

NIC

— Nova Investment Club —

Newsletter

April 2026



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Foreword

This Month:

In our Macro Overview section, analysts from the Financial Markets Division will cover broad macro themes while reviewing major economic news from the past month. In our Deeper Dive section, Niklas Kaminski examines how escalating Gulf tensions and the resulting oil price shock are reshaping Europe's economic outlook and financial markets.

Our Investment Banking Division will guide you through March's overall M&A activity. Read about the combination of Unilever Foods with McCormick and IBM completing the acquisition of Confluent. Additionally, get a detailed overview of what happened to Stryker and read expert insights about Europe's defence spending supercycle and its capital markets implications.

Our Financial Markets Division will present the monthly results of the NIC Fund, an active relative return fund investing across three different asset classes: Equities, Fixed Income, and Commodities. The analysts will also provide commentary on each of the three major asset classes including Currencies through an analysis of the past month's major market moves. The overall performance of the NIC Fund in March was negative, with a cumulative return of -4.55%.

Our Private Equity Division will cover global and European trends in private equity transactions and investments, followed by brief insights into some top deals. Read about WCAS and Robert Ortenzio taking Select Medical private and Ecobat acquiring CoolIT.



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Macro Overview

Monthly

April 15th, 2026

Deeper Dive

Gulf Conflict Drives Oil Price Surge and Exposes Europe's Energy Vulnerability

— p.2

Market Moves

% change	Last Close	-1W	-3M	YTD
S&P 500	6,529	-0,42%	-4,63%	-4,63%
DJIA	46,342	0,47%	-3,58%	-3,58%
Nasdaq	21,591	-0,79%	-7,11%	-7,11%
MSCI World	4,377	-0,09%	-0,98%	-0,98%
MSCI EM	4,427	-1,36%	-1,64%	-1,64%
Russell 2000	2,496	-0,36%	0,58%	0,58%
Euro Stoxx 50	5,570	-0,21%	-3,83%	-3,83%
FTSE 100	10,176	2,12%	2,47%	2,47%
Nikkei 225	51,064	-2,27%	1,44%	1,44%
Hang Seng	24,788	-1,10%	-3,29%	-3,29%
Dollar Index	99,96	0,53%	1,67%	1,67%
EUR/USD	1,155	-0,47%	-1,64%	-1,64%
GBP/EUR	1,145	-0,91%	-0,20%	-0,20%
GBP/USD	1,323	-1,37%	-1,84%	-1,84%
USD/JPY	158,720	0,01%	1,28%	1,28%
USD/CHF	0,800	1,43%	0,87%	0,87%
Brent Crude	118,350	13,26%	94,49%	94,49%
Gold	4,647,600	5,58%	7,06%	7,06%

Generic Bond Yields

change in bps	Last Close	-1W	-3M	YTD
US 10Y Yield	4,3	-4,3	15,0	15,0
GER 10Y Yield	3,0	-2,3	14,9	14,9
JPY 10Y Yield	2,4	8,8	28,8	28,8
UK 10Y Yield	4,9	-4,2	43,7	43,7
PT 10Y Yield	3,5	-5,9	30,0	30,0

*Source: Bloomberg, as of 2026-03-31

In Focus

March

Strait of Hormuz Closure Triggers Worst Energy Shock Since the 1970s. The effective halt of tanker traffic through the Strait of Hormuz through which roughly 20% of the world's oil normally flows triggered what the IEA described as the largest supply disruption in oil market history. Brent crude surged 63% in March, its strongest monthly gain since the 1970s, while WTI rose 51%, as markets priced in a large geopolitical risk premium tied to export availability and shipping disruption.

Federal Reserve Holds Rates Steady as War Complicates Policy Outlook. The FOMC voted 11-1 to hold the federal funds rate at 3.5%-3.75% at its March 18 meeting, as policymakers navigated elevated inflation, a softening labor market, and the ongoing Iran war. Both PCE and Core PCE inflation projections were revised up to 2.7% for 2026, while the dot plot continued to signal just one rate cut this year, with timing remaining unclear.

Court Blocks Trump's Criminal Probe of Fed Chair Powell, Succession Uncertainty Grows. On March 13, US District Judge James Boasberg quashed DOJ subpoenas targeting Fed Chair Jerome Powell, ruling they were designed to pressure Powell into cutting rates or resigning rather than serve a legitimate legal purpose. The DOJ plans to appeal, while Senator Thom Tillis has vowed to block the confirmation of Trump's chosen successor Kevin Warsh until the probe is resolved, leaving the Fed's leadership in limbo.

Micron Posts Record Q2 Results as AI Drives Unprecedented Memory Demand. Micron Technology reported Q2 FY2026 earnings of USD 12.2 per share on March 18, beating analyst expectations of USD 8.6 by nearly 42%, with revenue reaching a record USD 23.9 bn up 196% YoY and the fourth consecutive quarterly record. Third-

quarter guidance of USD 32.8-34.3 bn in revenue also far exceeded the consensus estimate of USD 22.4 bn. Despite the blowout results, the stock fell nearly 4% on the day, as broader geopolitical uncertainty and inflation concerns weighed on investor sentiment.

US Labor Market Stabilises in March After Dismal February. February non-farm payrolls fell by 92,000 well below the consensus estimate of a 50,000 decline marking the third contraction in five months, as the unemployment rate edged up to 4.4%. March provided a sharp rebound, with 178,000 jobs added against a forecast of just 60,000, pushing unemployment back down to 4.3%, though most economists cautioned that the full impact of the Iran war on hiring and investment decisions had yet to appear in the data.

OpenAI Closes Largest Private Funding Round in History at USD 852 bn Valuation. On March 31, OpenAI closed a record USD 122 bn funding round, at a post-money valuation of USD 852 bn, anchored by USD 50 bn from Amazon and USD 30 bn each from Nvidia and SoftBank. The company reported monthly revenue of USD 2 bn and over USD 900 m weekly active users, and is preparing for a potential IPO as soon as the second half of 2026.

Mastercard Acquires BVNK in Largest Stablecoin Deal on Record. On March 17, Mastercard announced an agreement to acquire BVNK, a stablecoin infrastructure platform operating across 130+ countries, for up to USD 1.8 bn the largest stablecoin acquisition on record. The deal aims to connect Mastercard's global fiat network with on-chain payment rails, reflecting growing institutional conviction in stablecoins as a payments layer, with digital currency volumes reaching at least USD 350 bn in 2025 according to BCG.

Vivien Scaife Gibson
Financial Markets Division

Deeper Dive

Gulf Conflict Drives Oil Price Surge and Exposes Europe's Energy Vulnerability



Niklas Kaminski
Investment Banking Division

“A further cliff edge is also approaching: global oil reserves are being drawn down, and the last LNG tankers that loaded in the Gulf before the war are now reaching their destinations, meaning the full impact of lost supply is only about to be felt.”

– Christine Lagarde,
President, European
Central Bank

The military operation Epic Fury, launched on 28th of February 2026 by the US and Israel against Iranian infrastructure, followed by Iranian retaliation targeting Israel, US assets, and civilian infrastructure across Gulf states, triggered a sharp reassessment of geopolitical risk across global financial and energy markets.

This dynamic intensified when Iran formally declared the closure of the Strait of Hormuz on 2nd of March 2026, removing an estimated 12.0 m barrels per day from global supply, equivalent to around 12% of world production. Vessel traffic fell abruptly from roughly 138 ships per day to only two, while close to 1,000 vessels accumulated near the passage within a week, heightening expectations of a severe and prolonged disruption. In response, Brent crude prices rose from USD 72.48 on 27th of February 2026 to USD 112.57 per barrel by 27th of March 2026, with intramonth highs reaching USD 119.50. This development reflects a sharp reassessment of supply risk in global energy markets. Overall, Brent increased by around 51% during March, surpassing the previous monthly record of around 46% observed in September 1990 following Iraq's invasion of Kuwait and the onset of the First Gulf War. Additionally, this reassessment of energy supply risk translated directly into capital markets, as the S&P 500 declined by 5.09% in March 2026, marking its largest monthly loss since March 2025, whereas the Euro Stoxx 50 fell by 9.26%, representing its steepest monthly decline since March 2020 at the onset of the Covid-19 pandemic.

The implications were particularly severe for Europe due to its structural dependence on external energy sources. The EU energy import dependency rate stood at about 57% in 2024, while import volumes declined by only roughly 0.6% in 2025, leaving the region highly exposed to external shocks, especially those linked to the Strait of Hormuz. Around 6.20% of EU crude oil and around 8.70% of LNG imports transit this

route. This exposure translated into rapidly rising energy costs across the region. In Germany, diesel prices increased from EUR 1.72 on 27th of February 2026 to EUR 2.29 per litre by 31st of March 2026, reflecting the direct pass-through of higher crude prices into consumer markets. Italy was similarly vulnerable, as nearly 45% of its LNG imports originate from Qatar, where production disruptions contributed to a 4.55% decline in the Italian equity market on 20th of March 2026.

Consequently, the surge in energy prices translated directly into broader inflationary pressure across Europe, as higher fuel costs fed into transport and subsequently into consumer prices. Hence, inflation in the euro area rose to 2.50% in March 2026 from 1.90% in both January and February 2026, marking a clear shift from previously stable price dynamics. This development significantly constrains the ECB's monetary policy flexibility, as rising inflation limits the scope for supportive measures despite weakening growth conditions. As Frank Elderson, Executive Board member of the ECB, noted, Europe's dependence on foreign energy complicates the task of maintaining price stability. The current environment is therefore increasingly characterised by stagflationary pressures, with elevated energy prices driving inflation while simultaneously weighing on economic activity, creating a persistent and difficult policy trade-off and increasing the risk of prolonged economic strain.

Looking ahead, the trajectory of the conflict remains a key determinant of European economic stability. Key uncertainties include whether a ceasefire can be achieved and sustained, and on what terms the Strait of Hormuz may fully reopen. For Europe, these developments are critical, as the normalisation of stable energy flows will determine whether current inflationary pressures and growth risks persist or gradually recede over the coming months.

