

# PANORAMA

# 360°



JUNE 2026

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**MFM**  
MIRANTE FUND MANAGEMENT

# HIGHLIGHTS- JUNE 2026



## WINE EVENT

A taste of Ticino sunshine

For the 10<sup>th</sup> edition of our Wine Event, Ticino wines were honored, featuring a selection from the regions of Contone, Monteggio, Morcote, Rovio, Sementina and Arzo.

This evening is always a special moment to share with our guests and discover outstanding wines alongside wine specialists.

## WHAT IS THE ACTUAL SIZE OF A TRILLION?

One million seconds ago was about 12 days ago.

One billion seconds was about 31 years ago.

One trillion seconds was nearly 31,700 years ago, a time when humanity had not yet invented agriculture and was living during the last ice age.

That's the staggering gap between one million, one billion, and one trillion seconds.



This month, MFM presents Julius Baer, one of the six banks with whom we collaborate. Our multi-depositary approach aims to offer solutions that are perfectly aligned with the needs and interests of each of our clients.

## JULIUS BAER

A depositary bank of choice for our clients

Since 2025, MFM has been collaborating with **Julius Baer**, leveraging the renowned expertise of a leading Swiss private bank and benefiting from its extensive international network. The Group specialises in delivering premium services and tailored solutions for private clients, external asset managers, and their clients.

Our business relationship with the Lausanne-based team dedicated to external asset managers has been built over several years. We particularly value their professionalism in managing our accounts, safeguarding both our interests and those of our clients, as well as the advantage of close geographical proximity, which enhances our collaboration.

In practice, Julius Baer stands out for:

- its high-performing private banking services,
- attractive mortgage and Lombard-lending solutions,
- a flexible and well-established pension solutions offering, developed in collaboration with recognised foundations,
- a strong commitment to service excellence

### Switzerland's first wealth management group, a brief history

The founder, Julius Bär, established his business on Bahnhofstrasse in Zurich in the 1890s. Originally a modest foreign exchange office, it quickly evolved into a firm specialising in wealth management as well as securities and foreign exchange trading. The Julius Bär legacy is built around four core values: an **entrepreneurial spirit**, a sense of **responsibility**, **integrity**, and a commitment to **sustainability**. These qualities continue to shape the firm today.



*Alexandre Berger - Market Head Intermediaries  
Western Switzerland & Americas*

*David Rime - Relationship Manager Lausanne*

*Sophie Grandchamp - Assistant Relationship  
Manager Lausanne*

*Stan Nan Nguema - Group Head Lausanne*

### FACTS AND FIGURES

# Julius Bär

Headquarters	Zurich
Number of locations	60
Number of employees	7,390
Assets under management	CHF 521 billion (AUM)

# FINANCIAL MARKETS: THE ENGINE AND THE BRAKE

AI continues to drive markets, but rising rates, oil and inflation remind us that investor enthusiasm remains vulnerable to reality checks.

### Macroeconomic and geopolitical events

Recent weeks have highlighted the conflicting forces shaping financial markets. Caught between AI-driven optimism and persistent macroeconomic and geopolitical challenges, investors have had to navigate an increasingly delicate balancing act.

In the Middle East, after months of heightened tensions and the closure of the Strait of Hormuz, markets are regaining hope. An agreement between the United States and Iran is reportedly close to being reached. This prospect has helped ease oil prices and support risk assets, even though the situation remains fragile and dependent on tangible political progress.

In the United States, the picture has become more complex. The May payroll report was significantly higher than expected, with 172,000 jobs created. Under normal circumstances, such data would be viewed positively. In the current context, however, it triggered a classic «good news is bad news» reaction: an overly robust economy reduces the likelihood of interest rate cuts by reviving fears of monetary tightening. As a result, bond yields moved higher and valuations of interest-rate-sensitive assets came under pressure.

### Equities: AI Remains a Powerful Driver, but Volatility Returns

At the beginning of June, equity markets experienced a more volatile period after their

Written by Frank Crittin,  
CIO of MFM



record highs. Profit-taking was particularly pronounced in the semiconductor sector, at the heart of the AI theme. On June 5, the Nasdaq Composite fell by 4.2%. While this correction does not undermine the long-term strength of the AI story, it serves as a timely reminder that even the most compelling structural trends rarely move in a straight line.

