Vorstadtquai Zug (Photo: Andreas Busslinger)

Global growth continues

The US Federal Reserve (Fed) revised its growth forecast for gross domestic product in 2024 significantly upwards – from 1.4% to 2.1%. At the beginning of the first quarter of 2024, a recession was still expected in many places in the USA. Instead, a fairly normal year of growth is now on the horizon for the current year: Rather than a "soft landing", there are no signs of an economic landing at all. If this develops according to the estimates of some top US analysts, real growth could ultimately even be significantly higher than the trend potential. This also makes it clear that it is still advisable to be and remain invested in the real markets.

At its meeting on March 20, the Fed also revised its inflation forecasts for the core rate of personal consumption expenditures (PCE) upwards from 2.4% to 2.6%. Nevertheless, the median dot in its infamous "dot plot" still showed three cuts of 25 basis points for this year, meaning that the key Fed funds rate is likely to fall from the current 5.4% to 4.6% by the end of the year. We hesitate to believe this.

There are also signs of a recovery in Europe over the coming quarters. This is likely to be strong for Swiss companies. They will benefit from currency gains. With the solid euro (+4.8% against the franc since the beginning of the year) and the stronger dollar (+7.1%), the recovery in profits for internationally active Swiss companies will continue in the first quarter of 2024.

We expect risk assets to withstand the geopolitical challenges. The improvement in sentiment due to the successful fight against inflation is unmistakable. There are fewer and fewer good reasons to be skeptical about real capital market opportunities.

First quarter was pleasing

The first quarter of 2024 continued to show some weak points. The World Bond Index (hedged in Swiss francs) is still in the red at -1.0%. Following the key interest rate cut by the Swiss National Bank (SNB), the Swiss bond index caught up. Since the beginning of the year, it has now risen by +0.5%. Across all Zugerberg Finanz portfolios, March 2024 again generated positive returns, as did January and February. The equity-related Swiss Market Index (SMI) continued to rise in March and is now clearly up +5.3% on the start of the year.

In defensive risk class 1 (e.g. Revo1 with a high proportion of bonds), we are clearly up at +1.5% to +2.0%, although this can be attributed almost exclusively to the contribution from the equity allocation. In the balanced risk class 3 (e.g. Revo3 with +5.0% and R3 with +6.2% since the beginning of the year), the total return is already clearly in the positive zone.

The dynamic risk classes 4 and 5 (e.g. Revo4 and R4 with +6.7% each) exceeded even our own expectations at the end of the first quarter. The performance of the popular Revo5 at +7.8% even outperforms the return on the dividend solution (+7.5%).

In general, it should be emphasized that the returns in the vested benefits solutions are practically on a par with those in the free assets. Around 15% of the investment volume in vested benefits is parked in low-volatility, monthly tradable investment foundations, as is typically the case with pension fund-like investment strategies.

Strategies mainly based on individual titles	Strategy performance*	
	March 2024	YTD 2024
Zugerberg Finanz R1	+1.9%	+2.0%
Zugerberg Finanz R2	+2.6%	+4.1%
Zugerberg Finanz R3	+3.2%	+6.2%
Zugerberg Finanz R4	+3.4%	+6.7%
Zugerberg Finanz R5	+3.3%	+6.3%
Zugerberg Finanz RDividends	+4.7%	+7.8%
Zugerberg Finanz Revo1	+1.5%	+1.5%
Zugerberg Finanz Revo2	+2.2%	+3.5%
Zugerberg Finanz Revo3	+2.8%	+5.0%
Zugerberg Finanz Revo4	+3.3%	+6.7%
Zugerberg Finanz Revo5	+3.7%	+7.8%
Zugerberg Finanz RevoDividends	+4.3%	+7.5%
Zugerberg Finanz DecarbRevo3	+3.2%	+0.0%
Zugerberg Finanz DecarbRevo4	+4.1%	−0.8%
Zugerberg Finanz DecarbRevo5	+4.7%	−1.8%