Niklas Kaminski
Investment Banking Division

Macro Overview

Economic Calendar

Economic and Political Events

Iran Ceasefire Negotiations

Following the announcement of a two-week ceasefire on 8th April, negotiations between the U.S. and Iran remain ongoing. The lack of a clear agreement highlights ongoing tensions, with further escalation posing risks to global energy markets and inflation.

Hungary Election Outcome

Parliamentary elections held on 12th April resulted in the end of Viktor Orbán's long-standing leadership. The outcome signals a potential shift toward closer alignment with the EU, with implications for European politics and relations with Russia.

IMF & World Bank Spring Meetings

The IMF and World Bank Spring Meetings from 13th to 18th April will focus on global growth, inflation, and rising debt levels. Updated forecasts may highlight the impact of geopolitical tensions and higher energy prices on the global outlook.

Central Bank Decisions

Bank of Japan Interest Rate Decision

The Bank of Japan will announce its decision on 28th April. After holding rates at 0.75% in January and March, markets expect a hike to 1.00% with a 65% probability, as persistently negative real rates increase pressure to tighten policy.

U.S. FED Funds Rate Decision

After cutting rates to 3.75% in November 2025, the Federal Reserve has kept policy unchanged throughout 2026. At its meeting on 29th April, markets expect rates to remain on hold, as uncertainty surrounding the Iran conflict complicates the inflation outlook and supports a cautious stance.

ECB Monetary Policy Decision

The European Central Bank has kept its policy rate steady at 2.15% since June 2025. At its meeting on 30th April, markets expect no change, despite rising inflation in the euro area driven by higher energy prices following the Iran conflict.

Inflation and Deflation

Update on U.S. Inflation

Data released on 10th April showed that U.S. CPI inflation rose to 3.3% YoY in March, up from 2.4% previously. The increase was mainly driven by a sharp rise in energy prices, particularly gasoline, reflecting supply disruptions linked to the Iran conflict.

UK Inflation Rate

UK inflation data to be released on 22nd April is estimated to rise to around 3.4%, up from 3.0% in the previous two readings. This could have important implications for the Bank of England's interest rate decision on 30th April, potentially delaying policy easing.

Germany Inflation Data

Germany's inflation data to be released on 29th April is expected to rise to 3.3%, up from 2.7% previously. The increase would likely be driven by higher energy prices, with Germany's strong dependence on energy imports making it particularly vulnerable to price pressures following the Iran conflict.

Labour Market

U.S. Non-Farm Payrolls

Data released on 3rd April showed that the U.S. economy added 178K jobs in March, rebounding from -133K in February and exceeding expectations of 60K. The strong increase reflects resilient labour market conditions, partly supported by the reversal of strike-related effects.

Canada Unemployment Data

Canada's unemployment rate remained unchanged at 6.7% in March, marking the second consecutive month at this level. Data released on 10th April came in slightly below expectations of 6.8%, pointing to a stable labour market with modest job growth.

UK Unemployment Rate

UK unemployment data to be released on 21st April is forecasted to rise slightly to 5.3%, up from 5.2% in the previous two readings. The increase would signal a gradual softening of the labour market, despite employment remaining relatively stable.

Investment Banking

M&A

Overall Activity

Global

Global M&A activity reached USD 437.7 bn in March of 2026, with the aggregate deal value falling by 14.18% YoY and the number of transactions decreasing by 6.33% YoY. Compared with the previous month, deal value dropped by 41.78%, while the number of deals increased by 20.80%. Dealmaking remained concentrated on larger transactions in March, with several sizeable deals being announced despite the softer monthly comparison. These included the business combination of McCormick and Unilever's Food Business, and the buyout of the US utility provider AES by a consortium of institutional investors. There was a notable acceleration in deal activity in the consumer staples and financial sectors in March 2026, as well as continued large-scale investment in the technology sector, specifically in firms within the artificial intelligence value chain. The outlook for the rest of 2026 remains positive, despite growing concerns about deteriorating financing conditions amid rising market uncertainty regarding the potential impact of prolonged oil price volatility on central bank decisions throughout the year.

Selected Regions

North America

M&A activity in North America amounted to USD 210.9 bn, with deal value down by 30.93% YoY and deal count lower by 1.67% YoY. On a MoM basis, the region experienced a strong decrease in deal value of 63.12%, while deal count rose slightly by 8.39%, with monthly value driven by fewer large-ticket announcements. Large transactions remained present, mostly across technology, energy, and infrastructure.

EMEA

M&A activity in EMEA totalled USD 149.0 bn, with volumes increasing by 47.08% YoY and deal count falling by 11.19% YoY. Compared with the previous month, deal value increased by 22.77% while the number of transactions increased by 26.09%. A key feature for European dealmaking is the ongoing focus on consolidation within the financial sector with notable activity in March originating from Italian players.

Asia

M&A activity in APAC showed a 23.65% YoY decrease in deal value reaching USD 72.7 bn and an 10.60% YoY decrease in deal count. On a MoM basis, deal value increased by 54.48% and deal count by 34.15%. The YoY decline reflects heightened geopolitical uncertainty, particularly in the Middle East, which increased energy price volatility and weakened investor confidence across the region.

M&A

Deals of the Month

Announced Date	Target	Buyer	Target Region	Target Business	Value ¹ (USD m)	Premium (%)
31 Mar 26	Food assets/Unilever	McCormick & Co	United Kingdom	Consumer Staples	44,800.0	
02 Mar 26	AES	CalPERS, QIA, Global Infrastructure Management, EQT	United States	Utilities	38,330.8	-6.85
16 Mar 26	Commerzbank	UnCredit	Germany	Financials	30,839.2	3.49
30 Mar 26	Restaurant Depot	Syco	United States	Consumer Staples	29,316.1	
22 Mar 26	Telecom Italia	Poste Italiane	Italy	Communications	20,301.8	5.69
26 Mar 26	Equitable Holdings	Corebridge Financial	United States	Financials	10,727.2	-1.24
02 Mar 26	Beazley	Zurich Insurance Group	United Kingdom	Financials	10,172.5	6.97
16 Mar 26	National Storage Affiliates Trust	Public Storage	United States	Real Estate	7,279.4	25.32
20 Mar 26	Shanghai Moonton Technology	Savvy Gaming Group	China	Communications	6,000.0	
26 Mar 26	Gunma Bank	Daishi Hokuetsu Financial Group	Japan	Financials	5,523.3	5.24

Note: 1. Sum of the announced equity value and net debt.

Johannes Schmidt
Investment Banking Division



M&A: Top Deals

IBM Completes Acquisition of Confluent

On 17th of March 2026, International Business Machines (IBM) completed its acquisition of Confluent at an implied equity value of USD 12.4 bn. As part of the transaction, IBM will integrate Confluent’s data streaming platform into its hybrid cloud and AI ecosystem, strengthening its capabilities in real-time data infrastructure and enterprise analytics.

Buyer vs Seller

IBM is a global technology leader providing hybrid cloud, AI, and consulting services. Its strategy focuses on helping enterprises move AI from experimentation to production, using its watsonx platform and Red Hat OpenShift to manage complex digital transformations. Confluent provides a leading data streaming platform used by ~6,500 companies, including around 40% of the Fortune 500, allowing companies like Michelin to process data “in motion” rather than letting it sit in traditional databases.

Industry Overview

The global data streaming and real time analytics market is projected to expand rapidly as AI shifts demand towards live operational data. By 2031, the market is expected to reach USD 175.6 bn, reflecting a CAGR of 32.38% from 2026. This growth is driven by AI agents requiring millisecond level data freshness. IDC estimates that over 1.0 bn new applications will emerge by 2028, reinforcing the strategic importance of real time data infrastructure.

Peers	Currency	Market Cap (USD m)
BigBear.ai Holdings Inc	USD	1,675.72
Strategy Inc	USD	45,860.96
Unity Software Inc	USD	10,188.31
DigitalOcean Holdings Inc	USD	7,516.67
Chime Financial Inc	USD	8,550.06

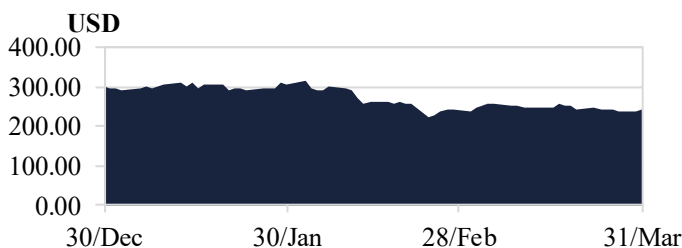
Deal Rationale

The transaction strengthens IBM’s position in the fast growing real time data market by addressing the data gravity challenge. Through the acquisition of Confluent, IBM can offer a data fabric that connects information across on premises environments and multiple clouds, enabling the integration of live data into watsonx.data and IBM Z mainframes. The deal enhances IBM’s competitive positioning by providing an end to end stack from data ingestion to governance and model training. For Confluent, the transaction provides the global scale required to establish data streaming as a core component of enterprise IT.

Market Reaction

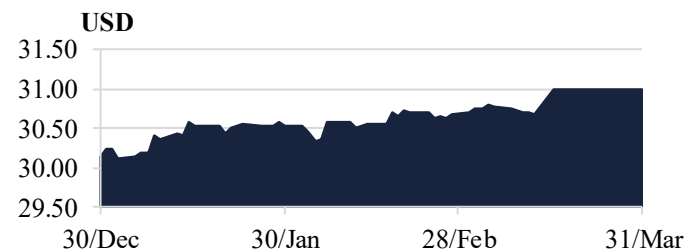
IBM

Following completion, IBM’s shares showed no immediate decline, rising initially before weakening later in March amid broader market pressure rather than deal-specific concerns.



Confluent

In March 2026, Confluent’s shares traded close to the USD 31.00 offer price, reflecting minimal deal spread ahead of completion on 17th of March 2026.



Future Challenges

Technical integration between Confluent’s cloud-native architecture and IBM Z mainframes poses a primary challenge. IBM must also navigate cultural dilution, preserving Confluent’s developer centric roots within its large organisation. Finally, IBM must prove its smart data platform provides superior governance and lower latency than rival hyperscalers’ native streaming tools.

