



Market Insights



Geopolitical conflicts are not an anomaly

Geopolitical tensions rarely arise at random; they reflect clear strategic interests: control of trade routes, access to resources, and the pursuit of economic and political dominance. In this context, current tensions are not an exception but part of a world undergoing structural change.

This pattern is familiar to financial markets. The escalation in the Middle East once again follows the typical sequence: rising energy prices, short-term uncertainty, and increased volatility. At the same time, the second phase remains equally consistent: the rapid adjustment of markets. Historically, even pronounced oil price shocks have typically proved temporary and have rarely left lasting marks on the global economy. What matters is not the event itself, but its duration.

Prolonged conflicts are economically costly for all parties involved; as such, there is an inherent interest in containment and stabilisation. This logic is also reflected in the markets. In uncertain times, capital continues to find orientation in the US dollar. At the same time, this strength is usually temporary: structurally, the dollar tends to weaken, particularly against safe-haven currencies such as the Swiss franc.

Traditional hedges such as gold have reacted less consistently than in previous episodes, as positioning and market mechanics increasingly play a greater role than pure risk perception.

Europe often remains in a secondary role – politically involved, economically relevant, but rarely setting the pace. Switzerland continues to preserve its neutrality but is increasingly operating under growing tension between geopolitical expectations and economic reality. In a globalised world, neutrality is no longer a static condition but an active balancing act.

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Giorgio Saraco

Executive Partner,
Head Asset Management

Resilience as an underestimated constant

Despite all uncertainties, the global economy remains remarkably stable. Consumption, innovation and structural trends continue to support growth, while companies once again demonstrate their adaptability. This resilience is no coincidence, but the result of diversified value chains, technological progress and increasingly flexible capital allocation.

Even where short-term risks arise – for instance through energy prices or trade disruptions – buffer mechanisms are now in place that did not exist in previous decades. Strategic reserves, more efficient production and reduced dependence on individual resources all help to lower vulnerability to external shocks.

What does this mean for investors?

Geopolitical developments are visible catalysts, but rarely the true drivers of long-term market trends. These are shaped by positioning, capital flows and tactical adjustments – not by reactions to short-term spikes in volatility.

Investors who align their decisions too closely with political events risk overlooking structural trends. The real challenge therefore lies not in the event itself, but in one’s reaction to it. Maintaining composure during periods of heightened uncertainty creates the foundation to benefit from the often equally rapid normalisation of markets.

Or put differently: markets may react to conflicts – but they are not defined by them. And that is precisely where the opportunity lies for long-term investors.



25 YEARS OF BELVÉDÈRE

A story of conviction, foresight and consistent evolution

Thomas Fischli,
Executive Partner

What began in 2001 with the vision of Thérèse Meier has evolved into an asset management firm guided by a clear value framework, centred on trust-based client relationships and mutual respect. Our founder believed that market analysis, product selection, and portfolio management alone are not sufficient. Wealth should be viewed holistically – guided by responsibility, shaped by long-term thinking, and free from conflicts of interest.

Foresight was evident not only at inception, but also in the willingness to evolve. The close collaboration with

Centrum Bank Liechtenstein (from 2005) marked the first step in the transformation from a single-family office to an asset manager for private and institutional clients. During the same period, the Marxer family joined as shareholders.

Growth, however, was never an end in itself, but the result of high-quality work and first-class service. This was reaffirmed in 2017 through the merger with Glarner Interesta AG. The combination brought together complementary capabilities and enabled broader client coverage. As a

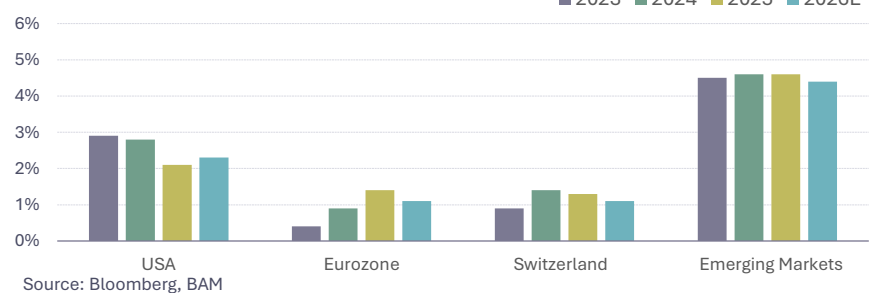
commitment to local roots, Glarus became the new headquarters of Belvédère. Since 2022, Luzerner Kantonalbank has been a minority shareholder, strengthening both strategic positioning and institutional credibility.

