Mosaique Asset Allocation

March 2026

KEY	-		Neutral		+
Overweight				■	■
Benchmark			■		
Underweight	■	■			
Recent change		→		←	

Reducing risk in the face of renewed geopolitical uncertainty

The outbreak of war in the Middle East marks a significant escalation in the geopolitical temperature. Energy prices have moved higher, global equity market volatility has returned, and bond yields have been climbing in response to renewed inflation risk. While the US administration has signalled that the conflict may be drawing to an end, many uncertainties persist and hopes of détente still appear some way off.

The big macroeconomic risk remains a sustained increase in energy prices that could push inflation higher, and ultimately weigh on economic activity. However, there remains a wide range of potential outcomes ahead.

Against this uncertain backdrop, we have taken the decision to reduce overall equity exposure to single-underweight and add to our cash holdings. This adjustment is primarily a risk-management measure, allowing us to remain liquid and flexible while the geopolitical situation remains fluid. Gold remains an important component of portfolios in this environment, and we continue to maintain our tactical overweight given its potential role as a hedge against geopolitical disarray.

Fixed Income: balancing inflation and growth risks

Bond markets have reacted negatively to the inflationary threat posed by a negative supply shock. While the near-term consequences point to higher inflation, if economic activity is hit, the longer term consequences might be deflationary. Ultimately, central banks may "look through" an energy driven spike in inflation at the more vulnerable growth outlook.

As such, we have chosen to retain our existing fixed income positioning. We remain long duration in Europe and Switzerland, and continue to favour high-quality government bonds at the expensive of corporate credit.

ASSET ALLOCATION		-		Neutral		+
US	Money market		→	■		
US	Fixed income			■		
US	Equities		■	←		
US	Gold				■	
Europe	Money market		→	■		
Europe	Fixed income			■		
Europe	Equities		■	←		
Europe	Gold				■	
Switzerland	Money market			→	■	
Switzerland	Fixed income		■			
Switzerland	Equities		■	←		
Switzerland	Gold				■	

FIXED INCOME		-		Neutral		+
US	Duration			■		
US	Government					■
US	Investment Grade		■			
US	High Yield		■			
US	EM Hard Currency			■		
Europe	Duration				■	
Europe	Government (>AA)					■
Europe	Government (<AA)			■		
Europe	Investment Grade		■			
Europe	High Yield		■			
Europe	EM Hard Currency			■		
Switzerland	Duration				■	
Switzerland	Government					■
Switzerland	Investment Grade		■			
Switzerland	High Yield		■			
Switzerland	EM Hard Currency			■		
UK	Duration			■		
UK	Government					■
UK	Investment Grade		■			
UK	High Yield		■			
UK	EM Hard Currency			■		

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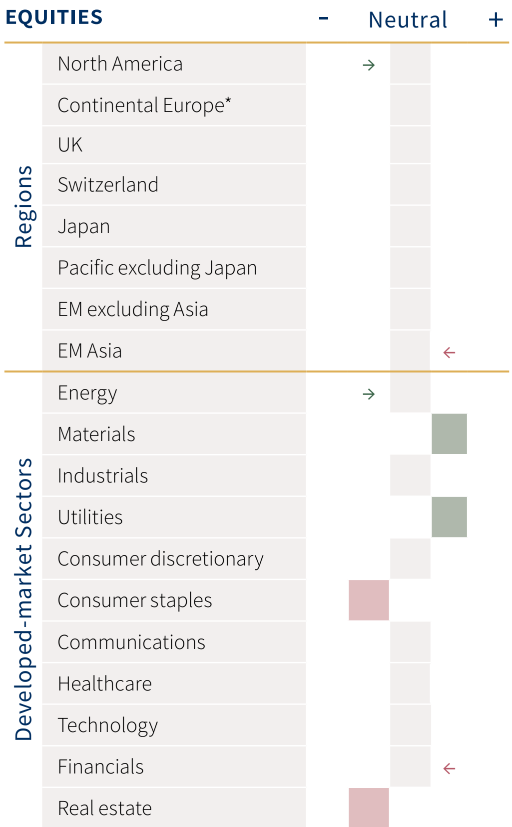
Wealth Management

Equities: reducing tactical risk

Alongside the reduction in overall equity exposure, we have also simplified our regional and sector equity positioning.

We have closed our remaining regional positions, moving both North America and Emerging Asia back to neutral (from underweight and overweight respectively). In the current environment, short-term market movements are likely to be driven more by geopolitical developments and energy price dynamics than by regional fundamentals. This adjustment should be seen as reducing tactical complexity while the geopolitical situation remains unsettled.

At the sector level, we made an earlier adjustment within equities - increasing energy exposure and reducing financials back to benchmark weight. Higher oil prices will likely continue to support the sector if supply disruptions persist, while cyclically-tilted financials will be more sensitive to a potential slowdown in global activity.



* Excluding Switzerland

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