

# Vita Classic – Investment reports

## March 31, 2021

### Review

Important facts	
Foundation name	<b>Vita Collective Foundation</b>
Pension assets	<b>CHF 17.71 billion</b>
Annual performance 2020	<b>5.55%</b>
Average performance 2016 – 2020	<b>4.24% p.a.</b>
Coverage ratio (Art. 44 para. 2 BVV 2)	<b>110.4%</b>

### Good start to the year for financial markets

The first quarter of 2021 continued in the same way the previous year ended. The stock markets reached record highs in the US and investors reaped handsome profits in other asset classes as well. Conversely, bond holders were among the losers. In particular, US government bond holders suffered poor performance as prices fell due to increased interest rates.

### Investment development

2021 performance contributions	In %
Bonds	<b>-0.46</b>
Real estate	<b>0.37</b>
Equities	<b>2.74</b>
Alternative investments	<b>0.47</b>
Miscellaneous (put and mortgages)	<b>-0.14</b>
<b>Total</b>	<b>2.98</b>

Performance as at 03/31/2021	In %
Year(s) of operation	<b>2.98</b>
Year 1	<b>15.24</b>
3 years. p.a.	<b>4.84</b>
5 years. p.a.	<b>5.10</b>
1st quarter	<b>2.98</b>
2nd quarter	<b>n.a.</b>
3rd quarter	<b>n.a.</b>
4th quarter	<b>n.a.</b>

### Widespread optimism

Many investors seem to have forgotten the stock market selling spree of February and March 2020. Most investment strategists recommend a high equity ratio; strong performance – of US stocks in particular – proved them right. Despite record high prices, alternatives to shares remain few and far between. To achieve target returns, pension funds are gradually being forced to trade supposedly safe government bonds for more risky investments. At the same

time, they have to keep an eye on their risk capacity. When valuation is very high, for example, an interest rate hike could result in painful falling stock prices. For this reason, the Vita Collective Foundation invests in a broadly diversified manner. This allows you to profit from good returns on stock markets – but also from corporate bonds and real estate – without running substantial risks. In this vein, illiquid investments like direct lending or mortgages are increasingly becoming an important component of portfolios.

## Investment strategy

Asset structure as at 03/31/2021	In %	Target	Min.	Max.
		Strategy		
Swiss equities	6.08	6.00	4.00	8.00
Foreign equities	25.12	24.00	19.00	29.00
<b>Total equities</b>	<b>31.20</b>	<b>30.00</b>		
Swiss bonds	9.45	10.00	7.00	13.00
Foreign bonds	21.63	19.00	13.00	25.00
<b>Total capital market</b>	<b>31.08</b>	<b>29.00</b>		
Swiss real estate	9.24	10.00	5.00	17.00
Foreign real estate	5.18	5.00	2.00	8.00
<b>Total real estate</b>	<b>14.42</b>	<b>15.00</b>		
Mortgages	7.09	7.00	3.00	11.00
<b>Total mortgages</b>	<b>7.09</b>	<b>7.00</b>		
Private equity	2.69	3.00	0.00	5.00
Hedge fund	5.59	6.00	4.00	8.00
Infrastructure	1.45	3.00	0.00	8.00
Senior loans	3.85	4.00	2.00	6.00
Direct lending	1.37	2.00	0.00	4.00
<b>Total alternative investments</b>	<b>14.95</b>	<b>18.00</b>		
<b>Total liquidity</b>	<b>1.03</b>	<b>1.00</b>	<b>0.00</b>	<b>5.00</b>
<b>Total miscellaneous</b>	<b>0.23</b>			
<b>Total</b>	<b>100.00</b>	<b>100.00</b>		

Ten largest positions. Equities	In % of portfolio
Nestlé SA	1.18%
Roche Holding AG	0.85%
Novartis AG	0.73%
Apple Inc	0.70%
Microsoft Corp	0.58%
Amazon.com Inc	0.46%
Alphabet Inc	0.44%
Taiwan Semiconductor Manufacturing Co Ltd	0.33%
Tencent Holdings Ltd	0.31%
Samsung Electronics Co Ltd	0.30%
<b>Total</b>	<b>5.88%</b>

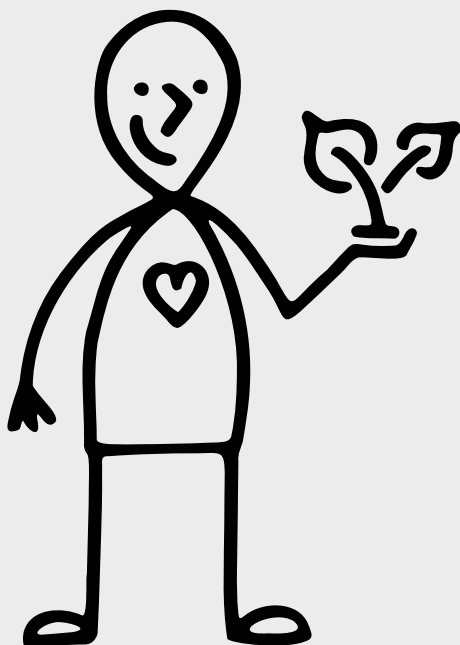
Ten largest positions. Bonds	In % of portfolio
United States of America	3.89%
Pfandbriefbank schweizerischer Hypothekarinstitute	1.67%
Swiss Confederation	1.36%
Pfandbriefzentrale der schweizerischen Kantonalbanken AG	1.28%
French Republic	1.12%
Kingdom of Spain	0.56%
Federal Republic of Germany	0.43%
Canton of Geneva	0.27%
Canton of Zurich	0.27%
Canton of Basel Landschaft	0.18%
<b>Total</b>	<b>11.03%</b>

### Implementing the 2021 strategic asset allocation

The updated strategic asset allocation of the Vita Collective Foundation came into force on January 1, 2021. Vita Classic's revised pension model has a stabilizing effect on the funding ratio, thus allowing a higher risk budget; the Collective Foundation adapted the strategic asset allocation accordingly.

In 2021, Vita Collective Foundation will continue implementing the steps it has already taken over the previous years. The allocation to equities, real estate and illiquid investments will increase overall at the expense of traditional bonds. This strategy has also paid off in the first quarter of 2021, enabling the Vita Collective Foundation to generate good portfolio yields.

## New memberships in the area of sustainability



The Vita Collective Foundation is deeply involved with the topic of sustainable investment and has become a member of various sustainability initiatives. Among these are the six Principles for Responsible Investment of the United Nations (UN PRI) signed by the Collective Foundation at the end 2020, thereby granting it membership in a global financial initiative that includes more than 3,000 investors, asset managers and financial service providers. Under the auspices of the initiative, the Vita Collective Foundation pledges to factor ESG (environmental, social and governance) aspects into its investment decisions.

The Vita Collective Foundation is now also a member of Swiss Sustainable Finance (SSF). SSF has the goal of strengthening Switzerland's position on the global market with regard to sustainable financing. Both memberships highlight the importance of sustainability to the Vita Collective Foundation and its increasing influence on investment processes.

As an active and responsible investor, the Vita Collective Foundation follows a holistic and positive approach to sustainability. It takes ESG criteria into account in all investment decisions and invests in a results-oriented manner in companies and projects with a positive ESG impact. This includes investing in old-age and intergenerational housing, an area in which the Collective Foundation is continuously expanding its portfolio.

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**Vita Collective Foundation**  
Hagenholzstrasse 60 | 8050 Zurich, Switzerland  
[www.vita.ch](http://www.vita.ch)