Photo: Andreas Busslinger

Instilling a stability-oriented mindset in politics, the economy, and society

The prevailing market environment remains challenging. Companies all over the world are facing rough seas. Much higher inflation rates than in previous years have given rise to the strictest restraints imposed by monetary policy in recent decades and made financing conditions more expensive. As a result, decision-makers are realizing the importance of instilling a stability-oriented mindset in politics, the economy, and society. A thriving culture of stability must also be given greater importance in terms of communication.

Prof. Dr. Maurice Pedergnana — The current economic cycle is cooling off in the USA. Europe's economies are growing at a minimal rate in real terms, while individual Asian countries such as India are growing all the more strongly. Companies are still facing challenges. The abrupt transition from a multi-year phase of negative and zero interest rates to a landscape of much higher interest rates has undoubtedly had an impact on the underlying economic activity. Investment projects have been brought into question, supply chains reviewed, and locations scrutinized.

Far too many stable anchors of a healthy economy have come adrift recently. Central banks began to vigorously combat inflation, although the higher prices were often due to factors that could not be influenced, such as disrupted supply chains, the scarcity of semiconductors, and high transport costs, as well as more expensive energy imports. Companies took advantage of the time window to increase entire price lists on a quarterly basis, even when raw material and energy prices were already falling again and logistics and transport began to function smoothly again. This is known as "greedflation."

Employee representatives fought for adjustments to compensate for their loss of purchasing power with an unusually large number of strikes – in the air traffic industry, for example, it was not only low-wage ground personnel who went on strike, but also highly paid pilots. In many countries, pensioners hoped in vain for adjustments to compensate for the increased cost of living. They may have been the weakest link in a series of inflation-driven upheavals. Price stability is beneficial in terms of prosperity and welfare, but this concept is late to bear fruit.

Nevertheless, the market development was positive in the first half of the year – partly because the forecast recession has not yet occurred. A detailed examination reveals considerable differences between the individual industries and countries. The rapid increase in interest rates imposed by monetary policy, for example, had a positive effect on banks' profit margins and on insurance investment results. On the other hand, mortgage loans became more expensive rapidly and to an unusual extent. On the capital market, some companies were also astonished by the increased level of interest rates «in line with the market» on new bonds.

Against this backdrop, we remain cautious about companies with high leverage in the short term, favoring sound industries such as healthcare and consumer staples, as well as resilient business models that are less sensitive to economic cycles. This applies to equities as well as bonds. However, once signs of an economic recovery appear in 2024, cyclical companies with an excellent market position could become more prominent. In the second half of the year, the aim will be to secure and build on the successes achieved. There is an attractive risk/return potential that we want to exploit, especially in the bond markets. There is also further potential for recovery in some market-leading companies on the equity markets, which are known to anticipate economic developments by at least six to nine months.

This is because we expect economic growth in the euro area, as in Switzerland, leading to growth rates of 1.6% and1.5% respectivelyover the next two years. The incomes of private households and therefore their consumption expenditure should benefit from large wage increases, along with sharply dropping inflation rates. This is driving economic development in the medium term. On the other hand, the tightening imposed by monetary policy in Europe since December 2021 has dampened not only the upsurge of prices, but also economic growth. Curbing demand is important in the current economic and inflationary environment in order to tackle high inflation.

Europe is struggling to recover from the crises of the past three years. After the Covid crisis, the economy immediately fell into an energy and inflation crisis, leading to some literally seeing the lights go out. Europe is not only struggling with the consequences of high inflation (the SNB raised key interest rates decisively by two percentage points and the ECB by a full four percentage points). On top of this, there are second-round effects, increased financing costs, and ongoing geopolitical tensions, as well as a war.

What is clear is that when the key interest rates have peaked, they will remain at that level for as long as necessary. In order to break inflation, we need forceful action as well as perseverance. At the same time, central banks must ensure the interest rate hikes are transmitted to real economic activity via the financial industry as smoothly as possible. With the rapid and sharp rate hikes, banks' refinancing costs have increased significantly. This made bank loans more expensive and the conditions for lending more stringent. Credit growth has also slowed markedly, as a result both of worse conditions and of weaker demand for credit from businesses and private households.

The tightening of monetary policy is having an effect, but it is not excessive: unlike the US regional banks, the banking system in Europe has proved to be resilient and stable. The latest balance sheet figures show a good equity base as well as good liquidity. Any weaknesses can come to light disastrously quickly and increase the speed of a «bank run» – withdrawal of deposits en masse – due to the interaction between digital banking and social networks, for example.

A healthy economic system offers stability for everyone when price stability prevails. However, everyone must also play their part in this – first and foremost via economic policy, but also through a stability-oriented mindset on the labor market, as well as through the responsibility of property owners to adjust their rents responsibly, with sense of proportion, rather than as high as possible in the second half of the year.

