However, the markets are actively searching for reasons to price in a significantly more restrictive monetary policy. The four rate hikes currently priced in are fueling exaggerated expectations regarding sustainably viable interest rate levels and an overvalued dollar. We expect instead a surprising decline in yields, with slightly positive effects for the economy and significantly negative ones for the dollar. The reality beneath the surface of U.S. growth has not yet been fully recognized. An estimated two-thirds of this growth is linked to the construction of data centers, the most expansive sector of the U.S. economy. One-third is attributable to expansionary fiscal policy, which appears to be spiraling out of control. New U.S. debt over the 12 months through June 2026 amounted to 7.5% of GDP—higher than in any other industrialized nation.

The U.S. labor market continues to show signs of weakness (JOLTS: The number of job openings was also lower than expected most recently), and consumer sentiment is deteriorating. The corresponding index fell to 81.9; the expectation was 89.0. This makes it easier to foresee an easing of restrictive monetary policy. After all, the economy is by no means overheating, but is weakening more than some are willing to admit.

Without the AI boom surrounding the construction of data centers, GDP growth in the U.S. would be significantly weaker than in Europe, for example. On top of that, the construction of more and more data centers is stalling. Several projects have recently failed due to high financing hurdles, local opposition, regulatory setbacks, and a lack of energy infrastructure.

We'll illustrate this with the example of an $18 billion data center in New Mexico. Recently, the already heavily indebted hyperscaler Oracle reportedly halted payments for its construction. The data center's energy consumption is equivalent to that of 1.8 million households, and in the southern U.S., this is to be met—practically without water—using solid-oxide fuel cells.

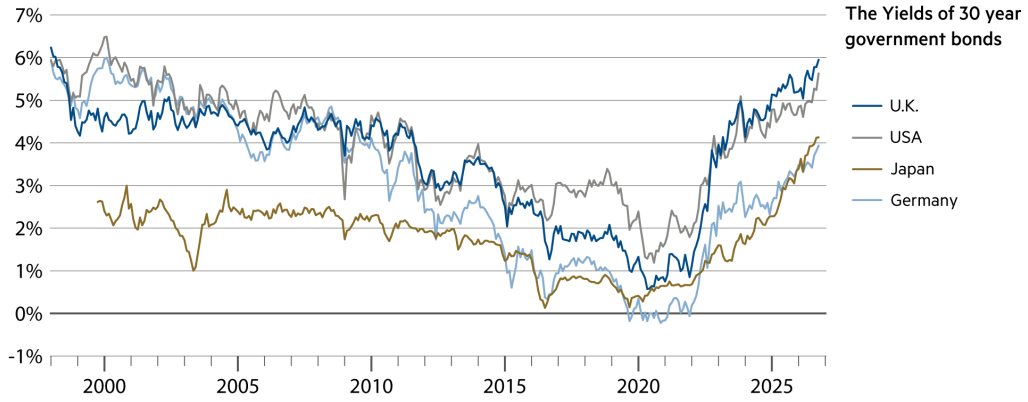
However, this electrochemical power generation requires a constant supply of gas. Construction of the approximately 30-kilometer-long gas pipeline has been delayed because local environmental groups argue that the project poses climate risks. As a result, the Jupiter project has become a nationwide symbol of growing political and environmental resistance. Further stalemates of this kind pose, first and foremost, economic risks for the U.S.

Asset class	3–6 months	12–24 months	Analysis
Bank account	↘	↘	As of the end of September, Saron swaps are up to 25 basis points higher than Swiss government bond yields with the same maturities, making mortgage loans more expensive.
Euro / Swiss franc	→	→	At 0.95, the euro is 2% stronger than at the start of the year. The cost of currency hedging rose from 2.1% (Jan. 1) to 2.7% as of the end of September.
US dollar / Swiss franc	→	↘	The USDCHF exchange rate was virtually unchanged at just under 0.84 at the end of August: This represents an increase of slightly more than 5% compared to the start of the year.
Euro / US dollar	→	↗	At 1.14, the euro lost some ground in September, likely also because USD yields are up to 170 basis points higher than EUR yields (Germany).

