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"ZIGZAG IN THE AGE OF AI"


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Susan Niederhöfer
Editor-in-chief at *payoff* and Chief Commercial Officer (CCO) at LPA

Or: who is actually pushing whom aside here?

Zigzagging in the AI age – and suddenly a whole new question arises on the markets: who is actually being displaced by whom? Just a few months ago, large tech companies were considered virtually untouchable guarantors of growth. Today, all it takes is a new AI application, a model update or an ambitious platform announcement, and an entire industry starts to twitch nervously. Is this the beginning of a real technological changing of the guard? Or are we just witnessing the next episode of a familiar stock market classic: first euphoria, then FOMO, and finally a sober search for fundamental data? Investors currently seem to be doing both at the same time: chasing opportunities and reassessing risks. It is precisely this balancing act that is causing prices to zigzag in the AI age.

The key question is therefore not only "who is building the better AI?", but also "who will lose their business model as a result?". Because as soon as investors start to price in not only growth but also potential displacement, even long-standing stock market favourites become candidates for heated valuation debates. Reason enough for us to take a closer look. In this issue, we analyse, among other things, the recent shifts between traditional tech stocks and new AI players and discuss in an interview with Maurizio Porfiri of Maverix Securities how investors should interpret this development and how much of the latest movements is down to herd mentality.

Thomas Wulf, Secretary General of EUSIPA, is also part of it and gives us insights into the current situation in Brussels: ESMA reloaded – will centralised supervision put the European industry ahead in the global power struggle?

Enjoy reading! FOMO is a thing of the past; FONHRI (fear of not having read it) is the present.

Susan Niederhöfer

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LEARNING CURVE

FOCUS

"Zigzag in the Age of AI: fear of disruption causes share prices to fluctuate"

| Wolfgang Hagl

Artificial intelligence is currently making markets nervous. Investors are no longer just pricing in growth, but also displacement. In this transition phase, the best decision is sometimes not perfect timing, but a conscious choice of investment type: quality instead of hype, dividends instead of constant adrenaline. And if you absolutely want to use leverage, then do so with the awareness that turnaround speculation can also turn into disappointment.

On the stock markets, share prices zigzagged in February as if someone had swapped the curve rulers for an ECG. At times, hope flickers because a new AI deal is announced, at other times the mood sours because the same news sounds like a threat: what if artificial intelligence not only brings efficiency but also eats away at business models? This new nervousness is not just a short-term change in sentiment, but has been reflected in tangible movements. In the US, the broad software complex quickly became the epicentre of a correction: the S&P Software Index lost around USD 1 trillion in market capitalisation within a few trading days, and the financial world christened the sell-off "software-mageddon".

AI applications as profit destroyers

The movement was set in motion by a tool from Anthropic, based on the Claude language model, which can automate tasks in legal workflows. This is precisely where many established software providers have traditionally enjoyed margins, data advantages and pricing power. From a stock market perspective, this was the point at which AI transformed from a growth topic to a cannibalisation issue. When a model embedded in plug-ins, agents or specialised applications can perform research, evaluation, standard text or programming routines in seconds, the previous software subscription quickly becomes an interchangeable feature. It is precisely this fear that value creation will shift away from proprietary databases and SaaS interfaces to AI layers that is behind the abrupt change of opinion in the markets. "As a result, the valuation of the software sector has collapsed as quickly and sharply as rarely ever before," states DWS CIO Vincenzo Vedda. And while the software side came under pressure, the other AI bet on data centres, chips and infrastructure was not immune: investors began to wonder whether these gigantic investments would actually pay off.

Risk of contagion

What began as a tech correction did not remain in the cloud. Within days, other sectors such as logistics also saw how quickly AI fears can become a cross-industry reflex. The correction in this area was triggered by the announcement of a new AI-supported freight platform from small provider Algorhythm Holdings, which advertised dramatic efficiency gains. Investors translated this into a worst-case scenario: price and margin pressure for established facilitators.

However, the financial world reacted even faster than freight transport – and for one simple reason: insurance, broker platforms, comparison portals and parts of banking are themselves software businesses, just with a regulatory shell. The background here is a platform called Insurify, an AI-powered comparison tool based on ChatGPT. Artificial intelligence can reduce transaction and consulting costs, increase personalisation and open up alternative offers. "Since the beginning of the year, one sector after another has been punished on the stock market if it was suspected of having a business model that was supposedly easily vulnerable to AI," expert Vedda aptly summarises.

Volatility amplifier

As if AI concerns were not enough, a second driver of volatility is coming to the fore at the moment: geopolitics and trade policy. In the Middle East, the conflict between Iran and the US has escalated again in recent weeks. Stalled diplomacy and massive military build-up are fuelling expectations of a possible showdown. Such tensions rarely remain confined

> "Share prices in February like an ECG"

to the news channels; they are reflected in prices, in this case in significantly rising oil prices. This, in turn, fuels inflation and interest rate speculation on the markets, and puts a strain on equities.

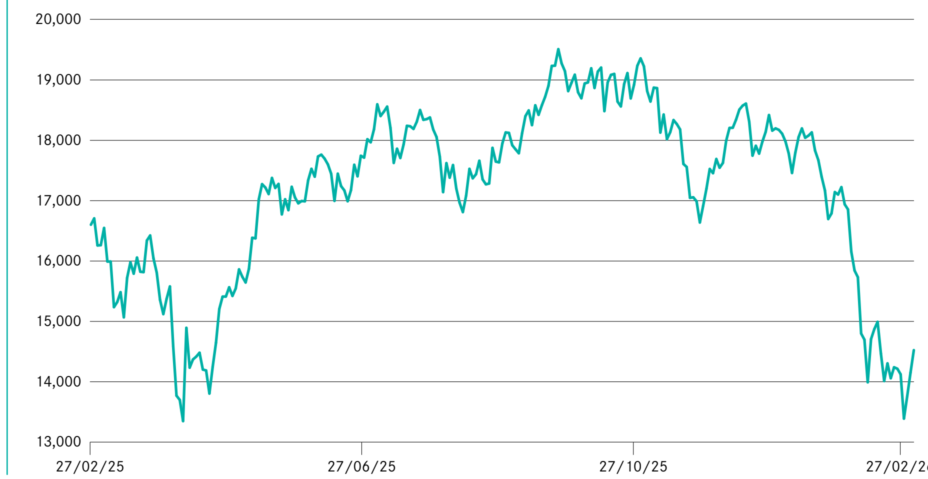
Added to this is a new US customs chaos after the US Supreme Court struck down key parts of a comprehensive customs package based on an emergency law. The result was a temporary global customs duty under Section 122, which was raised from 10% to 15% within hours. In practice, this means that companies are calculating possible refunds today and will have to factor in new rates again tomorrow. A Reuters estimate shows just how big the reversal issue could become: it could affect more than USD 175 billion in customs duties collected.

Quality stocks and dividends as a strategy

When the stock market barometer no longer indicates the classic factors of "growth" or "recession" but rather "uncertainty," it is time for investors to adjust their decisions to the markets. Although it may sound boring, quality companies could play to their strengths in these times. Companies with robust balance sheets, high pricing power, recurring revenues and sustainable business models are back at the top of the agenda. Dividends are also playing a more important role again in phases such as these. This means that investors are focusing less on timing and more on cash flows. Allianz Global Investors aptly refers to dividends as a "second income" – a nice thought that is particularly comforting when prices are fluctuating nervously. In a recent study, experts concluded that companies tend to pursue a remarkably consistent dividend policy that is geared towards increases rather than cuts. In other words: a "steady hand" dividend policy. It is precisely this inertia, which seems boring in boom times, that can serve as a shock absorber during times of corrections.

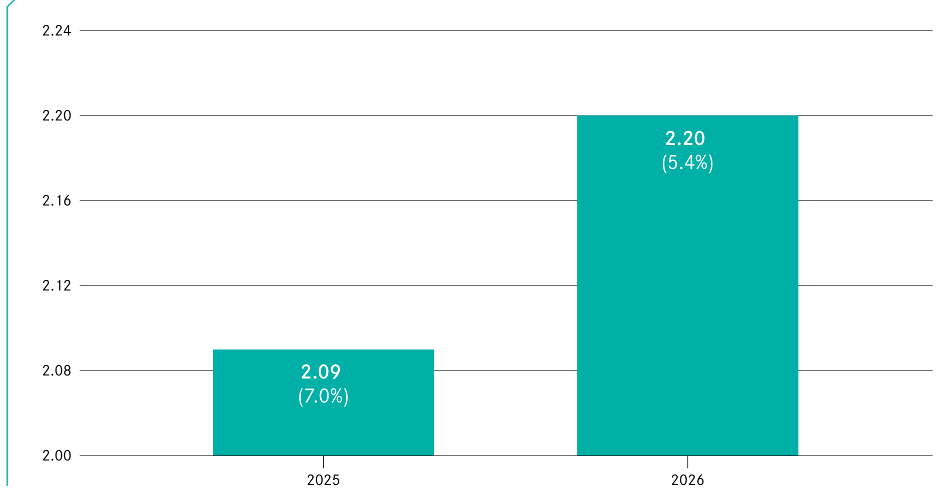
In addition, dividend portfolios are less susceptible to volatility in historical comparison, according to AllianzGI's calculations. And the sums to be expected are enormous. According to estimates, STOXX Europe 600 companies alone will pay out EUR 454 billion this year, 4% more than last year. The curve is also pointing upwards globally: according to calculations by Capital Group, global dividends have recently risen to a new record high of USD 2.09 trillion and are likely to continue to grow in 2026. Profit sharing also plays an important role in the total return on an equity investment. Over the last 40 years, the annualised total return for the MSCI Europe has

CHART 1: S&P SOFTWARE & SERVICES SELECT INDUSTRY INDEX



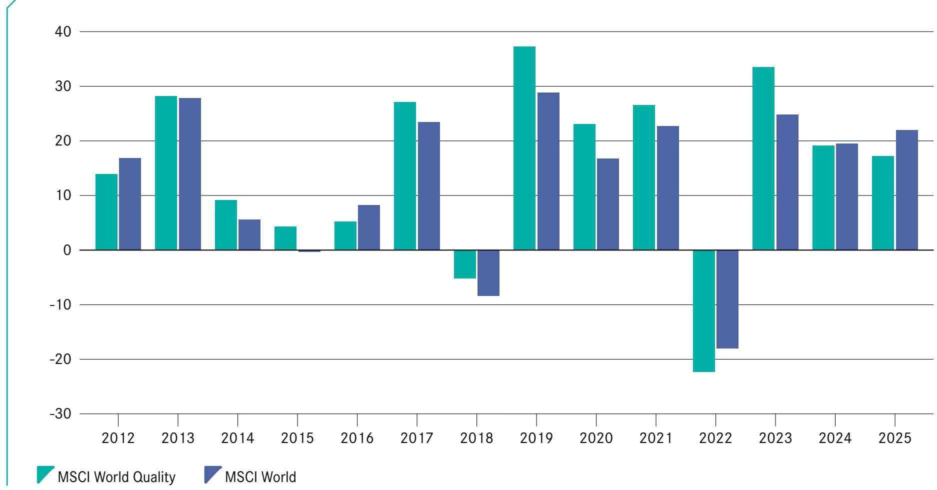
Source: baha

CHART 2: TOTAL GLOBAL DIVIDENDS IN USD BILLIONS (GROWTH)



Source: Capital Group

CHART 3: PERFORMANCE COMPARISON (IN %)



Source: MSCI

been supported by a performance contribution of dividends of just under 39%.

