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## Management Report 2nd Quarter 2026

The second quarter of 2026 was characterized by a remarkable resilience in financial markets despite ongoing geopolitical tensions in the Middle East. While the conflict involving Iran created uncertainty around energy supplies, inflation, and global growth, investor sentiment remained supported by strong corporate earnings and continued enthusiasm for artificial intelligence (AI).

Geopolitical developments dominated headlines throughout the quarter, with repeated swings between diplomatic progress and renewed tensions. A preliminary agreement between the United States and Iran was finally reached in June, leading to the reopening of the Strait of Hormuz and easing concerns over global energy supplies.

Equity markets largely looked through the geopolitical noise. Strong first-quarter earnings and sustained investment in AI-related technologies supported a broad rally, led by large-cap technology and semiconductor companies. Asian markets, particularly Taiwan and South Korea, benefited significantly from the AI investment cycle. In Swiss franc terms, the S&P 500 gained 15.6%, the Nasdaq 22.1%, the MSCI EMU 15.4%, and emerging markets 24.6%.

Inflation remained a key concern. Rising energy prices pushed US inflation to its highest level in three years, prompting central banks to maintain a cautious stance. The Federal Reserve left rates unchanged but kept the possibility of future hikes on the table. The European Central Bank increased rates by 25 basis points, while the Swiss National Bank and the Bank of England maintained current policy settings.

Bond markets faced headwinds as investors revised expectations for interest-rate cuts and adjusted to a "higher-for-longer" rate environment. Government bond yields moved higher, while corporate credit remained supported by strong fundamentals despite historically tight spreads.

Safe-haven demand supported both the US dollar and the Swiss franc during the quarter. Commodity markets were more volatile. Gold struggled against a stronger dollar and higher real yields, while oil prices ultimately fell sharply after the US-Iran agreement reduced concerns over supply disruptions. Brent crude ended the quarter down by 38%, while gold declined 12%.

Looking ahead, the global economy appears resilient despite recent shocks. Lower tariff pressures expected fiscal stimulus in Europe and Japan, a solid US labor market, and continued AI-related investment should support growth. With energy inflation likely to ease following the US-Iran agreement, central banks may not need to tighten policy as aggressively as feared, supporting a cautiously constructive outlook for the remainder of 2026.

Since the beginning of 2026 :

the value of the A share increased by 5.26% from EUR 309.21 to EUR 325.46

the value of the B share increased by 1.92% from EUR 172.52 to EUR 175.84

the value of the C share increased by 3.64 % from CHF 127.39 to CHF 132.03