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Bonds

Government bonds are facing a fiasco



Yields on 30-year government bonds (Source: Bloomberg L.P. | Graphic: Zugerberg Finanz)

Governments and companies compete with one another in the capital markets. However, it is no longer the case that government bonds are the primary investment of choice. While government bonds have incurred the largest losses so far this year, corporate bonds have helped to keep the damage somewhat in check thanks to structurally higher yields. Yet the markets continue to be dominated by government bonds. These, in turn, influence the real economy through their transmission mechanism.

To stick with the example of the real economy for now: Yields on 30-year U.S. Treasury bonds have risen from 4.9% to 5.6% (+16% in interest costs). As a result, U.S. mortgage interest rates have also risen to an average of 7.2%—as have leasing rates, student loan interest rates, and credit card overdraft fees. Not only the government, which is accumulating ever-larger deficits, but also private households are “paying the price” for these higher yield levels—at a time, of all times, when more money must also be spent on energy (gasoline, diesel, heating oil, natural gas, etc.). But what is surprising is that corporate bonds are actually associated with slightly lower credit risk premiums than at the beginning of the year. In other words, they are viewed with greater confidence than government bonds.

Let’s look at the ratio of government bonds to corporate bonds in Europe. On the euro bond market, a total issued volume of approximately 19’200 billion in nominal value is currently being traded. Governments account for 82% of this, while corporations account for 18%. With regard to government bonds, we observe that long-term yields have risen significantly across all regions and currencies since 2022—to levels never seen before (Japan) or last seen about 20 years ago (the U.S., the U.K., and France).

The growing mountain of debt threatens to crush the economies. This is also because an aging population is driving disproportionately high structural growth in spending. Yet populists in all these countries have little interest in austerity measures. If the only option for these nations is to print more money and devalue their currencies, investors must carefully consider whether to invest capital in nominal or real assets.

It must be emphasized that structural conditions have shifted dramatically. Total debt across the government, corporations, and households in the U.S. is now 30 percentage points higher than before the 2007 global financial crisis and 70 percentage points higher than in 2000. Fiscal risk is rising. This means that, from an economic perspective, it would be prudent to consolidate government budgets, as interest payments alone are currently taking up an ever-larger share of spending and crowding out other key government functions (investment in infrastructure, education and research, defense, etc.).

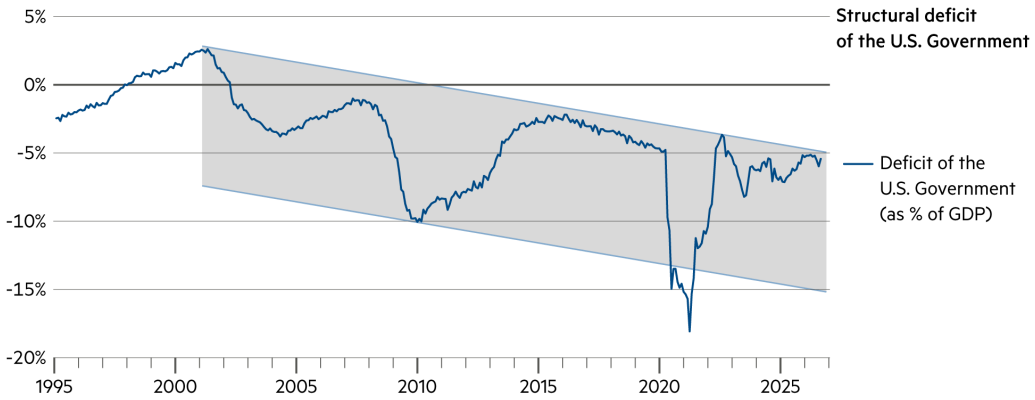
Due to the implemented and upcoming key interest rate hikes, the period of relatively favorable refinancing over short maturities is also over. With more than $8 trillion in short-term U.S. Treasury bills, the U.S. Treasury has, so to speak, been gambling with a credit card rather than establishing a sensible maturity profile for its more than $40 trillion in debt. At the short end of the yield curve, the interest burden has even risen by 40% (2-year UST yields from 3.5% to 4.9%).