Are these already buying prices?
In addition to alternative investment approaches, every correction raises the question: has the market already bottomed out, or is this just a temporary dip? The temptation is understandable in the case of badly battered stocks such as SAP, Oracle and Adobe. The trio's share prices are all more than 40% below their annual highs. Some experts, such as Benjamin Melman, already see buying opportunities. The chief investment officer at asset manager Edmond de Rothschild describes the decline as exaggerated: "If AI makes development more efficient and cheaper, demand for software is more likely to increase than decrease."

> "Leverage can be either turbocharger or ejector seat."

However, a lower price is only a buying opportunity if sentiment turns around again. This depends on how quickly AI can be translated into measurable productivity and pricing power, and when it becomes clear which areas will be cannibalised and which will grow. It will take a while to gain these insights. In the short term, however, the severity of the pullback could open up opportunities for rebounds either way. This is exactly where leveraged securities come into play. Those willing to take risks can use leveraged products to bet on a rebound in heavily punished stocks such as SAP, Oracle or Alphabet. The leverage can turn small price movements into large profits. But caution is advised: leverage works in both ways and can therefore also lead to large losses. In a zigzag market, leverage is not only a turbocharger, but can also become an ejector seat.

Promising alternative investments
However, there is also a slightly more relaxed approach to adapting your portfolio to the current volatile environment. Investors can use broadly diversified indices to invest specifically in quality and dividend stocks. One example is the UBS Global Quality Dividend Payers Index. This barometer not only includes stocks with high dividends, but also requires members to demonstrate quality and substance. UBS Research selects international corporations based on quantitative and qualitative criteria. These include characteristics such as a healthy balance sheet structure and sustainable sales and profit growth. In addition, there is sufficient diversification in terms of countries and sectors.

The MSCI World Quality Index offers another opportunity to play the quality card on the stock market. This index tracks the performance of quality growth stocks that must meet three fundamental criteria: high return on equity (ROE), stable annual profit growth and low debt. And it has been successful: over the past 14 years, the MSCI World Quality Index has outperformed its "big brother" MSCI World in nine years. As usual, you can find other interesting underlyings with corresponding products in our table.

TABLE: INVESTMENT RECOMMENDATIONS

Symbol / ISIN	Product	Issuer	Course 27 February 2026	Characteristics
DIVQC CH0185828610	Tracker Certificate on UBS Global Quality Dividend Payers Index	UBS	CHF 430.50 **Trading venue** SIX Swiss Exchange	**Term** open-end **TER** 1.00% p.a.
INTDIZ CH1341398522	Tracker Certificate on international dividend basket	ZKB	CHF 140.68 **Trading venue** SIX Swiss Exchange	**Term** 09/25/2026
TMDOTQ CH0596608205	Tracker Certificate on The Market Dividend Opportunities Portfolio Index	Leonteq	CHF 430.50 **Trading venue** SIX Swiss Exchange	**Term** open-end **TER** 0.75% p.a.
XDEQ IE00BL25JL35	MSCI World Quality ETF	Xtrackers	USD 84.95 **Trading venue** SIX Swiss Exchange	**Term** open-end **TER** 0.25% p.a.
MADIAT CH1527869528	Mini Future Long on Adobe	Leonteq	CHF 0.46 **Trading venue** SIX Swiss Exchange	**Term** open-end **Leverage** 4.45 **Knock-out** USD 206.5951
IORCYZ CH1530930689	Mini Future Long on Oracle	ZKB	CHF 0.86 **Trading venue** SIX Swiss Exchange	**Term** open-end **Leverage** 5.34 **Knock-out** USD 124.7738
SS4BAU CH1523780356	Call Warrant with Knock-out on SAP	UBS	CHF 0.81 **Trading venue** SIX Swiss Exchange	**Term** open-end **Leverage** 3.90 **Knock-out** USD 43.8751

CH1507548860 – MINI FUTURE LONG BY BNP PARIBAS ON ASML

Next stage of the chip revolution

ASML remains the pace-setter: record orders, advances in EUV technology and ambitious targets for 2030 paint a picture of a company that is actively shaping its next growth spurt – which is positive for the share price.

Wolfgang Hagl

With the presentation of a new, significantly more powerful EUV light source, ASML has once again demonstrated why the Netherlands is considered a technological pioneer in the semiconductor industry. While competitors in the United States and China are still tinkering with alternatives, the global market leader for lithography systems is demonstrating its innovative edge and making it clear that the next stage of chip manufacturing development has already begun.

The focus is on the further development of a technology without which modern high-performance chips would be virtually inconceivable: extreme ultraviolet lithography. ASML is currently the only supplier of commercially viable EUV machines that can project even the finest structures onto silicon wafers.

Engineers have now succeeded in increasing the power of the light source from around 600 to approximately 1,000 watts. The effect is significant: more power means shorter exposure times, higher throughput rates and, thus, lower production costs per chip. By the end of the decade, the systems could be processing around 330 wafers per hour, compared to around 220 today.

For customers, the latest advances mean more computing power at lower manufacturing costs – a decisive factor in the age of AI.

Current business figures show that demand is already rising sharply. In the 4th quarter, ASML recorded a record-high order intake of EUR 13.2 billion, significantly exceeding expectations. Growth is primarily driven by investments from major chip manufacturers such as TSMC and Samsung, which are expanding their capacities for AI and data centre chips. At the same time, the company is restructuring its organisation, cutting around 1,700 management positions and strengthening specifically its engineering capacities.

On course for growth

This confidence is also reflected in the outlook: ASML expects revenues of between EUR 34 billion and EUR 39 billion for 2026. The medium-term goal remains ambitious: by 2030, revenues are expected to rise to between EUR 44 billion and EUR 60 billion, with gross margins of up to 60%. The combination of technological leadership and the structural AI boom could thus secure ASML a key long-term role in the global semiconductor industry.

Analysts are also optimistic about the future and see potential of up to EUR 1,410 for the technology stock. Trading-oriented investors can further intensify a possible continuation of the upward trend with a Mini Future long.

> "The record order intake of EUR 13.2 billion reflects the massive demand from chip manufacturers."

The leverage is 6.44, with a stop loss of 12.88%. The product, which is listed on Swiss DOTS, can be traded on trading days between 8:00 a.m. and 10:00 p.m.

ASML

BNP PARIBAS

ISIN	CH1507548860
Product type	Mini Future Long
Underlying	ASML
Issuer	BNP Paribas
Rating	A+ (S&P)
FEATURES	
Trading currency	CHF
First trading day	01/13/2026
Term	open-end
Underlying	EUR
KEY FIGURES	
Leverage*	6.44
Stop loss	EUR 1,057.37
Financing level	EUR 1,007.01
PRICE	
Ask*	CHF 17.07
Ask underlying*	EUR 1,193.50
Trading venue	Swiss DOTS
PRODUCT INFORMATION	
Web link	bnp.ch/CH1507548860

COURSE PROGRESSION

Source: baha

*Status 2nd March 2026

INTERVIEW

"AI is not a hype – it is reshaping the economy"

I Susan Niederhöfer

FOMO stands for "fear of missing out": have you noticed signs of it among your customers?
FOMO is undoubtedly present, but its character has changed. Unlike in previous market phases, our clients currently show no signs of blind hysteria. It is no longer a question of having "any" kind of AI stock in the portfolio. FOMO has become more differentiated. Institutional investors are now asking very specific questions: where are the structural bottlenecks arising? Who controls the infrastructure? Who monetises productivity? It is less about missing out on the short-term hype and more about underestimating a long-term productivity cycle. This is precisely where the difference lies compared to the speculative exaggerations of previous years.

In recent weeks, we have seen some surprising developments on the capital markets: long-standing growth guarantors from the tech sector have been overtaken by AI providers and lost their market capitalisation. How have you explained this to your clients?
We explain the surprising shifts in market capitalisation – in particular the rotation away from established growth guarantors and towards stocks in the AI infrastructure and energy sectors – along the value chain. AI is not just a software upgrade, rather, it is developing into a capital-intensive industry. Hyperscalers are investing hundreds of billions in data centres, chips, networks and energy. Capital is thus migrating from office space to server farms and from labour to hardware. In such an environment, valuation premiums inevitably shift. Companies without a strong "moat" come under pressure, while providers of energy, semiconductor design, network infrastructure or security-critical software are structurally upgraded. This is less about a disruption of the entire tech industry and more about a redistribution of economic rents within the sector.

> "We are not experiencing a bubble, but rather a realignment – capital is becoming more selective, valuations more rational and competitive advantages more clearly differentiated again."

After the bust of the big internet and telecommunications bubble in the early 2000s, many investors lost confidence in capital market products. Is your impression that this is also the case following the significant losses in value suffered by tech companies?
In our view, comparisons with the bust of the internet and telecommunications bubble in the early 2000s are too simplistic. Back then, there was a lack of cash flow, profitability and robust business models. Today, however, we are seeing real productivity gains, rising revenues per employee and robust earnings growth. The global economy is growing solidly, labour markets are stable and companies' capital bases are strong. What we are currently seeing is not a crisis of confidence in capital market products, but rather a phase of valuation normalisation and risk differentiation. Investors are not questioning the business models themselves, but rather the multiples.

Did you have the opportunity to prepare your customers for this development, or were you taken by surprise by events?
We were prepared for this development, if not in terms of its exact timing, then certainly in terms of its structure. We emphasised early on that it is not the capex itself that is decisive, but rather the return on investment. Investments are visible and spectacular. Monetisation, on the other hand, is not. That is precisely where the valuation risk lies.

Accordingly, we made an early decision to differentiate more clearly between infrastructure, "powering AI", and highly valued application software within our Margaris No. 1 Artificial Intelligence Index and adjusted our positioning accordingly. At the same time, we reduced the the weighting of the technology sector in the overall portfolio from overweight to neutral and upgraded energy. We also recommended hedging strategies against corrections of 10% to 15%.

Our base scenario has always been constructive, but with rotation – "bullish with a small b". This is precisely the choppy transformation we are currently experiencing.

In your opinion, to what extent were the price losses caused by herd behaviour? Or, are the effects based on actual facts and fundamental KPIs?
There is no single cause responsible for the price losses. Some of them can clearly be linked to herd mentality and position reduction. Even companies with excellent figures saw "sell the news" reactions, as expectations and positioning were extreme. At the same time, fundamental factors cannot be ignored. Valuation premiums were high, hyperscalers' investments are increasingly under ROI scrutiny, and interest rate movements are having a significant impact on long-term cash flow valuations. The current phase is therefore less a collapse of the AI thesis than a disciplining by the capital market.

Are safe havens back in demand since the onset of the "tech sector weakness"? And which underlyings would you specifically recommend to your clients at present?
As far as demand for safe havens is concerned, we are seeing selective reallocation. However, this is not a panic-driven flight, but rather a tactical reallocation. Industrial metals such as copper are considered mission critical for electrification, grid expansion and data centres. Silver is benefiting both from uncertainty and industrial demand. Energy remains structurally relevant, even though our base scenario assumes more moderate oil prices in the medium term. European banks and industrial stocks are becoming more attractive thanks to fiscal policy stimulus and favourable financing conditions.