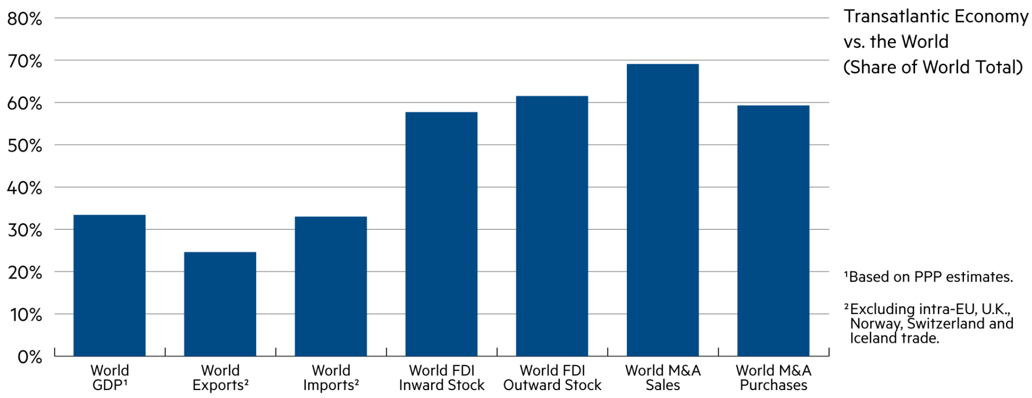
Zugerberg Finanz Vested benefits	Strategy performance*	
	March 2024	YTD 2024
Zugerberg Finanz Vested benefits R0.5	+1.1%	+0.5%
Zugerberg Finanz Vested benefits R1	+1.6%	+2.1%
Zugerberg Finanz Vested benefits R2	+2.0%	+3.3%
Zugerberg Finanz Vested benefits R3	+2.4%	+4.8%
Zugerberg Finanz Vested benefits R4	+2.7%	+5.0%

Zugerberg Finanz 3a pension solution	Strategy performance*	
	March 2024	YTD 2024
Zugerberg Finanz 3a Revo1	+1.5%	+1.5%
Zugerberg Finanz 3a Revo2	+2.2%	+3.5%
Zugerberg Finanz 3a Revo3	+2.8%	+5.0%
Zugerberg Finanz 3a Revo4	+3.3%	+6.7%
Zugerberg Finanz 3a Revo5	+3.7%	+7.8%
Zugerberg Finanz 3a RevoDividends	+4.3%	+7.5%
Zugerberg Finanz 3a DecarbRevo3	+3.2%	+0.0%
Zugerberg Finanz 3a DecarbRevo4	+4.1%	−0.8%
Zugerberg Finanz 3a DecarbRevo5	+4.7%	−1.8%

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

Macroeconomics

Transatlantic ties



Transatlantic economy vs. global economy (Source: U.N., IMF, figures refer to 2022 | Graphic: Zugerberg Finanz)

The transatlantic economy – an annual trade, investment and labour flow of 8.7 trillion dollars between the US and Europe – is surviving the period of re-globalization and re-shoring. Even the outcome of the US presidential election will not seriously change this most important link in the global economy.

“Shaken, not stirred”: this is the title of the first chapter of the report by the US-EU Chamber of Commerce, the so-called AmCham EU. “The US and Europe remain each other’s most important markets and geo-economic base,” the 200-page report states. No two other regions in the world are as closely linked as the USA and Europe.

The report potentially paints a rosy picture of a long economic relationship that has recently been strained at a political level between Brussels and Washington. In terms of competitiveness, Europe has certainly lost ground as a global economic powerhouse. With Donald Trump as president, tensions would certainly increase as well.

According to the transatlantic trade report, a number of records were set in 2023, which impressively underline the economic cohesion with the USA in an otherwise fragmented world:

– Trade in goods between the US and Europe reached an all-time high of 1.22 trillion dollars, more than double the trade in goods between the US and China, and US exports of goods to Europe also reached a record.
– Europe became the largest buyer of US crude oil, accounting for more than 60% of US liquefied natural gas shipments abroad.
– The subsidiaries of US companies in Europe earned an estimated 350 billion dollars, and the European units in the US earned 190 billion dollars.

The bottom line is that “globalization is not dead, but it is being refined and reshaped.” The same positive conclusion cannot be drawn about foreign direct investment flows. According to the report, US foreign direct investment in Europe fell by almost a third in the first nine months of 2023, while investment in the other direction fell by almost 30%. These are trends that could continue this year.

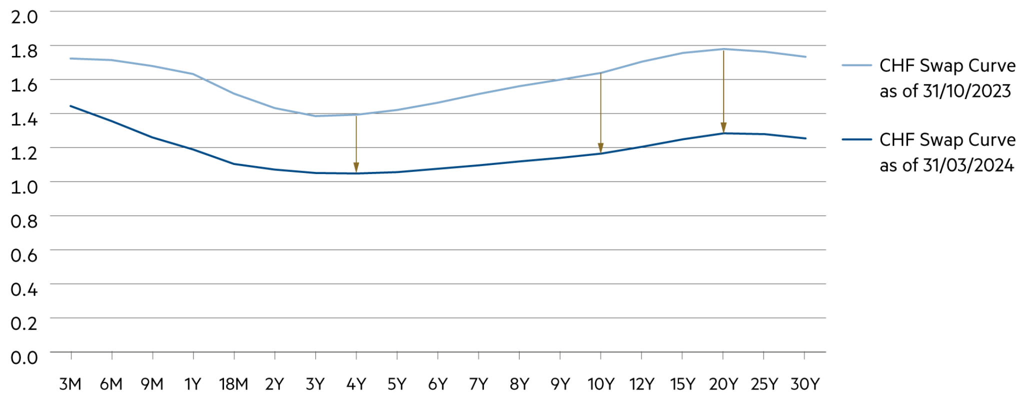
“We would not be surprised to see investment flows remain weak in 2024 given the uncertainties surrounding a series of elections in the US, Europe and many other countries around the world,” the report states. “The risk to investment flows is that companies take a wait-and-see approach to the elections and hold back their investments until voters have made up their minds.”