Asset sub-class	3–6 months	12–24 months	Analysis
Government bonds	→	↘	Despite weaker soft and hard economic indicators, bond yields in the U.S. have risen, exacerbating the debt problem.
Corporate bonds	↗	↗	Companies currently enjoy greater confidence than governments. Their risk premium relative to government bonds remains near its 12-month lows.
High-yield, hybrid bonds	↗	↗	New bond issuance (Helvetia Baloise, Hero, etc.) is brisk. Such bonds from top-tier issuers certainly remain attractive.

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Zugerberg Finanz bond solutions

Bonds Remain Under Pressure



Structural U.S. government deficit from 1995 to 2026; as a percentage of gross domestic product (Source: Bloomberg L.P. | Graphic: Zugerberg Finanz)

The global bond index stood at -4.4% at the end of September. Last month's decline (-2.1%) was attributable to rising inflation rates and growing government debt. The Credit Opportunities Fund (-0.5%) has proven relatively stable so far this year and is entering the final quarter with a positive outlook.

In our seasonal market observations, September and October remain the worst months. This pattern appears to be repeating itself this year as well. However, we currently see two main factors driving this trend: on the one hand, higher inflation expectations driven by energy prices, and on the other hand, structurally increased demand for capital due to AI-driven data center construction.

In a global economy shaped by inflationary forces such as rising energy and transportation prices, higher government deficits, and accelerated AI investments, long-term yields of 6% on government bonds could soon be on the horizon. The immense wave of investment in AI for buildings, equipment, and energy is driving a strong growth phase. The scale of this investment exceeds that of the internet boom in the late 1990s and is driving relatively strong growth.

But the boom has a downside. It is currently accompanied by a significantly higher structural government deficit. The government is drawing on the capital market to a much greater extent than it did 25 years ago, and the bonds issued could further fuel inflation. In the U.S., there remains a major contradiction between an expansionary fiscal policy (7.5% of GDP deficit) aimed at stimulating the economy and a restrictive monetary policy aimed at combating inflation. The volume of bonds is growing faster than nominal GDP, which destabilizes inflation expectations.

The reaction in global bond markets—where short-term yields in particular have risen (including in Switzerland)—is a classic sign that markets are pricing in a cycle of interest rate hikes. The Swiss franc capital market is no exception. Although yields on 10-year Swiss government bonds stood at 0.6% at the end of the month, SARON swap rates were about 25 basis points higher. The latter are crucial for determining mortgage rates, for example.

In our bond solutions, we benefit in that both redemption yields (which, however, go hand in hand with lower prices) and yields on new issues rose noticeably. Recently, in the Zugerberg Income Fund, we subscribed to two interesting new issues on the Swiss franc capital market: a 2.3% bond from the insurer Helvetia-Baloise and a 2.9% bond from Hero. With the Hero Group, we were impressed by its product categories, which span 16 multinational brands. Particularly in the "Better Snacking" segment (Goodies, Organix, Corny, the gut stuff), the company is in some cases even significantly outpacing market growth.

	Zugerberg Income Fund	Credit Opportunities Fund
Yield in 2026 (since the beginning of the year)	-2.9%	-0.5%
Yield since the start (annualized)	-9.2% (-1.2%)	+38.1% (+2.4%)
Proportion of months with positive yield	56%	68%
Credit risk premium in basis points (vs. previous month)	104 BP (+7 BP)	349 BP (-3 BP)
Average rating (current)	A-	BB

You can find more information in the factsheets on the Zugerberg Income Fund and the Credit Opportunities Fund.

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Real estate, infrastructure

Long-Term Mortgage Rates Rise Significantly

Interest rates on long-term mortgage loans rose sharply in September amid a global trend of rising interest rates. The benchmark rates for two- and three-year mortgages saw the steepest increases. For the popular ten-year mortgages, benchmark rates have risen above 2.0% for the first time since March 2025. It remains uncertain how long the money market-linked SARON interest rates will remain at these low levels.

In its monetary policy assessment of September 24, 2026, the Swiss National Bank (SNB) stated: "According to the conditional inflation forecast, inflation will rise slightly in the fourth quarter before declining again in the course of 2027. This decline is attributable to the fact that the current significantly elevated energy inflation is expected to fall again in the coming quarters."

