



(Photo: Andreas Busslinger)

The dividend spring is beginning

In macroeconomic terms, the global economy is on a solid growth path. Asia is growing at an above-average rate, and Europe is gradually emerging from the doldrums. In any case, the data situation is improving and the European Central Bank is returning to a neutral monetary policy. Under the new leadership in the Federal Republic of Germany, which has been extremely frugal so far, significant steps are expected to be taken to tackle numerous infrastructure projects and to strengthen the nation's competitiveness and defense capabilities.

In the US, on the other hand, after initial "Trump-like" euphoria, more sobriety is setting in. In a world of increasing geopolitical tensions, the US is creating numerous new problems for itself through a multitude of "executive orders" from the White House. The economy is cooling more sharply than expected. Unemployment is approaching 4.5%. Employment is stagnating, the new construction trend is stagnating and the wage spiral is starting to

turn again. The tariffs have led to an increase in inflation expectations among private households. Macroeconomic volatility could increase when the debt ceiling is reached later this month. By contrast, stock markets in Europe reached new all-time highs, while those of US tech companies have been stagnating for the past six months. The stock index of the "glorious 7" oscillated and fell back to the level of four months ago. Uncertainty among small businesses in the US has increased significantly as a result of tariff and trade policy. Merger and acquisition (M&A) activity has also been disappointing – probably also because Republicans confirmed last week that the strict Biden-era guidelines for reviewing M&A proposals will be retained.

Swiss equities are developing favorably. The dividend season begins in mid-March, reaches its peak in April and is largely over by the end of May. For us, one thing is clear: it is important to remain invested.

Further increase in February

The upward trend in Swiss equities continued in February and was significantly higher in Europe than in the US. The S&P500 (+1.2% since the beginning of the year) and the tech index Nasdaq (-2.4%) have so far clearly lagged behind the European markets. The world equity index has risen slightly since the beginning of the year (BBG World: +2.5%). The global bond index (+0.9%) rose slightly, while Swiss bonds fell (-0.8%). The Swiss bond index lost even more (-1.5%). By contrast, our bond solutions performed significantly better and are all in positive territory.

In this capital market environment, the defensive risk class 1 (e.g. Revo1 with a high bond component at +2.3%) continued to perform

well. In the "balanced" risk class 3 (e.g. Revo3 with +3.4%, in February +0.2%), the volatile US tech stock performance was noticeable, even more so in the dynamic risk class 5 (e.g. Revo5 +4.8%; unchanged in February).

The dividend strategy is currently performing exceptionally well (e.g. RevoDividends up 8.5%, unchanged in February +2.7%). This is due to a number of strong dividend stocks. Since the beginning of the year, the following portfolio stocks have seen the strongest performance: Deutsche Telekom (+20%), Cembra Money Bank (+18%), Siemens (+17%), Roche (+17%) and Nestlé (+16%).

Strategies mainly based on individual titles

	Strategy performance*	
	February 2025	YTD 2025
Zugerberg Finanz R1	+0.9%	+2.1%
Zugerberg Finanz R2	+0.9%	+2.8%
Zugerberg Finanz R3	+0.4%	+3.0%
Zugerberg Finanz R4	+0.1%	+3.4%
Zugerberg Finanz R5	+0.0%	+3.9%
Zugerberg Finanz RDividends	+3.1%	+8.4%
Zugerberg Finanz Revo1	+0.8%	+2.3%
Zugerberg Finanz Revo2	+0.8%	+3.2%
Zugerberg Finanz Revo3	+0.2%	+3.4%
Zugerberg Finanz Revo4	+0.2%	+4.1%
Zugerberg Finanz Revo5	+0.0%	+4.8%
Zugerberg Finanz RevoDividends	+2.7%	+8.5%
Zugerberg Finanz DecarbRevo3	-0.6%	+0.6%
Zugerberg Finanz DecarbRevo4	-0.8%	+0.6%
Zugerberg Finanz DecarbRevo5	-0.9%	+0.5%

Zugerberg Finanz Vested benefits

	Strategy performance*	
	February 2025	YTD 2025
Zugerberg Finanz Vested benefits R0.5	+0.7%	+1.3%
Zugerberg Finanz Vested benefits R1	+0.8%	+2.1%
Zugerberg Finanz Vested benefits R2	+0.8%	+2.5%
Zugerberg Finanz Vested benefits R3	+0.8%	+3.4%
Zugerberg Finanz Vested benefits R4	+0.7%	+3.9%