More favorable borrowing costs could help turn the tide. With interest rates expected to fall on both sides of the Atlantic this year, this is likely to encourage a new round of capital spending and mergers and acquisitions in the medium term. The recent decline in investment is therefore seen as cyclical rather than structural.

Region	3–6 months	12–24 months	Analysis
Switzerland	↗	↗	After the SNB lowered its key interest rate by 0.25% to 1.5%, the first banks followed suit and announced lower savings rates - not far from zero.
Eurozone, Europe	↗	↗	Real GDP growth in the eurozone is likely to be surprisingly high, driven in particular by flexible southern European countries and companies.
USA	↗	↗	The resilience of the US economy can no longer be denied. The false theses of recession and hard landing now belong in the waste paper basket.
Rest of the world	↗	↗	While Western share indices are close to their all-time highs, Chinese shares are around 39% below their peak. We are not invested there.

Liquidity, currency

The Swiss franc is oversold



The Swiss franc swap curve on 31 March 2024 vs. 31 October 2023 (Source: Bloomberg Finance L.P. | Graphic: Zugerberg Finanz)

As part of its monetary policy assessment, the SNB lowered the key interest rate by 0.25% to 1.5%. In doing so, it also initiated a weakening of the Swiss franc and a significant reduction in the yield curve across all maturities. We believe that the benefits resulting from the new swap interest rates are considerable. On the other hand, we are convinced that the massive weakening of the Swiss franc in the first quarter of 2024 is more of a temporary nature.

The swap curve is currently at its lowest point at four years, i.e. in the interbank business, four-year contracts are concluded with an interest rate of 1.04% (asking price). For a mortgage loan interest rate, the approximate rule of thumb is that, under competitive conditions, a customer margin of an additional 0.8% must be added for first-ranking collateral in order to arrive at the interest rate of the respective mortgage loan, i.e. a four-year fixed-rate mortgage is currently likely to be offered to the best borrowers at around 1.84%.

In other words, two- to ten-year fixed-rate mortgages are currently available at 2.0% or just below. This is around 0.5% less than five months ago. The market is only expecting a further substantial drop of this magnitude in the money market. The three- and six-month interest rate is currently around 1.4%. It is likely to be slightly below 1.0% at the end of December 2024 and the end of 2025, which can be deduced from the current Saron futures. In other words, the capital market is currently expecting two further key interest rate cuts of 0.25% by the end of the year. Only when these have occurred will the mortgage interest rates on loans linked to the variable Saron money market rate fall.

Even lower key interest rates are not to be expected. It is quite possible that the SNB will declare the "neutrality" of its monetary policy at 1.25%. But there is no certainty. If the real economic trend potential is considered to be +1.25% annually, the key interest rate does not need to be pushed below this level unless there is an economic emergency (e.g. to combat a possible recession).

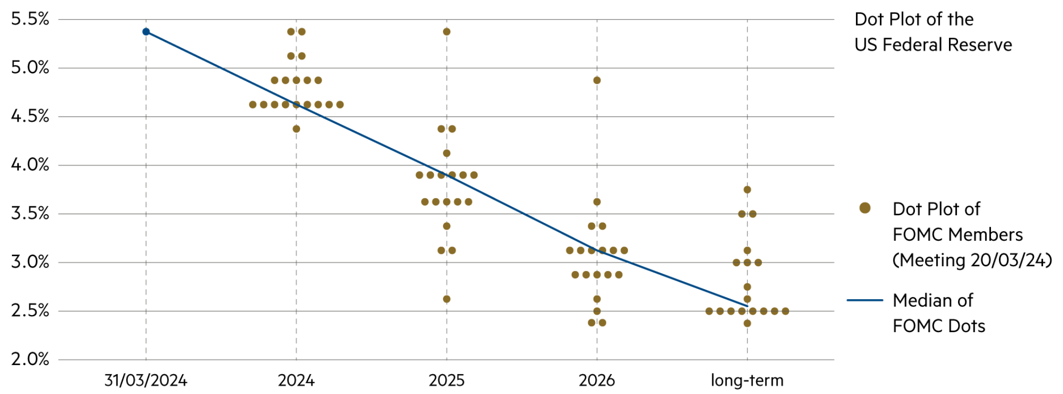
It is certain that the SNB's latest decision will have a positive impact on the stabilization of the domestic price landscape (e.g. rents). The temporary weakness against the euro and the dollar is likely to be only of a short-term nature, but will provide immediate relief for the Swiss export industry.