Nevertheless, the SNB could raise the key interest rate slightly in the course of 2027 to create monetary policy leeway in the event of a crisis. Two key interest rate hikes of 25 basis points each are on the table. This would result in a key interest rate of 0.5%, which would still be the lowest interest rate in the world, but would not significantly increase the cost of money market-based mortgage loans and thus would not jeopardize construction activity.

While we live in an interest rate haven, Switzerland is experiencing inflation in real estate prices. Since the introduction of the residential real estate price index in early 2017, real estate prices in Switzerland have risen by 40%. This price inflation is having a delayed impact on rents. Rents have risen less sharply over the same period (+14%). Rents typically increase only when tenants move or when new buildings are constructed.

The main drivers of these price increases are not so much immigration (+8.4%) or the supply of housing (+8.3%). Based on these two criteria, prices and rents should have stagnated. Nor can it be the quality of construction. Rather, the most important reason is that investors are seeking the security of income-generating real estate.

As a result, land prices (and with them, real estate prices) are rising. Many pension funds are satisfied with achieving a net 2% higher return on real estate than on Swiss government bonds. This leads to a price-to-earnings ratio of as high as 40 when it comes to residential investment properties. On the stock market, such P/E ratios are considered very high.

This is confirmed by an international comparison of housing markets, specifically the UBS Global Real Estate Bubble Index 2026. According to this index, Zurich has the highest risk of a real estate bubble worldwide, followed by Tokyo. Miami, Dubai, Seoul, Geneva, and Lisbon fall into the "increased risk" category. Because interest rate hikes in Switzerland are currently making real estate financing more expensive, particularly for medium- and long-term loans, the potential for price increases is limited, at least in the short term.

Financing costs are used to determine the relative magnitude of a bubble. In most cities, the annual costs of owning a newly purchased 60-square-meter apartment (including mortgage interest and maintenance) amount to more than 40% of a highly skilled professional's gross income. As a result, condominiums are considered increasingly "unaffordable," especially since the costs of ownership are significantly higher than the rental costs of comparable apartments.

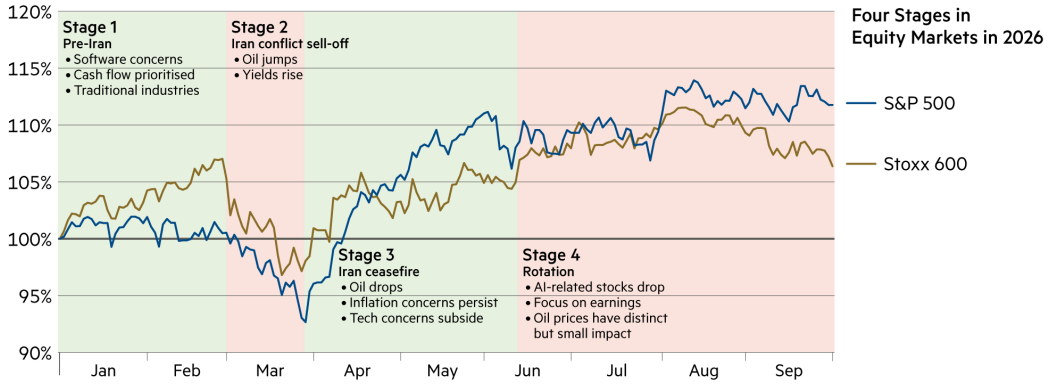
The authors write the following about Zurich: "Over the past 20 years, Zurich has recorded the sharpest rise in housing prices among all cities studied. The city's high appeal as a location and the influx of international professionals, particularly in the fields of technology and AI, are driving demand for housing. At the same time, low interest rates and severe supply constraints are exacerbating price pressures: The vacancy rate is near zero, while the supply of owner-occupied housing remains well below its historical level." However, the risk of a bubble remains high. The exceptionally high and still-rising ratio of real estate prices to rents highlights the market's growing dependence on low financing costs.