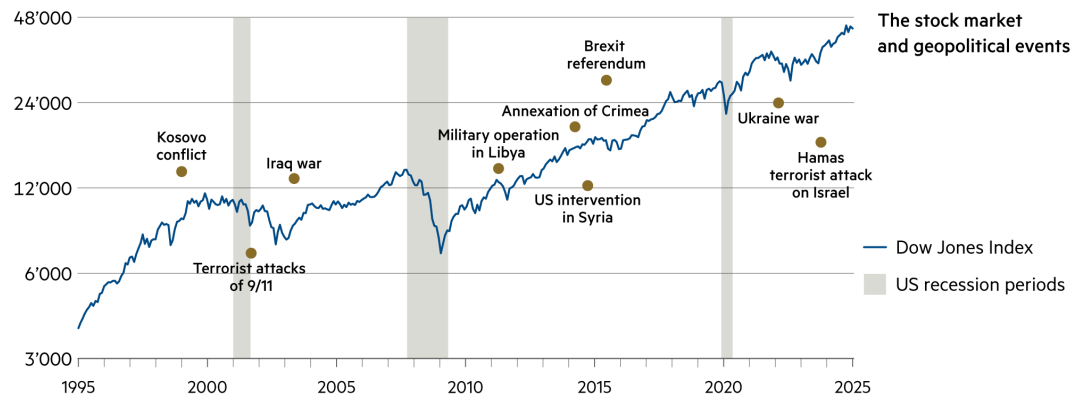
Zugerberg Finanz 3a pension solution

	Strategy performance*	
	February 2025	YTD 2025
Zugerberg Finanz 3a Revo1	+0.8%	+2.3%
Zugerberg Finanz 3a Revo2	+0.8%	+3.2%
Zugerberg Finanz 3a Revo3	+0.2%	+3.4%
Zugerberg Finanz 3a Revo4	+0.2%	+4.1%
Zugerberg Finanz 3a Revo5	+0.0%	+4.8%
Zugerberg Finanz 3a RevoDividends	+2.7%	+8.5%
Zugerberg Finanz 3a DecarbRevo3	-0.6%	+0.6%
Zugerberg Finanz 3a DecarbRevo4	-0.8%	+0.6%
Zugerberg Finanz 3a DecarbRevo5	-0.9%	+0.5%

* The stated performance is net, after deduction of all running costs, excluding contract conclusion costs

Macroeconomics

Geopolitically resilient



The stock market overlooks geopolitical events (Source: Bloomberg Finance L.P. | Graphic: Zugerberg Finanz)

The stock market typically overlooks geopolitical tensions. This has always been the case and is once again clearly evident. Growth forecasts for Europe are being raised moderately in many quarters because people do not really trust the delicate signs of an upturn. In any case, in January (+2%) the demand for credit in the eurozone saw its sharpest increase since July 2023. In the US, on the other hand, disillusionment is spreading because the country's technological supremacy is being challenged by foreign competitors.

US President Donald Trump started his first term with a lot of activity on social media and a total of 70 "executive orders". Some of these focus on domestic policy, including migration controls, federal employment and deregulation, while others are of greater importance for foreign countries.

Tariffs were initially only raised for China, but Canada and Mexico face deferred increases and steel and aluminum tariffs are due on March 12. Trump has also proposed imposing reciprocal tariffs starting in April. In part, he changed his position on the same day, unsettling not only his own camp. Anyone making investments as an entrepreneur wants legal certainty. But this has been lost under the new presidency.

In any case, uncertainty is growing among investors as to whether the "Trump trade" is worthwhile. US stock markets have stagnated since his election and the "exceptionalism" of the US stock market has lost some of its aura of inviolability. Tesla shares, held by Donald Trump's business partner Elon Musk, have lost around 40%

of their value since mid-December.

Trump also wants to end the conflict in Ukraine, regardless of the cost. In response to pressure from the White House, the latest pro-Russian UN resolution no longer referred to "war" and "aggressor", but to a "conflict" and "violations". The negotiations with Vladimir Putin seem to be aimed at lifting sanctions against Russia, but the agreement between Ukraine and the United States on the joint use of Ukrainian raw materials will also play a central role.

The rest of the world has been preparing for a new world order at the latest since the last few weeks, in which autocratic states and economic nationalism will play a more important role. Political developments in Europe could help to strengthen the resolve of independent states.

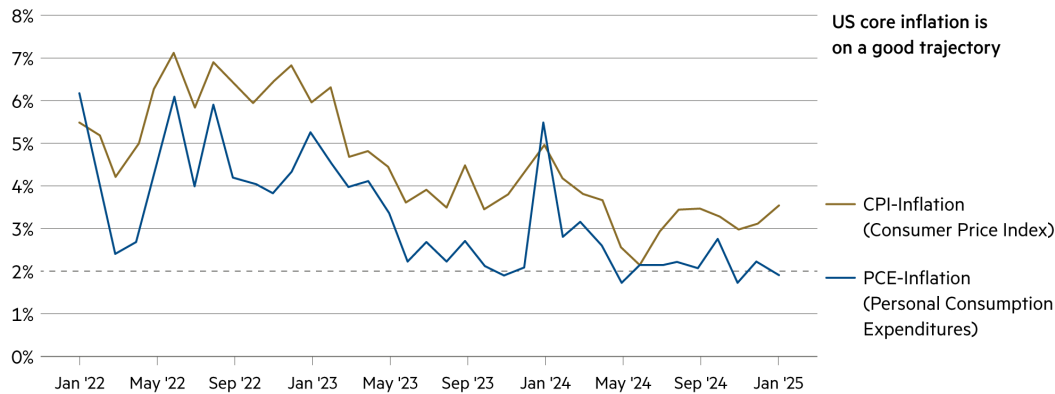
In China, DeepSeek reminds the Chinese authorities of the boost that private sector services could bring to the economy. That is why Xi Jinping once again reached out to Alibaba, which resulted in a promise (analogous to the US tech giants) to invest 50 billion dollars in AI-related data centers and cloud services for Chinese companies.

