Market Insights
1H Review & Outlook

AUGUST 26

Index

Executive Summary

Asset Allocation

Global growth remains solid, corporate earnings continue to outperform, and the AI-driven capex cycle provides a durable structural tailwind creating a compelling foundation for risk assets.

Energy volatility and geopolitical friction bear monitoring but represent cyclical noise rather than a fundamental shift in the backdrop.

Global equity returns to broaden.

Prefer equities over fixed income.

Constructive on Gold whilst the USD remains range bound into year end.

Equities

For S&P 500, our base case calls for an index level of 7900 by year end 2026 with volatility to persist.

Continued strength in the AI investment cycle, expected to account for roughly 45% of S&P 500 earnings growth this year and should remain a key pillar of U.S. profit expansion and equity performance, reinforcing U.S. market leadership over European bourses.

Sectoral focus remains on the AI infrastructure and semiconductor complex. We complement this with Swiss high-quality health care franchises, while selectively holding attractively valued European cash-generative luxury-goods businesses and further pockets of European Financials & Cyclicals.

Fixed Income

Forward path of oil determines how rates will trade. Assuming the peak in oil was the 7th April, the key question is how much will oil fall and what is the passthrough to rates.

Within sovereigns, USD (up to 7 years) and EUR (up to 5 years) duration.

Fed to hike by 25bps over next 12 months.

Curve performance to be the driver rather than spread performance into 2nd half.

Position in global IG credit, notably USD/EUR/CHF low A-to-BBB rated within the 5-7 years duration bracket. Security selection remains key in the splurge of AI new issuance.

Commodities

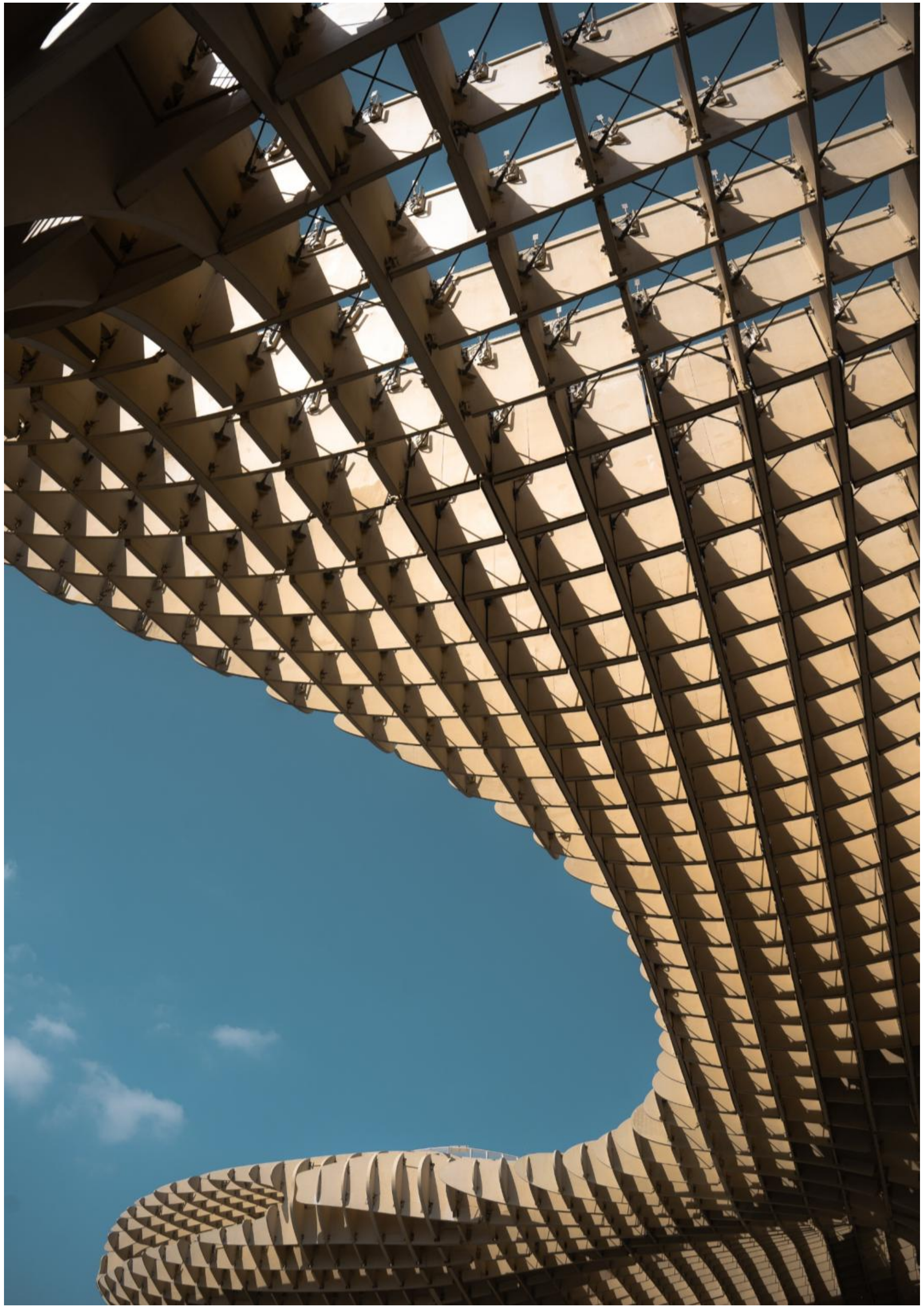
Gold is coming off its most volatile period on record, yet the fundamental drivers remain firmly intact. Heightened geopolitical tensions and persistent US fiscal concerns continue to underpin structural demand, with central bank accumulation showing no signs of abating.

Copper's investment case remains compelling. Secular demand growth driven by EV adoption and AI infrastructure buildout continues to re-rate the demand outlook higher, while supply growth remains structurally constrained.