> "Investors are selective, not panicking."

In the technology sector, we currently see particularly attractive opportunities in oversold quality companies with strong moats. This is precisely where our NextGen Software Moat Index comes in. We invest specifically in established software companies that are deeply integrated into business-critical processes, have high switching costs and enjoy structural competitive advantages. The recent uncertainty triggered by AI has put many of these stocks under pressure across the board, as the market feared that AI could replace traditional software.

> "It is rotation, not collapse."

However, we are convinced that AI will not replace powerful software platforms, but rather expand them. Companies with deeply rooted data sets, regulatory integration and workflow-critical infrastructure use AI as an additional layer of monetisation and productivity. The moat is therefore not weakening, but getting stronger. We are actively exploiting precisely this mispricing – structural strength with cyclically depressed valuations.

Your company also offers products that are approved for public distribution. Do you see this as a conflict of interest, or is the simultaneous coverage of public distribution and active consulting and sales rather an opportunity when markets are volatile and customers are uncertain?
We do not see the combination of public distribution and active advisory services as a conflict of interest, but rather as a strategic advantage. In volatile markets, professional investors need transparency in structuring, flexibility in risk management, and access to tailor-made solutions. Thanks to our ability to act as both an issuance platform and a strategic advisor, we can translate market assessments directly into implementable structures. This integration creates efficiency and clarity, especially in times of increased uncertainty.

What will prevail: AI or tech?
Ultimately, we believe that the question "AI or tech?" is misguided. AI is not a separate sector, but rather an evolutionary stage of technology. Not all tech companies will benefit from AI, but strong platforms with structural moats will be strengthened rather than replaced by it. The real winners will be those who control infrastructure, data, energy or distribution. AI is not a short-term trend, but a productivity cycle. It will expose weak business models, but make strong ones even more dominant.

Our conclusion is clear: we are not experiencing a bubble, but a realignment. Capital is becoming more selective, valuations are becoming more rational and competitive advantages are becoming more differentiated again. In such an environment, it is not the loudest narrative that wins, but the most resilient business model.

Thank you for the interview, Mr Porfiri!

Maurizio Porfiri is Chief Investment Officer at Maverix Securities AG

He is a financial expert with over 25 years of experience in international markets. He began his career in 1993 at Swiss Bank Corporation. This was followed by positions at BNP Switzerland, Goldman Sachs and Thomas Weisel Partners, where he served European and Swiss institutional investors and specialised in technology and growth stocks. From 2010 to 2020, he headed the Advisory Desk at BNP Paribas Wealth Management Switzerland, developing innovative solutions for high-net-worth clients. Today, as Chief Investment Officer at Maverix Securities AG, he shapes the company's investment strategy.

FVCH – FRANKLIN ETF ON MSCI CHINA CLIMATE PARIS ALIGNED NET TOTAL RETURN INDEX

New momentum for the yellow giant

Over the past two years, the Chinese stock market has kept pace with the global stock index, albeit with slightly higher volatility overall. Specific index funds such as the ETF **FVCH** enable targeted investment.

| Dieter Haas

Many investors are still primarily interested in US technology giants. However, other sectors and regions have now caught up. Several emerging markets have outperformed the US-dominated global equity index in recent weeks. Since April 2025, iShares' ETF **EIMI** on the MSCI Emerging Markets Investable Market Index has slightly but steadily outperformed iShares' ETF **SWDA** on the MSCI World Index. From mid-December onwards, the excess return became more pronounced. This was particularly evident in State Street Global Advisors' more focused ETF **EMRD** on the MSCI Emerging Markets Index.

Both **EIMI** and **EMRD** owe this to the Chinese stock market, among other things, which, with weights of 23% and 26% respectively, is the largest single market in both cases, ahead of Taiwan. China is therefore a key market for broadly diversified emerging market indices. Despite the rally in 2025/2026, their stock valuations are still considered relatively cheap in many places by global standards. Sectors such as AI, technology, automation, renewable energies and innovation are considered key growth drivers. According to the Feng Shui Index published annually by CLSA, the domestic market is likely to continue to grow in the Year of the Fire Horse. In Chinese astrology, the Year of the Fire Horse, which began on 17 February, stands for dynamism, courage and profound change. It is considered particularly energetic, characterised by fiery passion and the powerful energy of the horse. The Chinese economy continues to face challenges, such as weakness in the real estate sector and global uncertainties. Ongoing geopolitical tensions, particularly with the US, could slow inflows from foreign investors or trigger short-term volatility. Nevertheless, targeted exposure to China remains essential for a broadly diversified equity portfolio.

> "Focus of the ETF **FVCH**: communications, IT, cyclical consumption."

Franklin's ETF **FVCH**, listed on SIX Swiss Exchange since 11 January 2024, allows investors to participate specifically in the Chinese stock market. The ETF invests in mid- and large-cap Chinese companies that are transitioning to a lower-carbon economy or carry fewer climate-related risks. The focus is on the sectors of communication, IT, and cyclical consumption. On 19 February, these sectors together accounted for around 59% of the ETF.

At the stock level, Tencent led with around 18% and Alibaba with around 9%, while the remaining 119 companies had significantly lower weightings. The high proportion of Tencent and Alibaba contributed to the comparatively higher volatility of the ETF **FVCH**.

A comparison with the ETF **SWDA** (see chart) highlights the respective strengths and weaknesses: since its launch, the FVCH has achieved slightly higher price gains than the **SWDA**, but these have been accompanied by greater volatility. Investors who prioritise stability can invest more comfortably with more broadly diversified ETFs such as **EIMI** or **EMRD**. For targeted investments or investors with a higher risk tolerance, Franklin's ETF, with an annual total expense ratio of 0.22%, is an alternative worth considering for diversified exposure to Chinese equities.

MSCI CHINA CLIMATE PARIS ALIGNED NET TOTAL RETURN INDEX

FRANKLIN

Symbol	FVCH
ISIN	IE000EBPC0Z7
Product type	ETF
Underlying	MSCI China Climate Paris Aligned Net Total Return Index
Issuer	Franklin

FEATURES

Launch date	01/11/2024
Base currency	USD
Mgt. fee p.a.	0.22%
Replication	physical

KEY FIGURES

Ø Spread	0.9303%
Spread availability	99.53%

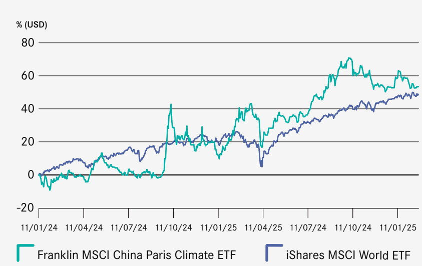
PRICE

Ask (02/23/2026)	USD 26.70
Trading venue	SIX Swiss Exchange

PRODUCT INFORMATION

Web link	payoff.ch/FVCH

ETF FVCH VS. ETF SWDA



Source: baha

***"payoff"*-ASSESSMENT**

\+ excess return on the global equity index

– exchange rate risks

WUTI – ETF BY STATE STREET GLOBAL ADVISORS TRACKING THE MSCI WORLD UTILITIES CAPPED 35/20 INDEX

Reliable returns from the grid

As a defensive investment, an energy sector index fund is an attractive option, as the combination of high returns and low volatility has breathed new life into this long-underestimated sector.

| Dieter Haas

Until the middle of 2025, technology sector and momentum indices dominated, led by the "Magnificent 7" (Apple, Amazon, Alphabet, Meta, Microsoft, Nvidia and Tesla). From July, and by August at the latest, however, there was a noticeable shift in sector preferences. Some of the "Magnificent 7" recently failed to meet expectations and were severely punished, which had an impact on the overall market.

As early as June, initial signs pointed to greater market vulnerability. For example, the election result in France pushed the CAC40 below its 200-day moving average. Falling US key interest rates from September onwards gave the markets another boost, but this momentum is now weakening. Leading US technology stocks, in particular, are finding it increasingly difficult to meet high expectations, although optimism still prevails on the stock markets.

It may be sensible to add traditional, more defensive segments to the portfolio, such as ETFs tracking dividend aristocrats (companies with high, steadily rising dividends) and energy suppliers. Their business is comparatively stable. Moreover, they generally pay above-average dividends as well. This makes them suddenly attractive again, after a prolonged slump, in comparison to most other sectors. Their share price performance has been below average in recent months compared to the S&P 500 Index. Recently, however, there have been signs that, in the future, the sector could outperform the broader market in relative terms.

> "Investors are turning to dividend aristocrats and energy suppliers."

This also applies to the **WUTI** ETF, which has been listed on SIX Swiss Exchange since 6 May 2016. The index fund is based on the MSCI World Utilities 35/20 Capped Index, which covers virtually all major players in the utilities sector. The US dollar-denominated, accumulating ETF was launched on 6 May 2016 and charges an annual total expense ratio of 0.30%. Of the 74 constituent stocks, the US had the highest weighting by country at 60.82% on 19 February, followed by Spain at 7.74% and the UK at 7.18%. In terms of sectors, the largest weighting was held by electricity utilities at 60.97%, followed by multi-utilities with a share of 26.26%. On the reporting date, NextEra Energy had the largest individual weighting at 8.13%, ahead of Iberdrola at 6.35% and Southern Company at 4.50%. From Switzerland, only BKW was included, with a share of 0.17%.

The upward trend in the ETF, which has been ongoing since autumn 2023, is likely to continue, particularly as the cycle of interest rate cuts is expected to persist, especially in the US.

Furthermore, with regard to the S&P 500 index, the gap is likely to narrow in the coming weeks and months. Stable, predictable income, attractive dividends and low volatility are unbeatable attributes. Furthermore, most companies will benefit from the energy transition. This stress-free ETF is therefore likely to attract an increasing number of new investors. Moreover, utilities can often pass on rising costs via regulated prices. This is not a perfect protection, but it is better than in many other sectors: another plus point in favour of the ETF.

MSCI WORLD UTILITIES CAPPED 35/20 INDEX

STATE STREET

Symbol	WUTI
ISIN	IE00BYTRRH56
Product type	ETF
Underlying	MSCI World Utilities Capped 35/20 Index
Issuer	State Street Global Advisors

FEATURES

Launch date	05/06/2016
Base currency	USD
Mgt. fee p.a.	0.30%
Replication	physical

KEY FIGURES

Ø Spread	0.2550%
Spread availability	99.97%

PRICE

Ask (02/23/2026)	USD 75.00
Trading venue	SIX Swiss Exchange

PRODUCT INFORMATION

Web link	payoff.ch/WUTI

ETF WUTI VS. S&P 500

Source: baha

***"payoff"*-ASSESSMENT**

+ high dividends
– USD/CHF exchange rate risks

XSDX – XTRACKERS ETF ON THE SHORTDAX DAILY SWAP

Bear food

Stock markets have been rising steadily since autumn 2022. However, the recent weakness in the NYFANG index is causing growing concern and could trigger a sharper decline.

| Dieter Haas

Until recently, the outlook on most stock markets was bright. Since autumn 2022, share prices had been on a steady upward trend, apart from the tariff shock in early April 2025. In recent weeks, however, cracks have begun to appear for the first time, particularly among leading US technology stocks, which were largely responsible for the positive market performance. Their share of the S&P 500 rose from 12% in 2015 to around 39% by mid-February.

