

« Someone is sitting in the shade today because someone planted a tree a long time ago. »

Warren Buffett, born on 30 August 1930 in Omaha, United States, an American businessman, investor and philanthropist.



**Charles BOK**  
Chief Executive Officer

Dear clients, friends and readers,

It is no secret that the tensions surrounding the Iranian crisis are a source of concern not only in geopolitical terms but also in economic terms.

I do not presume to analyse the motivations of the United States and Israel in this conflict. Preventing Iran from acquiring nuclear weapons seems a sensible course of action, particularly given the hardline stance of the Islamic Revolutionary Guard Corps (the so-called Pasdaran).

Nicolas Machiavelli (a 15th-century statesman) once said, «Wars begin when you will, but they do not end when you please».

And that's exactly the problem at the moment!

Donald Trump's (deliberately?) confusing statements leave ordinary people baffled. Even though it's clear that revealing the date, location and time of a potential military operation would be foolish! 😊

Let's not forget that, for the Normandy landings, the Allies had released conflicting information to throw the enemy into confusion.

US firepower, combined with Israeli military expertise, has not yet succeeded in neutralising Iran's ability to cause harm.

The damage caused to oil and gas infrastructure in Saudi Arabia, Qatar and other Gulf monarchies is, of course, weighing on the markets.

Although recent history has shown us that major geopolitical events trigger initial reactions characterised by a period of volatility, the gradual return to trends driven by economic fundamentals tends to take hold fairly quickly.

In other words, emotion (which is perfectly natural) usually gives way to reason.

The vicious circle we currently find ourselves

caught up in is easy to understand: as Iran is a major player in the region, any escalation that could disrupt oil supplies leads to a rise in crude oil prices.

If things do not settle down soon, global inflation could skyrocket, eventually forcing monetary authorities to raise interest rates (and, in any case, putting off the expected rate cuts indefinitely).

When geopolitical tensions drag on, they eventually take their toll on business and consumer confidence.

And against this backdrop, the financial markets are experiencing a downturn, at least in the short term.

Is this serious, doctor?

At this stage, there are several factors that suggest the risks of a lasting impact should be put into perspective.

First, the global economy is entering this period with a degree of resilience (growth remains positive in many regions and corporate earnings are generally solid).

Second, the markets appear to have gained in maturity in the face of geopolitical shocks. Investors seem more composed and resilient.

The major international players, led by the United States, have every interest in avoiding an uncontrolled escalation, which, in practice, limits the risk of a major breakdown.

In this situation, investment discipline remains essential. Times of uncertainty serve as a reminder of the importance of diversification, a long-term perspective and an asset allocation tailored to each investor's profile.

Experience shows that these periods of market volatility, whilst unsettling in the short term, create entry points and opportunities for patient and disciplined investors.

Now more than ever, maintaining a long-term perspective remains the best option.



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# Economy - Markets - Strategy: trends

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2026 began on a generally positive note for the financial markets before seeing a resurgence of volatility towards the end of the quarter against a backdrop of significant geopolitical tension.

January and February were marked by positive stock market performance. The US economy continued to perform better than expected, with growth exceeding forecasts at the end of 2025 and household consumption remaining robust. In Europe, growth remained more modest, but signs of a gradual recovery began to emerge.

The appointment of Kevin Warsh as head of the US Federal Reserve (Fed), who is set to take up his post in May, was well received by the markets. Regarded as credible and committed to the central bank's independence, he embodies a sense of continuity in monetary policymaking.

Geopolitically, the incident involving the capture of Nicolás Maduro in Venezuela on 3 January attracted some attention, though it did not cause any significant disruption to the financial markets, as investors rapidly concluded that its economic impact would be limited.

On 20 February, the US Supreme Court ruled that most of the tariffs previously imposed by the Trump administration were unlawful, arguing that the authority to set tariffs lies with Congress. This decision was well received by the markets. Stung by this, Trump introduced a new blanket import tariff of 10 per cent – which was quickly raised to 15 per cent – for a maximum period of 150 days, reigniting trade uncertainties.

The end of February marked a major turning point in the Middle East, with the outbreak of open conflict involving the United States, Israel and Iran. Large-scale military operations targeted strategic Iranian infrastructure, prompting a swift retaliation and causing tensions to spread across the Gulf, with attacks on energy facilities in Qatar and Saudi Arabia. Iran also targeted the United Arab Emirates, particularly Dubai, a major aviation hub, disrupting international air traffic. At the same time, tensions

escalated in Lebanon following clashes between Israel and Hezbollah, fuelling fears that the conflict might spread across the region.

The Strait of Hormuz, through which around 20% of the world's seaborne oil passes, was severely disrupted due to Iranian threats against shipping and the suspension of insurance cover for oil tankers. The slowdown in traffic and pressure on insurance markets caused a major logistical disruption to energy flows.

The impact on the markets was immediate. Brent crude quickly broke through the \$100-a-barrel mark, despite the release of large volumes from strategic reserves. Gas prices also rose sharply. The message from the market is clear: the oil market balance depends primarily on flows, rather than inventories.

As energy prices rise, investors find themselves facing a particularly challenging environment: growth prospects are deteriorating, while central banks are facing reduced room for manoeuvre. This situation is reigniting inflationary fears and further complicating things for central banks. As long as energy prices remain high, the probability of rate cuts remains low, even though growth could be affected. This scenario entails a risk of stagflation, combining persistent inflation with an economic slowdown. Against this backdrop, the major US and European central banks kept their key rates unchanged throughout the quarter, reflecting a cautious response to mixed economic signals. Following its meeting in mid-March, the Fed stated that it expected a single rate cut of 25 basis points by the end of the year, without specifying a timeline.