Currencies

Anticipate only modest dollar softness over the second half of 2026, underpinned by a gradual easing in core inflation and a broadly constructive environment for global risk appetite. Looking further ahead, we expect the dollar to regain its footing into 2027, as the reassertion of US growth leadership most notably relative to a structurally weaker Europe restores the currency's underlying support.

The Swiss franc remains our preferred safe-haven currency. Heightened fiscal concerns across Western sovereigns and elevated geopolitical risk continue to drive structural demand for CHF.



H1 Financial Market Review

AUGUST 26 NAHMANI GRUNDER

Financial Market Review

H1 into summer 2026 - Highlights
"The Swiss franc surged to its strongest level (USDCHF 0.76) against the US dollar in more than a decade"
"Microsoft sheds $360bn in market value post earnings"
"Record outperformance by semis over software by nearly 30pp, the most since at least 2001"
"Crude futures saw one of their largest one-day drops on record - benchmark US oil prices plunged 16% in a single day"
"The S&P 500 sold off ~10% during the Iran conflict but fully recovered just 11 sessions later, the fastest V-shaped recovery on record"
"The Nasdaq achieved a 13th straight green day, its longest winning streak of the 21st century and second-longest ever for the Nasdaq 100"
"Semiconductor stocks rose for 18 consecutive sessions, the longest streak ever"
"Cisco, the dot-com darling, finally passed its March 2000 share-price high thanks to data-center sales"
"The Fed held rates, but the 8-4 vote marked the first time since October 1992 that four officials dissented"
"South Korea's KOSPI jumped over 30% in a single month, its best month since 1998"
"The S&P 500 up 16% across April and May, a two-month surge matched only four other times since 1950"
"The broader Software index, the IGV, had its best month in over 25 years"
"Micron became the 12th US company to surpass a $1 trillion market cap - and the fastest ever from $500bn to $1tn, in just 48 trading days"
"Kevin Warsh was sworn in as the Fed chairman"
"G7 government bond yields were at their highest levels since 2004"
"The 30-year US yield climbed to a 19-year high of 5.2%"
"Taiwan's stock market cap rose to $4.95 trillion, surpassing India's to become the world's fifth-largest equity market"
"The University of Michigan's consumer sentiment index fell to a record low"
"Gold has overtaken US government bonds as the world's top reserve asset"
"SpaceX holds the largest IPO in history"
"ASML became Europe's most valuable company ever"
"Brent fell by around $45 a barrel in Q2, its largest quarterly drop since the GFC in 2008"
"Gold sinks to a 6-month low, falling below $4,000/oz"
"BOJ raises rates to a 31-year high"
"Microsoft adds $450bn in market value post earnings- the largest one-day market-cap gain in stock market history"
"The Fed joined Japan's Ministry of Finance and BOJ in coordinated intervention to prop up the yen"

H1 Financial Market Review

Global equities concluded the first half of 2026 in solidly positive territory, notwithstanding heightened volatility and a material intra-period drawdown associated with the Iran conflict. This outcome may appear counterintuitive given the unsettled market backdrop and challenging investor experience during the period; however, the resilience of risk assets was the defining characteristic of the half. Equity market strength was underpinned by a robust corporate earnings environment and a US economy that proved more resilient than initially feared, enabling markets to absorb geopolitical shocks and renewed macroeconomic uncertainty. **In contrast, physical gold detracted from returns, while global credit delivered broadly flat performance** over the period.

MSCI World returned +8.9% in USD in H1 2026. A ~10% sell-off in the S&P 500 during the Iran conflict was fully recovered within just 11 sessions, the fastest V-shaped recovery on record and a testament to the market's underlying resilience. **The US, EU and Switzerland all delivered mid-to-high single-digit returns in local currency, led by the S&P 500 at +9.6%, followed by the Stoxx 600 at +8.4% and the SMI at +7.0%**.That resilience rested on an exceptionally strong earnings backdrop. Consensus S&P 500 EPS estimates for 2026 is now ~$335 (+22% y/y) and 2027 have been revised higher by ~11% year-to-date an unprecedented upgrade of a kind usually seen only after a shock or recession. A US economy that expanded ~3.0% in Q2, together with record buybacks on track to top last year's ~$1.2tn, provided further support. **Emerging markets were the clear standout**, however, with MSCI EM surging +22.7% on EM earnings growth running at nearly double developed markets and leadership from Korea and Taiwan's direct exposure to the AI semiconductor cycle.

Global credit was broadly flat in the first half, with the Barclays Global Credit Index returning just +0.1% in USD terms as the impact of higher interest rates offset carry. In contrast to 2025, the US sovereign yield curve shifted higher: the 10-year Treasury yield rose approximately 30 basis points to 4.47%, driven almost entirely by an increase in real yields to 2.20% from 1.92% at year-end, while 10-year inflation breakevens remained broadly unchanged at around 2.23%. Markets also materially reduced expectations for Federal Reserve easing, with the implied end-2026 policy rate rising to approximately 3.96% from 3.06%. Credit spreads were generally stable to modestly wider. US BBB spreads remained at 1.00%, still close to multi-decade lows, while US high-yield spreads widened from 2.36% to 2.70%.

Physical Gold returned -7.0% in H1 2026 (to ~$4,038/oz), giving back some of its historic run after gains of roughly +25% and +27% in the prior two years. The structural bull case remains intact, non-G7 central-bank buying on de-dollarization efforts (strong since the start of the Russia/Ukraine war in February 2022) and mounting worries over the fiscal health of the US government but a hawkish Fed and higher real rates paused the rally and delayed the demand recovery needed to push prices higher. Notably, the inverse correlation between gold and 10-year US real rates, which had completely broken-down last year, reasserted itself this half: real rates rose to +2.20% and gold fell back. In FX, the picture also flipped, on a renewed narrative of US exceptionalism, **the dollar was mixed-to-firmer rather than broadly weaker**, appreciating against the euro (EURUSD -2.8%), sterling (GBPUSD -1.6%) and the yen (USDJPY +3.7%), while depreciating against the Swiss franc (CHFUSD +2.0%). Bitcoin, meanwhile, fell -33.1%.

