

TRAMONDO
INVESTMENT PARTNERS

MARKET COMPASS

A MONTHLY BRIEFING ON THE STATE OF THE FINANCIAL MARKETS AND OUR TACTICAL POSITIONING.

JUNE 2026

TACTICAL POSITIONING

Cash:	○	●	○	○	○
Bonds:	○	○	●	○	○
Equities:	○	○	○	▶ ●	○
Alt. Investments:	○	○	○	●	○

We are happy to explain our detailed tactical positioning to you in a conversation. Please contact us.

SPOTTED

Micron price target tripled – UBS has raised its price target for Micron Technology from USD 535 to USD 1,625, citing rapidly increasing AI driven demand for memory chips used in AI servers. In addition, long term supply agreements with cloud computing and AI customers could reduce the company's historical earnings cyclicality, as counterparties commit to predetermined purchase volumes and pricing. Taken together, these developments could support a further re-rating of the stock.

MARKET REVIEW:

AI BOOM OVERSHADOWS WEAK MARKET BREADTH AND GEOPOLITICAL RISKS

No agreement yet in the Iran conflict – As in previous months, the Iran conflict remained a key geopolitical risk factor for financial markets in May. While there were initially hopes that the ceasefire could be extended, negotiations between the United States and Iran once again stalled towards the end of the month. President Trump called for further amendments, particularly regarding the Strait of Hormuz and the handling of highly enriched uranium, while Tehran accused Washington of adopting inconsistent positions. At the same time, the military situation deteriorated further. Reciprocal attacks on drone, radar and air defence infrastructure, alongside Iranian retaliatory strikes, highlighted the fragility of the ceasefire. Of particular relevance to markets was Iran's recent threat to fully block the Strait of Hormuz and potentially extend disruptions to other strategic chokepoints, including Bab al Mandeb. For financial markets, the conflict therefore remains less of an isolated shock event and more of a structural risk to inflation, energy supply and the flexibility of monetary policy. At present, there are few signs of a lasting deescalation.

Semiconductor stocks continue to surge – The global buying frenzy in technology stocks reached a new peak in May, with the semiconductor sector significantly outperforming broader equity markets. The Philadelphia Semiconductor Index delivered an impressive gain of 22.1% during the month, marking its strongest start to a year since the 1990s, with a year to date return of 81.5%. This remarkable momentum was driven by surging demand for computing power required to run increasingly sophisticated autonomous AI agents. At the same time, the substantial need for high speed memory chips created a pronounced imbalance between supply and demand. As a result, one of the sector's leading names, Micron (+88.6% in May and +240.4% year to date), achieved a historic milestone by becoming the first memory chip manufacturer to surpass a market capitalisation of USD 1 trillion. The trend also provided a significant boost to semiconductor equipment suppliers such as Lam Research (+23.4%), Applied Materials (+14.1%) and ASML (+13.3%), as demand for the highly specialised machinery required to produce these advanced chips remained exceptionally strong. Meanwhile, AI darling NVIDIA once again impressed investors with its latest quarterly results, reporting revenue growth of 85% year on year and further demonstrating the sector's exceptional earnings power. As in previous quarters, however, much of the positive news had already been priced in ahead of

SOON IN FOCUS

European Central Bank – On 11 June, investors' attention is likely to turn to Frankfurt as the European Central Bank holds its next policy meeting. Markets are widely expecting a 25 basis point increase in the key policy rate, driven by rising inflation risks following the effective closure of the Strait of Hormuz.

the earnings release. Consequently, the stock delivered a comparatively modest monthly return of 5.8%.

Market breadth on Wall Street remains weak – At first glance, market performance in May painted a positive picture. The S&P 500 gained 5.2%, while the Nasdaq 100 advanced by an impressive 10.5%. Beneath the surface, however, the picture was considerably less balanced. Only three of the eleven sectors within the S&P 500 delivered positive returns during the month: Information Technology (+15.9% in May), Consumer Discretionary (+2.6%) and Healthcare (+2.3%). The first two sectors in particular continue to benefit significantly from the ongoing AI megatrend, with the Consumer Discretionary sector being driven largely by heavyweight Amazon. As a result, the strength of these sectors more than offset weakness across most of the remaining sectors, particularly those more closely linked to the real economy. From a regional perspective, this narrow market leadership has allowed US equities to continue outperforming their European counterparts. The Euro Stoxx 50 gained 2.9% in May, while the STOXX Europe 600 advanced 2.4%. The Swiss Performance Index rose by 3.3%. Given the continued dominance of AI related companies within US equity markets, this pattern is unlikely to change materially in the near term.

