

Reichmuth Bottom Fishing – P – CHF

H1 2026 **YTD +6.3%**

Strong first half of 2026

Reichmuth Bottom Fishing posted a return of +6.3% in the first half of the year.

Differentiated dynamics in the first half of the year

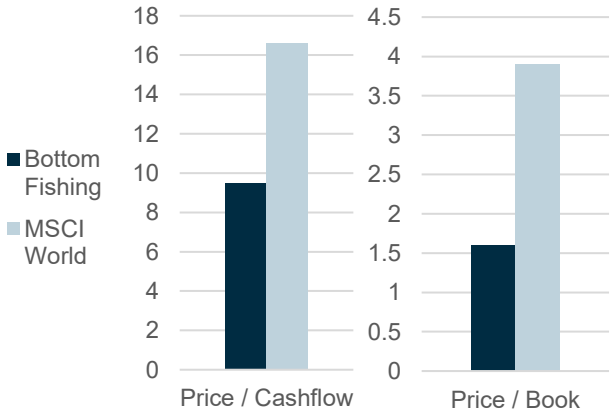
Across sectors and regions, the picture in the first half of the year was mixed. The basic materials and commodities segments performed well. Cyclical stocks in the memory sector, outside the immediate AI hype, also performed very well in the first half of the year. The Asian region, particularly Chinese tech, underperformed. Valuations here are more moderate, but weak consumer data led to a poor relative performance. The growing valuation gap led, at least temporarily, to a relative underperformance of Asian stocks operating outside the AI value chain. In addition, companies from oil-price-sensitive economies in Southeast Asia, as well as airlines, came under significant pressure at times due to the unrest in the Middle East.

Countercyclical investments with a focus on high cash flows

The software sector is generally shunned by investors. The market views this sector as a homogeneous group, but we see significant differences in business models within the sector. Market volatility has presented us with attractive opportunities to strengthen the portfolio in a countercyclical manner. In doing so, we focus exclusively on companies with deep customer integration, absolute data sovereignty, strong network effects, high cash flows, and sound capital allocation, while minimizing dilution for shareholders. Specifically, we added to our positions in Adobe and Amadeus. Adobe's stock price fell by nearly 40% in the first half of the year despite double-digit growth in subscription revenue and cash flow. With Amadeus, we capitalized on the geopolitically driven decline in bookings in the Middle East, which has had only a minor impact on the airline IT business, which is secured for the long term.

We currently see opportunities in defensive sectors such as consumer staples and healthcare. These sectors are relatively undervalued and have been shunned by investors for some time. In our selection process, we focus on market position and analyze potential risks posed by new GLP-1 weight-loss drugs. We also plan to expand our positions in Asia and Chinese tech.

Even in a market heavily driven by momentum, we remain true to our valuation-based investment approach. When making new purchases, however, we respect the market and do not recklessly try to catch a falling knife.



Silvan Betschart
Portfolio Manager

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