H1 Financial Market Review

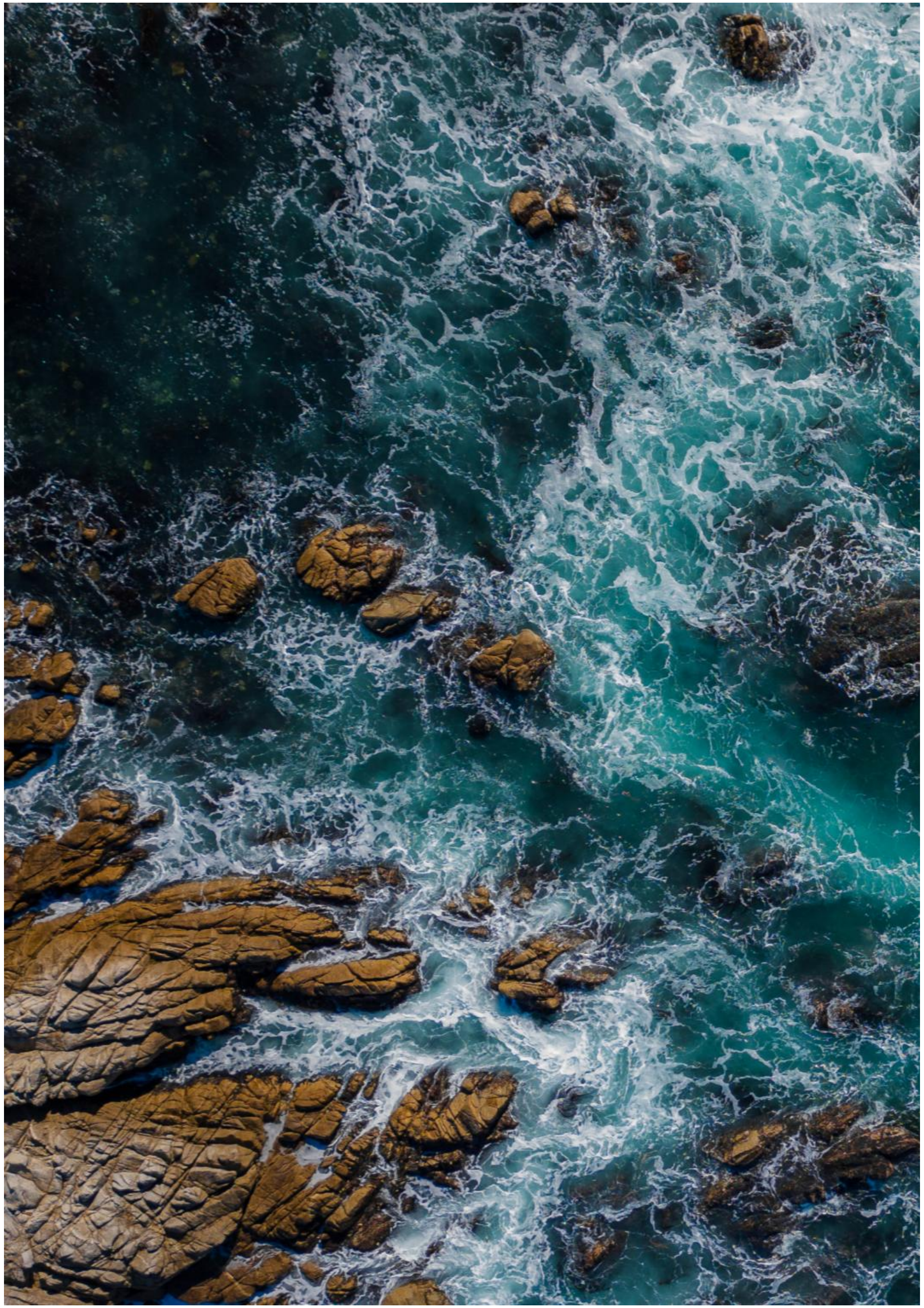
NG Risk Radar	30-Jun-26				
Global Equities	**S&P 500**	**SMI**	**EuroStoxx 600**	**MSCI World**	**MSCI EM**
30-Jun-26	7'499.4	14'193.9	641.7	4'825.5	1'722.9
31-Dec-25	6'845.5	13'267.5	592.2	4'430.4	1'404.4
% return, in local currency terms	**9.6%**	**7.0%**	**8.4%**	**8.9%**	**22.7%**
FX impact	*0%*	*2.0%*	*-2.8%*		
in USD terms	**9.6%**	**9.1%**	**5.4%**	**8.9%**	**22.7%**
Global Bonds	**BBG Global Credit**	**US BBB spread**	**US High Yield spread**	**10-year Treasury rates**	**US yield curve 2s/10s**
30-Jun-26	297.2	1.00%	2.70%	4.47%	0.29%
31-Dec-25	296.8	1.00%	2.36%	4.17%	0.69%
% return (USD terms)	**0.1%**				
	10-year US Breakeven	**US Equity Risk Premium**	**10-year US REAL rates**	**US Financial conditions**	**Fed Funds rate, end-26e**
30-Jun-26	2.23%	0.14%	2.20%	98.43%	3.96%
31-Dec-25	2.25%	0.42%	1.92%	98.49%	3.06%
Currencies	**EURUSD**	**CHFUSD**	**GBPUSD**	**USDJPY**	**BTCUSD**
30-Jun-26	1.1422	0.8084	1.3262	162.55	58'642
31-Dec-25	1.1746	0.7926	1.3475	156.71	87'648
% change	**-2.8%**	**2.0%**	**-1.6%**	**3.7%**	**-33.1%**
Commodities	**Global BBG index**	**Gold**	**Copper**	**Natural Gas (Henry Hub)**	**WTI Crude Oil**
30-Jun-26	123.2	4038.5	13375.0	3.19	69.5
31-Dec-25	109.7	4341.1	12423.0	3.72	57.4
% change	**12.3%**	**-7.0%**	**7.7%**	**-14.0%**	**21.0%**