At present, we believe that the SNB's expectations of interest rate cuts are too high. The need for tightening in times of higher inflation should not be equated with the potential for easing in times of inflation rates between 1% and 2%. After all, these are in the upper band of what the SNB considers to be price stability (0% to 2%). The SNB's inflation forecast leads to the conclusion that there is a considerable chance that expectations of the SNB will be disappointed. At that point, the franc will appreciate again.

Asset class	3–6 months	12–24 months	Analysis
Bank account	↘	↘	Falling money market yields are ensuring a sustained inflow of liquidity into long-term nominal and sustainable real investments.
Euro / Swiss franc	↗→	↗→	Over the next 12 months, the strong momentum for the euro (+4.8% ytd) is likely to weaken again somewhat.
US dollar / Swiss franc	→↘	↘	In the first quarter of 2024, the dollar made up almost 80% of its loss against the franc in the fourth quarter of 2023, but it remains unstable.
Euro / US dollar	↗	↗	At 1.08, the world's most important currency pair is exactly 3% higher than six months ago. Inflation rates in the eurozone fell faster than those in the US.

Bonds

Significant potential for key central bank rate cuts



Fed key interest rate forecasts at the end of 2024, 2025, 2026 and longer term (sSource: Federal Reserve FOMC meeting on 20 March 2024 | Graphic: Zugerberg Finance)

Falling inflation rates in the US and Europe have created the greatest potential for key central bank rate cuts in 17 years. The SNB began the downward interest rate cycle on March 21. The European Central Bank (ECB) is likely to follow next, followed by the US Fed. Market participants have already begun to shift money parked in bank accounts in the short term back into the more lucrative bond and equity markets in the medium term in view of falling interest rates.

The latest inflation figures leave no doubt that the interest rate hump of 2023 was of a temporary nature. On the supply and demand side, the drivers of inflation are easing, particularly in the eurozone. The ECB in particular must now ensure that its restrictive monetary policy does not immediately stifle the delicate growth plant in the spring sun. Supply bottlenecks and energy prices have eased, but the global economy is not running smoothly. Consumer confidence is gradually returning, as is demand for goods, which is so important for the export-oriented pillars of the European economy. Now that the IMF has raised its forecast for global economic growth to 3.1%, it is important to harness the momentum of the global economy in Europe too.

Where inflation has been successfully combated and the labor market is also in balance, any further restrictive monetary policy decision is one too many. The continued restrictive course has so far ensured that the economy has been slow to get back on its feet after its weak phase. It is hindering the full exploitation of Europe's growth potential. The Swiss economy will also benefit as soon as the ECB finally initiates its easing cycle with determination and gives momentum to the current slight upward trend.

The robust global economic activity is also ensuring that we are hardly seeing any defaults on corporate bonds. Risk premiums are falling and have reached a very low level for the best credit ratings. There is further potential for a so-called "spread tightening", but it is small. High-grade corporate bonds have practically degenerated into interest-bearing paper. The company-specific risk premium over a government bond now only accounts for 17% of the redemption yield on dollar bonds – the lowest it has been for 17 years.

In Europe, too, the best corporate bonds carry low risk premiums. However, in this country they still contribute 31% to the redemption yield. Critically, one could point out that the repayment yields are higher than the average outstanding interest coupons. In other words, every time a maturing bond is refinanced, a higher interest rate must currently be accepted for the new bond. However, the risk, as we have calculated it, is moderate. In addition, many companies have covered their financing needs in good time at good conditions, which is why we are currently experiencing hardly any surprises with the corporate bonds we have selected.

Asset sub-class	3–6 months	12–24 months	Analysis
Government bonds	→↗	↗	We prefer government bonds denominated in dollars and euros if they have a longer residual term and therefore good potential for price appreciation.
Corporate bonds	↗	↗	Overall, we prefer corporate bonds to government bonds due to the various risk/return and diversification aspects.
High-yield, hybrid bonds	↗	↗	Furthermore, extremely attractive, superior risk-adjusted returns can be achieved with European high-yield and hybrid bonds.