Interestingly, less-publicized European (Mistral AI) and Chinese (DeepSeek, Qwen2.5 from Alibaba) models could challenge the dominance of the US models because their costs are significantly lower. This cost reduction in the development of new, less energy-intensive AI models is likely to lead to more widespread adoption and thus to faster productivity gains.

Region	3–6 months	12–24 months	Analysis
Switzerland	↗	↗	Switzerland is surrounded by countries that are facing a challenging economic environment, although there have been positive signs recently.
Eurozone, Europe	↗	↗	Calls from business associations for a reduction in bureaucracy and tax relief are growing louder, and not only in Germany. Europe needs to change tack.
USA	↗	↗	The interest burden ratio is now over 10%, i.e. more than one in ten tax dollars has to be spent on interest on government debt.
Rest of the world	↗	↗	Falling energy prices are boosting growth in emerging markets overall, but they also reduce the incentive to use energy more efficiently.

Liquidity, currency

Falling inflation rates in the US too



US Core Inflation is on a good trajectory (Source: GoldmanSachs Economic Indicators Update 19/02/25 | Graphic: Zugerberg Finanz)

Inflation rates have fallen significantly since mid-2022. This is a global trend, but in many places central banks are maintaining their restrictive monetary policy because they want to see further progress. Donald Trump's biggest campaign promise was to reduce inflation. However, the US is still some way off achieving this. Uncertainty about inflation and economic activity in the US is growing, while GDP growth is declining. Some even fear an economic downturn as a result of Donald Trump's trade and economic policy.

Falling energy prices should eventually lead inflation back on a downward path. This is another reason why US President Donald Trump is seeking a peace agreement with Russia while simultaneously ending the oil and gas embargoes. He is also seeking an agreement with the oil-producing nation Iran. His tariff policy is driving up inflation, which he hopes to counteract by putting pressure on energy prices.

Meanwhile, the US central bank, the Federal Reserve (Fed), continues to pursue a restrictive course, although PCE inflation, its preferred measure of inflation of actual household consumption, has been virtually in the target region of "2% on average" on an annualized basis for several months. However, the Fed sees that uncertainty about the inflation path is increasing, not least due to Trump's inflationary economic and trade policies. In its minutes, the Fed states that it would like to see further improvements on the inflation front and is in no hurry to cut interest rates again.

It is also interesting to note that Donald Trump wants to completely

abolish the debt ceiling, which was established more than a hundred years ago (1917) as a means of preventing politicians from spending freely. Of course, this has to be done "now and immediately", before he has to renegotiate its increase. After all, the deficit recently amounted to 1.8 trillion dollars or 6.4% of the gross domestic product. Budget discipline is not likely to become part of the government program under Donald Trump either.

In the end, negotiating the cap has always been an important political tool for the opposition to push through certain negotiating positions, since the consequences of not raising the cap would be devastating. However, what Trump fears most is having to compromise with the Democrats. Furthermore, the cap could jeopardize negotiations for congressional approval of his permanent tax cut package.

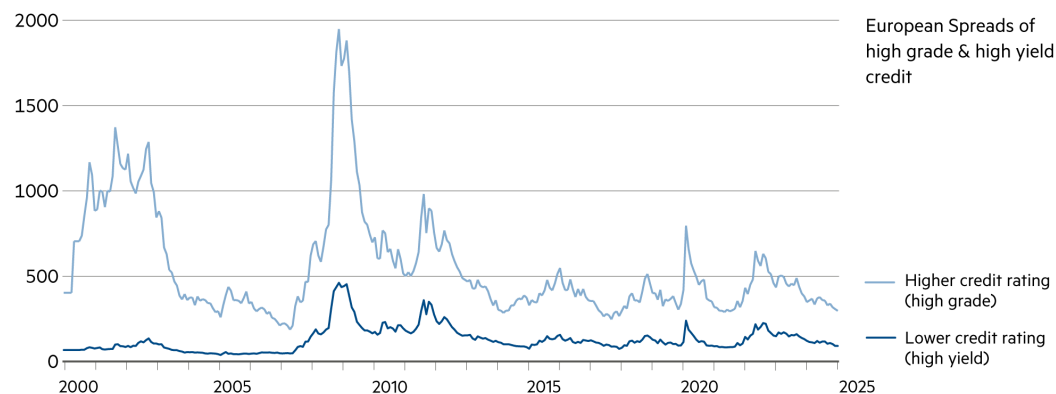
It is in this context that the idea of defending the US dollar against external attacks must have arisen. The USA has threatened countries with the harshest measures if they even consider replacing the dollar as the leading trading and reserve currency. American government bonds, known as "Treasury Bonds", are considered the most highly valued safe investment in the world.