Source: Bloomberg, Nahmani Grunder

H1 Financial Market Review

NG Equity sector/basket dashboard - Year to date 2026					
	S&P 500	**Equal-weighted S&P**	**Nasdaq-100**	**Magnificent-7**	**US Health care**
30-Jun-26	7499.4	8626.6	30276.4	31858.4	158.7
31-Dec-25	6845.5	7763.9	25249.9	32468.7	154.8
% change, in Local currency (LC)	**9.6%**	**11.1%**	**19.9%**	**-1.9%**	**2.5%**
	US Semis	**US Software**	**China Tech**	**US Cyber Security**	**US Banks**
30-Jun-26	14247.0	90.6	24.5	104.93	8.53
31-Dec-25	7083.1	105.7	34.1	80.37	7.71
% change, in Local currency (LC)	**101.1%**	**-14.3%**	**-28.1%**	**30.6%**	**10.7%**
	EU Luxury	**EU Banks**	**EU Oil Majors**	**EU Mining**	**Swiss Mid-cap**
30-Jun-26	3200.3	293.7	488.7	515.5	3169.1
31-Dec-25	3788.9	263.3	404.6	441.6	2975.9
% change, in Local currency (LC)	**-15.5%**	**11.6%**	**20.8%**	**16.7%**	**6.5%**

Source: Bloomberg, Nahmani Grunder



H2 Outlook

AUGUST 26

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Growth steady / Inflation stickier

Growth - a mid-cycle dip

Global growth has moderated from 3.5% in 2025 to an estimated 2.5% in 2026. This represents a relatively shallow soft patch rather than a broad-based demand contraction, with the energy shock primarily weighing on real incomes.**The United States remains the principal engine of developed-market growth**, with expansion expected at 2.1% this year and 2.3% in 2027. Activity continues to be supported by an exceptionally strong AI investment cycle alongside resilient higher-income consumption and fiscal support for energy security and defence. **However, the developed-market outlook remains increasingly bifurcated. While US growth remains near 2%, the rest of the G7 is expanding at only around 0.8%,** with the major European economies close to stall speed: Germany at 0.9%, France at 0.5% and Italy at 0.8% whilst Switzerland continues to hold up robustly above its neighbours. **In emerging markets, we expect China's growth to moderate from 5.0% in 2025 to around 4.5% in 2026**, as persistent weakness in property and consumption offsets resilient exports and tech investment into 2H26.

Inflation: slower disinflation

The clean disinflation of prior years stalled in H1. Headline was pushed higher by the Iran energy spike, but the more telling move was in **core**, which firmed rather than reverted. In the US the lift was mainly **tariff pass-through**, with CPI stalled at **3.2%** and core near **2.8%**; in Europe it was **energy-led**, keeping core elevated (UK ~3.0%, Italy 2.7%, Germany 2.6%). **China is the outlier**, with inflation staying structurally subdued near **1.0%** amid still-soft domestic demand. **Disinflation is expected to resume into 2027** as tariff and energy effects fade, though a **structurally elevated oil price or persistent geopolitical risk premium** remains the key risk to that path.

GLOBAL GROWTH & INFLATION MAP

	Real GDP (%)			Inflation (%)		
	2025a	**2026e**	**2027e**	**2025a**	**2026e**	**2027e**
US	2.1%	2.1%	2.3%	3.5%	3.2%	2.2%
Japan	1.1%	0.5%	1.1%	2.3%	1.8%	1.4%
Germany	0.2%	0.9%	1.1%	2.2%	2.6%	2.5%
France	0.9%	0.5%	0.8%	0.9%	2.2%	2.0%
UK	1.4%	1.1%	1.3%	3.9%	3.0%	2.2%
Italy	0.5%	0.8%	0.7%	1.5%	2.7%	1.9%
Canada	1.9%	0.9%	2.0%	2.1%	2.5%	1.9%
G7-ex US	0.9%	0.8%	1.1%	2.2%	2.4%	2.0%
Switzerland	1.4%	0.9%	1.6%	0.2%	0.6%	0.6%
China	5.0%	4.6%	4.7%	0.1%	1.0%	1.0%
Developed Markets (DM)	**1.9%**	**1.6%**	**1.8%**	**2.5%**	**2.9%**	**2.2%**
Emerging Markets (EM)	**4.5%**	**3.7%**	**4.1%**	**5.2%**	**3.8%**	**3.4%**
Global	**3.5%**	**2.5%**	**2.8%**	**4.1%**	**3.3%**	**2.7%**

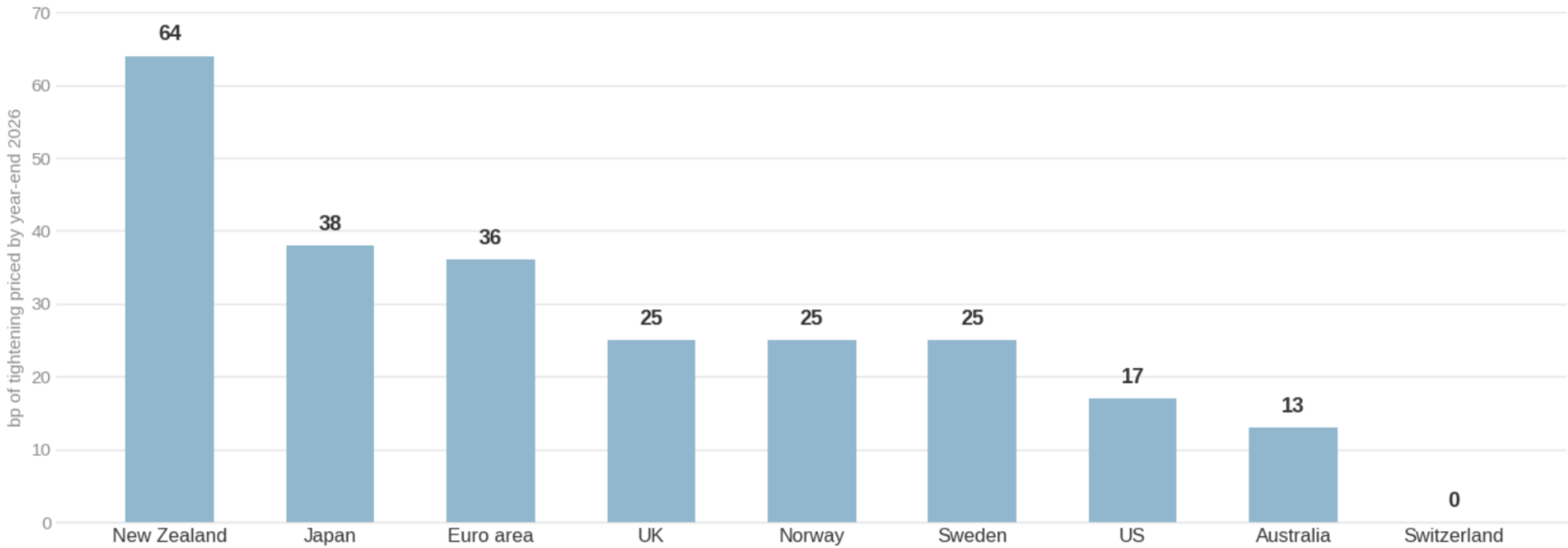
Source: As per 31/07/2026 Bloomberg, Nahmani Grunder