Pape Abdou Diagne
Investment Banking Division



M&A: Top Deals

McCormick to combine with Unilever Foods

On 31st of March 2026, McCormick & Company (NYSE: MKC) announced a merger with Unilever's (LSE: ULVR) Foods business in a cash-and-stock deal valuing the unit at USD 44.8 bn. Unilever will receive USD 15.7 bn in cash and shares equating to 65.00% of the combined company equity, following the spinoff of Unilever Foods. Closing is expected in H1 2027.

Buyer vs Seller

McCormick & Company, founded in 1889 in Hunt Valley, Maryland, is a global flavour leader with USD 7.0 bn in sales across 150 countries, with brands including French's, Frank's RedHot, and Cholula. Unilever Foods, part of Anglo-Dutch CPG giant Unilever, is a EUR 10.7 bn revenue business representing roughly a quarter of group sales, with global icons Knorr and Hellmann's at its core. Citi and Rothschild advised McCormick, while Goldman Sachs and Morgan Stanley advised Unilever.

Industry Overview

The global sauces, dressings and condiments market was valued at USD 181.4 bn in 2025, projected to reach USD 252.3 bn by 2031 at a 5.65% CAGR, driven by demand for bold flavours, convenience foods and emerging market expansion, alongside ongoing consolidation. Headwinds persist as consumers trade down to private labels amid persistent inflation, while GLP-1 drug adoption and a pushback against ultra-processed foods threaten long-term volume growth.

Peers	Currency	Market Cap (CUR m)
Beiersdorf AG	EUR	18,282.34
L'Oreal SA	EUR	191,574.74
Essity AB	SEK	169,554.45
Ontex Group NV	EUR	244.16
Haleon PLC	GBp	32,459.77

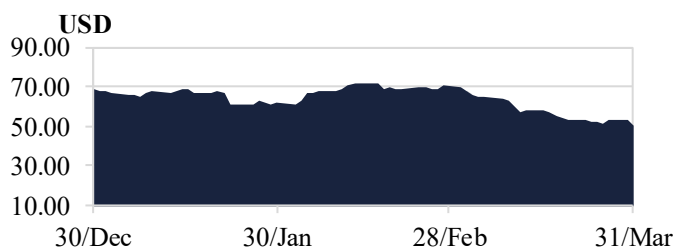
Deal Rationale

For McCormick, the transaction is the culmination of a decade-long flavour-focused acquisition strategy, building on the purchases of RB Foods in 2017 and Cholula in 2020. The combined entity is expected to benefit from expanded global distribution, nearly doubling emerging market exposure to roughly 41% of sales, complementary brand portfolios and USD 600.0 m in cost synergies, with the deal expected to be accretive in year one and organic growth targeted at 3-5% by year three. For Unilever, it marks the end of nearly a century in food, completing its strategic repositioning into a pureplay HPC company.

Market Reaction

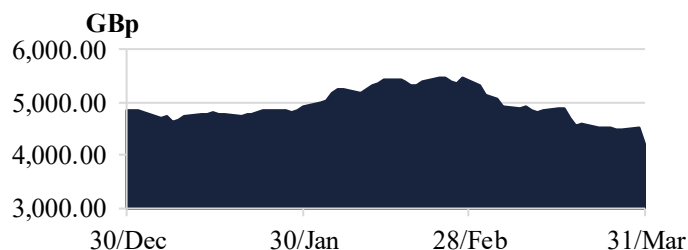
McCormick

McCormick shares fell 6.10% to USD 50.44 on announcement day, reflecting investor concerns over deal leverage and the higher-than-anticipated multiple paid.



Unilever

Unilever shares fell 7.30% on announcement day to around GBp 4,199.00 as investors questioned the deal's complexity and retained exposure to a leveraged US-listed food business.



Future Challenges

Completion remains subject to McCormick shareholder approval and regulatory clearance, underpinned by a USD 420.0 m termination fee. Analysts highlight leverage of 4.0x at closing as a key risk, with Bernstein cautioning that potential underinvestment in Unilever's brands may require catch-up spending, with the mid-2027 timeline adding uncertainty.

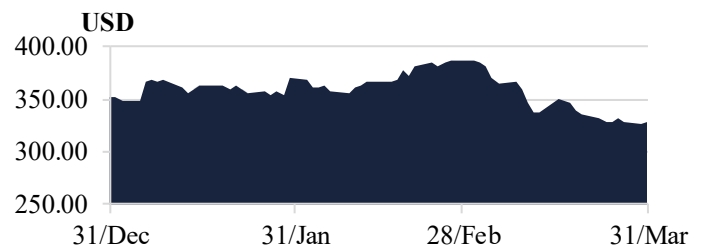
What Happened To Stryker

Stryker is a US-based manufacturer of medical and surgical equipment, operating across 22 business units. Its portfolio includes joint implants, surgical instruments, and neurovascular devices, with a strong focus on neurotechnology and orthopaedics. Stryker generated c. USD 25.1 bn in sales in 2025 and employs c. 56.0 k people worldwide, with operations in 61 countries.

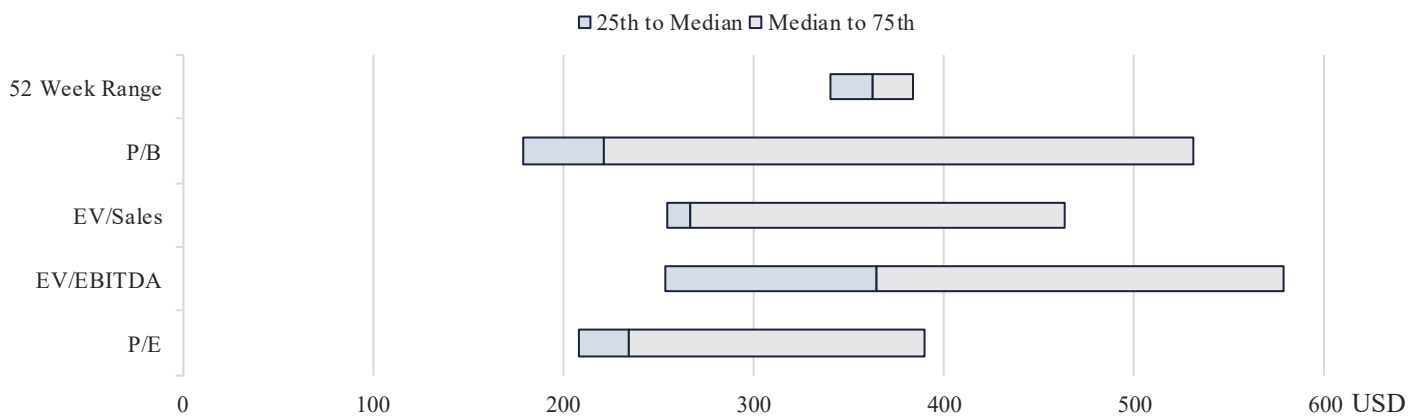
Corporate News

While Stryker’s share price has shown steady growth over the past five years, it recently fell to a 52-week low of USD 319.32 intraday on 31st of March 2026. This decline stands in contrast to the company’s strong performance in 2025, which was marked by double-digit revenue growth of around 10.3%, robust capital demand, and continued expansion in robotics adoption. Although part of the recent share price weakness can be attributed to broader industry headwinds, as reflected in similar declines among US peers such as Abbott Laboratories and Boston Scientific, the pronounced drop in Stryker’s share price in March 2026 was largely driven by a company-specific event. Particularly, a cyberattack linked to the hacker group Handala significantly disrupted business operations. Stryker has since disclosed the incident in an 8-K/A, acknowledging that the attack materially impacted its operations and adversely affected its performance in the first quarter of 2026.

Price (31 Mar 26, USD)	328.59
Target Price (USD)	435.00
3M Performance	-3.51%
Market Cap (USD m)	129,889.11
Enterprise Value (USD m)	142,149.11
<i>*Target Price is for 12 months</i>	



Valuation Analysis



On 11th of March 2026, Stryker confirmed that its operations had been significantly disrupted by a cyberattack on its Microsoft environment, particularly affecting order processing, manufacturing, and shipping. Around two weeks later, on 26th of March 2026, Stryker reported that operations were steadily improving towards full capacity, with electronic ordering systems restored and ongoing efforts to reconcile orders, resume manufacturing, and normalise product deliveries across its network.

Although the cyberattack had a short-term impact and weighed on Stryker’s share price, Stryker does not expect the incident to materially affect full-year 2026 guidance. This suggests that management views the disruption as contained within the broader outlook. Nevertheless, the first quarter earnings call on 30th of April 2026 could still move the share price, as investors gain a clearer understanding of the cyberattack’s implications.

Peers	Currency	Market Cap (Cur m)
Penumbra Inc	USD	12,967.90
STERIS PLC	USD	21,829.54
Masimo Corp	USD	9,337.34
Boston Scientific Corp	USD	91,830.76
Teleflex Inc	USD	5,232.90

Felix Horeis
Investment Banking Division



Private Equity

Venture Capital

DCM

ECM

Spinoff

Restructuring

NIC's View On

Europe's Defence Spending Supercycle and its Capital Markets Implications



Nils Becherer
Investment Banking Division

“Over the next 10 years, there is a huge need for our products. Rheinmetall is in a prime position to arm the United States.”

– Armin Papperger, CEO, Rheinmetall

Europe is undergoing the most significant military spending expansion since the end of the Cold War. Driven by the war in Ukraine, the ongoing conflict in Iran and growing geopolitical fragmentation, European NATO members have collectively increased defence expenditure by roughly 20% compared to 2024, according to the NATO Secretary General's Annual Report published on 26th of March 2026. Germany has set a historic defence budget of EUR 83.0 bn for 2026, while France raised its allocation to EUR 68.5 bn, equivalent to 2.25% of GDP. This structural shift in fiscal priorities is fundamentally reshaping European capital markets, creating substantial opportunities across both equity and debt markets as governments and defence firms mobilise unprecedented levels of funds to finance rearmament.