Asset sub-class	3–6 months	12–24 months	Analysis
Residential properties CH	→↗	↗	The cash flow yield for income-generating real estate is around 3.2% this year, which is slightly lower than in 2024 (3.5%) and 2025 (3.4%).
Office and retail properties CH	→↗	↗	The commercial real estate sector is performing well. PSP (+2.0%, including dividends) and Swiss Prime Site (+0.6%) have posted slight gains since the start of the year despite rising interest rates.
Real Estate Fund CH	→	→	The tightening of the Lex Koller regulations is weighing on listed real estate companies. SWIIT (-3.0%) and CHREF (-3.2%) are posting negative total returns.
Infrastructure Equity / Fund	↗	↗	Stocks are under strong price pressure due to higher interest rates and the corresponding increase in discount rates in cash flow valuation models.

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Equity

It Was All About Artificial Intelligence



Four Stages in Equity Markets in 2026 (Source: Bloomberg L.P. | Graphic: Zugerberg Finanz)

AI was the dominant topic in September. Most stock markets declined in September, but AI-related stocks drove the Nasdaq tech exchange in particular higher (+2.9%) to a new record high. Meanwhile, the broader markets are struggling. The Dow Jones fell by the same amount as the Swiss Market Index (both -3.5%).

So far this year, there have been four distinct stages:

1. Before Iran: European stock markets outperformed U.S. markets. Ahead of dividend season, investors sought out the strong cash flows of European companies and traditionally high-yielding sectors. Software companies took a beating amid fears they would be replaced by AI models.

2. The violent outbreak of the unexpected war in Iran triggered sharp price declines on both sides of the Atlantic. Oil prices surged dramatically, as did bond yields—meaning bond prices fell.

3. This was followed by a quarter of hope for a peace agreement between the U.S. and Iran. This caused oil prices to fall slightly, but distorted pricing at refineries was already becoming apparent. As a result, inflation fears remained elevated. Thanks to excellent first-quarter results, tech stocks soared, particularly those of semiconductor companies in the U.S., Taiwan, and South Korea, as well as their respective suppliers. Emerging markets were virtually dominated by three companies: TSMC, SK Hynix, and Samsung Electronics.

4. During the summer, there was a stronger focus on earnings. AI-related stocks lost value, and cash-flow-generating companies came to the fore. European stocks kept pace with U.S. markets until September, when crude oil prices surged to $110 per barrel and inflation in producer and consumer prices dominated the headlines. Since then, the U.S. S&P 500 Index (+12.7%) has once again outperformed the European Stoxx 600 Index (+10.2%).

We have now entered the final quarter. However, this phase, which is typically favorable from a seasonal perspective, is fraught with greater uncertainty, as the continued expansion of AI is linked to negative cash flows among hyperscalers such as Microsoft, Alphabet, Amazon, and Oracle. This leads to higher external financing (debt financing with high coupons). These stocks do not appear expensive as long as demand for AI persists. However, macroeconomic events or further doubts about the sustainability of investment plans regarding data centers could change this perception.

A significant divergence emerged in the S&P 500 in September. The average stock fell sharply (-4.5%), though this weakness was offset by a rise of about +10% in large-cap semiconductor companies. The S&P 500 is thus supported by only a relatively small group of stocks. In Europe, by contrast, the Euro Stoxx 600 is more broadly supported. We will therefore closely monitor whether the broader market trend, particularly in the U.S., ultimately converges with the index or whether the weakness spreads to the rest of the market.

Asset sub-class	3–6 months	12–24 months	Analysis
Equity Switzerland	↗	↗	September was weak, but the fourth quarter is typically the strongest of the year anyway. This time, there are positive currency effects that have yet to be priced in.
Equity Eurozone, Europe	↗	↗	With falling oil prices, European stocks are likely to rise more sharply than those from the U.S. U.S. tech companies remain on high alert due to competition from China.
Equity USA	↗	↗	Based on the cyclically adjusted P/E ratio over the past 10 years, stocks appear similarly expensive as they did, for example, in 2000 and 1929.
Equity Emerging markets	↗	↗	Since mid-May, the emerging markets index has been trading sideways for nearly five months.