Despite this volatility, equity markets continue to benefit from two major pillars: resilient US economic growth and strong corporate earnings. During the latest earnings season, reported profits in the United States significantly exceeded expectations, with double-digit earnings growth. This was one of the strongest reporting seasons seen in recent years, excluding periods immediately following recessions. European companies also delivered generally solid earnings growth despite a more challenging economic backdrop.

The key challenge in the coming months will be to distinguish between companies capable of translating technological excitement into sustainable cash flows and those whose valuations are driven primarily by market enthusiasm.

### Bonds: interest rate risk makes a comeback

Bond markets have faced a more challenging environment. Government bond yields across developed markets have climbed to their highest levels in nearly two decades,



reflecting rising inflation expectations and a reassessment of monetary policy trajectories.

In the United States, Federal Reserve Chairman Kevin Warsh reassured investors by not ruling out significant monetary easing should economic conditions deteriorate. Nevertheless, the stronger-than-expected jobs report triggered a sharp rise in two-year Treasury yields. Investors shifted from a scenario dominated by rate cuts to one where higher rates for longer—or even additional tightening—can no longer be dismissed. In Europe, the European Central Bank raised its deposit rate by 25 basis points to 2.25%. This first increase in almost three years aims to prevent the energy shock from feeding into broader inflation dynamics.

From a performance perspective, long-duration bonds were hit hardest by the rise in yields, while convertible bonds continued to deliver remarkably strong returns, supported by their lower interest-rate sensitivity and exposure to growth companies that are heavily represented within the asset class

### **Positioning of investment strategies: balance, quality and discipline**

Corporate earnings prospects remain remarkably robust. For global equities, consensus forecasts continue to point to strong earnings growth over the next twelve months. AI is no longer supporting technology valuations alone; it is increasingly influencing investment spending, productivity gains, and corporate profitability across the broader economy. Inflation remains the key uncertainty. While economists, including those at Capital Economics, believe second-round inflation effects appear less severe than during 2022–2023, thanks to stronger labour markets and reduced fiscal stimulus, upside risks remain as long as a lasting resolution to tensions in the Middle East remains uncertain.

In this context, our strategies maintain a balanced and diversified positioning. In equities, we continue to favor high-quality companies capable of generating sustainable earnings growth, while remaining attentive to concentration risks, particularly the implied overweighting of US mega-cap technology companies.

In fixed income, our equity risk premium indicator (MFM Equity Risk Premium) remains at historically low levels, supporting an allocation to high-quality bonds. Should economic growth weaken because of persistently elevated oil prices, these bonds should provide valuable downside protection through potential interest rate cuts.

# GIANT IPOs: NEW CHALLENGES FOR INVESTORS

Giga-IPOs are not just a market event: they redraw the lines between private and public capital, passive investing, and allocation decisions.

SpaceX's IPO shattered records, raising \$75 billion and valuing the company at nearly \$2.1 trillion by the end of its first trading day, making Elon Musk the first trillionaire in history. Anthropic and OpenAI are expected to follow, signalling what could become a historic wave of AI-related IPOs.

## Why now?

First, market conditions remain supportive. Equity markets continue to perform well despite a challenging macroeconomic environment, credit spreads remain tight, and investor appetite for AI-related assets is exceptionally strong.

Second, these companies have benefited for years from abundant private financing through private equity and private debt markets. However, their capital requirements are now growing exponentially. Developing the next generation of AI models demands funding on a scale that increasingly exceeds the capacity of private markets. Public markets provide access to deeper pools of capital, more attractive financing conditions, and significantly higher valuations.

## Concentration: a structural risk that is amplifying.

The potential impact on equity indices is substantial. SpaceX, OpenAI and Anthropic alone could add several trillion dollars to US equity markets. AI-related companies already represent a significant share of major indices, with the ten largest AI companies

accounting for approximately 40% of the S&P 500. That figure could move closer to 50% as new entrants are gradually incorporated into benchmark indices.

## A liability that isn't so passive

The inclusion of these giants in global equity indices raises a fundamental question about the true nature of passive investing. Indices are not natural phenomena. They are constructed through rules, committees, methodologies and, at times, subjective decisions.