Today, Belvédère stands for a modern, independent asset manager with a holistic 360° philosophy and a clear client focus. Our anniversary is not only a reflection on the founding vision, but also a continued commitment to an approach that has endured for 25 years.

ECONOMY

Robust, but not immune

GDP Growth



The global economy remains resilient despite an environment shaped increasingly by geopolitical tensions. Growth is stable, yet uncertainties are clearly rising.

In the United States, momentum remains solid. The labour market is showing initial signs of cooling, but continues to be supportive. Growth is increasingly driven by investment, particularly in technology-driven sectors. The recent rise in energy prices is inflationary, but likely temporary, leaving monetary policy in a wait-and-see stance for now.

Europe remains heterogeneous and structurally challenged. Dependence

on energy imports continues to increase vulnerability to external shocks, although there are growing signs of stabilisation in the industrial sector. Fiscal stimulus, particularly in infrastructure and defence, are beginning to take effect, albeit unevenly across regions.

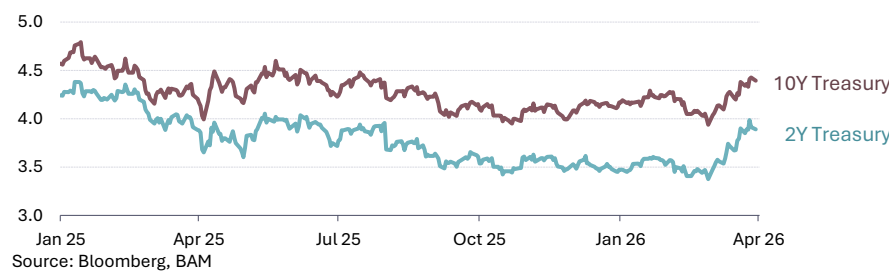
Emerging markets appear broadly more robust. Asia in particular benefits from structural trends such as the reconfiguration of global supply chains and continued investment in technology. These developments generate additional growth momentum, even if energy prices and

transport disruptions create localised pressures.

Switzerland continues to act as a stable anchor. A solid domestic economy and internationally competitive companies underpin performance. The strong Swiss franc acts both as a stabiliser and a headwind for export-oriented sectors.

Overall, the picture is differentiated: the economy is intact but increasingly uneven, with clear regional differences and heightened sensitivity to external influences.

US Interest Rates picked up in 2026



INTEREST RATES

Structural pressure at the long end

In the United States, monetary policy remains on hold. Inflation is not yet clearly converging towards its target of 2%. At the same time, the economy is robust enough to allow for further delays to interest rate cuts. Expectations of rapid easing have therefore moderated.

Additional uncertainty arises from the upcoming change at the helm of the Federal Reserve in May. While continuity is expected, subtle shifts may emerge in a challenging environment.

Notably, developments at the long end of the yield curve are striking. US government bonds are under

structural pressure, with investors demanding higher risk premia. Rising government debt and high issuance volumes are met with more cautious demand. As a result, long-term yields remain elevated despite declining inflation.

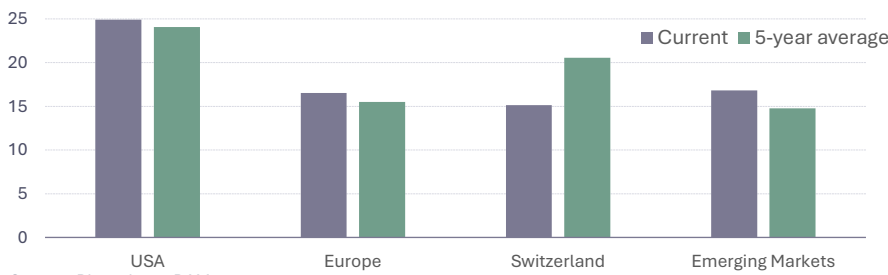
In Europe, monetary policy remains cautious. Inflation is now elevated, but weak economic growth limits the room to manoeuvre. Central banks are therefore acting in a restrained, data-dependent manner.

Switzerland faces a different challenge. The Swiss franc is strengthening, putting pressure on the SNB. In the

short term, foreign exchange interventions are likely the solution; in the medium term, further easing steps – including negative interest rates – remain a realistic outcome.

Credit markets are also undergoing adjustment. Risk spreads on corporate bonds have widened, bringing quality and creditworthiness back into focus. For investors, this implies increased caution regarding longer maturities. More attractive opportunities lie in selectively chosen corporate bonds with solid credit quality and shorter durations.