The latest signs of fatigue, visible in the **NYFANG** index of the ten largest technology and internet stocks, could have far-reaching consequences. The recent fall of the **NYFANG** index below the key 200-day moving average is, at the very least, a warning sign. However, there has been no spillover to the rest of the stock markets so far. A deepening of the recent correction in the Nasdaq 100 would certainly cloud the picture, especially as stock markets are generally quite highly valued. For example, the S&P 500 index would have to fall by 57% to around 3,000 points to reach its median level over the last 100 years. If the US stock markets run out of steam, the German stock market, which is considered cyclical, would be particularly affected. It is therefore worth taking a look at hedging instruments such as short ETFs, which are rather rare on SIX Swiss Exchange. Given their poor long-term performance, this is hardly surprising, as Western stock markets have risen steadily over decades despite setbacks. There has never again been a stock market crash comparable to the one in 1929. Severe setbacks such as the one in autumn 1987, the dot-com crisis of 2000, the financial crisis of 2008, and the Covid crisis of 2020 were generally overcome quickly. Tariffs imposed by the United States caused "shockwaves" in early April 2025 which were responsible for the last dip when buying a short equity ETF such as **XSDX** proved worthwhile. However, the turmoil was short-lived (see chart) and the short ETFs **XSDX** or **LYDSD**, which is twice leveraged on the ShortDAX, resumed their long-term downward trend. This is typical of daily short products. ETFs such as **XSDX** aim to inversely track the daily DAX performance, not the long-term trend. Over several days or weeks, interest rate and volatility effects usually result in a deviation. This means that the long-term performance can deviate significantly from the simple inverse DAX return. Short ETFs are therefore better suited to short-term tactical trades or hedging, not necessarily to buy-and-hold strategies.

> "Buying a short ETF such as **XSDX** might be worthwhile again."

Timing is everything

Using a short ETF such as **XSDX** is a tricky business, as sharp downturns tend to occur quickly and are difficult to predict. At present, the bears could temporarily gain the upper hand. Internal risk indicators such as the Goldman Sachs Panic Index or the performance of the **NYFANG** Index point to an increased risk of market stress. Japan is also a country we should keep an eye on. There are rumours that the Japanese government is planning to sell large quantities of US shares. The likelihood of a temporary price drop has increased. Whether this will happen and how severe it will be is the crucial question. For the first time in a long time, buying a short ETF such as **XSDX** could well be worth a try again. ■

SHORTDAX DAILY SWAP

XTRACKERS

Symbol	XSDX
ISIN	LU0292106241
Product type	ETF
Underlying	ShortDAX Daily Swap
Issuer	Xtrackers

FEATURES

Launch date	08/03/2007
Base currency	CHF
Mgt. Fee p.a.	0.40%
Replication	synthetic

KEY FIGURES

Ø Spread	0.0944%
Spread availability	100%

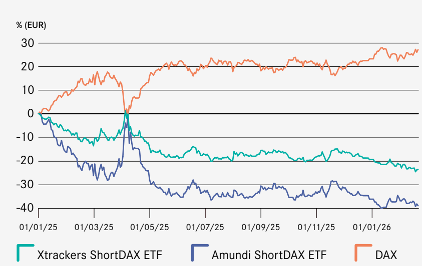
PRICE

Brief (02/23/2026)	USD 8.43
Trading venue	SIX Swiss Exchange

PRODUCT INFORMATION

Web link	payoff.ch/XSDX

ETF XSDX AND ETF LYDSD VS. DAX



Source: baha

***"payoff"*-ASSESSMENT**

+ protection against a stock market crash
– high volatility

LEARNING CURVE

"Investing wisely in times of high volatility"

| Christian Ingerl

Significant market volatility unsettles many investors, but it also opens up new opportunities. Structured Products can be used to develop tailored strategies for hedging, optimising returns or trading.

Volatility is a constant feature of financial markets and is generally regarded as an indicator of risk. Under certain conditions, however, it can also present an opportunity. Structured Products allow investors to position themselves in volatile markets in line with their preferences. Depending on their risk appetite and expectations, strategies range from capital protection and yield optimisation to short-term trading.

Volatility triggers fears

Most investors view high volatility as a negative factor. Yet, as a purely mathematical indicator, volatility is fundamentally indifferent to whether markets are moving up or down. In practice, however, price corrections often occur abruptly and are accompanied by rapid counter-movements. Consequently, volatility is significantly higher during such turbulent phases than during periods of an "orderly" upward trend.

Strengthening the defensive position

As many investors view significant price fluctuations as undesirable, they avoid investing in shares. However, this caution means they are also missing out on attractive return opportunities. Capital protection products offer a potential solution to this dilemma: they provide a high degree of security even during periods of significant market volatility, as 100% of the nominal amount is generally repaid at

> "High volatility creates risks, but with the right strategy it also offers opportunities for returns."

maturity. Losses due to falling prices of the underlying – such as a share index – are therefore ruled out. However, this only applies at maturity. This is an important point: because capital protection products can also fall below the purchase price before maturity. The maturity should therefore match your own investment horizon. It should also be noted that the potential returns are generally limited. This is the price you pay for the increased security. For example, the potential to benefit from rising prices of the underlying may be capped. Often, the maximum return is also determined by a coupon fixed in advance. Investors should therefore consider, before making a purchase, whether capital protection and potential returns are in an appropriate balance.

Volatility as an opportunity

As noted at the outset, high volatility can also present an opportunity with certain Structured Products. How can this be possible? Let's take a Reverse Convertible as an example. With this product, the issuer combines the underlying with the sale of put options on that particular underlying. For selling the puts, the issuer receives an option premium, which is the higher the greater the implied volatility of the underlying is. The issuer uses this premium to finance the coupon of the Reverse Convertible. It is, therefore, logical that higher coupons are possible during periods of high volatility. As the coupon is a fixed income component which is paid regardless of the performance of the underlying, it also provides a certain safety buffer.

> "high volatility = high option premiums = attractive product terms"

High volatility = higher coupon

Let's demonstrate this relationship with an example: given a moderate implied volatility of 15% for a share, a put option on that share which is at-the-money and with a maturity in one year costs CHF 4.98* according to the Black–Scholes option pricing model. In the case of a Reverse Convertible with a strike price of CHF 100 (= current share price), the issuer could, therefore, theoretically pay a coupon of 4.98% over the one-year maturity. If, on the other hand, the implied volatility of the share at the time of issue is 30%, a significantly higher option premium of CHF 10.84 could be achieved and (theoretically) a correspondingly higher coupon of 10.84% could be offered. But beware: in practice, other factors besides the volatility of the underlying also play a role in determining the coupon rate. These include, for example, the level of the strike price or any dividend payments.

Don't ignore the risks

The formula "high volatility = high option premiums = attractive product terms" also applies to other types of Structured Products. This includes Barrier Reverse Convertibles, although in this particular case it is not a standard put that is sold, but a so-called down-and-in put. This type of put has two price barriers: in addition to the strike price, it also features a knock-in barrier. Bonus Certificates (the sale of a down-and-out put on the underlying) and Discount Certificates (the sale of a call with a strike price equal to the cap) also contain option components. Consequently, during volatile market phases, they can be structured with terms that, compared to a direct investment, sometimes offer a significantly lower risk profile. The catch, however, is that with such products, higher price fluctuations also increase the risk of a potential barrier breach – with correspondingly negative consequences for the payout. It should also be noted that price behaviour during maturity is influenced in the opposite direction by volatility. This means that, all other things being equal, rising volatility has a negative effect on the price of the product during the term, whereas falling volatility has a positive effect.

Important for traders

Volatility also plays a significant role for traders. This starts with the choice of product. In the case of a leveraged product such as a Warrant, the following applies: the higher the volatility, the more expensive both Call and Put Warrants are, all other things being equal. If volatility decreases, their price also falls, ceteris paribus. In times of volatility peaks, it may, therefore, make sense for traders to opt for open-end Knock-outs or Mini Futures. With these types of leveraged products, the price is hardly affected by volatility due to their structure.

*Calculated using the Black–Scholes model; additional assumptions: put (European-style), expected dividend yield: 0%, risk-free rate: 2.00%

LTADYI – BARRIER REVERSE CONVERTIBLE BY LEONTEC SECURITIES ON COINBASE GLOBAL (USD)

A cold crypto winter – a hot bonus

Coinbase is right in the thick of the crypto winter and the mood is tense. But it's still possible to make a return even when prices aren't skyrocketing. The easiest way is with Leonteq's 23% Barrier Reverse Convertible.

I Jürgen Kob

"Coinbase suffers when the crypto market sneezes." There is hardly a more apt way to describe the situation facing the world's third-largest crypto exchange. The market for Bitcoin and other cryptocurrencies is currently experiencing the harshness of a painful crypto winter, and prices have fallen sharply in recent months. The turmoil is also taking its toll on Coinbase. Revenue in the 4th quarter stood at USD 1.78 billion, falling short of expectations, whilst transaction volumes dropped from USD 1.56 billion in the same quarter last year to USD 982.7 billion. Nevertheless, Coinbase is not merely a victim of the general market weakness. The "subscription & services" segment grew by 13.5% to USD 727.4 billion in the past quarter, and revenue from stablecoins rose to USD 364.1 billion. Added to this are cash and cash equivalents of USD 11.3 billion, which represents a comfortable buffer and can certainly be described as well-stocked coffers.

No one knows how long the correction will last. This is precisely the key question for investors: should they get in now or wait and see? One alternative is Leonteq's Barrier Reverse Convertible **LTADYI** on Coinbase Global. Issued in mid-February, the product is denominated in USD and matures on 19 May 2027. The

> "49% downside buffer protects investors' nerves"

key features include: an attractive coupon of 23% p.a. with quarterly payments and a barrier at 49%, which provides a comfortable buffer before any shares are allocated. In specific terms, this means: provided Coinbase never falls to or below the barrier during the term, the nominal amount will be repaid at maturity. However, if the barrier is touched or breached, it is deemed to have been breached and investors will receive shares delivered to their custody account in accordance with the exercise ratio.

For investors who expect the share price of Coinbase to fall moderately or rise slightly, the **LTADYI** is an ideal way to add a return of 25.23% to their portfolio. Should the share price (USD 181.06 on 27 February) fall further and drop below the barrier price of around USD 81, the investor will receive shares, but the 23% coupon will always be paid out. The "worst-case" scenario would be a sharp rise in the Coinbase share price: should the share price rise significantly, the investor will only receive the nominal value plus the coupon. There will be no benefit from the disproportionate rise in the share price. Cosi and Quanto options have been omitted. Therefore, the issuer risk remains, and the investor also carries the currency risk.

Anyone already considering Coinbase as a potential buy will find that the **LTADYI** offers a 49% safety margin up to the barrier and is rewarded with a return of 25.2% for waiting. However, anyone not wishing to hold shares in their portfolio should, consequently, avoid the investment, no matter how attractive the return may sound. On the other hand, those who have a clear view on Coinbase and place greater weight on the coupon than on the potential price appreciation will find **LTADYI** a sensible addition to their portfolio. The simple principle applies: only invest as much so that a scenario involving the delivery of shares will not throw either your portfolio or your nerves off balance. ■

COINBASE GLOBAL

LEONTEC SECURITIES

Symbol	LTADYI
ISIN	CH1484586958
Product type	Barrier Reverse Convertible
Underlying	Coinbase Global
Issuer	Leonteq Securities
Rating	BBB- (Fitch)
PRODUCT DETAILS	
Maturity	05/17/2027
First trading day	02/19/2026
Issue price	USD 100.00
KEY FIGURES	
Ø Spread	0.83%
Spread Availability	100%
PRICE	
Ask (02/27/2026)	103.64%
Trading venue	BX Swiss
PRODUCT INFORMATION	
Web link	www.payoff.ch/LTADYI

COURSE PROGRESSION

Source: baha

"*payoff*"-ASSESSMENT

\+ high buffer
\+ attractive coupon
– currency risk

INSIDE BRUSSELS

"An SEC for Europe?"

| Thomas Wulf

The discussions around the future of ESMA are a reality check for the EU's capital market ambitions.