Inflation and policy : Elevated but manageable

The global economy is considerably more resilient to elevated oil prices than it was before the pandemic. A less energy-intensive, more adaptable consumer, together with increasingly diversified if more politicised supply chains allows the world to sustain higher crude prices for a good deal longer without precipitating a recession.

Although inflation remains elevated in several economies, we continue to anticipate a moderation sufficient to confine central banks to at most, measured tightening an environment that remains broadly supportive of risk assets. Policy has nonetheless become less accommodative across the G10, Japan aside, and several developed-market central banks have already begun to raise rates. The European Central Bank lifted its policy rate by 25 basis points in June in response to energy-driven inflation and is expected to tighten again in September, the Bank of Japan raised its rate to 1.0% in June as part of its gradual normalization and both Norway's Norges Bank and Sweden's Riksbank are expected to follow later in September. The Federal Reserve and the Bank of England and SNB remain the principal exceptions, on hold through the current year. The recent increase in yields reflects this transition, as markets have moved to discount tightening in the United States where they had previously looked for rate cuts.

Cumulative tightening priced by OIS markets to 4Q26, bp — every DM central bank shown is priced to hike, except Switzerland



Source: As per 31/07/2026 Bloomberg, Nahmani Grunder

Resilience rests on fundamentals rather than sentiment

The first half of 2026 has been as volatile in its path as it has been constructive in its outcome. From a March trough of 6,673 reached during the early-year Iran oil crisis the S&P 500 rallied to a record close of 7,610 on 2 June, a trough-to-peak advance of roughly 14% before surrendering close to 10% during the June escalation and recovering the entirety of that loss within eleven sessions, the fastest such rebound on record.

Corporate earnings have proved notably robust. Second-quarter revenues are tracking at 12.8% year-on-year and earnings at 26%, while the net profit margin has reached a record 15.5% (highest since 2009) which is clear evidence that operating leverage, rather than top-line growth alone, is driving profitability. Consensus has moved accordingly, with 2026 S&P 500 earnings revised higher by 22% year-to-date, an upgrade of a magnitude ordinarily seen only after a shock or recession. **Against this backdrop, valuations are demanding but not indefensible.** The combination of record margins, a still-supportive macroeconomic backdrop justifies the premium for now, though it **unquestionably raises the bar for further volatility** as we move closer into year end.

S&P 500 P/E valuation, 2015a - 2026e

	2015a	2016a	2017a	2018a	2019a	2020a	2021a	2022a	2023a	2024a	2025a	2026e
Operating EPS	118.2	119.1	133.0	162.9	164.6	144.6	212.5	220.6	221.5	244.0	275.2	345.0
growth (YoY)	-0.5%	0.7%	11.6%	22.5%	1.0%	-12.2%	47.0%	3.8%	0.4%	10.1%	12.8%	25.4%
Price low	1867.6	1829.1	2257.8	2351.0	2447.9	2237.4	3700.7	3577.0	3808.1	4688.7	4982.8	6316.0
Price high	2130.8	2271.7	2690.2	2930.8	3240.0	3756.1	4793.1	4796.6	4783.4	6090.3	6932.1	7610.0
Price close	2043.9	2238.8	2673.6	2506.9	3230.8	3756.1	4766.2	3839.5	4769.8	5881.6	6845.5	7489.0
P/E low	15.8	15.4	17.0	14.4	14.9	15.5	17.4	16.2	17.2	19.2	18.1	18.3
P/E high	18.0	19.1	20.2	18.0	19.7	26.0	22.6	21.7	21.6	25.0	25.2	22.1
P/E close	17.3	18.8	20.1	15.4	19.6	26.0	22.4	17.4	21.5	24.1	24.9	21.7
P/E range	**15.8 - 18.0**	**15.4 - 19.1**	**17.0 - 20.2**	**14.4 - 18.0**	**14.9 - 19.7**	**15.5 - 26.0**	**17.4 - 22.6**	**16.2 - 21.7**	**17.2 - 21.6**	**19.2 - 25.0**	**18.1 - 25.2**	**18.3-22.1**
Revenue growth (YoY)	**-3.0%**	**2.1%**	**6.9%**	**7.5%**	**4.0%**	**-2.0%**	**16.1%**	**10.8%**	**2.7%**	**5.2%**	**6.3%**	**13.0%**
Profit margin	**9.6%**	**9.4%**	**10.0%**	**11.4%**	**11.1%**	**9.9%**	**12.6%**	**11.8%**	**11.5%**	**12.1%**	**12.8%**	**15.5%**

Source: As per 31/07/2026 Bloomberg, Nahmani Grunder

Equities: A warranted US premium in a broadening opportunity set

On a relative basis, Europe's forward P/E discount to the US has **averaged −31% over 2020–2026** and stands at **−27% today.** Emerging markets are cheaper still, averaging a **−39% discount** over the same period and widening to a **record −52% in 2026e**.The **growth differential has been stark**. Over **2020–2026, US earnings have compounded at roughly +9% per annum versus about +5% for Europe** (local currency), with US companies delivering both higher revenue growth and higher net profit margins the latter a record **15.5% in Q2 2026**. It is this contrast in profitability, not multiple expansion that has driven US outperformance and we expect this to persist.