According to Washington's calculations, the net foreign debt now amounts to more than 24 trillion dollars. Even if the USA's rating is "only" AA+, government bonds remain more popular than those of the European Union with its AAA rating. In view of the low potential growth in Europe due to demographic factors, US bonds, with their higher growth potential, remain the benchmark.

Asset class	3–6 months	12–24 months	Analysis
Bank account	↘	↘	It is likely that the Swiss National Bank will lower the key interest rate as part of its monetary policy assessment on March 20. May that will be the end of this policy.
Euro / Swiss franc	→↗	→	The ECB is not likely to move on to the next interest rate step as early as April 17, after the interest rate cut on March 6, because new fiscal policy uncertainty arises
US dollar / Swiss franc	→↘	↘	The fed fund rates currently assume two interest rate cuts by the end of 2025. The implicit capital market assumption is meanwhile three interest rate cuts.
Euro / US dollar	→↗	→↗	The surprising thing is that the negotiating tactics and trade war rhetoric have so far done the dollar more harm than good.

Bonds

Risk premiums remain interesting



European Spreads of high grade & high yield credit (Source: Bloomberg Finance L.P. | Graphic: Zugerberg Finanz)

Companies have to pay a risk premium in addition to the yield of a government bond. That makes corporate bonds interesting. The premiums are highest in the high-yield segment. At the same time, the interest rate risk is low because many high-yield bonds tend to be short-dated. It is important to ensure disciplined diversification and to have solid risk management as a central component that supports tactical activities.

At the beginning of the coronavirus pandemic, credit markets feared that interest would no longer be paid on some bonds and that they would not be repaid. Risk premiums shot up in spring 2020, to levels last seen during the major economic and financial crisis of 2008/09. However, it was not only the economy that proved resilient, but also individual companies.

There were only a few bankruptcies among debtors. Occasionally, debt was restructured, sometimes with a postponement of the repayment date. Interestingly, risk premiums rose again three years ago. No turnaround in interest rates has ever been as dramatic and rapid as that of 2022, when central banks worldwide reacted practically in sync to galloping inflation in the post-corona phase.

But the resilience of companies was underestimated. In contrast to 2008/09, the vast majority had sufficient liquid funds to service the bonds in time and repay them on schedule. The cumulative five-

year default rate of European issuers remained relatively low. Recently, the average rating in the high-yield segment has improved to such an extent that it can be said that the underlying borrower quality has never been better.

Spreads remain interesting, but managing them requires a great deal of attention and discipline. We use funds because they enable us to achieve diversification benefits.

Many bonds can only be purchased in nominal volumes of at least CHF or EUR 100'000 and 200'000. However, it is also important that the corresponding fund matches the individual risk appetite.

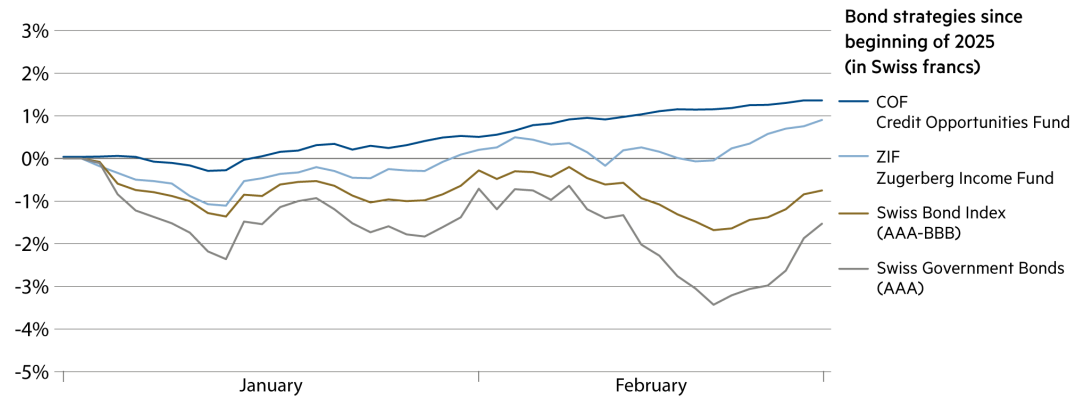
For example, subordinated and high-yield bonds are mainly found in the Credit Opportunities Fund. Senior bonds, on the other hand, whose issuers are considered to be of higher credit quality, are mainly found in the Zugerberg Income Fund. This is the efficient shock absorber in phases of potential stock market setbacks. In our view, it makes sense to hold bonds in a portfolio and to hedge somewhat against turbulence.

The maturities are also characteristic, and we pay attention to whether they tend to be short (COF) or long (ZIF). If foreign currency bonds are used, the portfolio is largely hedged against exchange rate fluctuations. The fund manager's freedom remains limited. This makes it impossible to suddenly change the strategy.

Asset sub-class	3–6 months	12–24 months	Analysis
Government bonds	↘	↘	The Fed remains much more cautious than the ECB in lowering interest rates in the face of inflation risks because of the inflationary effects of Trump's policies.
Corporate bonds	↘	→↗	In order to achieve the respective yield target, it requires a balance between diversification and conviction, maturities, creditworthiness, currency, sector, etc.
High-yield, hybrid bonds	↘	→↗	Subordinated and high-yield corporate bonds continue to be favored in our portfolios, subject to disciplined selection.