The scale of this spending increase is clearly reflected in the financial performance of Europe's leading defence companies. Rheinmetall, Germany's largest arms manufacturer, reported record results for FY2025 and issued guidance for sales growth of around 40% to 45% in 2026, with revenues expected to reach between EUR 14.0 bn and EUR 14.5 bn. The company's order backlog stands at EUR 63.8 bn, providing exceptional revenue visibility over the coming years. Since the start of 2022, Rheinmetall's share price has risen by approximately 1,700%, reflecting a fundamental rerating of the European defence sector. Similarly, Italy's Leonardo unveiled its 2026–2030 Industrial Plan on 12th of March 2026, targeting an EBITA of EUR 3.6 bn by 2030, effectively doubling its 2025 profitability. The plan anticipates cumulative orders of EUR 126.0 bn and EUR 14.0 bn in cumulative EBITA over the five-year period. Hence, Barclays upgraded Leonardo to Overweight, citing superior earnings momentum relative to peers.

On average, annual revenue across Europe's six largest defence firms – Rheinmetall, Leonardo, BAE Systems, Thales, Hensoldt, and Saab – grew by around 57% between 2021 and 2025, while aggregate order intake surged by roughly 135% over the same period. Rheinmetall and Saab led this expansion with order intake growth of around 323% and 284%, respectively.

Looking ahead, the trajectory of European defence spending appears structurally entrenched. At the NATO Summit in The Hague, Allies agreed to raise defence investment to 5.00% of GDP, with Goldman Sachs projecting this target to be reached by 2035. If fully implemented, this would represent hundreds of billions of euros in additional annual expenditure across the Alliance, creating a sustained pipeline of procurement contracts for Europe's defence industrial base. The M&A landscape is similarly accelerating, with Rheinmetall's USD 950.0 m acquisition of US-based Loc Performance Products exemplifying the sector's transatlantic consolidation trend, while drone manufacturer Tekever achieved unicorn status following a recent funding round, underscoring growing investor appetite for next-generation defence technology. For capital markets participants, the European defence supercycle represents more than a cyclical trade, it constitutes a structural rerating of the sector, with implications spanning ECM, DCM, and M&A advisory for years to come.

Date	Recent News
26 Mar 26	NATO report confirms around 20% rise in European defence spending vs. 2024. <i>Source: nato.int</i>
12 Mar 26	Rheinmetall guides for around 40–45% sales growth in 2026, EUR 63.8 bn order backlog. <i>Source: cbc.com</i>
09 Mar 26	Germany's 2026 defence budget reaches EUR 83.0 bn, France allocates EUR 68.5 bn. <i>Source: ephinktank.eu</i>

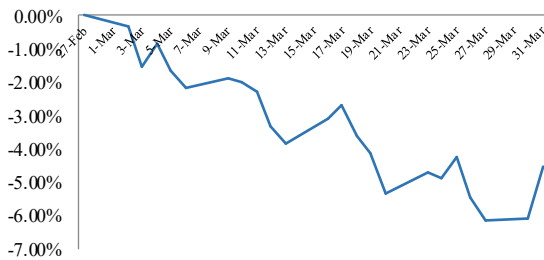
Nils Becherer
Investment Banking Division



NIC Fund

NIC Fund Portfolio Overview

NIC Fund Cumulative Return



Portfolio Statistics

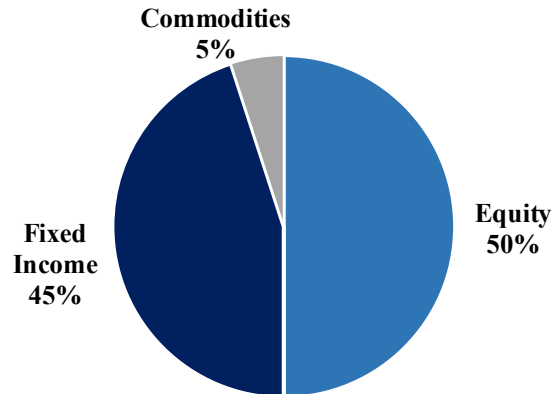
Cumulative Return	-4.55%
Annualized Return	-54.64%
Daily St. Dev	0.38%
Period St. Dev	1.76%
Annualized St. Dev	6.11%
Info Sharpe	-8.94
Skew (Monthly)	0.45

Benchmark

iShares 3-7 Year Treasury Bonds	40%
SPDR S&P 500 ETF Trust	40%
Invesco DB Commodity Index	10%
iShares J.P. Morgan USD Emerging	10%

Portfolio Snapshot

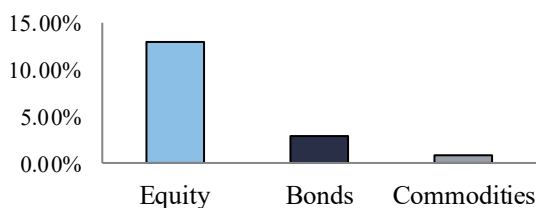
In March, the NIC Fund remained invested in Equities, Fixed Income and Commodities. Specifically, 50% of the fund remained devoted to Equities, 45% to Fixed Income and 5% to Commodities. More than half of Equity was allocated to individual stocks using an equally weighted strategy, while the remaining part was allocated to ETFs as well as the FTSE 100 INDEX. For Commodities, over half was allocated to Gold via the Goldman Sachs Physical Gold ETF.



Return Metrics

The portfolio's overall performance was negative in March, with a cumulative return of -4.55%. The worst performers were Equities, contributing with a negative return of -2.58%, followed by Commodities, which contributed a return of -0.60%. Fixed Income contributed with a return of -0.19%. The Equity portfolio consists of 38 individual stocks such as Netflix Inc. (NFLX US), Microsoft Corp. (MSFT US), Ferrari NV (RACE MI) and Rolls-Royce Holdings PLC (RYCEY US). The top-performing stocks were EOG RESOURCES INC and ADVANCED MICRO DEVICES with returns of 16.51% and 1.61%, respectively, while 3I GROUP PLC had the worst performance, with a return of -28.00%. The remaining part of the Equity portfolio is invested in funds such as the MSCI World Index Fund, as well as other ETFs. The best performing ETFs were the INVESCO DB COMMODITY INDEX TRACKING FUND ETF and the BlackRock Select Treasury Based Liquidity Fund ETF with returns of 15.34% and 0.30%, respectively.

Individual VaR



Risk Metrics

In terms of risk, the portfolio registered a relatively high daily VaR of 16.35%. This metric remained significantly higher the maximum established threshold of 2.5%. Equities were the asset class with the highest individual VaR, which was around 12.78%, while the VaR of Bonds in the portfolio was approximately 2.76%.

NIC Fund

Assets in Brief

Asset Class	Symbol	Comments
US Equity	ADBE	Adobe fell 13.78% in March as "AI existentialism" weighed on sentiment. Q1 FY2026 revenue beat consensus at USD 6.40 billion, yet the stock dropped a further 5.8% post-results as CEO Narayen's planned departure and soft ARR growth of 10.9% unnerved investors alongside deepening competition from Google Stitch, Canva, and Midjourney.
US Equity	AAPL	Apple declined approximately 4% in March, closing near USD 250, but outperformed most Magnificent Seven peers. March saw nine product launches including the iPhone 17e and the new MacBook Neo, while iOS 26.4 improved Siri's contextual capabilities. Apple's asset-light AI approach (licensing Gemini rather than building its own infrastructure) is increasingly seen as a differentiator in a capex-fatigued market.
US Equity	GOOG	Alphabet declined approximately 7% in March, falling from USD 311 to USD 291, as investors remained cautious over the company's USD 175–185 billion 2026 capex plan. The launch of Google Stitch, an AI-native design tool, dealt a further blow to Adobe and underlined Alphabet's expanding competitive reach into creative software markets.
US Equity	META	Meta Platforms declined approximately 13.5% in Q1 2026, with March pressured by the company's USD 115–135 billion 2026 capex guidance. Q4 2025 revenue of USD 59.89 billion (+24%) and EPS of USD 8.88 beat consensus, and the Advantage+ AI suite reached a USD 60 billion run rate, but Reality Labs' USD 19 billion annual burn and broader capex scepticism weighed on the multiple.
US Equity	FRO	Frontline declined approximately 6% in March, partly reflecting the ex-dividend adjustment on its USD 1.03 per share Q4 dividend, despite a blockbuster quarter in which profit surged to USD 227.9 million. The company simultaneously sold eight older ECO VLCCs for USD 831.5 million and committed USD 1.224 billion to nine next-generation newbuildings, upgrading fleet efficiency ahead of tightening emissions rules.
US Equity	TDW	Tidewater surged approximately 30% in March, jumping 9.77% on March 3 after reporting record EBITDA of nearly USD 600 million and free cash flow of USD 426 million for 2025. A USD 500 million acquisition of Wilson Sons Ultratug expands its Brazil presence. With decade-long newbuild lead times, Tidewater is a textbook HALO asset benefiting from structurally tight OSV utilisation.
KR Equity	028670 (Pan Ocean)	Pan Ocean traded around KRW 5,500 in March, recovering modestly as dry bulk rates stabilised on firmer Chinese import demand. The stock illustrates the HALO thesis: long-lived vessels, lean orderbooks, and geopolitical trade diversions sustaining tonne-mile demand make for a constructive fundamental backdrop.
PT Equity	EDP	EDP gained ~12% in March, nearing its 52-week high of €4.75, as the company commissioned 90 MW of new solar capacity in Spain and the US. The US ADR (EDPFY) saw a 176% surge in trading volume amid a rotation into HALO assets, though price divergences with the Euronext Lisbon listing can occur given the OTC market's lower liquidity and mismatched trading hours - each ADR represents 10 common shares. A 44% jump in 2025 net profit and a ~4.6% forward dividend yield underpin the investment case.
ES Equity	IBE	Iberdrola declined approximately 4.6% in March, retracing from a multi-year high of EUR 20.38 as profit-taking emerged. The company had recently raised its 2026 net income guidance above EUR 6.2 billion on the back of double-digit growth from its UK and US networks businesses, retaining its position as Europe's second-largest integrated utility.
NO Equity	KOG	Kongsberg Gruppen surged approximately 6% in March, hitting an all-time high of NOK 425.90 on March 18, driven by pan-European rearmament spending and a new Lockheed Martin agreement. Full-year 2025 revenues grew 28% with earnings rising 55%, and a planned Kongsberg Maritime spin-off IPO adds a further re-rating catalyst.