If one takes a look at the European Union's capital markets regulators from the outside, one gets easily confused when trying to tell apart the competences of any European regulator and its national equivalents ("NCAs" in the jargon – short for national competent authorities). The confusion starts at the naming end. While the major European regulator goes by the known acronym ESMA (banking regulator EBA; however, holds some sway too), names for NCAs range from CSSF, CMVM, CNMV to FSMA, FSA, FMA, AMF and AFM to name but a few prominent ones that are occasionally used by semi-insiders who are confused which one refers to which country. All of them are, via ESMA, also involved in European affairs. Swiss FINMA and "FISMA", by the way, are also quite close phonetically while they could not be more different in substance, with FISMA being (as you certainly know) the EU Commission's General Directorate for financial services (and markets). The challenge, though, does not only lie in deciphering acronyms. Increasingly, questions are being asked on what the specific role of a national regulator still is and – in light of the ambition of the much-heralded EU capital market's union (CMU) project – should actually be in the future. Views on this are deeply divided between market participants and public policy stakeholders, namely national governments. The challenge can be best looked at, not through the prism of the national authority's responsibilities, but

> "Any enlargement of ESMA's role cuts into that of national regulators."

rather through that of ESMA, given that any enlargement of ESMA's role necessarily cuts into the one of individual country NCAs.

The pressure comes from various sides. There is, most prominently, the obvious need to finally get things done in a global economy which is becoming increasingly fragmented. It is obvious that hardly any project in the European Union has given rise to as much applause and support at its inception as the Capital Markets Union and its recent, now somewhat ailing side-kick, the Savings and Investment Union (SIU); only to disappoint at every timeline and target repeatedly set, admittedly, with the exception of the MIFID landmark directives in 2004 and 2014. However, some readers would probably even disagree with that.

The geopolitical climate of today, however, forces every globally relevant marketplace, to which the EU, of course, belongs, to recalibrate resources and relentlessly focus on competitiveness. The snail pace of any progress so far, documented all too evidently in the famous 2025 update to the Draghi report, brings about an untenable situation. Things have to change. What is needed is, as is widely known, an adequate return of risk appetite to the EU capital markets (refer the securitisation debate) coupled with reasonably targeted regulation, borne out of a political appreciation of the financial sector as a valuable part of both economy and society. Sounds big, but individual countries investing in their financial market firepower show that it is possible as Irland, Luxembourg, Sweden, Poland and the Czech Republic have proven. Anything not fit for purpose (as the ill-suited RIS and FIDA rules, which I discussed in the last article) will have to go. My personal prediction is that, ultimately, only a kind of major leap will deliver the necessary impetus. This could be, for example, a successful introduction of EDIS (the European deposit insurance scheme), which has been discussed for years but is still being blocked for purely national reasons. This would be a signal of progress for the EU Banking Union (to which EDIS belongs as a centrepiece) and might well trigger an avalanche of knock-on projects across other areas, such as capital markets.

But back to ESMA.

While the European regulator is certainly not the prime originator of new policy proposals (which is the responsibility of the EU Commission), it has assembled under its roof a wide array of relevant competencies not all of which come into play in the current setup to the extent that they could.

There are reasons for it. The first one being that all national authorities, who are as "members" also the de facto "owners" of ESMA, are eying with great suspicion anything that may interfere with their own activities. However, many of them see that the age of only coordinating regulatory activities in the EU is reaching its limit. Cross-border investment platforms, multi-country app-based payment solutions, an array of crypto assets using cloud-anchored DLT technology, all of which operate easily across the single market in all relevant languages, simply no longer find a match in national regulators, used to dismissing what happens outside their nation's boundaries as irrelevant. Some of these regulators, however, have understood this and are even pushing for a stronger role of ESMA in clearly defined areas where a cross-border regulator obviously can act and respond more efficiently. As the discussion around the famous European Single Access Point (a central storage hub for regulatory data, which are presently spread across different documents) demonstrates: the devil lies in the details, in this case in the nightmare of amending and harmonising internal data processing routines, set up differently by each NCA. But these things can be addressed and especially at the data end – basis for any effective regulatory activity today – multi-pronged AI may be a great helper, in particular, when tackling the EU's "legal languages" challenge, something neither the US nor China have to haggle with. AI may, of course, help at many other ends, too.

The second reason for ESMA being in the focus is that the complexity of legislation visibly exceeds the technical capabilities of the EU Commission, which the latter would of course fervently deny. However, the many positions written by ESMA over the past years as a response to legislative consultations that were addressed actually at (private) market stakeholders indicate that there is something wrong. ESMA (previously CESR) was always meant to be consulted by the EU Commission as a technical advisory body by way of an institutional process. The fact that an EU authority feels compelled, when voicing a view on new legislative initiatives, to resort to answering open consultations, shows that they did not feel sufficiently listened to or (as in the Retail Investment Strategy) were not even asked to give advice in the first place. This situation is, of course, poison for good statecraft as it fosters institutional vanities and legislative inertia, which is the last thing the EU currently needs.

A final point is the market pressure itself. In a world where players increasingly look at their domestic sphere – in this context, the sense of the EU's internal market in financial services – the shortcomings, contradictions and redundancies in the existing rules and administrative procedures become all too evident and subject to increasingly vocal advocacy positions taken by the numerous private sector stakeholders. Business within the wider Western hemisphere is already challenging enough as it is; why add more red tape to the assumingly open internal market in order to protect some vested interests that most likely would get lost due to market pressure over time anyway? The "payment for order flow" topic is a stark reminder of how things can go wrong here. Should the institutions seriously engage in an effort to level the playing fields, assuring the rules are the same for all? ESMA would, of course, be their natural choice for running the exercise.

Thomas Wulf
Secretary General of EUSIPA

Finishing, as always, on a positive note, it has not gone unnoticed that the recent proposals made by the EU Commission (!) in their Capital Markets Integration Package of last December, provide ESMA with an executive board replacing their 27-member "one country – one vote" unaminity nightmare. The draft would also allow ESMA to enforce operational oversight over clearly defined parts of the EU's market infrastructure (such as crypto assets), while also removing a number of distribution obstacles held up by some national regulators via local marketing rules, on the way. This came as a pleasant surprise and has already made way for a full agenda awaiting the successor to the current ESMA chairwoman who will not renew her mandate but leave at the end of October 2026.

Your relentlessly optimistic Brussels observer,

Thomas Wulf

The article strictly and solely depicts the personal views of the author

Top 10 Underlyings and 10 Most-Traded Products

TOP 10 UNDERLYINGS LEVERAGED PRODUCTS

Underlying	CHF turnover (total)
Silver (USD)	192,287,757
Gold (USD)	111,519,372
DAX	44,132,472
Nestlé	37,038,222
SMI	26,522,030
Nasdaq 100	22,849,340
S&P 500	13,520,989
UBS	13,280,502
Dow Jones Industrial Average	12,389,736
ICE Brent Crude Oil	10,234,062

TOP 10 UNDERLYINGS INVESTMENT PRODUCTS

Underlying	CHF turnover (total)
Swissquote Ambitious Portfolio Index	35,746,976
ABB	17,337,945
Euro STOXX 50 / S&P 500 / SMI	13,152,724
European Equity Basket	7,625,643
Bitcoin	7,050,369
Bloomberg CMCI Energy EUR Monthly Hedged TR Index	6,972,676
Bloomberg CMCI Copper TR Index (USD)	6,883,582
Gold (USD)	5,138,647
SXI Real Estate Funds Broad Net Return Index	4,790,744
Astero Capital Absolute Return Index	4,220,477

MOST TRADED LEVERAGED PRODUCTS

Underlying	Symbol	Product type	Type	Issuer	Exp.	Ask	Currency	CHF Sales	Trades
Silver (USD)	FSIBLV	Factor Certificate	BULL	VT	open-end	4.48	CHF	21,868,001	130
Silver (USD)	FSIC1V	Factor Certificate	BULL	VT	open-end	28.10	CHF	21,782,875	76
Silver (USD)	FSIC3V	Factor Certificate	BULL	VT	open-end	69.20	CHF	21,160,174	50
Silver (USD)	FSIAKV	Factor Certificate	BULL	VT	open-end	55.10	CHF	14,982,867	129
Silver (USD)	FSIBBV	Factor Certificate	BULL	VT	open-end	53.95	CHF	14,738,926	77
Nestlé	SMQBRU	Factor Certificate	BULL	UBS	open-end	3.37	CHF	12,785,660	146
Gold (USD)	FGODFV	Factor Certificate	BULL	VT	open-end	188.40	CHF	10,822,010	30
Silver (USD)	FSIAMV	Factor Certificate	BULL	VT	open-end	9.96	CHF	10,392,246	49
Gold (USD)	FGOC8V	Factor Certificate	BULL	VT	open-end	105.20	CHF	9,913,863	17
Silver (USD)	FSIC4V	Factor Certificate	BULL	VT	open-end	9.26	CHF	9,054,491	56

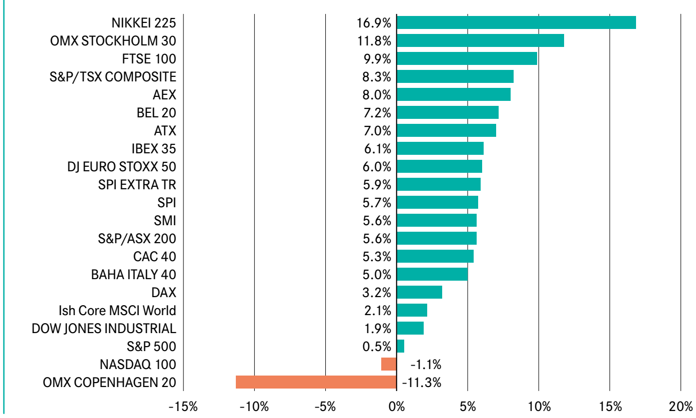
MOST TRADED INVESTMENT PRODUCTS

Underlying	Symbol	Product type	Type	Issuer	Exp.	Ask	Currency	CHF Sales	Trades
Swissquote Ambitious Portfolio Index	AMBTSQ	Tracker Certificate	BULL	SWQ	open-end	32.84	CHF	35,522,992	70
ABB	SBLRJB	Bonus Certificate	BULL	BAER	06/21/27	67.60	CHF	17,305,600	1
European Equity Basket	DAMNJB	Tracker Certificate	BULL	BAER	03/06/26	132.60	EUR	7,625,643	6
Bloomberg CMCI Energy EUR Monthly Hedged TR Index	EENCIU	Tracker Certificate	BULL	UBS	open-end	80.90	EUR	6,972,676	9
SXI Real Estate Funds Broad Net Return Index	SWIINZ	Tracker Certificate	BULL	ZKB	open-end	115.04	CHF	4,790,744	42
Bloomberg CMCI Copper TR Index (USD)	TLPCIU	Tracker Certificate	BULL	UBS	open-end	330.25	USD	4,523,139	46
Astero Capital Absolute Return Index	PACARV	Tracker Certificate	BULL	VT	open-end	109.87	USD	4,220,477	11
Swissquote Balanced Portfolio Index	BLNCSQ	Tracker Certificate	BULL	SWQ	open-end	30.24	CHF	3,998,717	44
Hawk-Eye World Index	ACVATQ	Tracker Certificate	BULL	LEON	open-end	199.56	USD	3,259,605	19
Excelsior Portfolio	EXCLSU	Tracker Certificate	BULL	UBS	12/17/32	99.60	USD	3,248,831	9