The premium on hand for the S&P is anchored in the depth of the **US AI infrastructure stack** which aside from ASML is a capability set Europe simply cannot match. It spans the entire chain: the **semiconductor layer** (chip design and high-bandwidth memory), the **hyperscalers** funding the build-out (guiding to ~$800bn of capex this year, +94% y/y, now ~53% of all S&P 500 capex), the **data-centre and networking layer**, and increasingly the **power and electrification enablers** underpinning it. It is this vertically integrated stack, not merely a handful of mega-caps, that sustains US earnings leadership, and there is no European equivalent of comparable scale. We do not, however, expect leadership to remain this concentrated. As the build-out broadens from compute toward power, grid and industrials and the earnings base widens, we look for the rally to **extend beyond the US into pockets of Europe and into Emerging Markets ex-China.**

At the **index level** we still see no case for Europe or Switzerland to sustainably outperform the US. Europe lacks a growth catalyst, and the SMI carries an EPS profile broadly in line with Europe but at a richer multiple. On a **sectoral and bottom-up basis, however, we continue to find value** in Europe within **Financials, Industrials & Energy whilst being selective on Luxury.**

In Switzerland, **high-quality healthcare/pharma and premium franchises remain our favoured picks.**

P/E multiples for Major Equity Indices

	S&P 500	Stoxx 600	MSCI EM	Discount EU/US	Discount EM/US
2015	17.3	16.9	13.2	-2.3%	-23.7%
2016	18.8	17.0	12.8	-9.6%	-31.9%
2017	20.1	16.0	15.2	-20.4%	-24.4%
2018	15.4	12.9	12.9	-16.2%	-16.2%
2019	19.6	16.2	14.7	-17.3%	-25.0%
2020	26.0	22.3	20.6	-14.0%	-20.9%
2021	22.4	16.1	13.4	-28.3%	-40.0%
2022	17.4	12.0	11.7	-31.0%	-32.9%
2023	21.5	13.5	13.3	-37.2%	-38.2%
2024	24.1	13.8	13.3	-42.8%	-44.9%
2025	24.9	15.4	13.6	-38.0%	-45.3%
2026e*	21.7	15.9	10.5	-26.7%	-51.6%
Average 2020-26	**22.6**	**15.6**	**13.8**	**-31.3%**	**-39.1%**

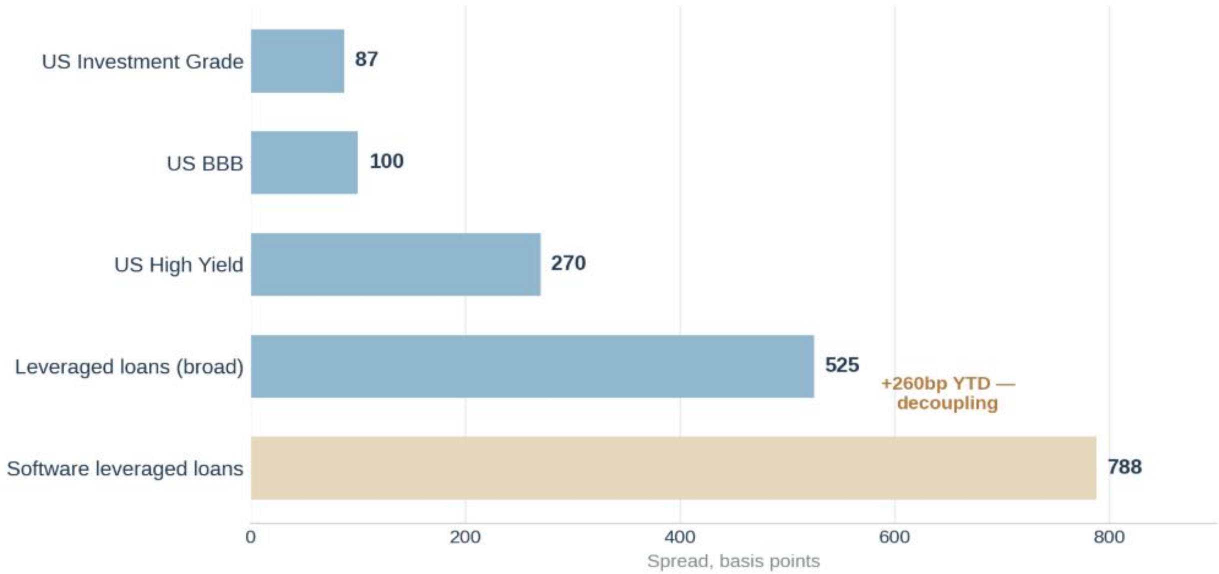
Source: As per 31/07/2026 Bloomberg, Nahmani Grunder

Fixed Income: Quality IG at the core but mind the Tech tail

At the core of the allocation, we retain a clear preference for **global investment-grade credit, concentrated in USD, EUR and CHF issuers rated low-A to BBB, with average duration extended from five to seven years**. The rationale is threefold. First, all-in yields remain attractive on a historical context allowing mid-single-digit total yields in high-quality paper. Second, spreads though historically tight are underwritten by robust corporate fundamentals: record margins, low net leverage and comfortable interest coverage keep default risk contained at the top of the capital structure. Third, the measured duration extension positions for the disinflation we expect to resume in 2027 as policy rates normalise, that duration converts today's carry into price appreciation. In a higher-for-longer world this is the ballast, income-generative, high in quality and asymmetrically positioned for the next leg of the rate cycle.