DID YOU KNOW THAT...

...THE S&P 500 ENDED MAY WITH NINE CONSECUTIVE WEEKS OF GAINS?

S&P 500 Rally Streaks

End Date	Nr. of weeks	Subsequent returns 1-month	3-months
29 December 2023	9	3.3%	9.1%
23 January 2004	9	0.2%	-0.1%
01 September 1989	9	-1.3%	-0.9%
20 December 1985	12	-1.6%	10.6%
24 January 1964	9	0.7%	3.4%
20 September 1963	9	-0.1%	0.0%
10 May 1963	10	-0.2%	-0.1%
03 February 1961	9	2.8%	6.9%
17 October 1958	9	3.2%	8.5%
14 June 1957	13	1.9%	-7.0%
19 October 1945	9	3.6%	10.3%
12 February 1943	10	3.6%	9.7%
07 August 1936	9	-0.8%	7.2%
Average		1.2%	4.4%

SOURCE: BLOOMBERG

Despite the geopolitical turmoil in the Middle East and the associated rise in global bond yields, US equity markets have proven remarkably resilient. Supported by robust corporate earnings and the continued success of the AI investment theme, the S&P 500 delivered a historic rally in May, recording 11 new all-time closing highs. A series of exceptional quarterly earnings reports, combined with growing optimism surrounding a potential ceasefire in the Middle East, fuelled an impressive nine week winning streak and propelled the index to a record high of more than 7,580 points.

If you feel as though you are witnessing financial history in the making, it is because you are. A nine week winning streak is one of the rarest achievements in modern market history and has occurred only 13 times since the 1930s. To put this into perspective, out of more than 5,000 trading weeks

over the past century, such an event has taken place in fewer than 2.3% of cases. When markets develop this kind of seemingly unstoppable momentum, investors naturally experience two conflicting emotions. On the one hand, there is satisfaction as portfolio values continue to rise. On the other, there is the underlying fear that such an extraordinary rally could be followed by a sudden and painful correction.

It is easy to assume that a market which has risen continuously for more than two months must be "overbought" and due for a sharp correction. However, the historical record of these 13 previous occurrences tells a far more nuanced story about stock market momentum. Rather than being followed by an immediate reversal, the data suggests a strong short-term continuation of the trend, before returns gradually revert towards their long-term averages. In the four weeks following a nine week winning streak, the S&P 500 has historically gained a further 1.2% on average, compared with its typical four week return of 0.6%. A similar pattern can be observed over the subsequent three month period. Average returns have amounted to 4.4%, more than double the index's typical three month gain of 2.1%.

WHILE A SHORT TERM PAUSE OR A MODEST COOLING OFF PERIOD WOULD BE ENTIRELY NORMAL – AND INDEED HEALTHY – HISTORY SUGGESTS THAT ATTEMPTING TO TIME THE EXACT PEAK OF SUCH RARE WINNING STREAKS IS USUALLY A LOSING BATTLE.

The data demonstrates that momentum is a powerful force. When the S&P 500 records nine consecutive weeks of gains, it typically reflects deep rooted institutional buying and underlying economic resilience rather than the formation of an imminent market bubble. While a short term pause or a modest cooling off period would be entirely normal – and indeed healthy – history suggests that attempting to time the exact peak of such rare winning streaks is usually a losing battle. This observation is consistent with our previous analysis that new all time highs in equity markets often mark the beginning rather than the end of a rally. Rare episodes such as these serve as a reminder that equity markets spend far more time rising than falling. For long term investors, the most effective course of action in such environments is often also the simplest: stay invested and allow the power of compounding to do the heavy lifting.