Source: *payoff.ch*; All data relates to trading volumes on the SIX Swiss Exchange over the past four weeks (1 February 2026 to 28 February 2026)

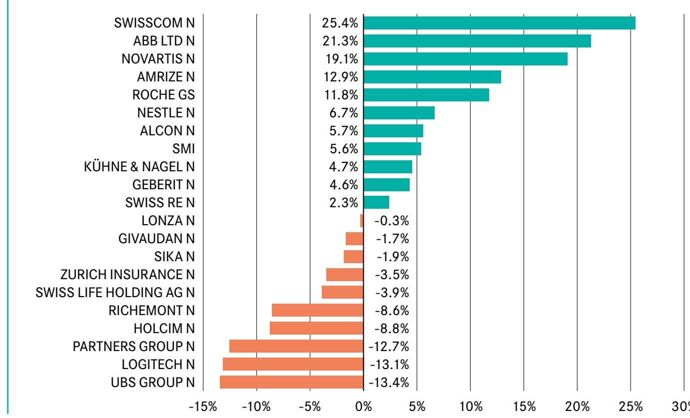
Statistics

STOCK MARKET: TOP/FLOPS 2026 IN LOCAL CURRENCY



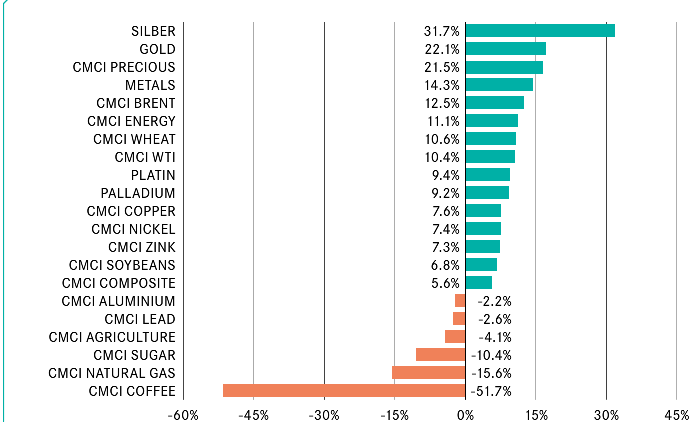
Stock markets largely continued their upward trend in February. By the end of the month, Japan's Nikkei 225 had posted the best performance since the start of the year, followed by Sweden's OMX Stockholm 30 and the UK's FTSE 100. For the previously leading OMX Copenhagen 20, the motto was "From Hero to Zero" after the turnaround at Novo Nordisk came to an abrupt halt. The Nasdaq 100 has yet to gain momentum, as the annual results of numerous tech giants triggered profit-taking. The Swiss indices showed an upward trend and moved slightly up in the rankings.

SMI: TOP/FLOPS 2026



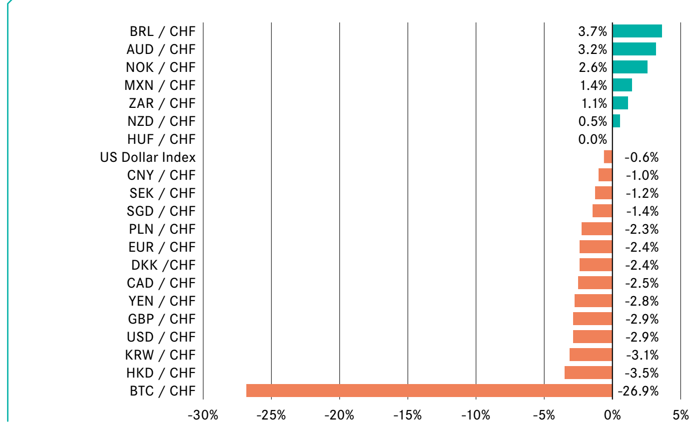
The SMI rose by 6.2% in February, more than making up for the slight decline in the previous month. On 27 February, 10 of the 20 SMI stocks were trading higher. Swisscom took the top spot, pushing ABB – the previous month's leader – down to second place. The bronze medal went to Novartis shares, which moved up two places. Partners Group, which had been in third place in January, suffered a setback. Among the losers were UBS shares, which fell from mid-table to last place, replacing Logitech at the bottom of the table.

COMMODITIES: TOP/FLOPS 2026



Commodities largely managed to hold on to the gains they had made in the previous month. At the top of the rankings at the end of February were once again the precious metals silver and gold. In third place was Brent crude oil, which benefited from tensions between the US and Iran. Among agricultural commodities, the focus was primarily on wheat, whilst among industrial metals, copper has seen the strongest demand since the start of the year. As in the previous month, cocoa ranked at the bottom of the table. Coffee and natural gas have also failed to gain much momentum so far.

CURRENCIES: TOP/FLOPS 2026



In the foreign exchange market, changes in the rankings remained within narrow limits. By the end of February, the Brazilian real had taken the top spot ahead of the Australian dollar and the Norwegian krone. These three currencies, along with the Mexican peso, the South African rand and the New Zealand dollar, have gained ground against the Swiss franc since the start of the year. The US dollar and the Hong Kong dollar continued to trend weaker. Once again, the cryptocurrency Bitcoin remained at the bottom of the table, having lost more than a quarter of its value against the Swiss franc within two months.

PMMI payoff market making index

On 27 February 2026, the market-making quality of the issuers was slightly above the level recorded at the end of January for leveraged products and slightly below that level for investment products.

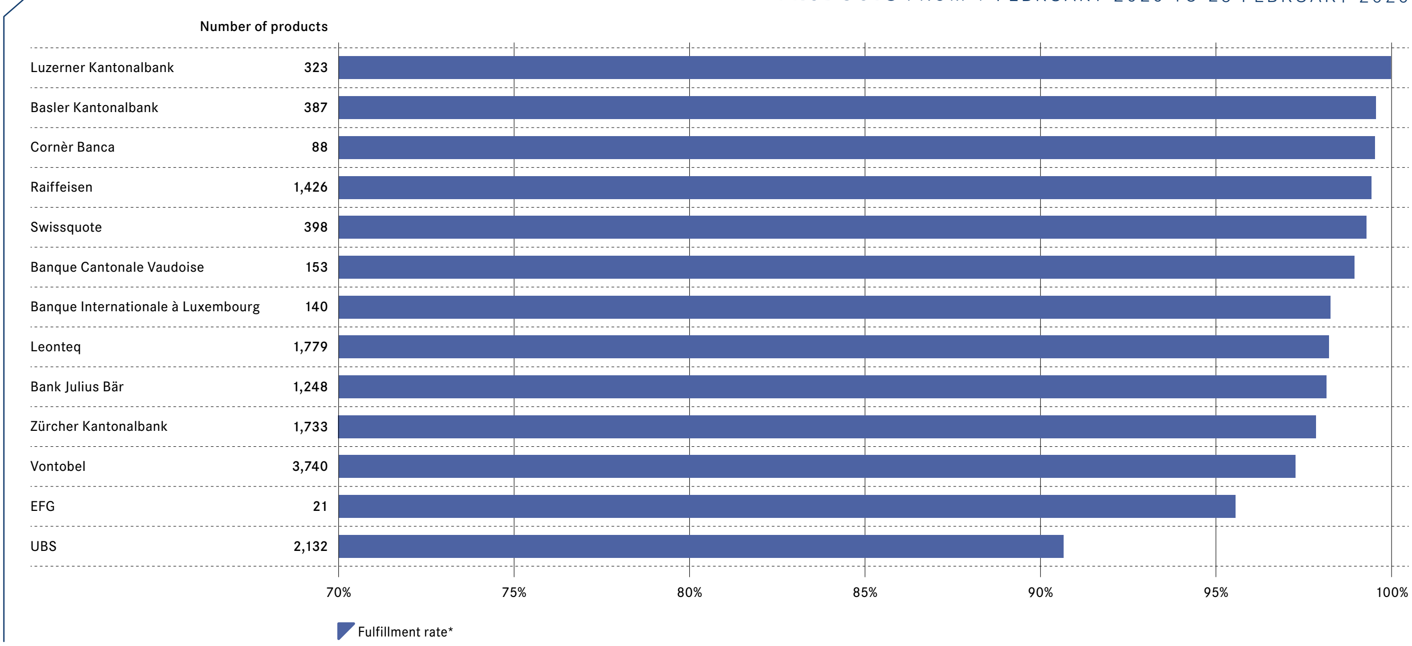
| Susan Niederhöfer

The PMMI provides an overview of the market-making quality of issuers in the Structured Products segment. In December, SIX extended trading hours for Structured Products to 8:00 a.m.–9:45 p.m. It is up to the issuers to offer their products during these extended trading hours. For the PMMI below, however, we shall only the consider standard trading hours for the time being – 9:15 a.m.-5:30 p.m.

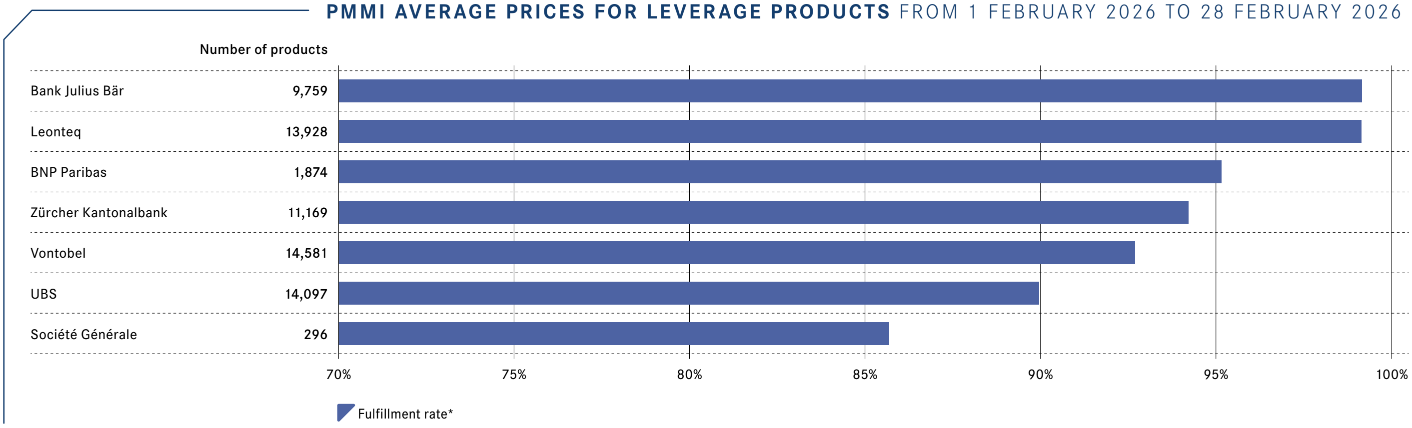
The neck-and-neck race between Leonteq and Bank Julius Bär in the leveraged products segment has intensified further – with Leonteq emerging as the winner by a margin of just 0.02 points. As investors, we are delighted with very tight spreads, consistently available volume and continuous pricing.