A central bank alone cannot reduce inflation. It requires the collaboration of many players, including companies through their pricing policies, and retailers through their margin calculations. Competition policy and price monitoring are needed, for example, to bring electricity charges back into line with the sharp drop in wholesale prices. This would also increase consumer confidence.

In short, stability-oriented monetary and fiscal policy is easier to implement if all players help to create favorable conditions for it. A widespread, stability-oriented mindset in politics, the economy, and society is highly desirable. Inflation must not be allowed to become firmly established – either in the data or in people's minds.

Editorial

Dear ladies and gentlemen,

we can look back on a pleasing first half of 2023. The gloomy forecasts of last autumn did not materialize. Despite massive interest rate hikes in developed countries over the past 12 months, up to10% inflation in some places, temporary supply bottlenecks, energy shortages, and explosions in electricity prices, the global recession has been postponed time and time again and has not yet occurred. The global economy has proved to be much more resilient than many expected. There is almost full employment on the global labor market. Never before in history have so many people been employed and total global wages are at an all-time high. The resulting consumption supports the economy and has ensured sustained, albeit in some cases below-average, growth to this day.

Equity markets have experienced correspondingly positive development. The rather defensive SMI is up by5.1% as of 30 June, the German DAX by14.7% (in CHF), and the broad American index, the S&P 500, bolstered by the technology heavyweights Apple, Google Alphabet, and Microsoft, is up by12.5% (in CHF). The sharp rise in various equities has caught many investors off-guard, who had reduced their equity positions given the negative outlook last autumn. They will now have to buy equities again at significantly higher prices. Although we have made some adjustments, we have basically remained invested and have generated very pleasing returns in the first 6 months of the year, both in absolute numbers and in relative terms (compared to benchmarks and peers). For example, the outperformance in risk class 3 is almost3% (R37.0% vs. Pictet BVG Index 604.1%). The outperformance is primarily due to our good selection of equities.

The positive development of the equities generated the lion's share of the returns, since the bond market has only experienced very limited recovery so far. The development on the interest rate markets in the first six months of this year was too uncertain for a major recovery to have taken place yet. Our bonds are up just under2% on average since the beginning of the year, which can be explained by the rise in prices from an average of 88% to90%. But most of the recovery is still yet to come for interest-bearing securities.

We are cautiously optimistic regarding the second half of the year. It will be a matter of securing and building on the returns earned thus far. In particular, we expect a recovery in bonds, since interest rates are expected to peak in Q3, or in Q4 at the latest. However, various equities are also still moderately valued and have potential. Careful selection is likely to be of great importance in the second half of the year as well.

The first half of the year was very eventful for our company. We are particularly proud of our app, which was designed and developed under the direction of our COO, Liliana Lukic, and is now under continuous further development. For a few weeks now, all our mandates have been visible on the app: Zugerberg Finanz Revo, 3a Revo, the Decarb mandates, our vested benefits solutions, and Zugerberg Finanz R. Our multi-mandate app lets you keep an eye on the development of your assets at any time. We recommend that you download and actively use the app. More than a third of our clients have already done so. Please read more about it on the last page of this half-year report.

Thank you for your trust and loyalty.

Warmest regards,

T. Dainese

Timo Dainese
CEO / Founder / Managing Partner

Liquid assets

Although savings are once again earning positive interest, further increases are unlikely. Banks and the capital market anticipate future developments to a large extent. At present, the players are observing the trend of inflation somewhat more calmly. Although this is still above the target values set by the central banks, consumer prices have fallen sharply. In October 2022, for example, inflation in the euro area was10.6%. In the middle of the year, it was5.5%. In the USA, it has already dropped to4.0%. Producer prices have fallen even further. They are a good leading indicator of consumer prices and thus reduce the need for more severe monetary policy interventions. Global inflationary pressures have eased off, in part because oil and gas prices have dropped significantly. In China, there is currently even a deflationary environment and Chinese imports are thus becoming cheaper again. In addition, central banks must be careful not to completely stifle economic development with their restrictive monetary policies. Again and again, they tend to overestimate the risks of inflation and underestimate the risks of growth.

Equities

The subdued development of the global economy in the first half of the year did not prevent the Swiss Market Index (SMI) from reaching 11,280 points (+5.1%) in the first half of the year. Including the dividend yield brings it to a total return of +8.3%. After a steep rise in the first half of January, the SMI fell below its level at the beginning of the year in the wake of the banking crisis. It began to recover again in mid-March.

The digital sector continues to be a driver of growth. Over the past 25 years, digitalization has already led to a sharp increase in labor productivity. Artificial intelligence is currently helping to push new boundaries. The ongoing transformation is a great opportunity to successfully cope with the prevailing shortage of skilled workers and the demographic challenges. It is not only IT companies such as Apple, Microsoft, and SAP that can benefit from this, but also diverse large companies such as Siemens, Kühne+Nagel, and Mercedes-Benz, as well as smaller ones such as Bossard and u-blox.