MARKET OUTLOOK

Geopolitical uncertainty in the Middle East remains a key source of risk for financial markets as we move into June. Negotiations between the United States and Iran have once again stalled, while the threat of a blockade of the Strait of Hormuz continues to keep the risk of a renewed oil price shock elevated. At the same time, broader capital markets have demonstrated in recent weeks that they are processing this uncertainty in an increasingly nuanced manner. Despite persistent geopolitical risks, equity markets delivered strong gains in May, with investor attention remaining firmly focused on long term structural growth themes such as artificial intelligence, semiconductors and digital infrastructure.

From a macroeconomic perspective, the environment remains challenging. Higher energy prices, disrupted supply chains and more persistent inflation continue to constrain the policy flexibility of central banks. In the United States, the Federal Reserve is therefore likely to remain cautious for longer, particularly as the labour market continues to appear resilient and inflation data is expected to remain elevated in the near term. At the same time, the economic slowdown has so far been reflected primarily in sentiment indicators, while hard economic data has remained considerably more resilient. Globally, economic growth also continues to hold up despite a range of headwinds. AI and technology related value chains are becoming increasingly important drivers of economic activity and are helping to offset some of the pressures arising from higher energy prices and ongoing geopolitical frictions.

For equity markets, the overall risk reward profile remains attractive. This assessment is driven less by any easing of risks – which has yet to mate-

rialize – and more by the strength of the underlying fundamentals. The first quarter earnings season significantly exceeded expectations, profit margins among US companies continued to expand despite higher input costs, and corporate investment plans were revised upwards once again. Particularly important is the fact that the AI investment cycle is no longer confined to large technology and semiconductor companies. Its impact is increasingly evident across adjacent industries, including power infrastructure, cooling systems, networking equipment and industrial machinery. Perhaps most importantly, demand for computing capacity continues to exceed available supply. This provides strong fundamental support for the ongoing investment cycle and reduces the risk of the kind of speculative overinvestment that has characterized previous technology booms.

Against this backdrop, we are upgrading equities from Neutral to Overweight within our tactical asset allocation framework. This adjustment should not be interpreted as a sudden increase in portfolio risk, but rather as the formal recognition of a positioning that has already emerged over recent months. By deliberately refraining from rebalancing equity exposure back to strategic levels during May's strong market advance, the effective equity allocation within portfolios has already increased meaningfully. This allowed us to participate fully in the positive market momentum and has resulted in portfolio equity exposures that are, in practice, already above neutral levels. The upgrade therefore reflects the reality of the current portfolio positioning while also signalling our increased conviction that the underlying fundamental risk reward profile justifies a higher allocation to equities.

WE CONTINUE TO FAVOUR US EQUITIES ALONGSIDE SELECTED GLOBAL COMPANIES THAT ARE WELL POSITIONED TO BENEFIT FROM THE ONGOING AI, SEMICONDUCTOR AND INFRASTRUCTURE INVESTMENT CYCLE.

Our preference continues to be for the United States, alongside selected global companies positioned to benefit from the ongoing AI, semiconductor and infrastructure investment cycle. In terms of stock selection, we remain focused on businesses characterized by high quality fundamentals, strong balance sheets and positive earnings revision momentum. At the same time, we are avoiding a broad-based increase in cyclical risk exposure. Consumer-facing sectors and European domestic cyclicals remain less attractive due to weaker macroeconomic indicators, greater dependence on energy prices and more limited earnings visibility. Europe therefore continues to offer selective investment opportunities, but from a tactical perspective remains less compelling than the United States.

In fixed income, we maintain a neutral positioning. Persistent inflation uncertainty, resilient US economic data and the postponement of the expected rate cutting cycle continue to limit the short term potential for materially lower bond yields. At the same time, the higher level of running yields now provides a meaningful cushion within portfolios. We therefore continue to favour a quality focused approach, concentrating on financially sound issuers while maintaining limited duration risk. A more aggressive extension of duration would only become attractive if inflationary pressures were to ease decisively or if central banks were to provide more reliable signals of monetary policy easing.

