Investment Report

March 2026

Factum AG
Current positioning:

Portfolio balanced	Neutral	Current	Change*
Liquidity	5%	5%	→
Bonds	35%	35%	→
Shares	47%	47%	→
Alternative investments	13%	13%	→

*Changes since the last Investment Report (10 February 2026) & current assessment.

Strategy overview

About a month ago, we noted in this commentary that financial markets were effectively held hostage by geopolitical developments. Since then, the situation in the Middle East has escalated. The outbreak of war in Iran on 28 February led to increased volatility in financial markets, while energy prices have risen significantly. From a historical perspective, such supply shocks are not uncommon. Examples include the war in Ukraine in 2022, the Iraq War in 2003, the Gulf crisis in 1990, the Iranian Revolution in 1979, and the Yom Kippur War in 1973. Since the outbreak of hostilities, global equity markets have shown weakness, with declines more pronounced in emerging markets than, for example, in the United States. The SMI has lost around eight percent from its year-to-date high and is currently trading roughly two percent below its level at the beginning of the year.

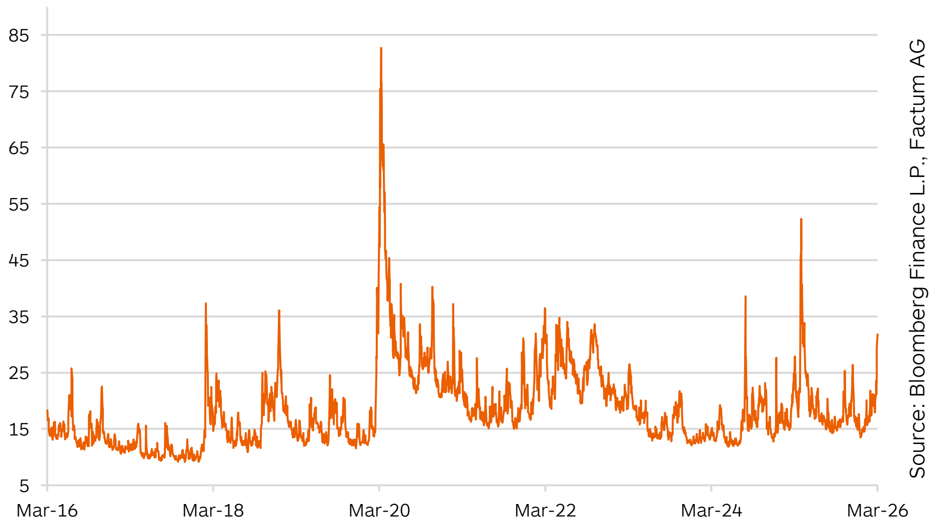
«Outbreak of war in the Middle East.»

Is this now a reason to become nervous? According to our base-case scenario, the disruption to energy supply is likely to be temporary in nature. Historically, markets tend to recover relatively quickly following geopolitical shocks. In the current situation, it should also be noted that neither the United States nor

«At present, we see no reason for tactical adjustments.»

Iran appears to have an interest in a prolonged military conflict. At present, we do not identify any clear buying opportunities. Accordingly, our investment committee sees no reason for tactical adjustments in our managed portfolios. Across global equity markets, increased volatility and higher oil prices are weighing on investors' risk appetite. All things considered, portfolio diversification remains at the core of our strategy, particularly in times of heightened volatility. We maintain a neutral allocation to both equities and bonds and rely on our gold allocation as a stabilizing element in periods of uncertainty.

Risk Barometer: Volatility Index S&P 500



Politics

«Setback for U.S. trade policy.»

U.S. trade policy suffered a legal setback in February when the Supreme Court ruled that key tariff measures introduced by the administration of Donald Trump were unlawful. In a 6–3 decision, the justices concluded that broad-based import tariffs cannot be imposed under emergency powers legislation, as the authority to levy tariffs fundamentally rests with Congress. As a result, duties already collected—amounting to several hundred billion U.S. dollars—could potentially be reimbursed to the affected U.S. importers, although the administrative process is likely to take considerable time. The administration responded swiftly, however, introducing a temporary global import tariff of 10 percent under the Trade Act of 1974, with the option of increasing it to 15 percent. Consequently, the protectionist stance of U.S. trade policy remains broadly intact despite the legal setback, even though its legal basis continues to be subject to debate.

Economy

«Largely positive economic news.»

The U.S. economy has largely maintained a robust trajectory since the beginning of the year and has exceeded market expectations. At the same time, economic activity in the euro area has shown signs of a modest upward trend. For instance, GDP figures for the final quarter of 2025 surprised positively relative to market expectations. The euro area expanded by 0.3 percent quarter-on-quarter, despite the fact that higher U.S. tariffs weighed on exports. The positive momentum in the European economy is primarily supported by private consumption and, to a large extent, government spending. For the current investment year, further increases in European government expenditure can be expected, particularly as Europe has raised its military budget.

Equity Markets

«Global equity markets under pressure.»