Bonds

The yield on the 10-year Swiss government bonds fell from 1.5% at the beginning of the year to0.9% in the middle of the year. At the same time, short-term bond yields rose. The 2-year Swiss government bonds had a returnof 1.2%.

If you plot the different yields against the time to maturity, you get what is called the yield curve. Normally, the curve runs from the bottom left (low yields for short-term bonds) to the top right (higher yields for long-term bonds), because investors expect a higher compensation for parting with their money for longer. Currently, the yield curve is the other way up. The course is as inverted as it has been for many years. This is a signal of a recession.

The flatter the yield curve, the weaker the economic expectations. If the curve is inverted, the markets assume the economy will collapse in the following four to eight months. This is the rule given in textbooks. We look at it in a more differentiated way. The growth prospects for the next two years remain intact. The inflationary pressure is decreasing. The lower raw material prices, the declining margins in logistics and transport, as well as the decreasing price pressure on the upstream production stages are of key importance.

Nevertheless, we also place great importance on the soundness of the underlying companies when it comes to securities, including those with increased risks. In the second half of the year, we expect positive bond yields in the range of2% to5%.

Real estate and infrastructure

In this area, it is important to pay attention to attractive valuations and the economic circumstances. Real estate investments are about the situation as well as the quality of the portfolio and the profitability. The changing economic and inflationary environment really makes itself felt on the real estate market. Over the last few quarters, the growth in the prices of single-family homes and condominiums has slowed down, while the prices of multi-family homes have fallen. Mortgage growth has remained largely unchanged.

Our equities in the infrastructure sector grew by double digits in the first half of the year. We deliberately look for business models that appreciate with the economic development. An example of this is Zurich Airport. With very few exceptions, things have moved forward and upward there in the last 75 years, including for the major commercial business connected to the unique infrastructure in the north of Zurich. Incidentally, the impressive success story of Switzerland's largest international transport hub is publicly accessible in digital format.

Alternative investments

In the middle of the year, the price of gold has hardly changed compared to the beginning of the year. One ounce of fine gold currently costs 1.719 Swiss francs. That is1.9% more than six months ago. In the wake of the banking crisis in March, the price of gold temporarily rose to 1.842 Swiss francs. But with the normalization in the banking system, fears also subsided. More and more investors turned away from the physical possession of gold, which yields no income.

Decarbonization

DecarbRevo gives you the opportunity to finance the transition to a CO_2-free economy. Huge investments must be made, both now and in the near future, in order to become climate-neutral in the foreseeable future. The price of CO_2 is likely to rise. Ultimately, we could live in a world where energy is cheaper than before and where many innovations enable sustainable, CO_2-free production. This will give us a technological advantage and would thus support growth. However, there was still little to be made from equities and bonds in this field in the first half of the year, as the collapse in energy prices (crude oil, gas, and electricity) brought down the valuation of hydro, wind, and solar power plants.

Performance

Equities		30/06/23	since 31/12/22 (in CHF)
SMI	CHF	11'280.3	5.1%
SPI	CHF	14'861.8	8.2%
DAX	EUR	16'147.9	14.7%
CAC 40	EUR	7'400.1	13.1%
FTSE MIB	EUR	28'230.8	17.8%
FTSE 100	GBP	7'531.5	3.1%
EuroStoxx50	EUR	4'399.1	14.7%
Dow Jones	USD	34'407.6	0.7%
S&P 500	USD	4'450.4	12.5%
Nasdaq Composite	USD	13'787.9	27.8%
Nikkei 225	JPY	33'189.0	12.0%
Sensex	INR	64'718.6	4.1%
MSCI World	USD	2'966.7	10.6%
MSCI EM	USD	989.5	0.4%

Government bonds		30/06/23	since 31/12/22
SBI Dom Gov	CHF	172.3	8.0%
US Treasury (Hedged CHF)	CHF	141.5	−0.6%
Eurozone Sov (Hedged CHF)	CHF	176.0	1.6%

Corporate bonds		30/06/23	since 31/12/22
CHF IG Corp (AAA–BBB)	CHF	175.3	1.9%
USD IG Corp (Hedged CHF)	CHF	183.7	0.9%
USD HY Corp (Hedged CHF)	CHF	557.3	3.1%
EUR IG Corp (Hedged CHF)	CHF	157.4	1.3%
EUR HY Corp (Hedged CHF)	CHF	270.6	3.5%

Alternative investments		30/06/23	since 31/12/22 (in CHF)
Gold Spot CHF/kg	CHF	55'264.9	−0.2%
Commodity Index	USD	101.5	−12.7%
SXI SwissRealEstateFunds TR	CHF	2'247.7	1.2%
HFRX Global Hedge Fund Index	USD	1'374.6	−2.0%

Currencies		30/06/23	since 31/12/22
US-Dollar/CHF	USD/CHF	0.8956	−3.1%
Euro/CHF	EUR/CHF	0.9770	−1.3%
100 Japanese yen/CHF	JPY/CHF	0.6202	−12.1%
British Pound/CHF	GBP/CHF	1.1368	1.6%