Zugerberg Finanz bond solutions

Forward with corporate bonds

Rolling stock from bus and rail operator Arriva, rebranded as "GoCollective" from spring 2024 (Bildquelle: GoCollective / arriva.dk)

Corporate bonds made progress in March. The Credit Opportunities Fund (COF), which focuses on interesting, risky corporate credit risk premiums, rose significantly by +1.7% and thus achieved a quarterly return of +3.3%. This is promising for the rest of the year. The defensively oriented Zugerberg Income Fund (ZIF) also posted a noticeable gain of +1.0% in March.

In March, the interest rate-sensitive ZIF outperformed the Swiss Bond Index (+0.7%) and the World Bond Index (+0.6%; hedged in Swiss francs). The international bond markets are currently in good shape after a difficult start to the year as the prospects of upcoming interest rate cuts have increased. We assume that demand for bonds will increase and generate positive pressure on the bond markets.

When assessing the ZIF, it should not be forgotten that it has an important buffer function in difficult economic phases. It is therefore a central element of diversification. A portfolio would not be well diversified if it had put all its eggs in the same basket. Diversification is measured by the correlation between two investments, and this should be low or even negative, depending on the portfolio manager's intentions. Diversification reduces risk. In the past, a portfolio consisting of 50% bonds and 50% equities has proven to be less volatile than a portfolio consisting exclusively of equities. The ZIF can and must therefore prove its greatest benefit when the performance on the equity markets declines or the economy cools down.

The COF has a different character. Its duration is typically much lower than in the ZIF, but its main sources of income are not in the yield curve, but in the company-specific risk premiums. Among the 178 bonds, there are some that have a low risk premium compared to government bonds (e.g. Microsoft, Deutsche Telekom). A number of bonds are also in the "high grade" range, but they are subordinated in the balance sheet structure. Around 10% of all bonds have a solid insurance character as a business model (SwissRe, Zurich, Helvetia, etc.), which is currently particularly advantageous in view of the high solvency ratios. However, the 40 or so trades in March also show that the portfolio is constantly being reviewed, adapted to current trends and actively managed.

The outperformance of the COF in the current year is largely due to the selection and partly to the underlying market segments. Among the new bonds included in the COF, we particularly like GoCollective. This is the market-leading provider of public transportation services in and around Copenhagen, Denmark, with a punctuality rate of 99.9%. The company is led by the leadership-proven CEO Marianne Bøttger, who is committed to a successful turnaround with her experience from over 23 years in the mobility and public transportation business and an inspiring team.

	Zugerberg Income Fund	Credit Opportunities Fund
Yield in 2024 (since the beginning of the year)	-0.3%	+3.3%
Yield since the start (annualized)	-8.7% (-1.6%)	+29.3% (+2.3%)
Proportion of months with positive yield	52%	67%
Credit risk premium in basis points (vs. previous month)	120 BP (-3 BP)	494 BP (-22 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

Promising infrastructure assets

A Swiss International Air Lines jet at Zurich Airport (Image source: Flughafen Zürich AG)

The environment for infrastructure stocks is far from perfect, but it has improved significantly. Resilient growth, falling interest rates, lower capital costs, lower discount rates, higher valuations – these are just some of the factors that will have a positive impact on the asset class over the next two years. There are currently a large number of infrastructure offers because the number of underlying projects worldwide has also increased significantly.

After a difficult phase during the pandemic, Flughafen Zürich AG is still in the post-pandemic recovery phase. Investors appreciate the open communication and the great efforts to lead the company into the future with a broader base. At the end of the quarter, the share price was significantly higher than at the beginning of the year at just under +17%. Although the figures around Easter were still slightly lower than in 2019, with around 90,000 passengers per day, passengers took advantage of the wide range of services to consume more.

The agreement reached in principle with the Federal Office of Civil Aviation regarding flight operating charges at Zurich Airport was also encouraging. A "roll-over mechanism" is to be introduced for the next fee period – to the benefit of all stakeholders. The final decision is the responsibility of the Federal Council and a decision is expected in the fourth quarter of 2024.

Other infrastructure companies such as BKW (energy), Veolia (water) and Vinci (airports and toll roads) are also on the upswing thanks to the economic development.

Different trends are emerging in the Swiss real estate market. Although the property market is considered overvalued on the basis of the UBS Swiss Real Estate Bubble Index, further price increases are foreseeable. The recent significantly more favorable financing conditions than six months ago are increasing demand, which is encountering limited supply. In recent years, construction activity has been rather moderate due to high interest rates and higher construction costs.