Zugerberg Finanz bond solutions

Solid start to the year



Bond strategies since the beginning of 2025 in Swiss francs (Source: Bloomberg Finance L.P. | Graphic: Zugerberg Finanz)

The bond component is important in a balanced portfolio. We make sure that our active bond solutions outperform the market. We don't always succeed, but the start to 2024 is promising. The Swiss Bond Index (-0.8%) suffered an unmistakable loss in value. In contrast, our range extends from the conservatively oriented Zugerberg Income Fund (ZIF: +0.9%) to the premium-oriented Credit Opportunities Fund (COF: +1.4%).

No one wants Swiss government bonds at the moment. Interest rate risks are significant and the prospects of a positive cash flow from net interest income (after income taxes) are low. Despite the very best credit rating (AAA), the index of Swiss government bonds has drifted well into negative territory since the beginning of the year (-1.5%). This means that almost half of the annual performance of 2024 (+4.1%) in the first two months of 2025 has already been erased. In the last five years, the cumulative total performance was in the double-digit negative range (-11.0%), which is why some investors are turning away from Swiss government bonds.

The situation looks better for corporate bonds, even if it can happen at some point in the entire economic cycle that a company loses its high-grade rating and is downgraded (e.g. the generics manufacturer Teva). Generally speaking, corporate bonds offer a higher return than risk-free investments (government bonds) over the long term. This higher return is the compensation for the higher default risk

and the typically lower liquidity and, in financial theory, corresponds to a combination of credit risk and illiquidity premiums.

In Europe, the subdued growth outlook means that interest rates are more likely to be cut than raised in the near future. Companies will benefit from this asymmetry, which generally differs from the US, where monetary policy will initially remain restrictive, while in Europe the transition to a neutral or even loose monetary policy is not expected until spring 2025.

In the low-risk strategy (e.g. Revo1), we have added an ETF from the Swiss franc capital market that consists of bonds from Roche, Novartis, Nestlé, etc. The duration is moderate (4.5). The average coupon is 1.4% and the yield to maturity is 1.1%.

Overall, however, we are convinced of active bond solutions. At the moment, ratings in the BBB and BB range remain of pronounced interest if you have a corresponding risk budget. The segment is called "crossover" because it crosses the typical boundary between "high grade" and "high yield". It is now a market-ready asset class that offers attractive yields and sufficient liquidity.

Unlike in the US, European bond terms are relatively investor-friendly. Nevertheless, a disciplined selection process is crucial to further reduce the specific risks and minimize negative surprises.

	Zugerberg Income Fund	Credit Opportunities Fund
Yield in 2025 (since the beginning of the year)	+0.9%	+1.4%
Yield since the start (annualized)	-6.9% (-1.1%)	+36.1% (+2.5%)
Proportion of months with positive yield	55%	68%
Credit risk premium in basis points (vs. previous month)	91 BP (+6 BP)	428 BP (+11 BP)
Average rating (current)	A	BB+

You can find more information in the [factsheets](#) on the Zugerberg Income Fund and the Credit Opportunities Fund.

Real estate, infrastructure

Attractive dividend yield



Mobimo: The Aeschbachquartier Aarau is being expanded with attractive living space (126 rental flats) (Image source: aeschbachquartier.ch)

Interest on bank deposits has disappeared, and high-quality bonds are no longer really yielding much either. This is not likely to change much in the short term, which is why many investors are now turning to equities, including those of listed real estate companies whose shares can be traded daily. They appreciate the maximum value stability of the underlying investment, which can be combined with a guaranteed annual payout.

In recent weeks, the results of various Swiss real estate companies have been published and commented on by the management. One common component was the reference to increased demand from private investors. These are confronted with the fact that the phase of high coupons for bonds is already history again. They are turning away from bonds and increasingly investing in listed real estate companies. These not only have a high degree of value stability (“concrete gold”), but also reliable sources (monthly rental income) for dividend distributions.

The entire range of Swiss real estate stocks is broad, but the corresponding index (SXI Real Estate All Shares Index) is dominated by a few companies. In terms of market capitalization, Swiss Prime Site is in first place with a market value of CHF 8.4 billion. PSP Swiss Property is in second place with 6.3 billion francs. It is followed by Allreal (2.9 billion), Mobimo (2.2 billion), Investis (1.4 billion), Intershop (1.3 billion) and Zug Estates (1.1 billion). They all have different

characteristics, differentiating business and geographical focuses.

Taking a broad view, Zurich Airport (6.8 billion) could also be included, given that the main source of income comes from the 150 or so buildings (including “The Circle”) and the parking garages.

As an investor, you initially earn money from the dividend. From a tax perspective, it is interesting to note that the distribution is exempt from income tax. This is partly because formally it is a capital repayment, and partly because the companies pay the taxes. For example, Mobimo’s distribution will be CHF 10.25 (+2.5% compared to the distribution in April 2024). Earnings per share from “day-to-day” operations (mainly rental income) were CHF 12.59; however, if revaluation is included, they amount to CHF 17.26.

