

Vita Classic – Investment reports

March 31, 2024

Review

| Important facts | |
|--|-----------------------------------|
| Foundation name | Vita Collective Foundation |
| Pension assets | CHF 19.6 billion |
| Net performance 2023 | 5.7% |
| Average net performance 2019–2023 | 3.4% p.a. |
| Coverage ratio (Art. 44 para. 2 BVV 2) | 107.7% |

Swiss National Bank lowers key interest rate

The global capital markets got off to a good start in the new year. Despite higher bond yields, it was equities that made strong gains in the first quarter.

Inflation in Switzerland fell to 1 percent in March, which is below the target value of 2 percent. This prompted the Swiss National Bank to be the first major central bank to cut its key interest rate by 25 basis points to 1.5 percent in March. The greater interest rate differential led to a depreciation of the Swiss franc against the US dollar and the euro.

Investment development

| 2024 performance contributions | In % |
|---|-------------|
| Bonds | 0.2 |
| Real estate | 0.2 |
| Equities | 4.2 |
| Infrastructure | 0.3 |
| Alternative investments | 0.5 |
| Miscellaneous (mortgages, put options and FX hedge) | -1.9 |
| Total | 3.5 |

| Net performance as at 03/31/2024 | In % |
|----------------------------------|-------------|
| Year(s) of operation | 3.5 |
| Year 1 | 6.4 |
| 3 years, p.a. | 1.2 |
| 5 years, p.a. | 3.3 |
| 1st quarter | 3.5 |
| 2nd quarter | n.a. |
| 3rd quarter | n.a. |
| 4th quarter | n.a. |

Encouraging start to the year

While the Swiss National Bank has lowered its key interest rate somewhat unexpectedly, the European Central Bank and the US Federal Reserve are holding back for the time being. Although annual inflation rates are also falling in many European countries and the USA, they are still above the 2 percent mark. The continued resilience of the US economy also suggests that interest rate cuts will be slower than expected last year. On the other side is Japan, which has been struggling with falling prices and wages for years.

The Bank of Japan is now one of the last major central banks to end its negative interest rate policy and is raising interest rates for the first time since 2007.

The stock markets were unimpressed by rising bond yields and declining expectations of interest rate cuts. Equities were also the main driver of the Vita Collective Foundation's investment portfolio return of 3.5 percent in the first quarter of 2024.

Investment strategy

| Asset structure as at 03/31/2024 | In % | Target | Min. | Max. |
|--------------------------------------|--------------|--------------|------------|------------|
| | | Strategy | | |
| Swiss equities | 6.1 | 6.0 | 4.0 | 8.0 |
| Foreign equities | 27.5 | 27.0 | 22.0 | 32.0 |
| Total equities | 33.6 | 33.0 | | |
| Swiss bonds | 13.9 | 15.0 | 12.0 | 18.0 |
| Foreign bonds | 14.4 | 15.0 | 12.0 | 18.0 |
| Total bonds | 28.3 | 30.0 | | |
| Swiss real estate | 12.7 | 13.0 | 7.0 | 19.0 |
| Foreign real estate | 4.0 | 5.0 | 2.0 | 8.0 |
| Total real estate | 16.7 | 18.0 | | |
| Mortgages | 6.9 | 5.0 | 2.0 | 9.0 |
| Total mortgages | 6.9 | 5.0 | | |
| Infrastructure | 3.4 | 4.0 | 0.0 | 8.0 |
| Total infrastructure | 3.4 | 4.0 | | |
| Private equity | 4.0 | 3.0 | 0.0 | 6.0 |
| Private debt | 5.8 | 6.0 | 2.0 | 10.0 |
| Total alternative investments | 9.8 | 9.0 | | |
| Total liquidity | 1.2 | 1.0 | 0.0 | 5.0 |
| Total miscellaneous | 0.1 | | | |
| Total | 100.0 | 100.0 | | |

| Ten largest positions: equities | In % of portfolio |
|---------------------------------------|-------------------|
| Nestlé SA | 1.0% |
| Microsoft Corp | 0.8% |
| Novartis AG | 0.7% |
| Apple Inc | 0.7% |
| Roche Holding AG | 0.7% |
| Nvidia Corp | 0.6% |
| Amazon.com Inc | 0.5% |
| Alphabet Inc | 0.5% |
| Taiwan semiconductor manufacturing co | 0.3% |
| UBS Group AG | 0.3% |
| Total | 6.1% |

| Ten largest positions: bonds | In % of portfolio |
|--|-------------------|
| United States of America | 3.5% |
| Pfandbriefbank schweizerischer Hypothekarinstitute | 2.0% |
| Pfandbriefzentrale der schweizerischen Kantonalbanken AG | 1.4% |
| Swiss Confederation | 1.2% |
| French Republic | 0.4% |
| Zürcher Kantonalbank | 0.3% |
| Federal Republic of Germany | 0.3% |
| Kingdom of Spain | 0.2% |
| Luzerner Kantonalbank AG | 0.2% |
| Canton of Geneva | 0.2% |
| Total | 9.7% |

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