Short-term interest rates	3 months	12-m. forecast
CHF	1.71%	1.6%–1.8%
EUR	3.58%	3.5%–3.7%
USD	5.27%	3.9%–4.1%

Long-term interest rates	10 years	12-m. forecast
CHF	0.96%	0.8%–1.1%
EUR	2.38%	2.0%–2.3%
USD	3.84%	3.0%–3.3%

Inflation	2023P	2024P
Switzerland	2.1%	1.6%
Eurozone	5.5%	3.0%
USA	3.6%	2.2%

Economy (real GDP)	2023P	2024P
Switzerland	1.0%	1.5%
Eurozone	1.1%	1.5%
USA	1.5%	2.0%
Global	2.8%	3.0%

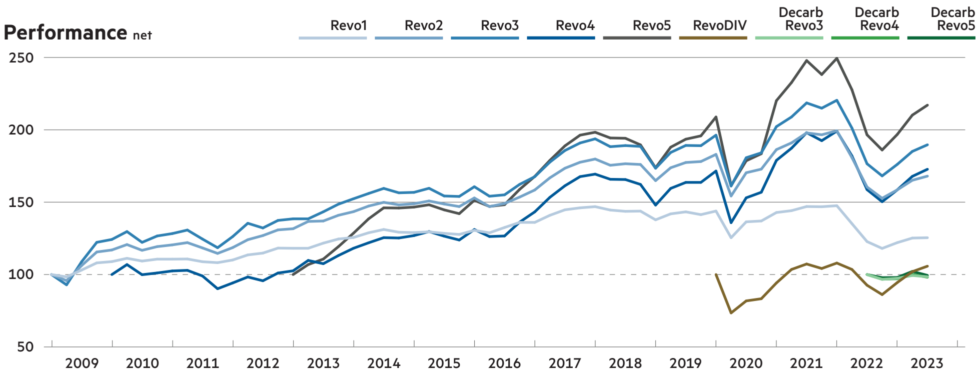
Zugerberg Finanz Revo

Zugerberg Finanz Revo1 to Revo5, RevoDividends, DecarbRevo3 to DecarbRevo5

Suitable for investors with assets from CHF 5'000 (one-off investment) or regular investments of CHF 100 per month (capital generation plan).

Portfolio per 30/06/2023	Revo1	Revo2	Revo3	Revo4	Revo5	RevoDIV	Decarb Revo3	Decarb Revo4	Decarb Revo5
Liquidity	4%	4%	3%	3%	2%	2%	11%	5%	1%
Interest-bearing securities (e.g. bonds)	55%	33%	20%	8%	0%	0%	0%	0%	0%
Interest-bearing securities (increased risk)	20%	18%	17%	16%	11%	–	40%	30%	20%
Real estate equities/funds (incl. infrastr.)	4%	5%	6%	7%	7%	12%	5%	6%	8%
Equities/funds	17%	35%	48%	59%	72%	75%	44%	59%	71%
ILS	–	0%	0%	0%	0%	–	–	–	–
Private Equity	–	5%	6%	7%	8%	11%	–	–	–

Performance net



Year[1]	Revo1	Revo2	Revo3	Revo4	Revo5	RevoDIV	Decarb Revo3	Decarb Revo4	Decarb Revo5
2009	+8.9%	+17.0%	+24.3%						
2010	+1.6%	+3.0%	+3.3%	+2.5%					
2011	−0.5%	−1.6%	−1.6%	−8.1%					
2012	+7.4%	+11.0%	+9.7%	+8.9%					
2013	6.3%	+9.0%	+10.0%	+15.2%	+28.6%				
2014	+2.7%	+3.8%	+2.9%	+7.4%	+14.0%				
2015	+1.2%	+2.7%	+2.5%	+3.3%	+3.2%				
2016	+4.2%	+3.6%	+4.3%	+9.3%	+10.9%				
2017	+8.0%	+13.5%	+15.6%	+18.2%	+18.2%				
2018	−6.2%	−8.3%	−10.5%	−12.6%	−12.4%				
2019	+4.4%	+11.0%	+13.2%	+15.9%	+20.2%				
2020	−0.7%	+1.8%	+3.0%	+4.3%	+5.4%	−5.8%			
2021	+3.3%	+7.0%	+9.0%	+11.3%	+13.3%	+14.6%			
2022	−17.3%	−20.5%	−20.1%	−20.4%	−21.1%	−12.5%	−2.6%	−2.9%	−2.0%
2023 YTD	+2.8%	+6.0%	+7.7%	+9.0%	+10.3%	+12.0%	+1.1%	+1.1%	+1.5%

since launch[1] as of 30/06/2023	Revo1	Revo2	Revo3	Revo4	Revo5	RevoDIV	Decarb Revo3	Decarb Revo4	Decarb Revo5
p. a. (average)	+1.6%	+3.6%	+4.5%	+4.1%	+7.6%	–	–	–	–
cumulative	+25.5%	+68.0%	+89.7%	+72.8%	+117.0%	–	–	–	–

