



ROSSIER, MARI & ASSOCIATES LTD
Investment Consultants

Investment Report

30 June 2023

If we look at our performance from the 1st semester, + 12.48%, we might think that the financial world is in great shape. However, the apparent quiet situation is deceptive. There are stocks that have risen extremely, such as Nvidia + 190%, and others that have fallen sharply (regional banks in the US up to 90%). Our favourites reflect a solid picture. Sika + 15%, Holcim + 25%, financials + 5%. On the other hand, our selected US equities delivered an excellent performance. As already mentioned, Nvidia + 190% and then Apple + 50%, Microsoft + 42%, Royal Caribbean + 110%, Carnival + 123%. Once again, our favourite Idorsia was very disappointing with – 52%. The next few quarters will be decisive for this company as to whether Idorsia will turn out to be a hit or a flop.

As already mentioned at the beginning of the year, the forecasts for the further development of the stock markets for the 2nd half of the year remain difficult. The situation has hardly changed in the last 6 months. Pessimism is still very high. The main arguments are the same as at the beginning of the year, namely inflation, interest rates, the economy. For the time being, the war in Ukraine is playing a subordinate role among investors.

Inflation

The significant reduction in energy prices has recently led to a striking decline in inflation rates. This has changed little in terms of sustained inflationary pressures. Core rates are likely to be difficult to contain given wage growth rates.

Interest

The situation for central banks remains uncomfortable. While inflation rates threaten to become entrenched, further interest rate hikes risk to endanger the financial stability.

Economy

In the western industrialized nations, sentiment is deteriorating, real economic data is weakening and lending is slowing. Only the robust labour market prevents a rapid economic slump. The fundamental analysis of the global economy does not leave an optimistic impression for the coming months. Technical analysis however shows a completely different picture.

Chartists, on the other hand, are much more optimistic and anticipate higher indices at the end of the year. It may well be that they are finally right. This is supported by the strong pessimism and high cash reserves of the funds. The economic development in the coming months will be decisive.

In these uncertain times, we are sticking to our investment policy from the beginning of the year, but we will not be afraid to take profits if exaggerations take place. We have already done that by divesting ourselves of our Nvidia position. Further profit-taking could also occur in the coming weeks. We have already increased the fund's liquidity and expect to continue to do so.

Georges Mari
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