Guilherme Natário Rio-Tinto
Financial Markets Division



NIC Fund
Equities

World Equities

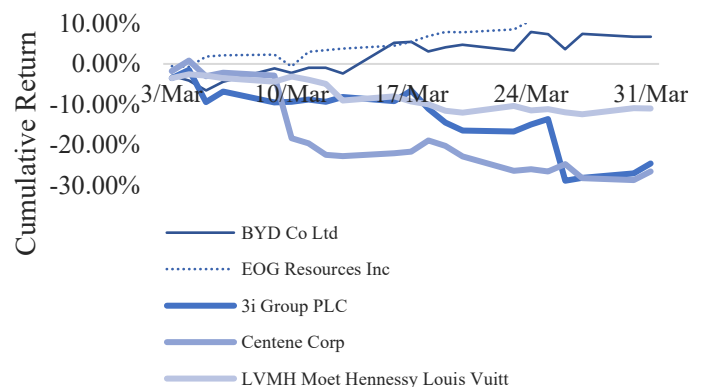
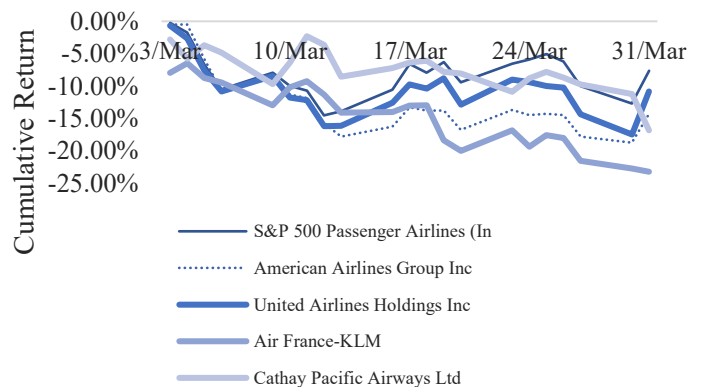
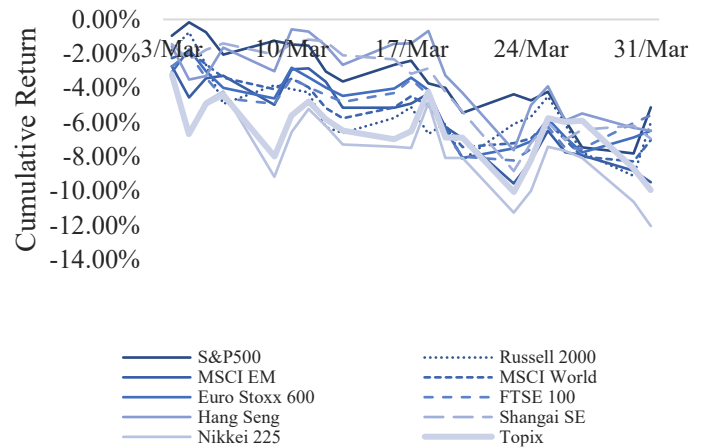
Global equities declined sharply in March, with the MSCI ACWI All Country World Index falling 5.58% over the month. The dominant event shaping global markets was the Iran war, which began on 28 February when the United States and Israel launched airstrikes on Iran under the operation “Epic Fury.” Iran’s Supreme Leader, Ali Khamenei, who had held the position since 1989, was killed. The most exposed sectors included European and Asian equities, as well as airlines, transport, chemicals, autos and consumer discretionary. Moody’s AI recession model stood at a 49% probability based on February data, prior to the Iran conflict, and historically a reading above 50% has been followed by a recession within one year. The Federal Reserve held rates steady at 3.50-3.75% in March, with only one rate cut projected for 2026. All major equity sectors across the United States, China and Europe posted losses during the month. In the US, the S&P 500 declined 5.13%, the Dow Jones Industrial Average fell 5.24%, and the Nasdaq Composite dropped 5.09%. Asian markets fared worse. Japan’s Nikkei 225 fell more than 12%, while the TOPIX declined over 10%. South Korea’s KOSPI dropped by more than 12%. In China, the Shanghai Composite fell 6.95%, while the Shenzhen Component Index declined by over 4%, and Hong Kong’s Hang Seng Index also lost more than 4%. European equities were similarly weak, with the STOXX Europe 600 Index down 6%, the UK’s FTSE 100 falling nearly 3%, and Germany’s DAX 40 declining by almost 8%.

In Depth: Aviation Market Shaken by Iran War

The airline industry is confronting its gravest crisis since the pandemic, as war in the Middle East ripples through global markets. Airline equities have been sharply repriced: American Airlines fell over 14% in March, United Airlines more than 10%, while IAG dropped 12%. Air France-KLM plunged 23%, Cathay Pacific 16%, and Singapore Airlines 3%. The S&P 500 Passenger Airlines Index declined nearly 8%. Investors are pricing in a toxic mix: surging fuel costs, disrupted Gulf hubs and weakening demand. Jet fuel, roughly a third of operating costs, has doubled since the escalation, eroding margins despite hedging. Executives warn fare increases are inevitable, passing costs to passengers. What began as a regional conflict is fast becoming a global shock to aviation economics.

Our Performance

In March, EOG Resources and BYD were the top contributors, rising by 16.51% and 13.55%, respectively, while 3i Group and Centene Corporation were the biggest detractors, falling by 28% and 27%.



Felix Neumann
Financial Markets Division



NIC Fund

Fixed Income

World Yields in March

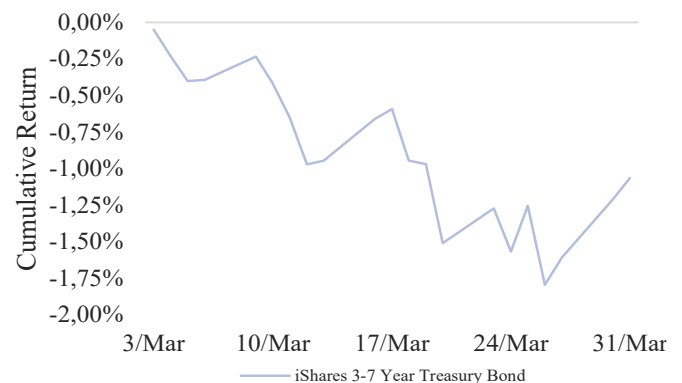
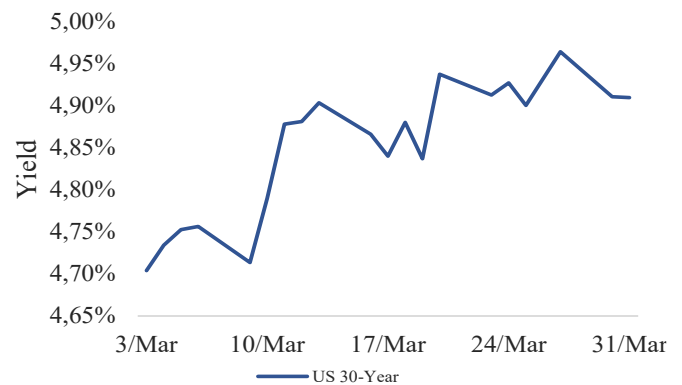
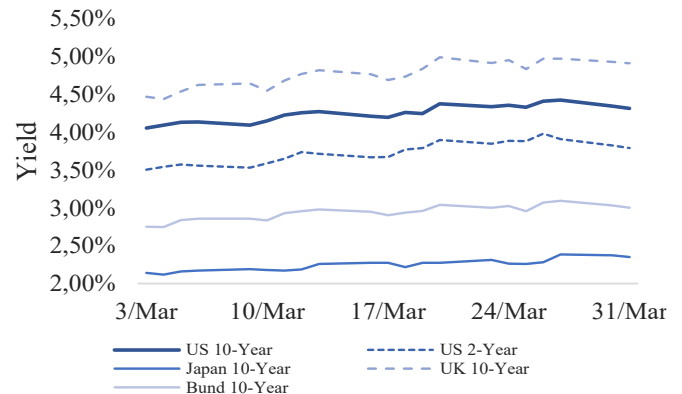
March was a punishing month for government bond markets globally, as the escalating war in Iran injected a severe inflationary shock that sent yields sharply higher across every major economy. The Fed held the federal funds rate steady in the 3.50%-3.75% range for a second consecutive meeting, reiterating that inflation remains somewhat elevated and offering no signal that cuts were imminent. In the US, the 10-Year Treasury yield ended March at 4.32%, having risen from below 4.00% at the start of the month and briefly touching 4.43% intra-month, its highest level since July 2025, as investors faced surging oil prices and fading expectations of Fed rate cuts. The 2-Year yield similarly climbed, closing the month at around 3.90%. European markets felt the impact of the sell-off. The German 10-Year Bund yield climbed 37 bps to close the month at 3.01%, while UK gilts registered their highest levels since the 2008 financial crisis, closing March 69 bps higher at 4.92%. French and Italian 10-Year yields rose 50 bps and 63 bps respectively, closing at 3.73% and 3.91%, as the ECB kept rates unchanged but raised its 2026 inflation forecast and postponed its planned rate reductions at its meeting on the 19th of March. Japanese government bond yields were no exception, rising 22 bps over the month to close at 2.35%, as global inflation fears overwhelmed the BoJ's broadly steady policy stance. Across the board, March's price action pointed to a market coming to terms with the possibility that the rate-cutting cycle many had anticipated for 2026 may not materialise at all.

