

Monthly Bulletin February 2026

Global equity markets delivered a mixed picture in February 2026. A strong start was followed by declines driven by concerns over import tariffs, geopolitical tensions, and a steady stream of corporate news. Notably, the US technology index Nasdaq fell by almost 4%. Investment fund Hoofbosch closed the reporting month at €256.41 (+3.88%). This represents an all-time high if we take into account dividends paid out. The performance was driven primarily by the strong Swiss franc and rising share prices of, among others, Lindt & Sprüngli and PepsiCo. While the US dollar remained more or less stable over the period, the Swiss franc strengthened markedly towards the end of the month, reaching a historic high against both the euro and the dollar. More on this later.

War in Iran

Attempting to trade on unpredictable geopolitical events is generally inadvisable, as market movements can reverse rapidly. Shifting focus away from higher-risk sectors such as technology towards, for example, energy already seemed prudent prior to the outbreak of the latest conflict. As of Monday, 2 March 2026, we can conclude that the ongoing war in Iran is having a minimal impact on our portfolio. We are monitoring developments on a minute-by-minute basis. With the appropriate caveats, our overall expectation is that developments will ultimately prove to be more positive than negative for our portfolio. Points of reference include a stronger dollar and Swiss franc as safe-haven currencies, as well as a higher oil price.

AI Bubble?

'The enemy always comes out of the sun.' Fighter pilot Biggles in W.E. Johns' books

We deliberately refrain from answering the question whether there is an AI bubble in 2026. That is something that can only be established with certainty in hindsight. What we can say is that George Noble has observed that investors are crowded into seven stocks – the so-called Magnificent 7 (Apple, Microsoft, Alphabet, Amazon, Meta Platforms,

Nvidia and Tesla) – while ignoring thousands of other equities. In the 1980s, George Noble was a close associate of legendary investor Peter Lynch (read his books!). In our view, Noble has become one of the world's foremost visionaries. His contrarian stance on the AI theme resonates with us. Noble states: 'When everyone believes the same story, when valuations price in perfection, when "this time is different" becomes consensus ... the game is over. The Magnificent 7 spent approximately \$380 billion on AI infrastructure in 2025. CFOs across America cannot point to any measurable return – no productivity gains, no labor cost savings, no acceleration in revenue growth. Only massive capital expenditure and promises of transformation coming soon. We have seen this before. In 2000, during the dotcom bubble, everyone knew the internet would change everything. They were right about the technology, but they were wrong about timing and valuations. The few companies that ultimately survived needed 15 years to reach new highs. And what is happening now? The Magnificent 7 companies are already beginning to underperform. Since October 2025, the remaining 493 stocks in the S&P 500 have outperformed the Magnificent 7. And yet the Magnificent 7 is still priced as though the AI transformation is happening right now. Goldman Sachs recently stated that a measurable impact of AI on US GDP would not be visible until 2027/2028 at the earliest. That represents a gap of two to three years between high expectations and reality. Markets do not wait politely once they realize they have got it wrong.' Noble does not expect a crash or a crisis: 'Simply a gradual recognition that the future will take longer than the current share prices of the Magnificent 7 imply.'

Circular Financing

George Noble has also levelled sharp criticism at what he describes as vendor financing by Magnificent 7 companies, disguised as venture capital. This phenomenon also contributed to the collapse of the dotcom bubble at the turn of the century. Today, we see it most clearly in connection with OpenAI, the creator of ChatGPT. One example: Amazon invests \$50 billion in OpenAI, while OpenAI commits to spending \$100 billion on Amazon Web Services. Another one: Nvidia invests \$30 billion, and OpenAI pledges to purchase 3 gigawatts of Nvidia computing capacity. In short, Amazon and Nvidia are paying OpenAI to buy their own products. Noble finds this extraordinary: 'The market is very slowly beginning to realize this.' His advice: 'Investors would be well-advised to avoid the AI hype and shift focus to other areas of the market before the tide definitively turns.'