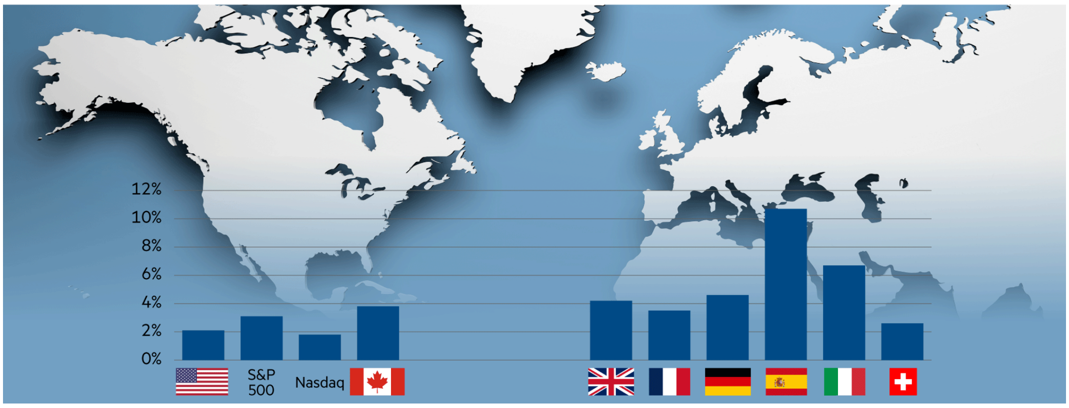
In the meantime, construction prices have stabilized. According to the Swiss Association of Master Builders, construction prices are unlikely to rise faster than inflation this year, i.e. by between one and two percent. Turnover in the main construction sector is likely to be around 23 billion Swiss francs, roughly the same as last year.

Although immigration and thus the population have increased significantly in recent times, too little living space has been produced. However, the falling interest rate environment will ensure that more capital flows into residential investment properties again. Institutional investors are also likely to increasingly accept low initial yields again in view of the moderate interest rate outlook in Switzerland. At the same time, the environment for the rental landscape has improved. The mortgage reference interest rate is likely to remain unchanged at its current level of 1.75%, thus stabilizing rental prices.

Asset sub-class	3–6 months	12–24 months	Analysis
Residential properties CH	↗	↗	We anticipate accelerated growth in mortgage volumes this year due to lower interest rates.
Office and retail properties CH	→	→	The structural change in retail space rents is continuing. Vacancy rates are increasing. Quality remains the trump card.
Real Estate Fund CH	↗	↗	The transaction market is seeing a general rise in purchase prices for newer apartment buildings with good energy standards.
Infrastructure Equity / Fund	↗	↗	The prospects for far-sighted infrastructure companies will improve over the course of 2024. Data centers and logistics centers are popular internationally.

Equity

Improved prospects for shares



Stock market developments on both sides of the Atlantic in March 2024 (Quelle: Bloomberg Finance L.P. | Grafik: Zugerberg Finanz)

In spring 2024, the real economic outlook for equities has improved. One factor is that global economic growth is accelerating and moving far away from a recession. Another factor is the increase in productivity due to new technologies, which is currently affecting all industries and sectors globally. In addition, US investors are increasingly beginning to discover the relatively low valuations in Europe.

US investors have been selling more European shares than buying them for some time now. This is backed up by securities statistics. Recently, they have been increasingly taking a liking to European companies again. Here are just a few examples:

Holcim (+24% since the beginning of the year) impresses with its spin-off plans to serve the rapidly growing US construction market even more closely and better. Factory construction is showing the strongest growth rates of the past 50 years due to the trend towards re-shoring.

Lonza (+53%) is demonstrating entrepreneurial foresight with its Biologics investment on the US West Coast, which is likely to cost around CHF 2 billion in total – precisely at a time when its competitor Wuxi Biologics is experiencing difficulties. The annual growth rates for Lonza are likely to rise to an average of 17% until at least 2028.

Nestlé (-2%) has clear potential as the world's most multinational food company to benefit from the global growth of the middle class. This patient path is rewarded with a dividend yield of more than 3%.

SwissRe (+23%) is a globally anchored reinsurer with very high solvency and yet trades at a price/earnings ratio of only 10. The dividend yield of over 5% remains secure for years to come due to its economic substance.

SGS (+21%) is the global market leader in goods testing and certification. The Geneva-based group with a strong anchor shareholder is in a structural growth market because legislation and contracts require more and more tests and certificates.

Axa (+18%) is the world's largest non-life insurer. The strategy of long-standing CEO Thomas Buberl, who holds a doctorate from the HSG in St. Gallen, is beginning to bear fruit. AI is also helping to significantly improve productivity.

Various interesting European companies with global significance are in the midst of a metamorphosis. Accelleron (+29%) only recently spun off from ABB, giving it a new kind of dynamism.