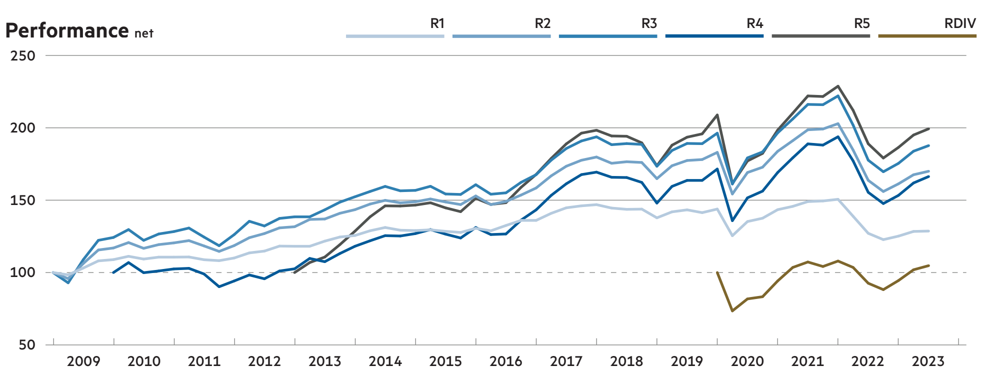
Zugerberg Finanz R

Zugerberg Finanz R1 to R5, RDividends

Suitable for investors with assets of CHF 500'000 and above.

Portfolio per 30/06/2023	R1	R2	R3	R4	R5	RDIV
Liquidity	6%	5%	3%	3%	6%	1%
Interest-bearing securities (e.g. bonds)	55%	34%	20%	8%	0%	–
Interest-bearing securities (increased risk)	18%	17%	21%	17%	17%	–
Real estate equities/funds (incl. infrastr.)	3%	4%	5%	8%	8%	16%
Equities/funds	18%	35%	45%	56%	56%	74%
ILS	–	0%	0%	0%	0%	–
Private Equity	–	5%	6%	8%	13%	9%

Performance net



Year[2]	R1	R2	R3	R4	R5	RDIV
2009	+8.9	+17.0	+24.3			
2010	+1.6	+3.0	+3.3	+2.5		
2011	−0.5	−1.6	−1.6	−8.1		
2012	+7.4	+11.0	+9.7	+8.9		
2013	+6.3	+9.0	+10.0	+15.2	+28.6	
2014	+2.7	+3.8	+2.9	+7.4	+14.0	
2015	+1.2	+2.7	+2.5	+3.3	+3.2	
2016	+4.2	+3.6	+4.3	+9.3	+10.9	
2017	+8.0	+13.5	+15.6	+18.2	+18.2	
2018	−6.2	−8.3	−10.5	−12.6	−12.4	
2019	+4.4	+11.0	+13.2	+15.9	+20.2	
2020	−0.3	+0.4	+0.1	−1.4	−5.0	−5.8
2021	+5.0	+10.4	+13.0	+14.6	+15.3	+14.6
2022	−16.9	−20.5	−21.0	−20.9	−18.5	−12.5
2023 YTD	+2.8%	+5.4%	+7.0%	+8.5%	+6.9%	+10.9%

since launch[2] as of 30/06/2023	R1	R2	R3	R4	R5	RDIV
p. a. (average)	+1.8%	+3.7%	+4.4%	+3.8%	+6.8%	–
cumulative	+28.7%	+70.0%	+87.7%	+66.3%	+99.3%	–

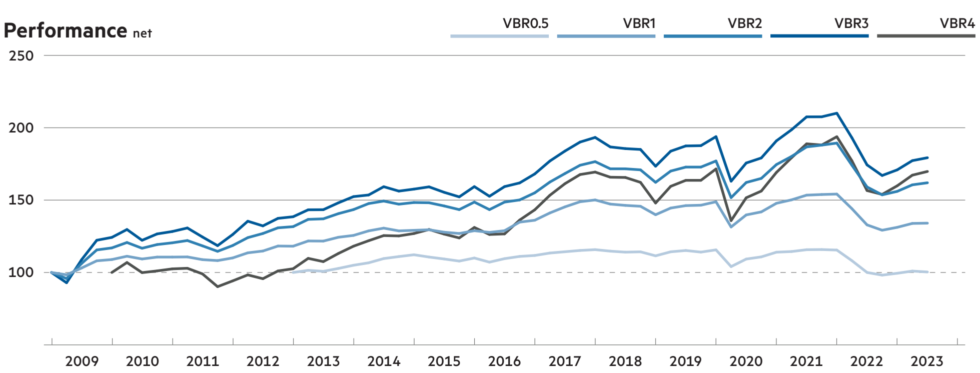
Zugerberg Finanz Vested Benefits

Zugerberg Finanz Vested Benefits R0.5, Vested Benefits R1 to Vested Benefits R4

Suitable for investors with vested pension assets from CHF 5'000.