'This Time Is Different'

Alongside 'One Up on Wall Street' by the aforementioned Peter Lynch and 'Richer, Wiser, Happier' by William Green, 'This Time Is Different' by Reinhart and Rogoff is one of our favorite investment books. This last title in particular (published in 2009) is well worth reading – or re-reading – in the context of the possible AI bubble. The central thesis of the book is simple yet powerful: every financial crisis is preceded by the

conviction that 'this time is different'. The authors regard the narrative of 'this time is different' as one of the most important signals of a bubble in the making, accompanied as it always is by familiar rationalizations such as: 'This new technology changes everything.' Ultimately, however, just like George Noble, these authors conclude that valuation is what matters most. Translated into the present: even if AI is truly transformational – and we are convinced it is – that does not mean that current valuations are rational. In short, a highly valuable book, full of warnings against overconfidence: 'Human behavior does not change. Greed and over-optimism remain constant.'

Microsoft

As previously mentioned, we hold a mid-sized position (approximately 5%) in Microsoft. This company is a Magnificent 7 stock. However, unlike the other six, it is attractively valued in our opinion. The current price-to-earnings ratio stands at approximately 23. Over the past 15 years, this ratio has moved between a low of 21 and a high of 41, with an average of 31. The current valuation is therefore substantially below the historical average. Furthermore, Microsoft is well known for its consistent dividend growth. This is an important quality indicator for us. Microsoft has now increased its dividend for more than 20 consecutive years.

Import Tariffs Declared Unlawful

The United States Supreme Court has declared a significant portion of Donald Trump's import tariffs to be unlawful. One of the immediate consequences could well prove beneficial for the US economy and the dollar. How so? To date, the US Internal Revenue Service has collected approximately \$160 billion in additional levies. More than 900 companies have already filed lawsuits to recover these funds. Combined with lower taxes for Americans – which are set to take effect retroactively from the beginning of 2025, resulting in substantial rebates being received by households in the coming weeks – this could provide a further boost to the economy and rekindle debate within the Federal Reserve over potential interest rate increases.

Federal Reserve

US inflation will fall to 2%, but this may occur more slowly and in a more uneven manner than previously anticipated. That was arguably the most significant takeaway from the minutes of the Federal Reserve's latest rate-setting meeting. Some members of the central bank's rate committee are openly questioning whether interest rates may need to rise rather than decline in the future – particularly now that the economy may receive an unexpected stimulus in the wake of the Supreme Court ruling. We view the debate around

a possible rate increase as an additional signal that investors can have confidence in the Federal Reserve's capacity to implement the appropriate policy to combat inflation in the United States. Should expectations grow that the Fed will need to raise rates, this could prove positive for the value of the dollar.

European Central Bank

Two ECB-related developments in February were far more contentious and noteworthy than the interest rate decision itself (rates were again left unchanged at 2%). At the EU leaders' summit on how to make EU economies more innovative and competitive (our suggestion: look at Switzerland and the Netherlands and do the same – no need for lengthy reports and endless meetings), the ECB stated that eurobonds – i.e., joint borrowing – are a prerequisite for further integration. By intervening in such politically charged matters as the architecture of the EU, the ECB has strayed far beyond its mandate and has once again demonstrated that it is not an independent institution but one that engages in politics. Furthermore, the British newspaper the Financial Times reported that Christine Lagarde, President of the ECB, is considering an early departure, enabling French President Macron to have a say in appointing her successor before his own term ends in spring 2027. A few days earlier, the Governor of the French central bank had also announced his departure – officially to pursue another opportunity, but analysts saw it for what it was: granting Macron the ability to appoint the next most senior central banker rather than leaving that decision to his successor. Politics with a capital P in both cases, in our view, and yet further confirmation of why we regard the euro as a long-term risk.

Swiss Franc

The Swiss National Bank is failing. Yes, that can happen, but in this case, failure is good news. The bank in Zurich cut interest rates to 0% last year in an attempt to curb demand for the franc. Amid geopolitical uncertainty and rising tensions, many investors have sought refuge in the world's strongest currency – traditionally the safe haven of choice in such times. This flight to the franc has driven the currency ever higher. To make it as unattractive as possible, the central bank cut rates to 0%. However, this has not had the desired effect. Against both the dollar and the euro, the franc has never been stronger than it is now. It would not surprise us if the Swiss National Bank were to take rates into negative territory this year. Even in that scenario, we do not expect demand for the franc to diminish significantly. A structurally strong currency, underpinned by a robust, innovative economy and sound public finances, cannot be concealed – not even by negative interest rates.