The SpaceX case illustrates this perfectly. Some index providers modified their methodologies to allow faster inclusion, whereas S&P Dow Jones chose not to alter its rules and maintained the minimum eligibility period. This divergence demonstrates that two passive investors can, in reality, end up with very different portfolio exposures. They may not buy the same stocks, at the same time, or in the same proportions. Passive investing remains one of the most efficient ways to access equity risk premia at low cost, but it should not be mistaken for the absence of investment decisions.

When index providers change the rules, passive investing stops being invisible and becomes an active allocation decision.

## What are the risks?

The first concern is valuation. When companies go public at multiples exceeding those of the largest listed technology firms, a considerable share of future value creation has already accrued to private investors.



In the best-case scenario, public shareholders still participate in an extraordinary growth story. In the worst-case scenario, they are purchasing an expensive promise whose payoff may take years to materialise. In such circumstances, public investors effectively pay a premium for growth that has already been partially monetised by early shareholders. The second risk lies in index mechanics. Once a stock enters an index, passive funds are obliged to purchase it regardless of valuation. Historically, inclusion announcements have often driven prices higher ahead of the effective entry date. However, this automatic demand can create inflated entry points and unfavourable conditions for investors, particularly during periods of market exuberance. The third risk is cyclical. Large IPO waves tend to emerge when market conditions are exceptionally strong and sellers can command elevated valuations. Historically, major IPO cycles (1999, 2007 and 2021) have often preceded significant market corrections. While this does not imply that every IPO boom marks the end of a bull market, history suggests that such signals should not be ignored.

Finally, these transactions reflect a broader shift in market dynamics. For years, large technology companies supported equity markets through aggressive share buyback

programmes. Today, AI-related investment needs are encouraging some firms to slow repurchases, increase capital expenditure and, in some cases, issue debt or equity. Markets may therefore transition from an era characterised by shrinking share supply to one defined by increasing capital issuance.

### What does this mean for our investment strategies?

The scale of these IPOs is unprecedented, but US capital markets possess sufficient depth to absorb them. In the short term, investor enthusiasm is likely to support valuations. Over the medium term, however, the critical question is not whether these companies are exceptional, they clearly are, but how much of that is already reflected in their share prices.

With indices becoming increasingly concentrated around the same themes, AI and infrastructure, passive investing is no longer neutral. It represents a powerful allocation choice, sometimes shaped by decisions that investors do not see. The objective is not to avoid these companies but to avoid buying them indiscriminately, regardless of price or weight. In this environment, diversification remains essential. It may not eliminate every risk, but it remains an effective defence against excessive dependence on a single narrative or a handful of mega-cap stocks.

Over the long term, financial markets are driven by four key factors: economic growth, corporate profits, inflation, and interest rates.

### GROWTH



- Globalisation is no longer a growth tailwind; instead, fragmentation and reshoring create regional growth differentials.
- US growth holds firm: AI capex, tight labour markets, and equity wealth are doing the heavy lifting.
- The Euro area is caught in a stagflation trap with no easy exit.

### CORPORATE PROFITS



- The AI investment supercycle isn't slowing, it's still the engine driving corporate earnings.
- Software is facing a reckoning: AI boosts productivity but kills the per-seat model.

### INFLATION



- Inflation is re-accelerating globally, driven primarily by the Iran war energy shock.
- US inflation rose to 4.2% in May, cornering the Fed into staying hawkish longer.
- A confirmed US–Iran deal reduce headline inflation pressure, but second-round effects remain the key risk.

### INTEREST RATE



- The ECB has restarted its hiking cycle despite downgrading growth expectations.
- The Fed's next meetings are a stress test: can it stay independent under political fire?
- Central banks face a growing dilemma between supporting economic growth and controlling inflation.