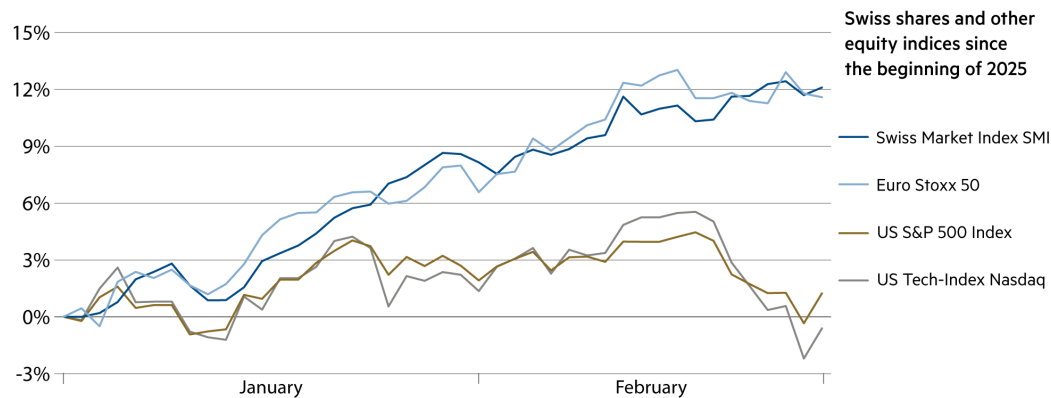
This means that Mobimo shareholders receive an attractive distribution yield of 3.3% while also participating in the upward trend in profits from significant developments and successful sales. In Oberägeri/ZG, 67 notarizations were recorded in 2024 alone, reflecting the unwavering demand for condominiums.

Measured by net assets, the shares of real estate companies such as Mobimo and PSP are trading at a premium of around 20%. This certainly does not reflect the full potential of these two companies. That is why we use them in a number of our strategies (including the dividend strategy).

Asset sub-class	3–6 months	12–24 months	Analysis
Residential properties CH	↗	↗	The dire state of spatial planning and government behavior are keeping construction activity too low despite strong demand, particularly in the Mittelland.
Office and retail properties CH	→↗	→↗	The vacancy rate for high-quality investment vehicles is currently falling. However, the transaction market has not yet changed significantly.
Real Estate Fund CH	↘	→↘	Indirect Swiss real estate investments (CHREF) have become relatively more attractive again due to the lower interest rates on the Swiss franc capital market.
Infrastructure Equity / Fund	↗	↗	Infrastructure operators are seeing increased global interest in data center operations and their energy supply.

Equity

European equities have made a good start to the new year



Swiss shares and other equity indices since the beginning of 2025 (Source: Bloomberg Finance L.P. | Graphic: Zugerberg Finanz)

Our portfolios have had a good start to the new year. It is spring and the dividend season is beginning in Switzerland with numerous promising companies distributing some of their profits and reinvesting the rest. Novartis always marks the start of this dividend season. In general, European equities have had a particularly good start to the new year, but the longer-term growth and profit quality of our US tech selection should not be underestimated under any circumstances.

European equities have been in the spotlight so far this year, outperforming the US benchmark S&P 500 index by more than 10%. Signs of a bottoming out in Europe, supported by a further normalization of key interest rates by the ECB and sharply reduced valuations compared to the US, provided a tailwind. Global investor interest also recovered significantly, with inflows into European equities much higher than in previous quarters.

Significantly lower key interest rates than in the US and falling inflation (just above 2% in the spring) continue to support domestic demand and a recovery in economic activity. Current valuations for European equities are pricing in a very weak economic scenario. Although uncertainty remains, there is plenty of scope for valuations to catch up, including due to a potential peace agreement in Ukraine. There are numerous companies such as Siemens, Schneider Electric, Holcim and Sika that could benefit disproportionately from potential reconstruction.

For the time being, numerous companies are cautiously signaling hopeful messages. Here is a brief selection:

- **Apple** (-4% in USD since the beginning of the year) wants to create 20'000 jobs in the US. CEO Tim Cook announced the company's largest US investment package ever. The background to this is likely to be fear of tariffs. Apple has already successfully used this tactic once.
- **Microsoft** (-6%) remains our favorite in terms of the application-oriented development potential of software, AI assistance combined with data centers and cloud platforms.
- **Nvidia** (-9%) was unable to fully convince long-term investors with its optimistic outlook and inherent upside potential as a tech leader in the AI movement.
- **Mastercard** (+9%): With a market share of 25.8%, MC is the clear number two in the US credit card business, behind market leader Visa with 61.1%. However, MC is catching up, particularly in global business.
- **Nestlé** (+16%) rose to a five-month high, although patience is required for the turnaround. Under the new CEO Laurent Freixe, the focus is on strong cash generation, which would already enable a further share buyback program and a dividend increase in 2026.
- **Roche** (+17%) is deliberately sticking with the attractive diagnostics business because many synergies arise from it in purely technological terms. In addition, AI and the Chief Digital Technology are being used to drive research and development forward with better data.
- **Novartis** (+10%) is currently in an enviable position with its blockbuster heart drug Entresto and the cancer drug Pluvicto. Under CEO Vas Narasimhan, the core operating profit margin is expected to rise to 40% by 2027.