US Rates Between Geopolitics and Fundamentals

The US-Israeli strikes on Iran at the end of February triggered a reassessment of the global rates outlook, setting the tone for what proved to be a harsh month for fixed income. Crude oil surging past USD 100 a barrel for the first time since 2022 acted as the primary transmission mechanism, forcing investors to abandon the rate-cut positioning that had been consensus heading into the year. The sell-off was broad but uneven: with inflation expectations hitting the short end of the curve particularly hard, the 10-2 Year spread tightened sharply from around 57 bps to a trough near 42 bps, before retracing back toward 52 bps in the first days of April as some hopes of a negotiated de-escalation began to circulate. The 30-Year Treasury reached 4.96%, reflecting not only the inflationary impulse from the energy shock but also a structural backdrop that was already building, with a widening fiscal deficit and a term premium that had been quietly rising throughout early 2026. Therefore, the conflict pressure accelerated a repricing already underway, and the conditions for a resumption of the easing cycle that had looked all but certain at the turn of the year now appear considerably harder to meet.

Our Performance

In March, the IEI ETF, our benchmark fund for fixed income which tracks 3-7 US Treasury Bonds, showed a cumulative return of -1.07%.



Diego Gozzi
Financial Markets Division



NIC Fund Currencies

World Currencies

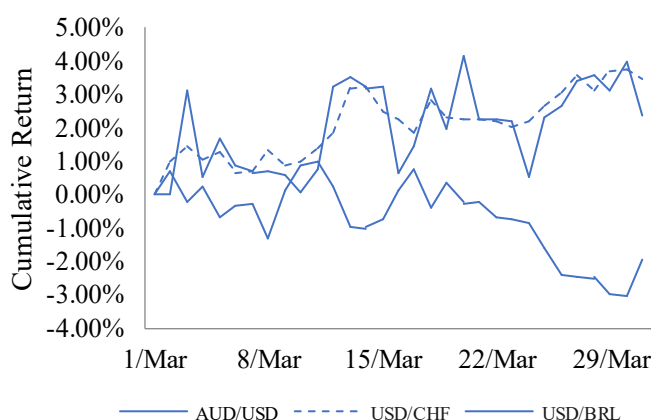
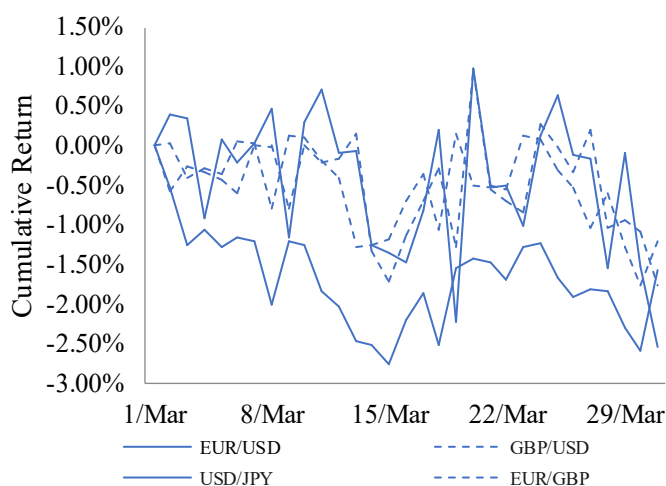
March was a month of pronounced USD strength, underpinned by a combination of persistent inflation concerns, a Federal Reserve firmly resisting calls for rate cuts, and renewed escalation in global trade tensions. EUR/USD was the most significant underperformer, declining steadily from its opening level to close approximately 1.6% lower on the month. The EUR was doubly pressured: domestically, the eurozone continued to show sluggish industrial output and weak sentiment data, while externally, fears over US tariff expansion targeting European goods weighed heavily on the single currency. Unlike earlier months, there was no meaningful intra-month rally to recover losses; the move was persistent and orderly, reflecting genuine repositioning rather than speculative excess. GBP/USD also ended lower, shedding around 1.2% over the month. GBP found modest relative support from sticky UK services inflation, which restrained the Bank of England from signaling imminent rate cuts, but the broader USD bid proved impossible to resist. EUR/GBP drifted slightly lower as the EUR underperformed GBP on the crosses. USD/JPY was the standout mover in the G10 space, rising close to 2.5% over the month as the Bank of Japan held rates steady and the wide US-Japan interest rate differential continued to erode JPY demand. Repeated verbal guidance from Japanese officials failed to materially arrest the trend, confirming the yen as March's clearest loser among major currencies and raising the prospect of more formal intervention should the move continue into April.

In Depth: Key Risks Ahead

USD/CHF was the standout performer of the month, rising nearly 3.5% as broad dollar strength combined with the SNB's continued tolerance for a softer CHF. The pair remains compelling heading into April: should risk appetite hold and the Fed stay hawkish, further gains are plausible. AUD/USD was the clearest loser, falling close to 3% as Chinese industrial data disappointed and risk aversion weighed on the high-beta currency; though its sharp drawdown leaves it technically oversold, and any positive surprise in Chinese PMI or a softer US CPI print could trigger a meaningful bounce. USD/BRL was the most volatile pairing, closing roughly 2.4% higher for USD on domestic Brazilian fiscal uncertainty and EM funding pressures. The dominant macro risk for April is the next US CPI release and the FOMC meeting: a hotter print would reinforce the USD bid and add further pressure to AUD/USD and USD/BRL, while a softer reading could swiftly reverse March's moves. Tariff escalation remains the key tail risk across the entire complex.

Our Performance

We currently hold no currency related assets in our portfolio.



Guilherme Natário Rio-Tinto
Financial Markets Division



NIC Fund

Commodities

March Round-Up

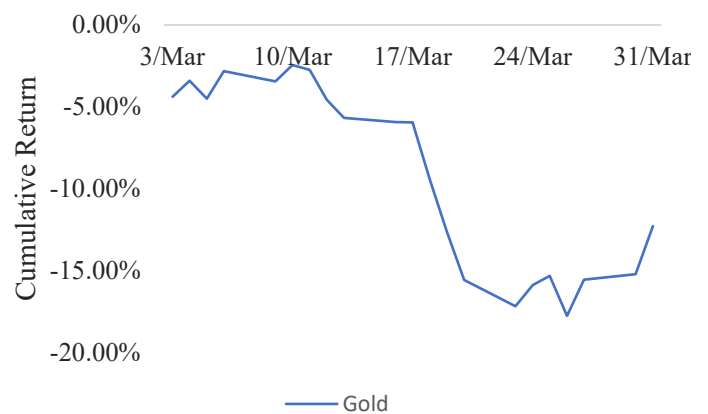
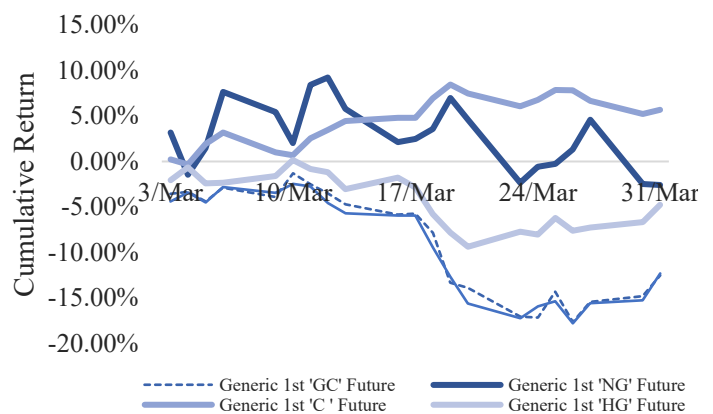
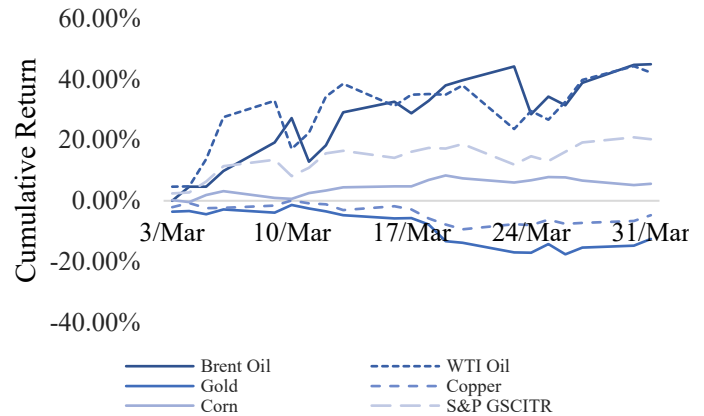
In March, the S&P GSCI Total Return Index, which tracks 24 commodities, rose by more than 20%, building on gains of nearly 10% in January and around 2% in February. YTD, it is up almost 36%. The month's performance was driven largely by the Iran war, which triggered sharp price movements across commodities. Oil led the rally. Brent crude rose by over 36%, while WTI increased from USD 71 at the start of the month to USD 101 at the end, representing a rise of more than 40%. Elsewhere, movements were mixed. Corn futures rose by over 2.5%, while copper futures declined by more than 5%. Gold, by contrast, fell by over 12% in March, from USD 5,322 per troy ounce to USD 4,674. Three forces drove the decline. A stronger US dollar and higher US Treasury yields, fuelled by inflation concerns, reduced gold's appeal. Central banks also scaled back purchases, favouring higher levels of dollar liquidity. At the same time, investors, both retail and institutional, sold gold, one of the few profitable assets, to offset losses elsewhere, particularly in equity markets.

Strait of Hormuz Crisis

The Strait of Hormuz crisis has delivered a supply shock with few historical precedents. US and Israeli strikes on Iran, commencing on 28 February 2026, prompted Tehran to close the strait and suspend virtually all tanker traffic. The IEA has characterised the resulting disruption as the most severe in the history of global oil markets, with approximately 20% of global supply affected. The coordinated release of 400 m barrels from strategic reserves, the largest such drawdown on record, has so far cushioned the blow, but the relief is finite. Infrastructure damage implies that normalisation will unfold over months rather than days, and BCA Research estimates that net supply losses could approach 10 m barrels per day by mid April as reserve buffers are exhausted. Market dislocations are already crystallising. Physical crude prices in Asia have inverted relative to futures, while fuel shortages have materialised across Pakistan, Thailand, Australia and Vietnam. The Philippines declared a national energy emergency on 24 March 2026, and Sri Lanka has compressed the working week to four days. Gas markets are under comparable duress. European storage, drawn down to roughly 30% of capacity after a severe 2025 to 2026 winter, has left the continent with limited buffer. The Dutch TTF benchmark has nearly doubled, breaching EUR 60.0/MWh by mid March, while Qatari LNG exports have been suspended under force majeure, erasing a further 20% of global LNG supply. As long as the Iran conflict remains unresolved, commodity markets face a prolonged period of elevated volatility, with price dynamics driven by geopolitical developments.