The weaker franc is helping: this applies to a large number of local companies, including Bossard (-1%) and U-blox (-13%), which, like Accelleron, generate a significant proportion of their value added in Switzerland, but work their niches globally. Their best years are yet to come. This can be said of numerous companies whose business models we have examined in detail. However, this still requires patience in some places, such as the leading global freight forwarder Kühne+Nagel (-13%), which is undergoing a multi-year transformation under its new CEO Stefan Paul.

Asset sub-class	3–6 months	12–24 months	Analysis
Equity Switzerland	↗	↗	In the SMI, the outliers in March were Lonza (+17%), Holcim (+13%) at the upper end and Sonova (-4%) and Kühne+Nagel (-16%) at the lower end.
Equity Eurozone, Europe	↗	↗	The Euro Stoxx 50 (+12.4% since 1.1.) continues to embody the improved macro indicators from the eurozone. Banks benefited disproportionately.
Equity USA	↗	↗	The European markets gained significantly more in March than the US Dow Jones (+2.1%) or the Nasdaq technology index (+1.8%).
Equity Emerging markets	↗	↗	In India, the new financial year began for all companies on April 1. Sales and profit expectations have risen again.

Alternative investments

Gold to preserve wealth

(Source: stock.adobe.com | Graphic: Zugerberg Finanz)

In dollars, the gold price appears to be rallying. In Swiss francs, the price of a kilogram of gold has been moving sideways for five years until two weeks ago. Private investors have actively reduced their gold ETF positions considerably over the past two years. Since the US sanctions against Russia and China, these two countries have increasingly relied on gold as a reserve in their central banks in order to reduce their dependence on the dollar as the most important global currency.

The structural drivers behind central bank purchases from Russia and China, but also Russia-related countries such as Belarus, Azerbaijan, Kazakhstan, etc., remain intact. The latest figures from the World Gold Council show that central banks increased their physical gold holdings by more than 1,000 tons in 2023. This is likely to have accelerated even further in the first quarter of 2024.

There is also demand from Asia. In India, demand for gold jewelry is rising due to increasing prosperity, while Chinese investors are looking for alternative, genuine stores of value to their real estate (falling prices!) and equities (falling prices!).

Preserving value is always at the heart of gold ownership. In times of high uncertainty, gold is also popular in the West as a means of hedging the remaining assets. As it does not yield any return, the sole purpose of gold is to preserve its value in the long term. For over 3,000 years, no increase in value has been observed after adjusting for inflation. This also applies to the last hundred years, as we have shown graphically in the example above.

Back then, a few small bars were enough to buy a house in the USA. In the meantime, houses have become around 90 times more expensive, but so have gold bars. Today, you still need the same number of bars to buy a house. Central banks with a weak currency are also concerned with preserving value. Never in the last 25 years has so much gold been purchased by central banks as in recent years.

Gold offers a diversification benefit because the price changes relatively erratically and hardly correlates with those on the high-yield capital markets. The price of gold is currently CHF 1,979 per ounce (31.1 grams). This level, which is slightly above the sideways band, is due to the current weakness of the Swiss franc following the SNB's interest rate cut. However, experience shows that the price of gold also increases fears about gold. Storing it costs more and more, and careless storage at home is strongly discouraged.

The Chinese central bank has been rumored to be buying gold in order to make itself less dependent on the dollar. Switzerland also plays an important role in this with its gold trade. Exports to China tripled in January 2024 compared to December 2023. A phase of interest rate easing by Western central banks should increase the value of gold reserves with no yield.

While we are on the subject of precious metals, we should also point out that the total value of bitcoins has exceeded the valuation of all silver holdings in the world. All of the world's gold reserves are worth around ten times the value of Bitcoin.

Asset sub-class	3–6 months	12–24 months	Analysis
Commodities	→	↗→	Recycled commodities are becoming a key factor, which is why even "rare commodities" are likely to experience a modest price trend in the future.
Gold, precious metals	↗	↗→	Those who want to take a negative view of the world see the gold price as a sign of the poor state of the world and are looking for a "safe haven" in gold.
Insurance Linked Securities	↗	↗	We remain convinced of the risk-adjusted attractiveness of subordinated insurance bonds and ILS solutions.
Private equity	↗	↗	The coming years will trigger a valuation boom in the sector and should lead to pleasing incentive fees and price developments.