Asset sub-class	3–6 months	12–24 months	Analysis
Equity Switzerland	↗	↗	The worst performing SMI stock year-to-date is Kühne+Nagel (unchanged); all other SMI stocks in our portfolio are up for the month.
Equity Eurozone, Europe	↗	↗	The largest positive portfolio contributors in Swiss francs year-to-date are Siemens (+20%), Deutsche Telekom (+19%) and SAP (+13%).
Equity USA	→	↗	The portfolio contributions were mixed in February: Mastercard and Nvidia (each +4%), Apple (+3%) vs. Microsoft (-4%), Amazon (-11%) and Alphabet (-17%).
Equity Emerging markets	↗	↗	The long-standing stock market upswing in India (-10%) was interrupted by a shift in the emerging market equity allocation towards China.

Alternative investments

There is no alternative to the state



National Council chamber in the Federal Palace in Bern (Image source: Mor65_Mauro Piccardi - stock.adobe.com)

This time, we will not be discussing alternative investments to begin with, but rather the state. The “deep state” also operates in Switzerland. In Parliament and the Federal Council, everyone is certainly working towards the noble goal of making Switzerland better, safer and fairer. But new laws, ordinances and other regulations such as circulars do not come about without the involvement of the administration. These can include important details, and suddenly the intended bill tips over into the opposite direction.

There are plenty of examples of such behavior, because ultimately the Federal Council often relies on countless internal administrative experts. A recent example of this is the expansion of the 3a payment options: the Ettlin motion adopted by parliament did not provide for any restrictions on subsequent payments. The Federal Council saw it differently, or rather the administration, which had to reformulate the amended ordinance articles.

Parliament cannot intervene at the ordinance level, only at the law level. The Neue Zürcher Zeitung accused the Bundesrat of “insubordination”. But because it is an ordinance, there is little that can be done about it, as the Pension Forum also states in its latest newsletter on the 2nd pillar.

There is also a certain amount of uncertainty regarding vested benefits. In 2022, numerous pension funds fell massively into underfunding. But who is interested in transferring their vested benefits to a fund that is underfunded and thus risks losing assets when they leave, after possibly having to pay additional contributions to

restore its financial position?

Even the pension forum says: “It’s better to park your money externally and wait for better times. ... Although the BVG prescribes the transfer, it does not take place in an unknown number of cases. The receiving fund cannot enforce it and at some point it will give up its efforts if the insured person does not respond to its requests.”

Ultimately, the responsibility lies with the insured, and that is where it should remain. There are more than a million changes in Swiss pension funds every year. Therefore, one has to be careful about adding new costly administrative hurdles here. There is another reason for this, and now we have come full circle back to alternative investments: many pension funds do not invest in alternative investments and have therefore fallen into a funding shortfall. They lack the corresponding return contributions.

In the recently published and highly recommended study “Private Markets in Switzerland: Scaling Innovation & Growth” by the Asset Management Association Switzerland, the industry association SECA and BCG, the potential of the booming private markets as an asset class with good long-term returns is illustrated.

The public pension fund Publica does not invest in this asset class and has a meager performance record. SUVA, for example, is different as the largest private market investor in Switzerland, as explained in the study. Its pension fund has a highly profitable allocation to private equity, private debt and private infrastructure totaling 15.5%.

Asset sub-class	3–6 months	12–24 months	Analysis
Commodities	↘	→↗	Crude prices (USD 70 WTI crude; USD 73 Brent crude) are lower than the average of the past three years and have a stabilizing effect.
Gold, precious metals	→↗	→↗	Supply deficits and rising industrial demand could help the silver price to catch up with the development of gold.
Insurance Linked Securities	↗	→↗	The yield premium on cat bonds has fallen to 6% over the last two years, but it is still 17 times the money market yield in Swiss francs.
Private equity	↗	↗	As volatility is likely to persist, investors need to find ways to hedge their portfolios against turbulence and potential market downturns.