Global equity markets have come under significant pressure in recent days, driven by a renewed phase of geopolitical tensions in the Middle East. With the escalation of the conflict between the U.S./Israel and Iran, crude oil prices have risen significantly and moved above USD 100 per barrel, intensifying concerns about potential supply disruptions and inflation-related spillover risks. As a result, broad equity indices came under pressure and experienced at times notable setbacks, as also illustrated in the market overview on the last page.

«Additional volatility in technology-oriented companies.»

At the same time, technology-oriented companies were particularly characterized by elevated volatility in February. Even before the geopolitical shock, several large software and AI-related equities had experienced pronounced fluctuations, further amplifying market uncertainty in sectors with already elevated valuations. In this environment, investors reacted with increased risk aversion: cyclical and growth-oriented sectors faced selling pressure, while energy-related and geopolitically sensitive securities tended to find support. The market reaction underlines that geopolitical shocks remain one of the key sources of uncertainty for the pricing of global risk premia and that the aggregation of macroeconomic and geopolitical risks can lead to heightened return volatility in the short term.

Bond Markets

«Global bond market under pressure.»

In recent weeks, global bond markets have come under considerable pressure as geopolitical tensions in the Middle East, rising energy prices and persistent inflation expectations moved back into focus. In the euro area, these factors triggered a pronounced sell-off in government bond markets, pushing yields—particularly in the short and intermediate segments—noticeably higher. For instance, yields on ten-year German government bonds have moved back above approximately 2.8 percent, a level last seen several weeks earlier.

This development reflects growing expectations that inflation risks may prevent the European Central Bank from easing monetary policy in the near term and could instead support a more neutral to restrictive stance.

A similar trend has continued in the United States: yields on ten-year U.S. Treasuries have moved higher again and are trading around four percent after having come under pressure in previous weeks. Here as well, the increase signals that market expectations for potential interest rate cuts by the Federal Reserve are being pushed further out, as geopolitical uncertainties and the inflation outlook remain at the forefront.

«In the US, the yield on ten-year government bonds rose again.»

Overall, this phase has led to a noticeable repricing of fixed-income assets. Bonds, which had been in demand in recent months due to short-term interest rate and growth concerns, experienced price declines and rising yields as geopolitical risks increased. For investors, this implies that the bond market currently serves less as a traditional safe haven and more as an asset class in which interest rate and inflation risks are being reassessed, sending clear signals of a more restrictive environment in both regions.

«Interest rate and inflation risks are being repriced in the bond market.»

Commodities

In recent weeks, the oil market has changed dramatically and has become a central driver of both risk sentiment and inflation dynamics. At the beginning of February, WTI prices were still anchored around USD 65 per barrel, supported by relatively calm fundamentals and supply overhangs. With the escalation of the conflict in the Middle East, however, risk premia have increased significantly: West Texas Intermediate (WTI) rose sharply within a short period of time, reaching multi-month highs above USD 80 before recently surpassing the USD 100 per barrel mark. These movements reflect a substantial repricing of geopolitical risks and supply uncertainties, particularly in connection with potential disruptions along key transit routes such as the Strait of Hormuz and expectations of possible supply constraints.

«Compared to the beginning of February, the price of oil (WTI) has risen by 65%.»

FACTUM

Oil Price (WTI)

Currencies

In recent weeks, foreign exchange markets have reacted noticeably to the geopolitical tensions in the Middle East and macroeconomic surprises from the United States. The U.S. dollar temporarily reaffirmed its role as a safe haven and strengthened somewhat against major currencies, including the Swiss franc, particularly amid heightened risk aversion and rising energy prices. This development reflects the U.S. dollar's dual role as a safe-haven currency and as the currency of a net energy exporter, providing the greenback with additional support during periods of elevated uncertainty.

«The US dollar as a safe haven.»

FACTUM

Market overview 9 March 2026

Stock indices (in local currency)	Current	9 Feb – 9 Mar (%)	YtD (%)
SMI	13,000.09	-3.83	-2.02
SPI	17,964.17	-3.88	-1.40
Euro Stoxx 50	5,685.20	-6.06	-1.62
Dow Jones	47,740.80	-4.53	-0.34
S&P 500	6,795.99	-2.30	-0.51
Nasdaq	22,695.95	-2.26	-2.25
Nikkei 225	52,728.72	-6.40	4.80
MSCI Emerging Markets	1,454.57	-5.43	3.74
Commodities			
Gold (USD/fine ounce)	5,138.53	1.60	18.14
WTI oil (USD/barrel)	94.77	47.25	76.23
Bond markets (change in basis points)			
US Treasury Bonds 10Y (USD)	4.10	-0.11	-0.01
Swiss Eidgenossen 10Y (CHF)	0.42	0.20	0.14
German Bundesanleihen 10Y (EUR)	2.86	0.05	0.03
Currencies			
EUR/CHF	0.90	-0.91	-3.23
USD/CHF	0.78	1.47	-1.70
EUR/USD	1.16	-2.33	-1.58
GBP/CHF	1.04	-0.43	-2.58
JPY/CHF	0.49	0.33	-2.75
JPY/USD	0.01	-1.12	-1.07
XBT/USD (Bitcoin)	68,982.35	-1.97	-22.37

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