Portfolio per 30/06/2023	VBR0.5	VBR1	VBR2	VBR3	VBR4
Liquidity	5%	5%	2%	4%	5%
Interest-bearing securities (e.g. bonds)	76%	49%	37%	20%	5%
Interest-bearing securities (increased risk)	10%	11%	14%	19%	18%
Real estate equities/funds (incl. infrastr.)	–	7%	7%	7%	6%
Equities/funds	9%	18%	27%	36%	48%
ILS	–	10%	3%	3%	6%
Private Equity	–	–	10%	11%	12%

Performance net



Year[3]	VBR0.5	VBR1	VBR2	VBR3	VBR4
2009		+8.9%	+17.0%	+24.3%	
2010		+1.6%	+3.0%	+3.3%	+2.5%
2011		−0.5%	−1.6%	−1.6%	−8.1%
2012		+7.4%	11.0%	+9.7%	+8.9%
2013	+5.0%	+6.3%	+9.0%	+10.0%	+15.2%
2014	+6.9%	+2.8%	+3.4%	+3.4%	+7.4%
2015	−2.0%	−0.2%	+0.2%	+1.1%	+3.3%
2016	+1.6%	+5.6%	+4.3%	+5.5%	+9.3%
2017	+3.6%	+10.3%	+13.9%	+15.0%	+18.2%
2018	−3.7%	−6.8%	−8.1%	−10.3%	−12.6%
2019	+3.7%	+6.4%	+9.1%	+11.8%	+15.9%
2020	−1.4%	−0.7%	−1.4%	−1.5%	−1.4%
2021	+1.3%	+4.3%	+8.5%	+10.0%	+14.6%
2022	−13.9%	−14.9%	−17.6%	−18.6%	−17.5%
2023 YTD	+0.9%	+2.2%	+3.8%	+4.9%	+6.2%

since launch[3] as of 30/06/2023	VBR0.5	VBR1	VBR2	VBR3	VBR4
p. a. (average)	0.0%	+2.0%	+3.4%	+4.1%	+4.0%
cumulative	+0.3%	+34.1%	+62.0%	+79.3%	+69.8%

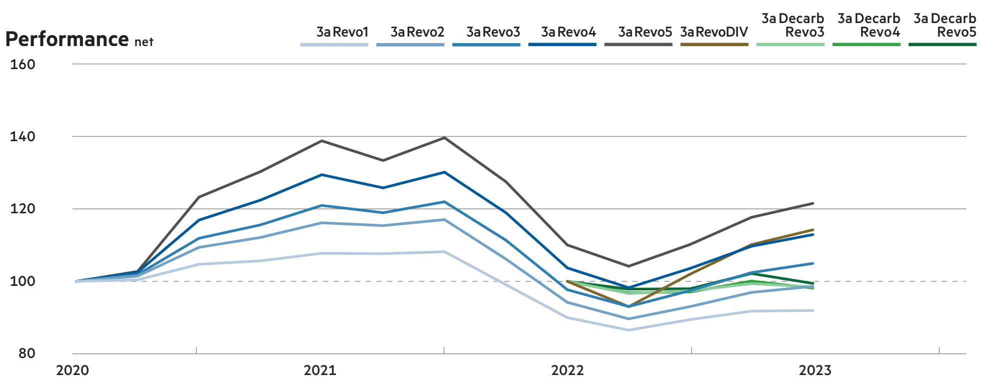
Zugerberg Finanz 3a Revo

Zugerberg Finanz 3a Revo1 to 3a Revo5, 3a RevoDividenden, 3a DecarbRevo3 to 3a DecarbRevo5

Suitable for 3a pension assets with regular investments of CHF 100 per month or one-off investments from CHF 5'000.

Portfolio per 30/06/2023	3a Revo1	3a Revo2	3a Revo3	3a Revo4	3a Revo5	RevoDIV	3aDecarb Revo3	3aDecarb Revo4	3aDecarb Revo5
Liquidity	4%	4%	3%	3%	2%	2%	11%	5%	1%
Interest-bearing securities (e.g. bonds)	55%	33%	20%	8%	0%	0%	0%	0%	0%
Interest-bearing securities (increased risk)	20%	18%	17%	16%	11%	–	40%	30%	20%
Real estate equities/funds (incl. infrastr.)	4%	5%	6%	7%	7%	12%	5%	6%	8%
Equities/funds	17%	35%	48%	59%	72%	75%	44%	59%	71%
ILS	–	0%	0%	0%	0%	–	–	–	–
Private Equity	–	5%	6%	7%	8%	11%	–	–	–