Market data

Asset class		Price (in local currency)			Monthly / YTD / Annual performance (in CHF)		
Equity		28.02.2025	02/2025	2025YTD	2024	2023	2022
SMI	CHF	13'004.5	+3.2%	+12.1%	+4.2%	+3.8%	-16.7%
SPI	CHF	17'150.0	+2.4%	+10.8%	+6.2%	+6.1%	-16.5%
DAX	EUR	22'551.4	+2.8%	+12.9%	+20.4%	+13.1%	-16.3%
CAC 40	EUR	8'111.6	+1.1%	+9.7%	-1.0%	+9.6%	-13.9%
FTSE MIB	EUR	38'655.1	+5.0%	+12.7%	+14.1%	+20.4%	-17.3%
FTSE 100	GBP	8'809.7	+2.0%	+7.7%	+12.1%	-0.3%	-8.8%
EuroStoxx50	EUR	5'463.5	+2.4%	+11.4%	+9.6%	+12.1%	-16.0%
Dow Jones	USD	43'840.9	-2.2%	+2.4%	+22.1%	+3.5%	-7.7%
S&P 500	USD	5'954.5	-2.1%	+0.6%	+33.4%	+13.1%	-18.5%
Nasdaq Composite	USD	18'847.3	-4.6%	-3.0%	+39.2%	+30.6%	-32.3%
Nikkei 225	JPY	37'155.5	-4.0%	-3.0%	+15.2%	+8.6%	-19.7%
Sensex	INR	73'198.1	-7.1%	-8.9%	+13.8%	+7.4%	-4.8%
MSCI World	USD	3'805.3	-1.5%	+2.0%	+26.6%	+10.8%	-18.5%
MSCI EM	USD	1'097.3	-0.3%	+1.4%	+13.6%	-2.6%	-21.5%
Bonds (mixed)		28.02.2025	02/2025	2025YTD	2024	2023	2022
Glob Dev Sov (Hedged CHF)	CHF	154.2	+0.7%	+0.6%	-1.4%	+2.2%	-13.2%
Glob IG Corp (Hedged CHF)	CHF	185.8	+1.3%	+1.5%	-0.8%	+4.2%	-16.7%
Glob HY Corp (Hedged CHF)	CHF	365.6	+0.5%	+1.5%	+6.1%	+8.7%	-13.6%
USD EM Corp (Hedged CHF)	CHF	276.9	+1.2%	+1.9%	+2.4%	+4.5%	-18.2%
Government bonds		28.02.2025	02/2025	2025YTD	2024	2023	2022
SBI Dom Gov	CHF	183.7	-0.6%	-1.7%	+4.0%	+12.5%	-17.0%
US Treasury (Hedged CHF)	CHF	139.1	+1.8%	+2.0%	-3.8%	-0.5%	-15.0%
Eurozone Sov (Hedged CHF)	CHF	180.3	+0.5%	+0.1%	-0.8%	+4.8%	-18.9%
Corporate bonds		28.02.2025	02/2025	2025YTD	2024	2023	2022
CHF IG Corp (AAA-BBB)	CHF	190.4	+0.0%	-0.3%	+5.1%	+5.7%	-7.5%
USD IG Corp (Hedged CHF)	CHF	187.6	+1.7%	+1.9%	-2.4%	+3.5%	-18.5%
USD HY Corp (Hedged CHF)	CHF	616.4	+0.4%	+1.4%	+3.7%	+8.5%	-13.7%
EUR IG Corp (Hedged CHF)	CHF	169.0	+0.4%	+0.7%	+2.0%	+5.9%	-14.1%
EUR HY Corp (Hedged CHF)	CHF	306.5	+0.8%	+1.3%	+5.4%	+9.8%	-10.9%
Alternative investments		28.02.2025	02/2025	2025YTD	2023	2022	2021
Gold Spot CHF/kg	CHF	82'976.3	+1.2%	+8.4%	+36.0%	+0.8%	+1.0%
Commodity Index	USD	102.8	-0.2%	+3.4%	+8.3%	-20.4%	+15.1%
SXI SwissRealEstateFunds TR	CHF	2'788.2	+4.2%	+2.7%	+16.0%	+5.4%	-17.3%
Currencies		28.02.2025	02/2025	2025YTD	2024	2023	2022
US dollar / Swiss franc	CHF	0.9031	-0.9%	-0.5%	+7.8%	-9.0%	+1.3%
Euro / Swiss franc	CHF	0.9371	-0.7%	-0.3%	+1.2%	-6.1%	-4.6%
100 Japanese yen / Swiss franc	CHF	0.5995	+2.1%	+4.0%	-3.4%	-15.4%	-11.0%
British pound / Swiss franc	CHF	1.1360	+0.6%	+0.0%	+6.0%	-4.2%	-9.3%

All information published here is for information purposes only and does not constitute investment advice or any other recommendation. This publication is based on generally available sources that we consider reliable and accurate. We cannot guarantee the accuracy and/or completeness of the information. This publication is intended exclusively for clients / interested parties from Switzerland and the legal information in the site notice on www.zugerberg-finanz.ch applies accordingly. The performance is according to sample portfolio. The actual structure of the individual portfolio and the resulting performance may differ as a result of active management and depend on the timing and amount of the investment. This is especially true in the first year of investment due to the staggered entry into the market. Only the actual performance according to the account / custody account statement from the custodian bank or the foundation is definitive.

The stated performance is net, after deduction of all running costs, excluding contract conclusion costs. All performance information is indicative, historical, and does not enable a guaranteed forecast for the future. Site notice: Zugerberg Finanz AG, 47 Lüssiweg, CH-6302 Zug, +41 41 769 50 10, info@zugerberg-finanz.ch, www.zugerberg-finanz.ch; Cover photo: Andreas Busslinger; Closing prices as of 28/02/2025; economic data as of 28/02/2025; economic forecasts as of 28/02/2025; Reproduction (including of excerpts) only permitted provided that the source is cited.