RADIANT WEATHER



VARIABLE WEATHER



STORMY WEATHER

## YEAR-TO-DATE PERFORMANCE

From 1<sup>st</sup> January to 12 June 2026

**Important:** the performances presented in this table are expressed in local currencies.

### EQUITY MARKETS (LOCAL CURRENCY)

Asia (ex-Japan)	27.85
Emerging Markets	25.06
Japan	16.32
World (all countries)	9.06
Europe	8.92
United States	8.74
United Kingdom	7.56
Switzerland	5.47
China	-8.81

### EQUITY SECTORS (LOCAL CURRENCY)

Energy	28.90
Information Technologies	19.39
Materials	13.82
Industrials	11.62
Real Estate	9.01
Consumer Staples	8.12
Utilities	7.75
Financials	2.82
Telecommunication Services	2.63
Health Care	-1.23
Consumer Discretionary	-2.97

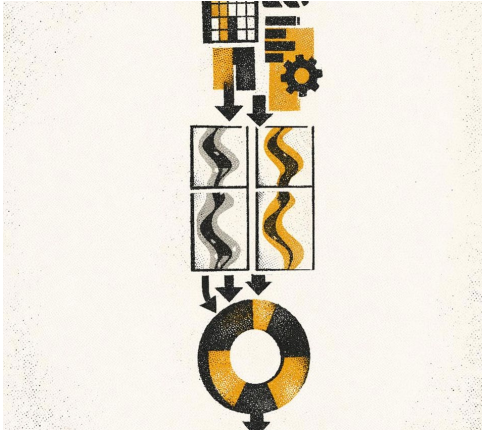
### OTHERS (USD)

Global	17.04
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### FIXED-INCOME (USD HEDGED)

Global Convertibles	8.19
Global High-Yield	2.48
Global Inflation-Linked Bonds	2.13
Global Aggregate 1-3 Year	1.13
Global Corporate Credit	0.92
Global Aggregate 5-7 Year	0.88
Emerging Market Hard Currency Aggregate	0.84
Global Aggregate	0.69
Global Treasury	0.30
Swiss Bond Index AAA-BBB (CHF)	0.14
Global Aggregate Long Duration	-0.25
US Treasury Long Duration	-0.33

# FINANCE: A BRIDGE BETWEEN MATHEMATICS AND ECONOMICS



## After completing your Master's degree in theoretical mathematics at EPFL, why did you choose to work in finance?

After completing my civil service, I joined MFM to approach economics from a financial perspective.

My studies in mathematics sparked a strong curiosity and led me to question the world and how it works. That is why, when it came time to think about what to do next after such abstract and theoretical studies, I turned to economics.

At MFM, I benefited from the knowledge accumulated by my colleagues over the years and discovered the financial world from the inside. This knowledge, acquired only through practice, has enriched my understanding of the complex world we live in.

## Can you describe your role and the projects you are working on?

I work within the investment team as a quantitative researcher. This role, combining theory and practice, forms a natural bridge

Marcel Bourg  
Quantitative Researcher



between abstract mathematics and economics.

More specifically, my work lies at the intersection of machine learning, topology, and probability theory. My goal is to develop innovative tools to support the investment team in its decision-making.

Over the past year, I have developed two algorithms that are now used by the team:

- a predictive algorithm that ranks assets within a given universe based on their expected returns
- a retrospective algorithm that classifies market regimes and helps interpret the current financial environment

## What are your future plans?

For the next stage of my career, I am moving toward research in macroeconomics. I will be moving to Paris at the start of the next academic year to complete a second year of a Master's program, and then continue with a PhD.

*« I am interested in the ethical challenges related to economics and the organisation of our societies, particularly inequalities and the climate transition. »*

Marcel Bourg

# OUR UNIQUE SERVICES

Where institutional asset management meets wealth management

## A 360° WEALTH MANAGEMENT APPROACH

We offer a comprehensive **range of services** designed to support every aspect of your **financial life**. Our solutions are actively managed, carefully negotiated, and customised to meet **your specific needs**.

### 13 INVESTMENTS STRATEGIES

We provide institutional-grade asset management that combines fundamental expertise with a data-driven approach.

### MORTGAGE

We find the best financing solution for your real-estate project.

### FINANCIAL PLANNING

We guide you towards a smooth retirement and estate planning.

### FORESIGHT

We set up your Swiss pension plan for the 2nd and 3rd pillars (1E, vested benefit foundation and 3A)

### FAMILY OFFICE

We collaborate with a network of professionals in the legal, tax, insurance and cryptocurrency fields.

### ACCESS TO DIGITAL PLATFORMS

Benefit from the portfolio aggregator My MFM.



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