Given the macro backdrop is decisively **higher-for-longer,** it has fundamentally reshaped the return profile of fixed income. The Bloomberg Global Credit index eked out just **+0.1% in H1 2026**, as a ~30bp rise in the 10-year Treasury (to ~4.5%) offset the coupon on offer. We expect the pressure to persist, the implication is unambiguous. Income, not capital appreciation is the return, whilst carry and security selection makes the difference. Beyond core IG, we see value at **the front end and cash as** the 2-year point offers among the strongest risk-adjusted carry on the curve, a reminder that one is well paid to wait.

The risk to watch is technology's leveraged tail. The vulnerability in credit is not the investment-grade AI mega-caps, which are cash-rich and largely self-funding, but the **leveraged tail** of the technology complex. Software leveraged-loan spreads have widened **~260bp year-to-date to ~788bp**, decoupling from an otherwise firm market, while a **~$417bn maturity wall in 2028** is set to push default rates higher.



Source: As per 31/07/2026 Bloomberg, Nahmani Grunder

Summary: Equities over Bonds/ Gold over Oil

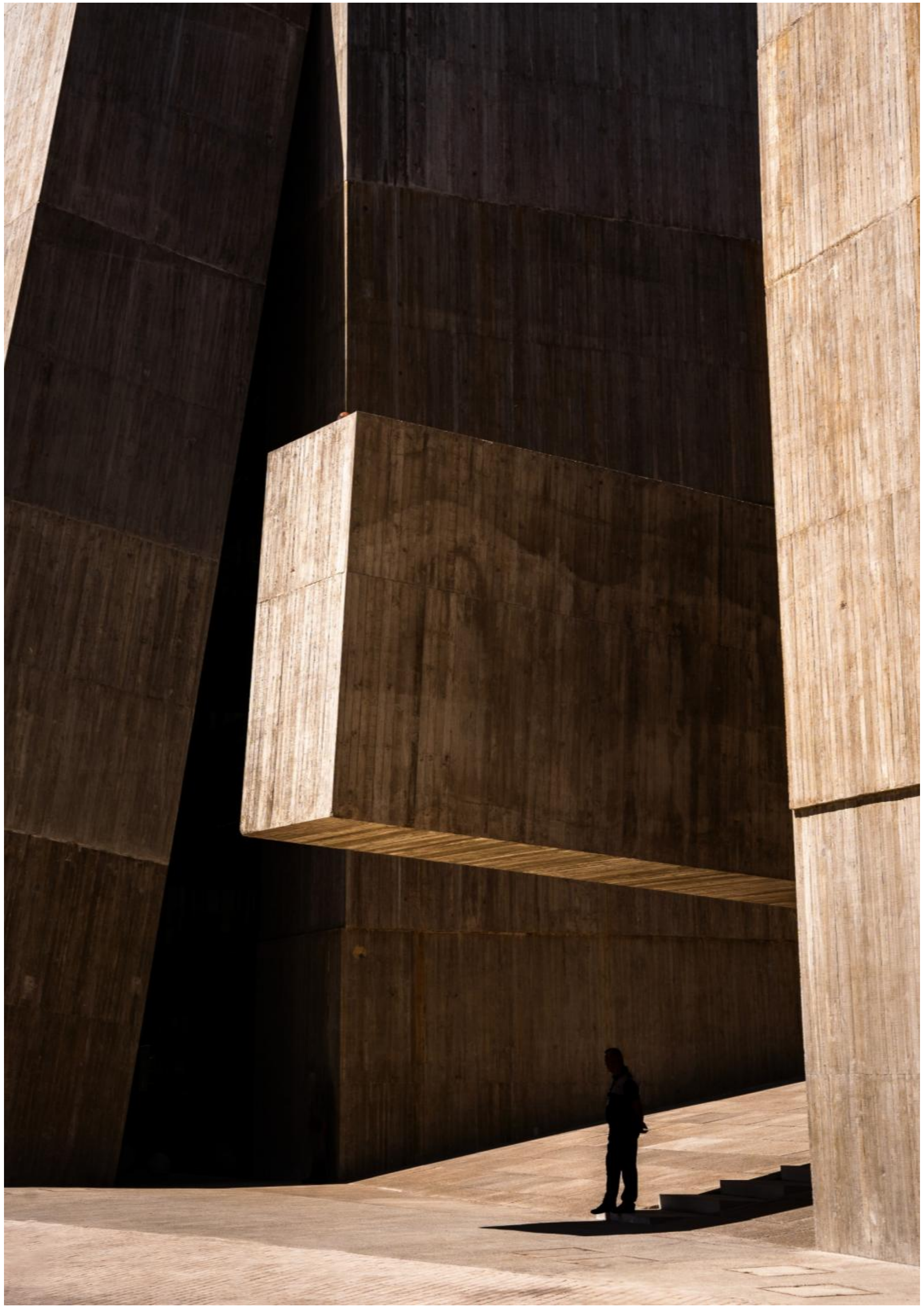
The **Bloomberg (BBG) Global Credit index generated a cumulative total return of -2.5% over the last 6 years** (2020 – 2026) and eked out just **+0.1% in H1 2026** as a higher-for-longer rates backdrop offset carry. The culprit is familiar: since the exit from zero-rate policy, coupon income has been repeatedly pressured by rising sovereign curves. **Spreads sit at multi-decade lows** and offer little risk premium. With the US 10-year already at ~4.5% and likely to stay there into year-end as the Fed continues to hike, **we see limited room for credit to generate meaningful returns and expect investment-grade spreads to widen modestly**. The principal risk to credit, is an inflation spike hitting corporate spreads that carry almost no cushion.