Our Performance

During March, our investments in the Goldman Sachs Physical Gold ETF and the Invesco DB Commodity Index Tracking Fund returned -11% and +15%, respectively.



Felix Neumann
Financial Markets Division



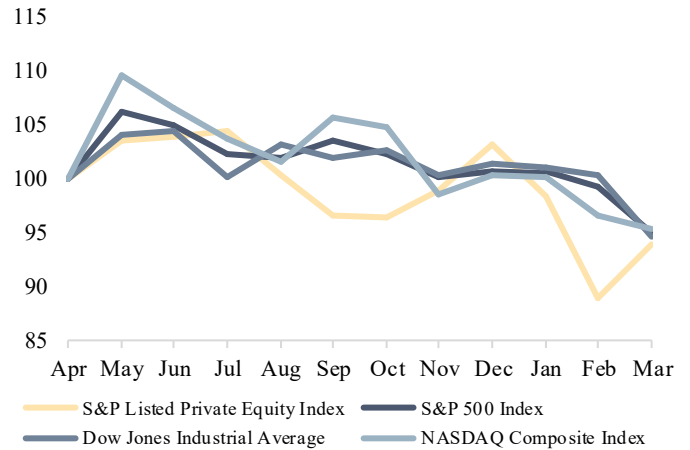
Private Equity

Transactions & Investments Overall Activity

Global

At a Glance

Global private equity deal activity in March totalled USD 63.4 bn, representing a 76.48% decline from February. The sharp contraction in activity reflects heightened geopolitical instability in the Middle East, which has dampened investor sentiment and delayed deal timelines. Ongoing uncertainty has led to more cautious capital deployment, with firms reassessing exposure amid volatile energy prices and shifting regional dynamics. The S&P Listed Private Equity Index declined by 6.20% in March, underperforming major public benchmarks. The index fell by 17.94% YTD, lagging the S&P 500 Index by 12.61pp, the Dow Jones Industrial Average by 13.75pp and the NASDAQ Composite Index by 10.13pp.



Selected Regions

North America

North America continues to dominate the global private equity landscape, accounting for 52.67% of total M&A deal volume YTD. In March, M&A deal volume declined to USD 6.2 bn, representing a 75.74% decrease from February, with the Industrials sector representing 67.14% of total M&A value. Private equity investments in the region fell sharply to USD 11.6 bn, marking a 93.84% decline. The Technology sector represented the largest share of investment volume at 83.72%.

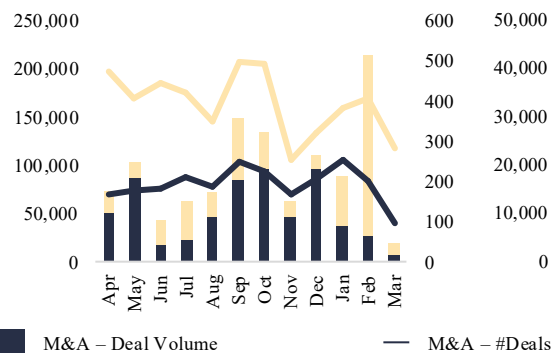
EMEA

M&A deal volume in EMEA decreased to USD 2.5 bn in March, representing a 93.53% decline from February. M&A activity was mainly driven by the Technology and Industrials sectors, which accounted for 80.77% and 17.14%, respectively. Private equity investments in EMEA amounted to USD 3.9 bn in March, marking a decline of 11.30% from February. The Technology sector emerged as the primary driver of investment activity, accounting for 63.87% of deal volume.

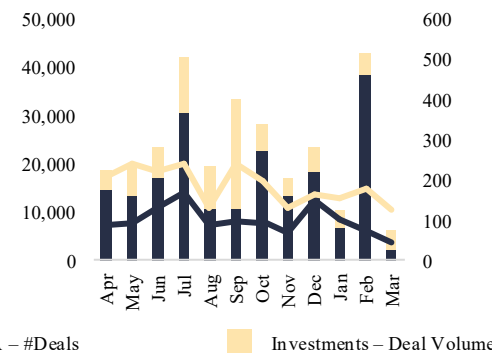
Asia

M&A deal volume in Asia decreased to USD 1.7 bn in March, representing a steep decline compared to the deal volume of USD 7.2 bn in February. The M&A activity in March was mainly driven by the Consumer sector, accounting for 54.63% of deal volume. Private equity investments totalled USD 2.7 bn in March, marking a 50.48% decline MoM. The Technology sector was the main contributor to investment deal activity, representing 48.32% of deal volume.

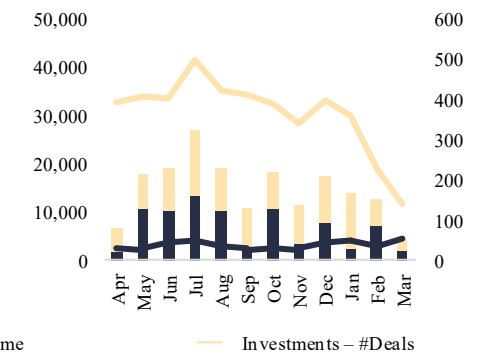
North America



EMEA



Asia



Note: Summary of completed transactions.

Hanna Luu
Private Equity Division



Transactions & Investments

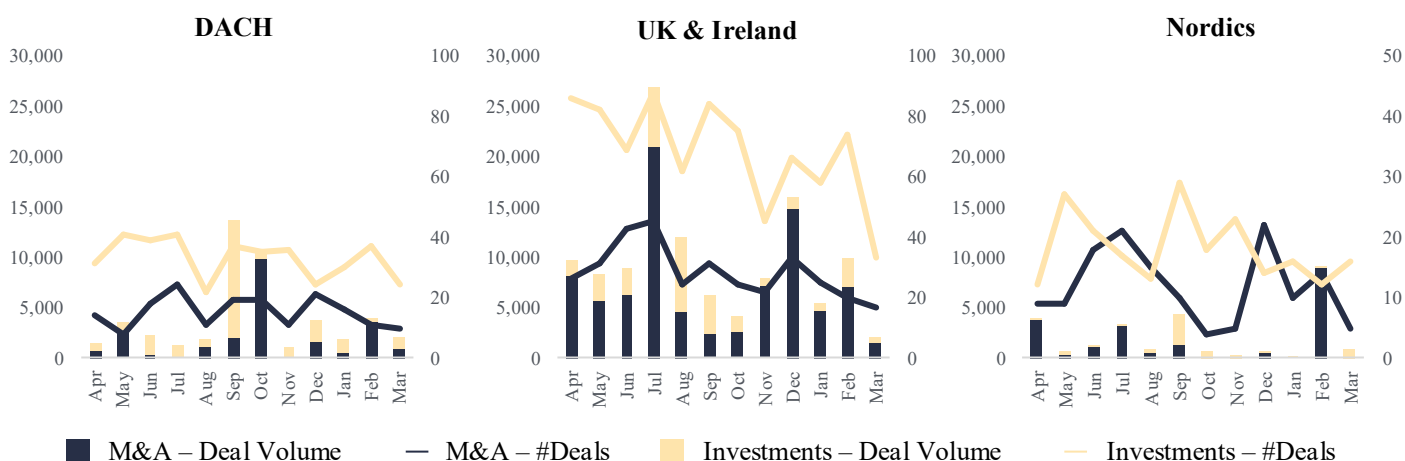
Europe Focus

Overall European Activity

In March, the European private equity market recorded a total of 166 transactions, falling below the YTD monthly average of 219 deals. The total deal volume in Europe reached USD 6.4 bn, which is below the YTD monthly average of USD 19.9 bn. Globally, there were 1,281 deals with a combined value of USD 63.4 bn, indicating a relative slowdown in Europe. YTD, Europe accounted for 11.71% of global private equity deal volume; however, in March, the region accounted only for 10.11% of the global volume, signaling a slight underperformance relative to the prevailing trend. The softer activity was partly influenced by heightened geopolitical uncertainty, particularly the ongoing Middle East conflict, which has contributed to increased volatility in energy markets and a more cautious investment environment. Rising input costs, supply chain concerns, and fluctuating commodity prices have made underwriting more complex, especially for industrial and consumer-facing assets. As a result, sponsors have remained selective, focusing on resilient sectors and delaying larger, more cyclical transactions.

Despite these headwinds, activity remained relatively concentrated in core markets, with the UK & Ireland and DACH regions leading deal flow, generating USD 2.1 bn and USD 2.0 bn in volume, respectively. The Technology sector continued to dominate, accounting for 70.40% of total European deal volume, reflecting sustained investor conviction in digital and scalable business models.

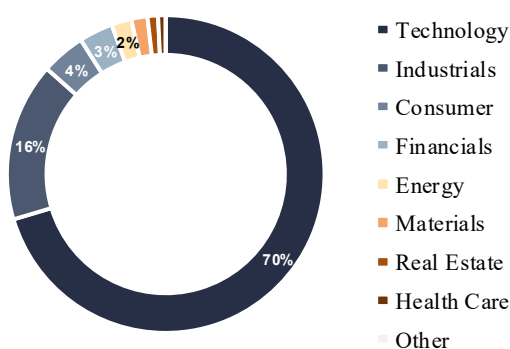
Selected European Regions



Europe by Sectors

The Technology sector was the clear standout in March, recording USD 4.5 bn of deal value and 70.40% of all European private equity activity. This was primarily driven by continued investor focus on digital infrastructure, AI-enabled business models, and mission-critical enterprise software. The Industrials sector ranked second with USD 1.0 bn, accounting for 16.14% of deal volume in Europe. Activity in this space was supported by sustained demand for essential infrastructure, energy transition assets, and advanced manufacturing capabilities, alongside focus on supply chain resilience. The Consumer sector followed with USD 286.0 m, accounting for 4.49% of deal volume. Activity was primarily driven by continued demand for software, digital infrastructure, and AI-enabling platforms, particularly across the UK and DACH regions, where sponsors focused on scalable, recurring-revenue models.