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Alternative investments

Gold Swings Back and Forth



The price of gold in dollars over the past 12 months (Source: Bloomberg L.P. | Graphic: Zugerberg Finanz)

Gold's appeal as a hedge in a conservative portfolio remains strong thanks to structural support from long-term gold buyers. Noteworthy is the role of Poland, one of the fastest-growing regions in Europe, which is not part of the eurozone. The Polish central bank has become the most aggressive gold buyer of all time. This is happening at a time when the price of gold is stagnating in the range of $4'000 to $4'500 per troy ounce amid expectations of higher U.S. interest rates.

The simplistic assumption that rising inflation automatically leads to a rise in the price of gold is incorrect. The manner in which inflation occurs and its impact on interest rates and the dollar are of paramount importance.

High (dollar) interest rates generally weaken demand for gold, as gold does not pay interest. However, in a survey of 76 central banks and sovereign wealth funds, 89% stated that they nevertheless expect to hold more gold over the next 12 months. Poland is the clearest example. The country has transformed itself from an ordinary holder into the most aggressive buyer of all time. When asked why, the head of the Polish central bank explained that they have no confidence in the future (of the euro and the dollar). In terms of volume, China is the largest buyer of gold. By September, purchases are expected to have exceeded 1'100 metric tons, already significantly surpassing the total for the entire year of 2025.

Nevertheless, the price of gold rose only slightly (+4%) in the last quarter, after Turkey, Russia, and several Middle Eastern countries had already begun selling part of their reserves in the second quarter to secure liquidity in the midst of the oil crisis. While they were selling, other central banks such as those of China and Poland were buying more as the price continued to fall.

A lower price does not always mean lower demand. Rather, the lower price was the result of crisis-related liquidity-raising efforts by individual central banks to cope with higher (energy) import prices.

It is interesting to note that various central banks purchased a record amount of gold during the 25% price plunge. They are doing so in part because this is required by the BRICS countries' new, gold-backed settlement system. The BRICS countries are becoming increasingly independent of the dollar-based international payment system. This is another reason why U.S. investment banks such as Goldman Sachs and J.P. Morgan believe the gold price could reach as high as $6'300 in the medium term.

The price of gold has fallen over the past five weeks. This was primarily driven by interest rate hikes by major central banks (the Fed, the ECB) and rising oil prices. Goldman Sachs forecasts that central bank demand for gold will amount to approximately 60 metric tons per month in 2027, compared to an average of around 50 metric tons in 2026, based on a base-case price of $5'400 by the end of 2027.

However, lower energy prices and fewer expected interest rate hikes by the Fed could soon lead to higher gold prices again, bolstered by central bank demand in 2027.

Asset sub-class	3–6 months	12–24 months	Analysis
Commodities	↗↘	→	On the futures market, contract prices have fallen to $95 per barrel (Brent; January 2027) and $80 (January 2028).
Gold, precious metals	→↗	↗	Despite the recent decline, demand for gold remains high, particularly from long-term investors and Asian central banks.
Insurance Linked Securities	↗	→↗	ILS are used in our vested benefits solutions as part of our diversification strategy. They are an attractive component due to their low correlation.
Private equity	→	↗	Among private-market vehicles, infrastructure funds are particularly popular. This provides diversification for lower-risk, cash-flow-oriented investors.