Performance net

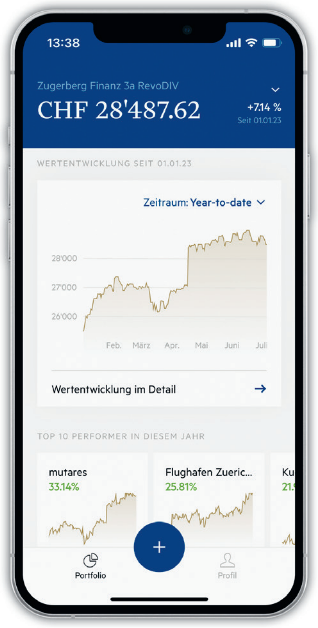


Year	3a Revo1	3a Revo2	3a Revo3	3a Revo4	3a Revo5	3a RevoDIV	3aDecarb Revo3	3aDecarb Revo4	3aDecarb Revo5
2020	+4.7%	+9.4%	+11.9%	+16.9%	+23.2%				
2021	+3.3%	+7.0%	+9.0%	+11.3%	+13.3%				
2022	−17.3%	−20.5%	−20.1%	−20.4%	−21.1%	+2.0%	−2.6%	−2.9%	−2.0%
2023 YTD	+2.8%	+6.0%	+7.7%	+9.0%	+10.3%	+12.0%	+1.1%	+1.1%	+1.5%

The Zugerberg Finanz App now shows all mandates at a glance

The Zugerberg Finanz App is very popular among our valued clients. More than a third of our clients already use the app regularly.

Updates and further developments of our app are released at regular intervals. We've just passed the biggest milestone so far. With the integration of the Zugerberg Finanz R strategies in June, all our mandates are now visible on the app: Zugerberg Finanz Revo and DecarbRevo, Zugerberg Finanz 3a Revo and 3a DecarbRevo, Zugerberg Finanz Vested Benefits, and Zugerberg Finanz R. So if you have several mandates with us, whether for tied or untied assets, or several strategies under one mandate, you can now keep track of them all on our app at any time.



The app shows you the performance, since the beginning of the year or since the start, the structure of the portfolio, and the weighting of the individual asset classes, as well as each individual position and how it has developed since the beginning of the month and since the beginning of the year. In addition, it gives you an overview of all the transactions that have been made in your securities custody account. For 3a Revo, it also shows you how much you have already paid in within the current year, and whether you still have the opportunity to save more on taxes.

Via the news button, you can quickly and easily access our weekly and monthly reports, blog posts about our company and many other topics, as well as media reports about us and our CSR activities (e.g., the Zugerberg Finanz Trophy).

The Zugerberg Finanz app is not a trading platform. The Zugerberg Finanz App is purely an app for clients and is therefore only accessible to our active clients.

Calendar

Information event for private individuals
Tuesday, 29 August, 2023 – Lüssihof Zug

Zugerberg Finanz hiking trip
Friday, 1 September, 2023

Zug Trade Fair 2023
Saturday, 28 October – Sunday, 5 November, 2023

Zugerberg Finanz Economic and Stock Market Outlook
Tuesday, 16 January, 2024 – Theater Casino Zug
Thursday, 18 January, 2024 – KKL Luzern

More information and registration at:
www.zugerberg-finanz.ch/agenda (in German)

Genuinely sustainable investment

There is an incredible amount of false labelling in the finance industry in the field of so-called "sustainable investments". In recent years, a real sub-industry has emerged that makes a great deal of money by selling labels and other certifications.

Today, the issue of sustainability gets raised in more or less every conversation with institutional investors. However, displaying such a label or being a member of a corresponding organization is typically quickly considered sufficient. But the investments are rarely what they claim to be, nor are the providers of sustainable investments, as many of our analyses show. For example, an SMI product is considered sustainable if it does not contain shares of Holcim and Sika. Or a Swiss equity fund is considered sustainable because it excludes Nestlé. In many places – but not everywhere – the providers make it very easy for themselves. The label providers allow this. And clients mistakenly think they are safe.

Liquidity, security, and returns – there is a highly delicate balance between these factors, which we as investors and asset managers must juggle. Adding sustainability to the mix is akin to trying to square the circle. It is simply not possible to reconcile all these aspects. I cannot invest money and do good at the same time. Presumably, there is at least one facet of every company on this planet that is unsustainable. Taking the relative approach, as the sustainability industry typically does – that is, opting for the least bad companies – is not a viable route for us. That's why we have chosen another solution: **Zugerberg Finanz DecarbRevo**.

Zugerberg Finanz DecarbRevo lets you invest in a truly sustainable way. Our Revo decarbonization strategies ("DecarbRevo") and the AWI Decarbonization Infrastructure Debt investment group, which is accessible to institutional investors, were developed to replace passive (supposedly sustainable) investment solutions and to combine a positive effect on the global climate with attractive returns. With this solution, investments are made exclusively in companies that play an active role in the transition to a sustainable, emission-neutral global economy. i.e., the technological leaders.