Rising energy prices led to a rise in long-term interest rates, as markets priced in the risk of a resurgence in inflation. In this environment of higher interest rates, gold came under pressure, falling by 12% from its high at the end of February. Investors preferred investments that generate a return, whereas gold does not. This trend can also be attributed to profit-taking following the sharp rise seen in 2025 and during the first two months of 2026.

At the same time, the dollar regained its safe-haven status against the backdrop of the war in the Middle East, rising by 1.6% this year.

The volatility we saw in March serves as a reminder of how sensitive the markets are to energy price





fluctuations. A de-escalation in the Middle East could lead to a rapid recovery in these markets and provide support for equity markets. Conversely, a long-term disruption to oil supplies could have a negative impact

on both growth and inflation. Market corrections can present opportunities for investors who adhere to a disciplined approach and keep a long-term perspective.

### Recommended asset allocation for a MEDIUM risk investor in EUR

Asset allocation		Currency exposure	
<b>Total individual equities and equity funds (including real estate)</b>	<b>49%</b>	<b>EUR</b>	<b>82%</b>
European equities	22%	<b>USD</b>	<b>15%</b>
US equities	22%	<b>Other</b>	<b>3%</b>
Emerging market and Japanese equities	5%		
<b>Bonds and bond funds</b>	<b>33%</b>		
<b>AIFs</b>	<b>8%</b>		
<b>Miscellaneous (gold and other commodities)</b>	<b>5%</b>		
<b>Cash and money market funds</b>	<b>5%</b>		
	<b>100 %</b>		<b>100 %</b>

Guidelines for our in-house policy. For many reasons, differences, sometimes substantial, may exist between different portfolios. Drafting completed on 01/04/2026

## Indexes

EQUITIES	2026 Q1
EURO STOXX 50	-3,83%
STOXX Europe 600	-1,53%
BEL 20	-0,10%
S&P 500	-4,63%
S&P 500 Equal Weight	0,19%
NASDAQ 100	-5,98%
NIKKEI 225	1,44%
HANG SENG	-3,29%
MSCI EMERGING	-0,51%
MSCI WORLD	-3,88%

COMMODITIES (in USD)	Gold	Oil (BRENT)	Bloomberg Agriculture
As at 31/12/25	4.319,37	60,85	53,44
As at 31/03/26	4.668,06	118,35	57,22
%	8,07%	94,49%	7,07%

BONDS	2026 Q1
Bloomberg Barclays Euro Aggregate Total Return Index	-0,64%
Bloomberg Barclays US Aggregate Total Return Index	-0,05%
Bloomberg Barclays EM USD Aggregate Total Return Index	-1,35%

CURRENCIES	USD	GBP	CHF	JPY
As at 31/12/25	1,1746	0,8717	0,9307	184,0100
As at 31/03/26	1,1553	0,8735	0,9237	183,3800
%	1,64%	-0,20%	0,76%	0,34%



# Investment school: Don't panic: why is patience your best ally in turbulent times?

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Against a backdrop of international instability, marked in particular by recent geopolitical developments, financial markets are undergoing a period of severe turbulence. This sharp swing between rises and falls, often triggered by political and diplomatic announcements, presents investors with a major challenge: how to navigate an environment where uncertainty and volatility seem to be the only constants?

### The days you won't want to miss

Historically, market performance has been largely determined by just a small number of days – whether the market is rising or falling. Selling in haste means running the risk of missing out on those crucial days when the market bounces back.

Actually, missing out on the top 1% of weeks is incredibly costly. For example, we can see that \$100 invested in the S&P 500 in 1970 would be worth \$30,660 in 2024. On the other hand, if you miss out on the top 1% of weekly returns, the value drops to \$3,270.

### The cost of frequent transactions

Furthermore, several empirical studies suggest that, generally speaking, investors who sell and buy the least often tend to achieve the highest returns. It has been shown<sup>1</sup> that US investors' portfolios underperformed the S&P 500 by an average of 5.5%. This difference in performance can mainly be explained by two factors. First, impulsive buying and selling, driven by the fear that market volatility can trigger, and second, the resulting transaction costs, which have a substantial negative impact on total returns.

### Returns for patient investors

For example, the 2020 health crisis is a perfect illustration of this mechanism. After the S&P 500 plummeted by 34.9% in the space of a few days, there was a great temptation to liquidate positions to cut losses. Nevertheless, the index ended the year with a positive return of nearly 18%, driven by rebounds. Maintaining a constant exposure allowed investors to capture the positive effects of market rebounds and achieve an annualised return of 13% between 2020 and 2024, while portfolios that saw capital outflows at the height of the panic posted an annualised return of just 2.8%.

### Lessons for the future

In the current climate of uncertainty, it is worth remembering that, historically, staying patient has statistically been the most profitable approach. Therefore, keeping a long-term perspective and making clear-headed decisions are key to navigating these cycles with confidence.

<sup>1</sup> DALBAR, Inc. (2024, 11 April). DALBAR releases 30th annual QAIB report: Investor behavior continues to hinder returns [Press release]. <https://www.qaib.com>

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