In the investment products category, LUKB remains at the top with over 99 points – practically unchanged. A magnificent achievement over several years. In recent months, however, a group of challengers has formed that is keen to change this. We are eager to see how this will play out.

PMMI AVERAGE VALUES FOR INVESTMENT PRODUCTS FROM 1 FEBRUARY 2026 TO 28 FEBRUARY 2026



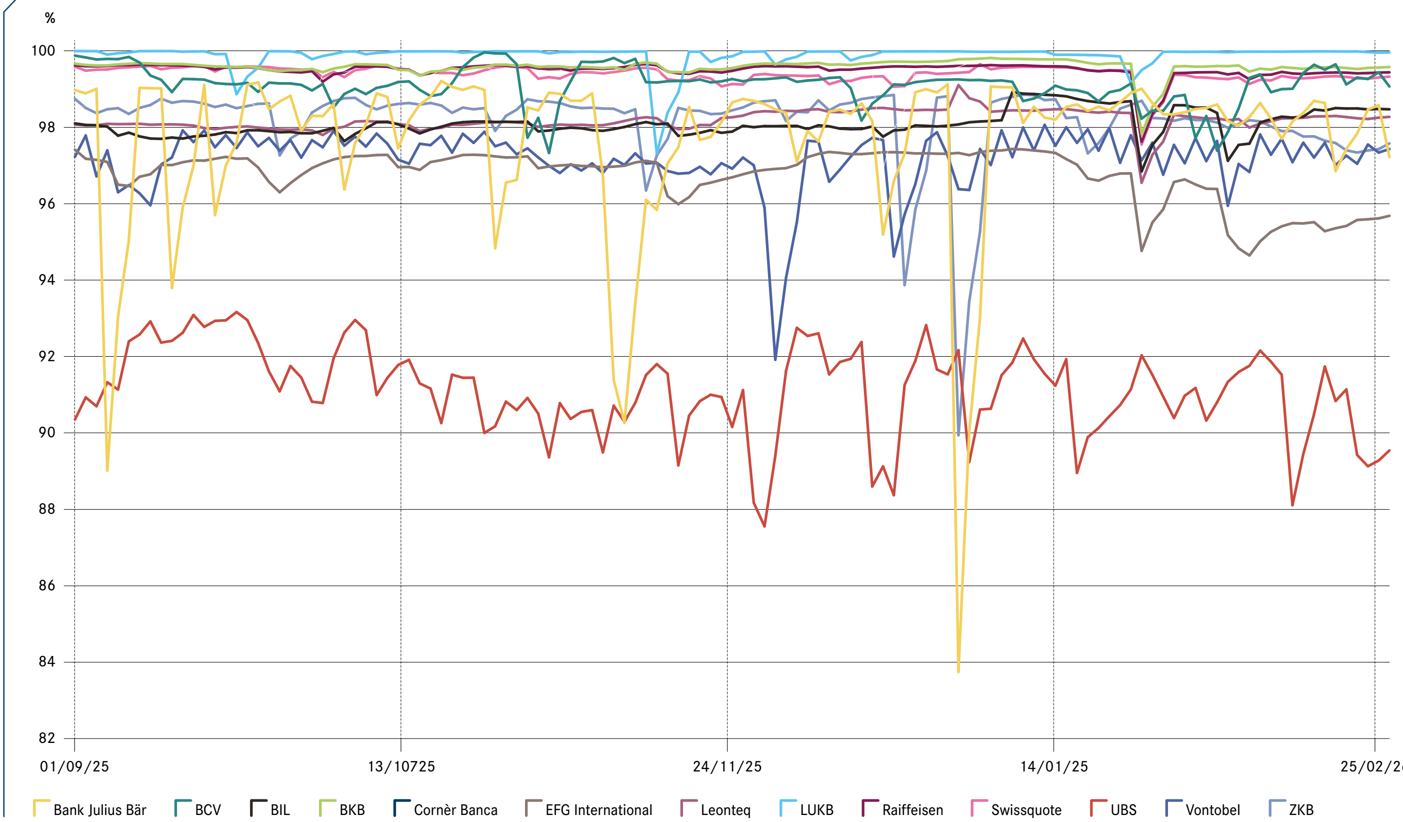
PMMI AVERAGE PRICES FOR LEVERAGE PRODUCTS FROM 1 FEBRUARY 2026 TO 28 FEBRUARY 2026



Source of all charts: *payoff.ch*

*PMMI values above 80 points are considered sufficient. Values below 80 points are considered insufficient. The creditworthiness of the respective issuer is not taken into account.

PERFORMANCE OF THE PMMI FOR INVESTMENT PRODUCTS FROM 1 SEPTEMBER 2025 TO 28 FEBRUARY 2026



PERFORMANCE OF THE PMMI FOR THE VOM LEVERAGED PRODUCT FROM 1 SEPTEMBER 2025 TO 28 FEBRUARY 2026

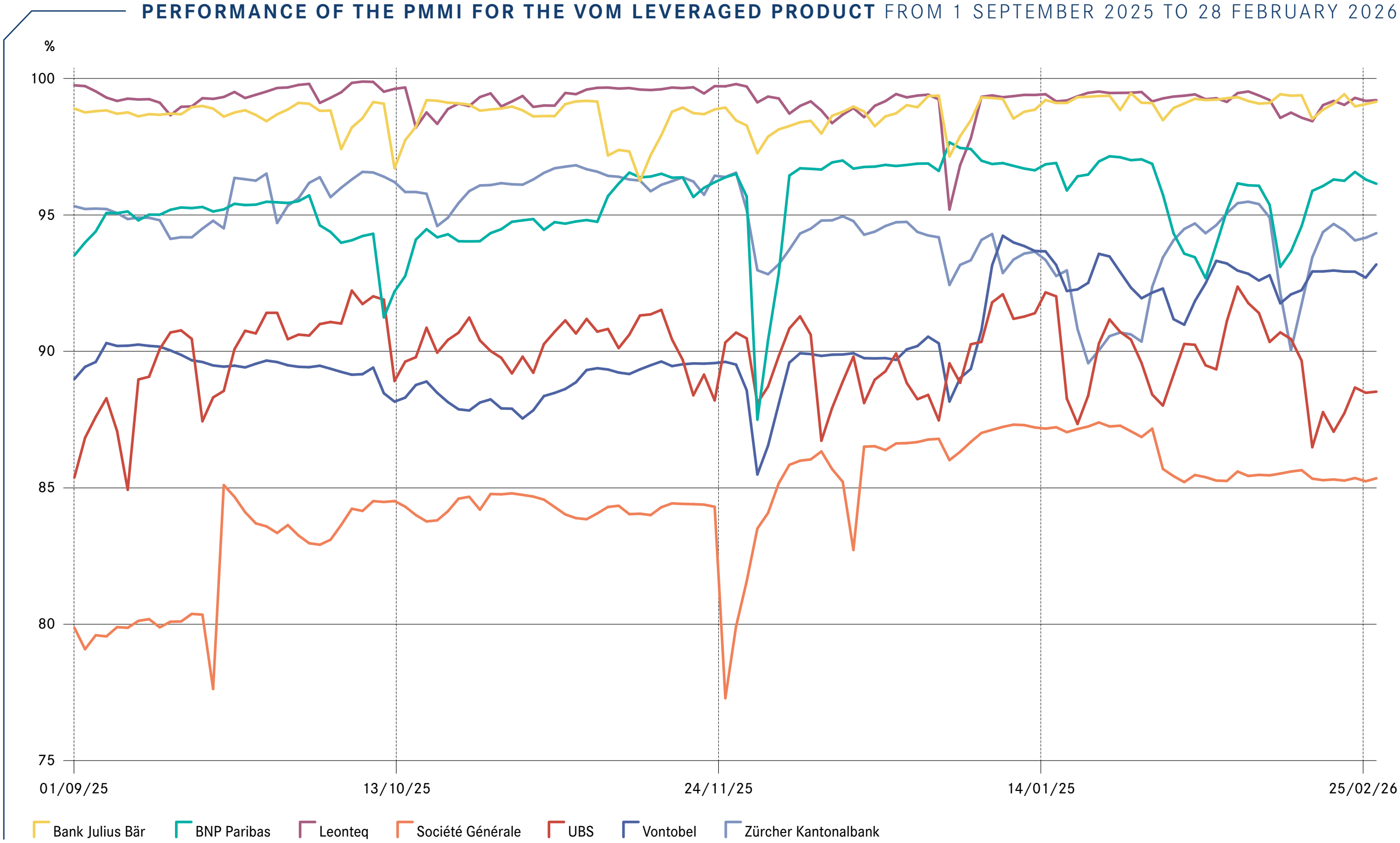
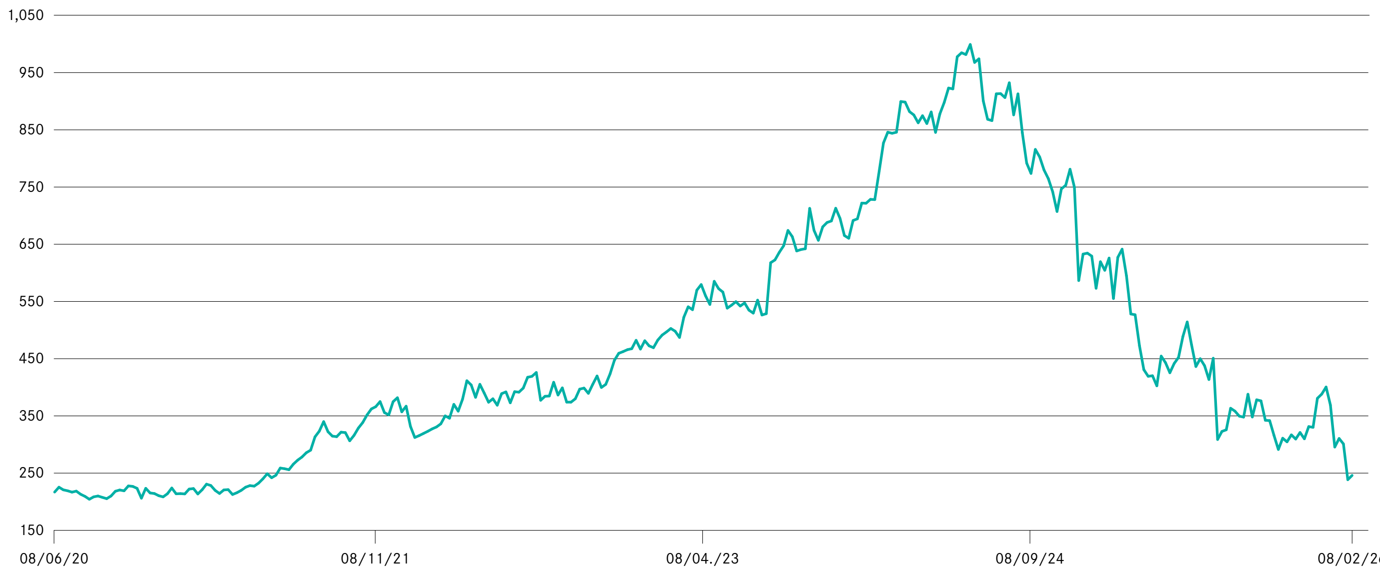
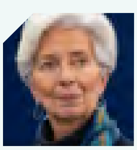