Gold remains Strongly Overweight. Following its decline of almost 20% from the late January peak of USD 5,595 per ounce, the gold price is now approaching its 200-day moving average in the region of approximately USD 4,400 per ounce, a level that has historically served as an important area of technical support and recovery. We therefore view the recent weakness primarily as a consolidation within an intact medium term uptrend rather than as a fundamental deterioration of the investment case.

WHO WE ARE

Tramondo Investment Partners AG is a bank-independent Swiss asset manager based in Zug and licensed by the Swiss Financial Market Supervisory Authority (FINMA) to act as an asset manager of collective investment schemes. Tramondo is the investment arm of a multi-family office group that has been in existence for over 45 years.

CITYWIRE TOP 50 IAMs 2026

For the sixth time, the company was named one of the 50 most influential independent asset managers in Switzerland and Liechtenstein by the renowned media company Citywire.

WealthBriefing SWISS AWARDS 2026

Additionally, Tramondo has been recognised as the winner in the Fund Manager category at the prestigious WealthBriefing Swiss Awards 2026 for the first time.

ASV/ASWM
Allianz Schweizer Vermögensverwalter
Alliance of Swiss Wealth Managers

Tramondo is a member of the Alliance of Swiss Wealth Managers (ASV/ASWM), founded in 2016. The members of the Alliance currently represent more than 100 billion Swiss francs in client assets.

CONTACT US

Tramondo Investment Partners AG
Unter Altstadt 10
CH-6302 Zug
T +41 41 710 76 76
F +41 41 710 76 78
contact@tramondo.ch
www.tramondo.ch

Find out more about our asset management mandates and vested benefits solutions that are individually tailored to the special needs of private clients and vested benefits investors.

Or register now for an independent and critical assessment of your investment portfolio. As a result, you will receive concrete, easy-to-implement recommendations on how you can optimally align your investments and reduce costs in the process.

Please scan the QR code on the right with the photo function of your mobile phone and you will be taken to the page that provides more information and a link to register.

This information sheet has been prepared by Tramondo Investment Partners AG (the "Company") irrespective of specific or future investment objectives, a particular financial or tax situation or the individual needs of a particular recipient and is provided for personal use and information only. It is based on specific facts and circumstances and is prepared for a specific purpose. It is not intended to be and must not be relied upon by any other person.

The information in this sheet does not constitute a solicitation, offer or recommendation to any person in Switzerland or any other jurisdiction to buy, subscribe for or sell any securities or other financial instruments, to use it as a sufficient basis for making an investment decision or to engage in any transaction of any kind for that purpose. Furthermore, this presentation should not be construed as financial, legal or tax advice.

The information and opinions expressed in this sheet have been carefully collected, analysed and compiled by the Company based on publicly available information from trusted sources at the time of writing. They are subject to change without notice. The Company undertakes no obligation to update the information contained herein and it should be noted that material events may have occurred since the date hereof. Although the information has been obtained from sources believed by the Company to be reliable, no warranty is made as to the accuracy or completeness of the information. Any reference to past performance data is not necessarily indicative of current and future returns.

Individual products or components mentioned in this sheet may have a certain complexity and high risk (e.g. derivatives, alternative investments, structured investments). They are intended only for investors who understand and accept the risks involved. Investments in foreign currencies are subject to currency fluctuations, investments in emerging markets or in specialised products are subject to particular risks. An investment in any target described in this Information Sheet should only be made after careful consideration of the latest Prospectus and extensive due diligence on the targeted assets. The Company recommends that investors carefully consider and, where appropriate, seek professional advice on financial, legal, regulatory, credit, tax and accounting implications before making a final investment decision or implementing a strategy. The investor assumes responsibility for the proper declaration of all assets and their tax assessment.

The Company reserves the right to change the contents of this sheet in whole or in part at any time, and without prior notice. Although the Company takes all reasonable care to ensure the accuracy of the information contained in this sheet, it cannot guarantee it. The company or its employees accept no liability for any damage (whether material or immaterial) arising from the use or non-use of the information contained herein, in particular no responsibility for the accuracy, completeness, reliability or comparability of the information on third parties contained herein, which is based exclusively on publicly available information.

Tramondo Investment Partners AG is domiciled in Switzerland and is authorised and supervised by FINMA.