Sectors by Value



Note: Summary of completed transactions.

Hanna Luu
Private Equity Division



Transactions & Investments : Top Deals
Deals & Transactions

Brookfield La Caisse 

Acquiring
BORALEX
 USD 5.5 bn

Brookfield and La Caisse are acquiring a majority stake in Boralex, a Canadian renewable energy developer with wind, solar, hydro, and storage assets. La Caisse increases its existing 15% stake to 30%, with Brookfield holding the remaining 70%.

ECOLAB 

Acquiring
CoolIT
 systems™
 USD 4.7 bn

Ecolab is acquiring CoolIT Systems from KKR, a Calgary-based global leader in direct-to-chip liquid cooling for AI data centers. The deal allows Ecolab to combine its industrial water expertise with AI infrastructure capabilities.

WCAS

Acquiring

 USD 3.9 bn

WCAS is taking Select Medical private alongside co-founder Robert Ortenzio. Select Medical is one of the largest US operators of critical illness recovery and rehabilitation hospitals. The deal continues a long WCAS-Ortenzio partnership in building US healthcare platforms.

MUBADALA CAPITAL **TWG** 

Acquiring

 USD 6.2 bn

Mubadala Capital and TWG Global are acquiring Clear Channel Outdoor, a leading US out-of-home advertising company. Around USD 3.0 bn in new equity will reduce debt and fund digital transformation of the billboard and airport advertising platform.



Invested in

 USD 2.0 bn

A consortium led by Aker ASA is investing in Nscale, representing the largest Series C in European history. Nscale builds AI-native data centers and GPU cloud infrastructure for enterprises and governments globally, with backers including NVIDIA, Nokia, and Lenovo.

BEZOS EXPEDITIONS **CATHAY INNOVATION** 

Invested in

 USD 1.0 bn

A group led by Bezos Expeditions and Cathay Innovation is investing in Advanced Machine Intelligence, a Paris-based AI startup co-founded by former Meta chief AI scientist Yann LeCun. AMI develops world models, AI capable of reasoning in physical environments.

Luca Hallet
 Private Equity Division



Transactions & Investments: Deep Dive

WCAS and Robert Ortenzio to Take Select Medical Private

WCAS and co-founder Robert A. Ortenzio are acquiring all outstanding shares of Select Medical Holdings not already held by the group at USD 16.50 per share. The deal implies an enterprise value of USD 3.9 bn, which represents a ~25% premium to the 90-day VWAP. The transaction is expected to close mid-2026, subject to customary closing conditions.

Buyer vs Target

WCAS has a 30-year partnership with Select Medical, having originally backed the platform pre-IPO. Select Medical operates 104 critical illness recovery hospitals in 28 states, 38 rehabilitation hospitals in 15 states, and 1,917 outpatient clinics across 39 states. The consortium is led by Ortenzio (Executive Chairman) and Jackson (Senior EVP), who hold a meaningful existing stake. Wells Fargo and J.P. Morgan served as advisors to the consortium while Barclays served as financial advisor to WCAS.

Industry Overview

The US post-acute care market was valued at approximately USD 864.0 bn in 2025 and is projected to reach USD 1,448.0 bn by 2033, growing at a CAGR of 6.70%. Key demand drivers include an ageing US population, rising chronic disease prevalence, and pressure on acute hospitals to discharge patients into specialised recovery settings. Critical illness recovery hospitals (LTACHs) and inpatient rehabilitation facilities (IRFs) are particularly attractive sub-segments given high barriers to entry and Medicare's favourable reimbursement regime. The sector benefited from elevated post-COVID patient volumes and strong acuity trends. PE sponsors have increasingly targeted post-acute platforms, with deal activity up ~27% in recent years. The landscape remains fragmented, rewarding scaled operators with significant cost and referral advantages. Regulatory scrutiny of PE in healthcare has intensified broadly, though the LTACH and IRF segments have so far seen limited policy headwinds relative to other care settings. Labour costs, particularly nursing wages, remain the primary operating risk across the sector.

Date	Buyer	Target	Currency	Total Value (USD bn)
27/02/2021	Humana	Kindred at Home	USD	5.7
01/09/2021	Apollo / LifePoint	Kindred Healthcare	USD	2.8
04/07/2018	Humana / TPG / WCAS	Kindred Healthcare	USD	4.1
02/10/2017	Steward Health (TPG)	IASIS Healthcare	USD	2.0

Deal Rationale

The acquisition reflects WCAS's deep conviction in the long-term value of specialty hospital platforms and marks a return to a company the firm originally helped build from inception in 1996. By taking Select Medical private, the consortium can accelerate organic growth initiatives including hospital expansions, occupancy improvements, and outpatient clinic development, free from quarterly earnings pressure. The ~25% premium to the 90-day VWAP demonstrates the group's confidence in intrinsic value that it believes is under-appreciated in public markets. Management continuity ensures operational stability, with Select Medical's current team remaining in place post-close. Private ownership also enables pursuit of bolt-on acquisitions in the fragmented post-acute space, where scale advantages are material. WCAS brings over USD 11 bn deployed across 100+ healthcare companies and an unmatched network of clinical and operational expertise. The Ortenzio family's continued leadership and co-investment alongside WCAS further aligns incentives and underscores confidence in the platform's next growth chapter. J.P. Morgan and Wells Fargo provide the committed debt financing, validating the capital structure underpinning the deal.

Future Challenges

Regulatory scrutiny of private equity in healthcare has intensified, thus approval timelines could extend beyond the expected mid-2026 close. The leveraged buyout structure introduces debt service obligations that could constrain capital allocation if revenues underperform. CMS reimbursement policy is a key variable and any downward revision to LTACH or IRF Medicare rates would directly compress margins. Labour market pressures, particularly nursing shortages and rising clinical wages, continue to weigh on operating costs. Finally, re-listing the company via IPO or secondary sale at a higher valuation will depend on WCAS demonstrating improved financial performance in a private setting.

Lara Ziegler
Private Equity Division



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Ecobat to Acquire CoolIT

On 20th of March 2026, Ecobat agreed to acquire CoolIT Systems from KKR., valuing the company at approximately USD 4.8 bn. The transaction represents KKR's exit and transfers control to Ecobat. While full terms have not been disclosed, it is expected to be a standard acquisition. The deal is anticipated to close in 2026, subject to customary conditions.

Buyer vs Target

Ecobat is a global provider of battery recycling and energy storage solutions, expanding across the energy and industrial value chain. CoolIT Systems is a leading provider of advanced liquid cooling solutions for data centres and computing applications and was previously owned by KKR. KKR is a global investment firm with a strong track record in industrial and technology investments, having supported CoolIT's growth. Financial advisors to the parties have not been publicly disclosed.

Industry Overview

The global data centre liquid cooling market is estimated between USD 6-7 bn in 2025 and is projected to grow to nearly USD 29 bn by 2033, implying a CAGR of c. 20%. Growth is driven by the rapid expansion of AI, cloud computing, and high-performance computing, which significantly increase server heat density and cooling requirements. Rising energy consumption and sustainability targets are accelerating the shift from traditional air cooling to more efficient liquid cooling solutions. Key opportunities for investors include exposure to AI infrastructure, increasing data centre capex, and early-stage adoption of advanced cooling technologies. Liquid cooling is becoming a critical enabler for next-generation AI chips, supporting long-term growth. However, the industry faces challenges including high upfront installation costs, integration complexity, and evolving technological standards. Geopolitical pressures, rising energy prices, and sustainability regulations also influence investment decisions in data centre infrastructure.

Date	Buyer	Target	Currency	Total Value (USD bn)
03/11/2025	Eaton	Boyd Thermal (Boyd Corp.)	USD	9.5
15/10/2025	AIP / BlackRock / MGX	Aligned Data Centers	USD	40.0
16/07/2025	Eaton	Resilient Power Systems	USD	0.2
11/03/2025	Eaton	Fibrebond	USD	1.4

Deal Rationale

The acquisition of CoolIT Systems enables Ecobat to expand beyond its core battery recycling operations into high-growth thermal management solutions. The transaction aligns with Ecobat's strategy of diversifying across the broader energy and industrial value chain, particularly into infrastructure supporting electrification and digitalization. CoolIT's advanced liquid cooling technology positions Ecobat to benefit from increasing demand driven by AI, cloud computing, and high-performance computing. The deal provides access to a fast-growing end market, allowing Ecobat to capture value from rising data centre capex and increasing server heat density. Potential synergies include leveraging Ecobat's industrial footprint and customer relationships to scale CoolIT's solutions globally. Operational improvements may arise from enhanced manufacturing capabilities and supply chain integration. Strategically, the acquisition strengthens Ecobat's positioning in energy-efficient infrastructure and supports its transition toward higher-margin, technology-driven solutions. The transaction also offers revenue growth opportunities through cross-selling and expansion into new geographies and customer segments.

Future Challenges

The transaction may face execution risks related to integrating CoolIT's technology-driven operations into Ecobat's industrial platform. Differences in business models and capabilities could create challenges in realizing operational synergies. The deal may also be subject to customary regulatory approvals, potentially delaying completion. Competitive pressure from established players in thermal management and data centre infrastructure could limit growth potential. Additionally, high capital intensity and rapid technological change may increase execution risk. Potential downsides include overlapping customer segments and integration complexity in a competitive and evolving market.

Amelie Conzelmann
Private Equity Division



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Visit www.novainvestmentclub.com for more updates.

Our team:

Investment Banking Division

Niklas Kaminski

Nils Becherer

Johannes Schmidt

Felix Horeis

Julia Karaś

Pape Abdou Diagne

Financial Markets Division

Felix Neumann

Davide Romeo

Brian Riebandt

Vivien Scaife Gibson

Diego Gozzi

Guilherme Rio-Tinto

Private Equity Division

Hanna Luu

Luca Hallet

Lara Ziegler

Lena Claeys

Amelie Conzelmann

Filip Płóciennik

Email us at:

nic@novainvestmentclub.com

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Design by: Camo Cunha e Sá