Current PE-levels vs. 5-year average



Source: Bloomberg, BAM

EQUITIES

Selection becomes more important

Equity markets are proving more resilient than often portrayed. Despite interim setbacks, a broad market dislocation has not materialised. There is no sign of a structural downturn.

Recent movements are more a reflection of positioning adjustments and increased uncertainty than of fundamental weakness. Accordingly, we remain constructively positioned for the remainder of the year.

In the United States, the fundamental backdrop remains solid. Earnings growth is intact, particularly in technology-driven sectors. However,

valuations are demanding in parts of the market, increasing sensitivity to short-term disappointments.

Europe presents a mixed picture. More attractive valuations are offset by greater dependence on external factors, particularly energy prices. As a result, market developments are less stable and more volatile.

We continue to see advantages in Switzerland. The market stands out for quality, robust business models, and a defensive sector structure. In an environment of heightened uncertainty, Swiss equities offer stability, complemented by reliable

dividend income, which contributes significantly to total return.

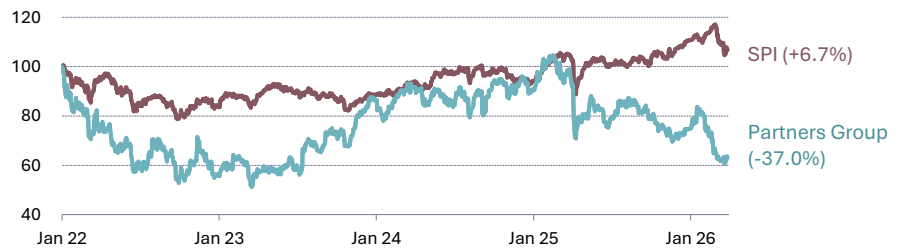
Emerging markets are gaining importance. Structural growth, improved earnings prospects and more attractive valuations support a selective allocation. In addition, many of these markets benefit from global capital shifts and a potential weakening of the US dollar.

The current market phase is characterised by increasing differentiation. Broad market bets are losing attractiveness, while the importance of quality, valuation and sustainable cash flows continues to rise.

Partners Group AG

Solid results overlooked by the market

Partners Group offers upside potential



Source: Bloomberg, BAM

Partners Group delivered resilient results in 2025 despite a demanding environment, although this was not reflected in the share price.

Assets under management increased materially, supported by robust net inflows from both institutional and private client segments. In particular, customised mandates and evergreen structures remained in strong demand and continue to do so, as their long-term structure enables stable and predictable earnings streams.

Despite increased uncertainty across private markets – especially regarding private credit and valuations in technology-driven sectors – Partners Group remains well positioned. Exposure to software is relatively low, and risks stemming from open-ended credit vehicles appear contained. At the same time, the company benefits from broad diversification across asset classes.

Its capital-light and scalable business model continues to support high profitability, with margins at very

attractive levels. A significant portion of revenues is derived from recurring management fees, while performance fees provide additional earnings momentum and enhance operating leverage.

Following the weaker share price performance over the past twelve months, the valuation now appears moderate. Combined with an attractive dividend yield and solid structural growth opportunities, the stock offers a compelling risk-return profile for long-term investors.

ASSET ALLOCATION

Tactical adjustments:
Increased allocation to gold

Equities remain slightly overweight, with a focus on quality, tactical exposure to energy, and a clear preference for Switzerland. Bonds remain slightly underweight. Structural risks persist at the long end, while selective opportunities exist in corporate bonds. Alternative investments remain an important component of diversification. The gold position has been increased at the expense of emerging market equities and continues to serve as a stabilising element.

Asset classes

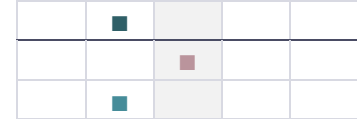
Current position				
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Liquidity



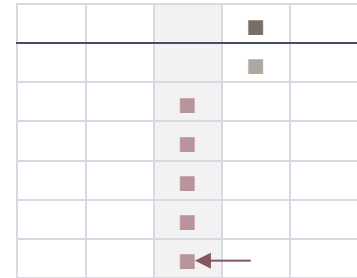
Bonds

Government Bonds
Investment Grade



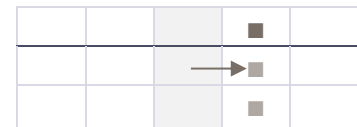
Equities

Switzerland
Europe
UK
USA
Japan
Emerging Markets



Alternative investments

Gold
Real Estate Switzerland



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