The decarbonization strategies are available to you both as free assets ("DecarbRevo") and as part of the 3rd pillar ("3a DecarbRevo"). DecarbRevo is available in risk class 3 and above: DecarbRevo3 (up to 60% equity), DecarbRevo4 (up to80% equity), and DecarbRevo5 (up to100% equity).

Interested? Your personal consultant would be happy to assist you at any time.

An interview with Zugerberg Finanz clients Monika Faoro-Roth and Pascal Faoro

Pascal Faoro and Monika Faoro-Roth from Roth Optik GmbH, Zurich

ZF — Dear Monika and Pascal, you have been working in the optician business in Zurich for 35 years with your company Roth Optik. What prompted you to get into this business?

Monika — Roth Optik was founded in 1949 by my father, Richard Roth. With his cheap glasses, he mainly served customers from industrial and state-owned companies. The business flourished and soon he moved into new premises on Helvetiaplatz in Zurich. The desire for independence, entrepreneurship, and business acumen had seemingly been instilled in me since birth, so I joined my father's business in 1982 after completing my banking apprenticeship.

Pascal — Monika and I met at business school in 1980. While she continued her professional career in her parent's optician business after completing her banking apprenticeship, I completed an internship at the Swiss General Insurance Company. When our first daughter Chantal was born in 1993, Monika had to cut down on the time she spent at her parents' business. We quickly came up with the idea that I should take over this task myself in the medium term. To this end, I completed a four-year apprenticeship as an optician starting in 1994 and, from 2005 onwards, trained to become a certified optician alongside working.

ZF — Looking back on the last 35 years, what are the biggest differences compared to back then?

The eighties and nineties and of course the time before that were the golden age for us opticians. The prices were "set" by the association and there was no cheap competition. Life was a bed of roses for us opticians. The opening of the first Fielmann branch on Bahnhofstrasse in Zurich in 1998 ushered in a new era in the optician industry. Nevertheless, adjusting glasses or contact lenses is still a very personal job that requires a lot of consultation. Because of this, even after the advent of the large chain stores, traditional opticians were able to hold onto their raison d'être. The great opportunity for us lies in providing advice and services to our customers. We try to do justice to this task every day.

ZF — What were the biggest challenges back then and what are they today?

The introduction of the first generation of varifocal lenses (sold under the name Varilux) was a major challenge for both opticians and customers. Incompatibilities were almost the order of the day at the time. Replacement contact lenses, which would eventually emerge as our big business, got off to a hesitant start. The increasing digitalization of the world of work required new technologies for both glasses and contacts lenses. The profession of optician has changed a lot in recent years. While craftsmanship and knowledge of physical optics used to be key, today, good knowledge of the products and marketing, a high willingness to provide services, and a high level of empathy are in demand among customers. The craftsmanship is (unfortunately) increasingly being outsourced to third-party companies.

ZF — Was there ever a point when you thought about quitting?

No, never. And if circumstances permit, we want to keep working even after we reach the age of retirement.

ZF — How do you deal with the huge amount of competition, both online and offline?

The nice thing is, at the end of the day, no one is that different from anyone else. Every business deserves its customers. We work daily to satisfy our customers with good products, reputable advice, fair prices and excellent services. So far, this has enabled us to hold our own quite well on the market.

ZF — You not only work together, but you're also married, and have been for many years. How do you manage that? What is your recipe for success, how do you reconcile it all?

We don't really have a recipe for success. That's just the way it's worked out. Maybe it's because we have very realistic assessments of each other, give each other enough breathing room, and don't burden our relationship with overblown expectations. And it's very helpful to know when to just keep your mouth shut. In the business, the division of labor works very well. While Monika excels at maintaining relationships with our customers thanks to her approachable manner, Pascal mainly handles the technical optician's work and the commercial side of things.

ZF — How do you see the future development of your business going?

Very well, actually. The increasing (visual) requirements in the workplace and the extensive range of leisure activities require an ever-better quality of vision. "Visual aids" therefore also have a lot of potential for the future as well. Unless the much-vaunted AI makes wearing glasses or contact lenses obsolete in the future...

ZF — You have been a Zugerberg Finanz client for many years (since 2013). How satisfied are you with our services and why? Why did you choose Zugerberg Finanz?

Zugerberg Finanz has grown enormously in recent years. Nevertheless, it still feels like "one big family". We always feel like we are being taken seriously and are very satisfied with the support and advice. Our contacts are extremely professional and highly trustworthy.

ZF — How do you deal with recurring upheavals in the capital markets?

Monika is better at dealing with that. The ups and downs on the exchanges spur on her gambling instincts to a certain extent. Pascal has a rather more conservative attitude in this regard.

ZF — Monika, there are rumors that you got at least temporarily lost on the last hiking trip. Do you have anything to say about that?

Monika — One can only assume that the extremely verbose exchange of ideas between me and Margrit led to a dysfunctional disruption of our internal navigation system. On top of that, we thought it best to be driven back in our own car...

ZF — Thank you very much for the interview and your many years of loyalty.

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