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Market data

Asset class		Price (in local currency)	Monthly / YTD / Annual performance (in CHF)				
Equity		**30.09.2026**	**09/2026**	**2026 YTD**	**2025**	**2024**	**2023**
SMI	CHF	13'830.3	−3.2%	+4.2%	+14.4%	+4.2%	+3.8%
SPI	CHF	19'612.1	−2.5%	+7.6%	+17.8%	+6.2%	+6.1%
DAX	EUR	25'199.2	−3.2%	+4.8%	+21.6%	+20.4%	+13.1%
CAC 40	EUR	7'964.5	−3.6%	−0.6%	+9.4%	−1.0%	+9.6%
FTSE MIB	EUR	51'372.0	−1.5%	+16.4%	+30.0%	+14.1%	+20.4%
FTSE 100	GBP	10'606.0	−0.9%	+10.8%	+14.1%	+12.1%	−0.3%
EuroStoxx50	EUR	6'269.0	−1.5%	+10.1%	+17.3%	+9.6%	+12.1%
Dow Jones	USD	50'906.1	−1.1%	+11.5%	−1.3%	+22.1%	+3.5%
S&P 500	USD	7'651.5	+2.9%	+17.6%	+1.7%	+33.4%	+13.1%
Nasdaq Composite	USD	26'861.1	+5.2%	+21.6%	+5.2%	+39.2%	+30.6%
Nikkei 225	JPY	66'753.7	+5.6%	+39.1%	+10.9%	+15.2%	+8.6%
Sensex	INR	72'480.3	−3.5%	−16.1%	−9.3%	+13.8%	+7.4%
MSCI World	USD	4'902.7	+2.0%	+16.5%	+4.4%	+26.6%	+10.8%
MSCI EM	USD	1'704.9	+2.5%	+27.8%	+14.1%	+13.6%	−2.6%
Bonds (mixed)		**30.09.2026**	**09/2026**	**2026 YTD**	**2025**	**2024**	**2023**
Glob Dev Sov (Hedged CHF)	CHF	144.8	−1.8%	−4.6%	−1.0%	−1.4%	+2.2%
Glob IG Corp (Hedged CHF)	CHF	178.3	−2.5%	−4.9%	+2.5%	−0.8%	+4.2%
Glob HY Corp (Hedged CHF)	CHF	370.2	−2.9%	−2.5%	+5.4%	+6.1%	+8.7%
USD EM Corp (Hedged CHF)	CHF	275.2	−3.2%	−4.4%	+5.9%	+2.4%	+4.5%
Government bonds		**30.09.2026**	**09/2026**	**2026 YTD**	**2025**	**2024**	**2023**
SBI Dom Gov	CHF	182.7	−0.5%	−2.0%	−0.2%	+4.0%	+12.5%
US Treasury (Hedged CHF)	CHF	130.7	−2.7%	−5.7%	+1.7%	−3.8%	−0.5%
Eurozone Sov (Hedged CHF)	CHF	168.0	−2.4%	−5.0%	−1.8%	−0.8%	+4.8%
Corporate bonds		**30.09.2026**	**09/2026**	**2026 YTD**	**2025**	**2024**	**2023**
CHF IG Corp (AAA-BBB)	CHF	191.5	−0.7%	−0.4%	+0.7%	+5.1%	+5.7%
USD IG Corp (Hedged CHF)	CHF	178.2	−3.2%	−6.1%	+3.1%	−2.4%	+3.5%
USD HY Corp (Hedged CHF)	CHF	613.1	−3.0%	−3.0%	+4.0%	+3.7%	+8.5%
EUR IG Corp (Hedged CHF)	CHF	163.9	−1.6%	−3.0%	+0.7%	+2.0%	+5.9%
EUR HY Corp (Hedged CHF)	CHF	306.1	−2.0%	−1.6%	+2.8%	+5.4%	+9.8%
Alternative investments		**30.09.2026**	**09/2026**	**2026 YTD**	**2025**	**2024**	**2023**
Gold Spot CHF/kg	CHF	111'713.6	−3.1%	+1.5%	+43.8%	+36.0%	+0.8%
Commodity Index	USD	141.8	+3.6%	+36.0%	−2.9%	+8.3%	−20.4%
SXI SwissRealEstateFunds TR	CHF	2'887.0	−2.6%	−3.2%	+9.9%	+16.0%	+5.4%
Currencies		**30.09.2026**	**09/2026**	**2026 YTD**	**2025**	**2024**	**2023**
US dollar / Swiss franc	CHF	0.8358	+3.4%	+5.5%	−12.8%	+7.8%	−9.0%
Euro / Swiss franc	CHF	0.9469	+0.8%	+1.7%	−1.0%	+1.2%	−6.1%
100 Japanese yen / Swiss franc	CHF	0.5309	+4.9%	+4.9%	−12.1%	−3.4%	−15.4%
British pound / Swiss franc	CHF	1.1087	+1.2%	+3.8%	−6.1%	+6.0%	−4.2%

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