MSCI World in USD outperformed the BBG Global Credit index by 13.4% annualized since the end of 2020. Given our views on rates, credit spreads, corporate earnings growth and equity valuation multiples, we **continue to favor global equities over global credit but remained disciplined on valuations.**

Within credit, we continue to **position in global investment grade (IG) credit**, notably USD/EUR/CHF low A-to-BBB rates, with **an average duration of 5 years to 7 years.**

In currencies (FX), the **Swiss franc remains our safe-haven of choice** at a time when most major currencies are dogged by worries over the fiscal health of their sovereigns. Those fears have probably peaked for the US dollar: unlike Europe, the US retains both the political scope to rein in spending and the underlying growth to grow its way out. Given sustainable growth is one of the few genuine escapes from a debt spiral, we think the **US is far better positioned than the EU or UK**, where we stay less constructive. Our central view is therefore a **range bound dollar into year end but renewed firmness into 2027 notably vs the euro.**

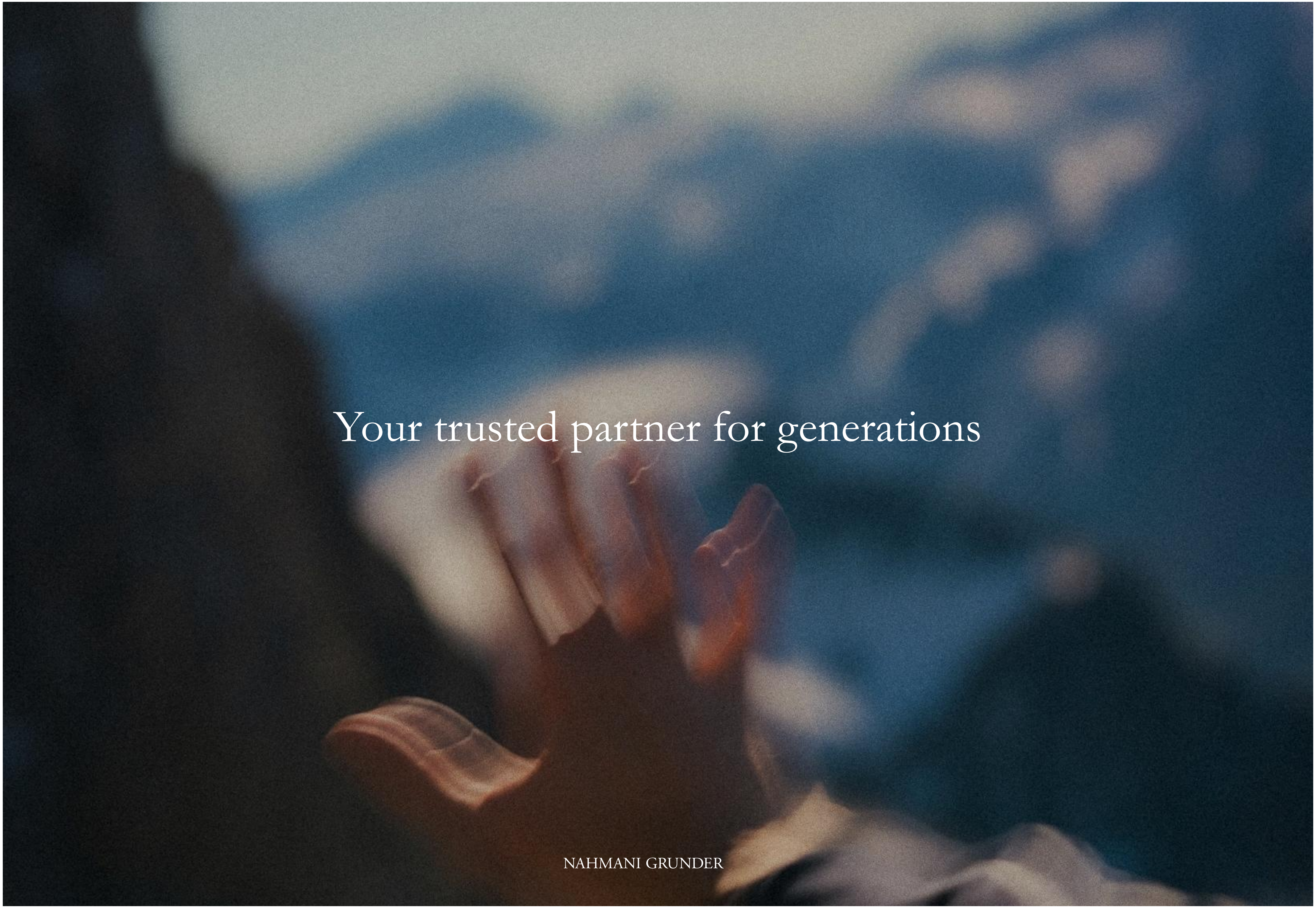
In Gold, the multi-year bull case remains intact: debasement and fiscal risks, geopolitical fragmentation and steady non-G7 central-bank buying on de-dollarization but a hawkish Fed has turned this year's pause into something closer to a freeze. **Physical gold fell 7.0% in H1 2026, slipping back below $4,000/oz,** as the climb in 10-year real rates to +2.20% lifted the opportunity cost of holding a zero-yield asset and reasserted the inverse gold/real-rate relationship that had broken down entirely last year. Even so, we expect those structural drivers to ultimately reassert themselves and carry the metal back toward its all-time highs**.**



Asset Class Grid

Asset Class Grid

	⊕ Positive	⊜ Neutral	⊖ Negative
Fixed Income & Cash	UST Bills US Treasuries (up to 10 years) US/EUR IG (5-7 years duration)	EU Sovereign (up to 5 years) US/EUR HY	EM Corp
Equities (sectoral view)	Technology/AI infrastructure Healthcare Industrials Luxury	Consumer Staples & Discretionary Financials Energy Metals & Mining Utilities Software	Telecoms Chemicals
Commodities	Gold Copper	Crude Oil Nickel Coal	Iron ore


Your trusted partner for generations
NAHMANI GRUNDER

Our offices in Zurich and Geneva

Z Nahmani Grunder & Cie AG
Bahnhofstrasse 13
CH-8001 Zurich
+41 44 818 42 00
info@nahmanigrunder.ch

G Nahmani Grunder & Cie AG
Cours de Rive 10
CH-1211 Geneva 3
+41 22 818 30 30
info@nahmanigrunder.ch

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