Market data

Asset class		Price (in local currency)	Monthly / YTD / Annual performance (in CHF)				
Equity		**31.03.2024**	**03/2024**	**2024 YTD**	**2023**	**2022**	**2021**
SMI	CHF	11'730.4	+2.5%	+5.3%	+3.8%	−16.7%	+20.3%
SPI	CHF	15'442.9	+3.9%	+6.0%	+6.1%	−16.5%	+23.4%
DAX	EUR	18'492.5	+6.6%	+15.7%	+13.1%	−16.3%	+10.4%
CAC 40	EUR	8'205.8	+5.5%	+14.0%	+9.6%	−13.9%	+23.6%
FTSE MIB	EUR	34'750.4	+8.7%	+20.0%	+20.4%	−17.3%	+17.3%
FTSE 100	GBP	7'952.6	+6.3%	+9.3%	−0.3%	−8.8%	+16.7%
EuroStoxx50	EUR	5'083.4	+6.2%	+17.8%	+12.1%	−16.0%	+16.0%
Dow Jones	USD	39'807.4	+4.1%	+13.4%	+3.5%	−7.7%	+22.2%
S&P 500	USD	5'254.4	+5.1%	+18.3%	+13.1%	−18.5%	+30.6%
Nasdaq Composite	USD	16'379.5	+3.8%	+17.2%	+30.6%	−32.3%	+25.0%
Nikkei 225	JPY	40'168.1	+3.6%	+19.9%	+8.6%	−19.7%	−2.6%
Sensex	INR	73'651.4	+3.0%	+9.3%	+7.4%	−4.8%	+23.2%
MSCI World	USD	3'436.8	+5.0%	+16.5%	+10.8%	−18.5%	+23.7%
MSCI EM	USD	1'040.4	+3.9%	+9.1%	−2.6%	−21.5%	−1.8%
Bonds (mixed)		**31.03.2024**	**03/2024**	**2024 YTD**	**2023**	**2022**	**2021**
Glob Dev Sov (Hedged CHF)	CHF	153.9	+0.5%	−1.0%	+2.2%	−13.2%	−3.0%
Glob IG Corp (Hedged CHF)	CHF	182.8	+1.0%	−0.9%	+4.2%	−16.7%	−2.0%
Glob HY Corp (Hedged CHF)	CHF	345.2	+1.3%	+1.7%	+8.7%	−13.6%	+1.4%
USD EM Corp (Hedged CHF)	CHF	267.4	+1.4%	+0.7%	+4.5%	−18.2%	−2.7%
Government bonds		**31.03.2024**	**03/2024**	**2024 YTD**	**2023**	**2022**	**2021**
SBI Dom Gov	CHF	179.1	+1.5%	−0.2%	+12.5%	−17.0%	−4.2%
US Treasury (Hedged CHF)	CHF	139.0	+0.3%	−1.9%	−0.5%	−15.0%	−3.5%
Eurozone Sov (Hedged CHF)	CHF	179.4	+0.9%	−1.2%	+4.8%	−18.9%	−3.7%
Corporate bonds		**31.03.2024**	**03/2024**	**2024 YTD**	**2023**	**2022**	**2021**
CHF IG Corp (AAA-BBB)	CHF	183.1	+0.6%	+0.7%	+5.7%	−7.5%	−0.5%
USD IG Corp (Hedged CHF)	CHF	185.9	+1.0%	−1.4%	+3.5%	−18.5%	−2.3%
USD HY Corp (Hedged CHF)	CHF	589.5	+0.9%	+0.5%	+8.5%	−13.7%	+4.1%
EUR IG Corp (Hedged CHF)	CHF	164.4	+1.1%	−0.1%	+5.9%	−14.1%	−1.2%
EUR HY Corp (Hedged CHF)	CHF	289.8	+0.2%	+1.0%	+9.8%	−10.9%	+3.2%
Alternative investments		**31.03.2024**	**03/2024**	**2024 YTD**	**2023**	**2022**	**2021**
Gold Spot CHF/kg	CHF	64'643.1	+11.2%	+14.8%	+0.8%	+1.0%	−0.6%
Commodity Index	USD	99.5	+4.9%	+8.3%	−20.4%	+15.1%	+30.8%
SXI SwissRealEstateFunds TR	CHF	2'488.5	+3.5%	+6.4%	+5.4%	−17.3%	+7.6%
Currencies		**31.03.2024**	**03/2024**	**2024 YTD**	**2023**	**2022**	**2021**
US dollar / Swiss franc	CHF	0.9017	+1.9%	+7.2%	−9.0%	+1.3%	+3.1%
Euro / Swiss franc	CHF	0.9727	+1.8%	+4.7%	−6.1%	−4.6%	−4.0%
100 Japanese yen / Swiss franc	CHF	0.5958	+1.1%	−0.1%	−15.4%	−11.0%	−7.5%
British pound / Swiss franc	CHF	1.1382	+1.9%	+6.2%	−4.2%	−9.3%	+1.9%