Letter from the President and the Fund Managers
July 2026

THE FIRST HALF OF 2026 IN BRIEF

The first half of 2026 was marked by an especially volatile environment, dominated by two main issues – the escalation of the geopolitical situation in the Middle East and the continuation of the global artificial intelligence (AI) investment cycle.

The first quarter was severely disrupted by the deterioration in relations between the United States, Israel and Iran. Attacks on Iranian infrastructure led to the de facto closure of the Strait of Hormuz, a strategic point of transit through which almost 20% of global oil flows are routed. This caused energy prices to soar, with Brent rising from almost USD 60 to more than EUR 100 per barrel, fuelling fears of inflation and weighing on global growth. At the same time, investors were calling certain AI valuations into question, prompting a correction in the technology markets, particularly in the software sector.

In the second quarter, the markets gradually began to take a more optimistic view of the situation, despite the ongoing military tensions. After several months of difficult negotiations, a preliminary agreement between the United States and Iran was announced in June, providing for the reopening of the Strait of Hormuz and the continuation of talks on nuclear and regional security issues. This de-escalation calmed the energy markets and revived risk appetite.

The equity markets went through two very distinct phases. Following a decline across the board in the first quarter (S&P 500 down 3%, Nasdaq down 5.6%), the second quarter saw a strong recovery, backed by robust corporate earnings, a resilient US economy and continued massive investment in AI. Large-cap technology stocks and semi-conductors drove the rally, pushing the S&P 500 up 15.6% and the Nasdaq up 22.1% over the course of the quarter.

The European markets and emerging markets also posted strong gains.

As far as the central banks were concerned, monetary normalisation was made more difficult by the soaring energy prices. The US Federal Reserve kept its rates unchanged while still adopting a more cautious stance in the light of the inflation risk. The European Central Bank for its part increased its rates by 25 basis points in June so as to contain the inflationary impact of rising energy costs. The Swiss National Bank kept its policy interest rate unchanged while still keeping a close eye on the continued strength of the Swiss franc.

The bond markets experienced a more challenging environment as government bond yields rose, while expectations of interest rate cuts declined. Despite this, credit markets proved relatively resilient since corporate fundamentals remained robust.

Commodities experienced sharp fluctuations. After a spectacular rise in the first three months, oil prices underwent a correction in the second quarter due to the preliminary agreement between Washington and Teheran and the hopes of a swift reopening of the Strait of Hormuz. Gold, which had benefitted from its status as a safe haven at the start of the year, similarly went down as the geopolitical situation gradually eased.

OUTLOOK FOR THE SECOND HALF OF 2026

Overall, the most likely scenario for the second half of 2026 is essentially a positive one. Global growth is set to still be supported by the resilience of the US economy, as well as by AI investments and the budgetary support measures expected in Europe and Japan. A number of risks remain, however – a resurgence of tensions in the Middle East, inflation that proves more persistent than anticipated and elevated valuations in certain segments of the stock markets. All in all, however, the markets would appear to be prioritising a scenario in which the geopolitical and economic situation gradually returns to normal.

DEVELOPMENT IN THE VALUE OF CPIC SHARES

Segment A (in EUR):

Management of segment A is diversified with, on the one hand, active management (aimed at outperforming the mandate's benchmark over time, with controlled risk) and, on the other hand, risk budget management (aimed at controlling risk while still ensuring a return). The portfolio is exposed to short-term fluctuations in the financial markets, both upwards and downwards, but in a controlled manner by virtue of active management and strong diversification.

This portfolio has benefitted from the rising markets and at the end of December 2025 its valuation has risen from EUR 309.21 to EUR 325.46, representing a performance in EUR of +5.26%.

Segment B (in EUR):

Management of segment B is focused on the preservation of capital, combining money-market investments with conservative, diversified risk-primacy management.

The value of the segment B share has increased from EUR 172.52 to EUR 175.84, representing a performance in EUR of +1.92%.

Segment C (in CHF):

The management of segment C is comparable to that of segment A, with similar risks but managed in Swiss francs. The robust appreciation of the Swiss franc has meant less pronounced gains.

The value of the segment C share has risen from CHF 127.39 to CHF 132,03, representing a performance in CHF of +3.4.

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