ABB

As previously reported, Hoofbosch recently added Scandinavia to the SUN universe. In February, we acted on this by adding the Swiss-Swedish company ABB to the portfolio. ASEA Brown Boveri – as the company is formally known – is the product of the 1988 merger between the Swedish company ASEA and the Swiss company Brown, Boveri & Cie (BBC). The history of the predecessor companies stretches back 140 years. ABB – with its motto 'Designed to Outrun' – is a technology and engineering group that helps industrial companies worldwide to automate their processes and operate more efficiently and sustainably. Its activities span data centers to shipping and ports, railways to buildings, and manufacturing to renewable energy. ABB is, among other things, the world's largest supplier of components for the electricity grid – highly relevant at a time when most countries are grappling with grid congestion. The company is renowned for its innovative capabilities, has a strong balance sheet, and is classified as 'solid' based on our methodology. With ABB in portfolio, Hoofbosch is investing in the further development of energy infrastructure through a leading and financially robust player in this area.

Aegon

The most recent addition to the Hoofbosch portfolio reported robust results for the second half of 2025. All financial targets were met or exceeded. In a recent conversation with the company, we were told that analysts had likely viewed Aegon's previously communicated guidance as conservative and had therefore anticipated even more. We believe the market also finds it challenging to estimate the non-operational costs associated with the relocation to the United States. These factors contributed to a decline in the share price following the announcement of the results. Operational profit rose by 11%, with a notable increase in both the number of new policies and their average size in the United States. We are confident that Aegon's strategic focus on this market will bear fruit, both operationally and in terms of visibility among international investors. The share closed the month 2% lower.

PepsiCo

PepsiCo reported revenue growth of 5.6% for the fourth quarter of 2025 and earnings per share of \$2.26, exceeding analyst expectations. The company reported significant productivity improvements that led to an expanded operating margin and helped finance investment in innovation and brand support. PepsiCo also demonstrated the ability to implement price increases. The company intends to further focus on developing new products in growth markets such as energy drinks and fiber- and protein-enriched snacks. Dividend was raised for the 54th consecutive year. The share rose by more than 10% during the month.

Shell

Shell reported solid, though mixed, results for the final quarter of 2025. Earnings and cash flow remained at a strong level, supported in part by robust performances in Upstream and Integrated Gas, despite lower energy prices. Shell also raised its dividend by 4% and continued its \$3.5 billion share buyback program – now the 17th consecutive quarter in which buybacks have exceeded \$3 billion. Strategically, the company took clear steps by divesting several non-core assets, including interests in Nigeria, Canadian oil sands, and a refinery in Singapore, while simultaneously strengthening its LNG position through an acquisition in Singapore. Shell closed the month more than 8% higher.

Vopak

Rotterdam-based tank storage giant Vopak recorded record profits for 2025. Gross operating profit (EBITDA) rose by more than 4% to €1.18 billion, the highest level ever recorded. Vopak's dividend is to be increased by 12.5% to €1.80, with annual increases of 5% or more projected thereafter. A compelling demonstration of corporate solidity. The company also announced a share buyback of €500 million, representing 10% of total shares and 20% of freely tradeable shares. As a result, the stake held by major shareholder HAL will increase from 52% to 58% – effectively a quiet takeover of Vopak by HAL. Vopak closed the month 10% higher.

HQ

Nieuwe Gracht 23
2011 NC Haarlem
(023) 202 1881

Rotterdam Office

Marie v. Eijdsen-Vinkstraat 299
3066 JB Rotterdam
(010) 751 2881

Almere Office

P.J. Oudweg 4
1314 CH Almere
Kantoor: 22.22
06 – 19 60 27 90

[Aanmelden presentatie](#) [Afmelden nieuwsbrief](#)

[Hoofbosch.nl](#)