CHART OF THE MONTH 1: WEIGHT LOSS FOR PATIENTS – WEIGHT LOSS FOR INVESTORS



Source: baha

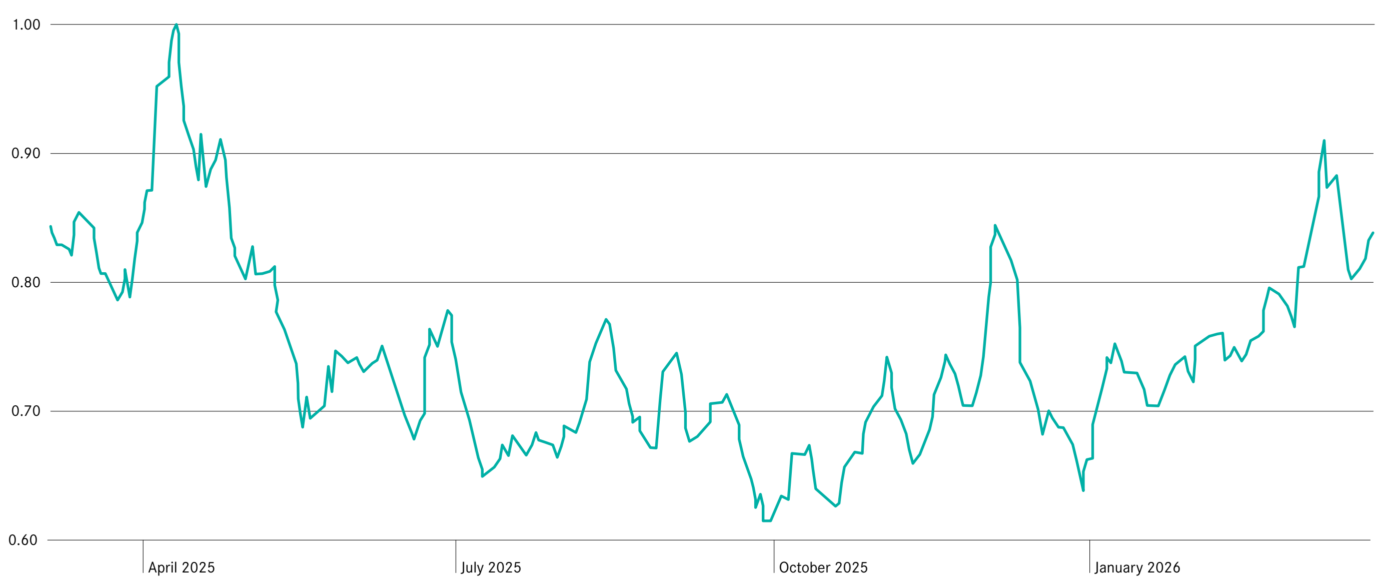
QUOTE OF THE MONTH



Christine Lagarde
President of the European Central Bank

« What we are currently seeing is that AI is increasing productivity. However, we are not yet seeing consequences in the form of waves of layoffs. »

CHART OF THE MONTH 2: FEAR & GREED INDEX – PUT AND CALL OPTIONS



Source: baha

NOTICED

Martin Raab
presents curious and thought-provoking stories from the world of finance.

Black trading gold

Brief, loud and brutal as a thunderstorm, the "Epic Fury" and "Lion's Roar" operations shook Iran and the global energy markets. Within 48 hours, the price of oil – Brent Crude and WTI – shot up like a mullah's rocket towards USD 75 per barrel. When it became clear that the Strait of Hormuz was closed to cargo ships for the time being, panic set in. Mainly due to the lack of insurance cover.

Intraday volatility on the oil market is uncontrollably high; the smoke is thick. Experienced traders are already starting their warm-up. The "war premium" traditionally disappears quickly – within days or even hours. The usual suspects from the hedge fund scene in the energy sector are currently working 24/7 on pizza and cola. Many long derivatives have already been sold today (profit-taking). Now begins part 2 of the actual trading opportunity: "The downturn". For risk-aware traders, Futures, Futures Options and Mini Futures shorts are not a risk, but an opportunity to achieve high profits.

The mechanics are simple: from the expected price peaks of USD 85–90 for WTI, the oil price is set to fall sharply. Until then, the "Crude Sharks" will wait patiently with their algorithms. Short products on oil benefit disproportionately when the underlying falls. The leverage – depending on the Knock-out barrier or strike price – transforms a moderate decline of 10% (e.g. USD 8 from USD 80) into a substantial profit. An exposure of USD 100,000 can quickly multiply many times over. The timing of entry and clear stop-loss limits are crucial. Professionals pay attention to resistance and support zones in intraday trades; Fibonacci retracements help with this.

Those who prefer a more measured approach can trade Futures Options via Swissquote or Interactive Brokers and sell initial short puts. This allows for a high volatility premium to be achieved. A sensible strike price – i.e. sufficient downside distance – is crucial. Strikes that are too close to the current price can quickly turn a supposed "winning strategy" into a fiasco. Professionals know: oil trades in the new "Gulf War III" are neither a one-way street nor a sure-fire success. The market can remain irrational for longer than many traders can stay solvent. Professional position sizing is therefore essential. However, it is already clear to many hedge funds: the profits in the summer of 2026 could be exorbitant. Carpe pretium! ■

HOT NEWS

SSPA INDUSTRY REPORT

ALL HANDS ON DECK

In February, the SSPA published the "Industry Report Q4" in collaboration with the Boston Consulting Group. With a growth of 18% year-on-year, the Swiss sector is performing strongly and offers a positive outlook for issuers and distributors. Yield optimisation remains the key focus for investors in the 4th quarter as well. Equities continue to lead the Struki underlyings, with unlisted products gaining even greater relevance. Further details can be found in the official SSPA report.

▶ www.sspa.ch/industry-report/pdf

SWISS YEARBOOK OF STRUCTURED PRODUCTS

AND THE WINNER IS: CURDIN SUMMERMATTER, ZKB

The Swiss Structured Products sector remains a sure-fire success story in 2025: demand is growing alongside an increasingly diversified range – an ideal balance of supply and demand that holds considerable potential for the future. Issues such as digitalisation, the desire for greater education from advisers, as well as central infrastructure, associations and distribution are emerging today and will continue to keep the sector on its toes. One thing is certain: clients will continue to have a keen interest in details, data and content. It is equally certain that they are in the best of hands with the 30 winners of the "Most Influential Minds" awards on the Swiss market. Congratulations to all the winners.

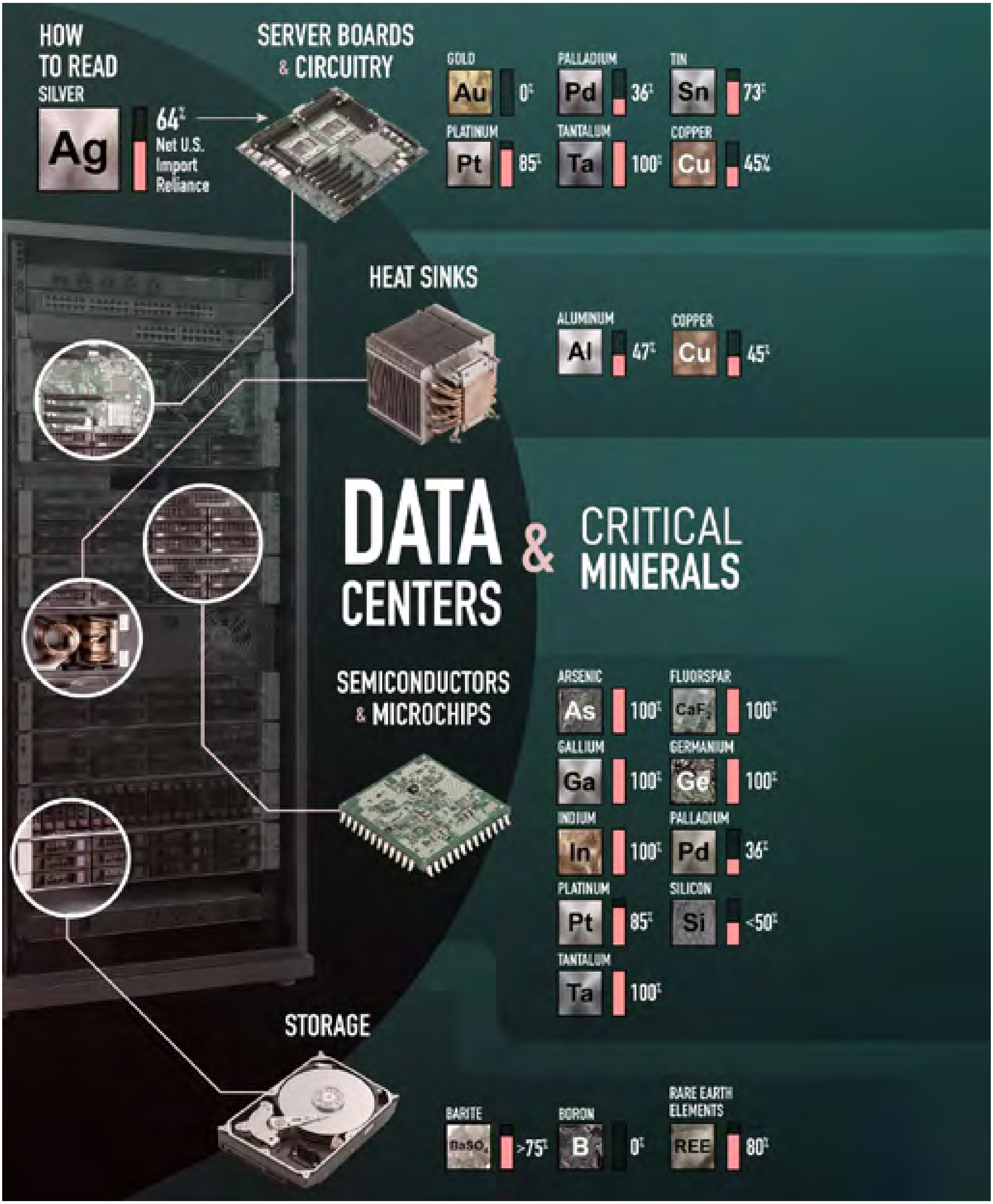
▶ www.payoff.ch/publikationen

FINANZ26

A RESOUNDING SUCCESS: CENTRAL, APPROACHABLE, COMMUNICATIVE

The participants were unanimous: this year's FINANZ was a resounding success. This was not only down to its proximity to *Paradeplatz*, but also – and in particular – to the revamped format: communication and content took centre stage, with the emphasis on exchange, discussion and interaction. We think it's brilliant and will definitely be back next year. Many thanks to the organisers and initiators.

CHART OF THE MONTH: CRITICAL MINERALS DRIVING THE AI BOOM



Source: USGS Mineral Commodity Summaries 2025; elements.visualcapitalist.com