

Vita Classic – Investment reports

June 30, 2024

Review

Important facts	
Foundation name	Vita Collective Foundation
Pension assets	CHF 19.7 billion
Net performance 2023	5.7%
Average net performance 2019–2023	3.4% p.a.
Coverage ratio (Art. 44 para. 2 BVV 2)	108.4%

Artificial intelligence hype driving performance

After a strong start to the year, the capital markets began the second quarter in rather subdued fashion. Weakening US economic growth and stubborn inflation cast doubt on a soft landing for the economy. Iran's attack on Israel in mid-April and the subsequent Israeli retaliatory strike heightened fears of an escalation of the Middle East conflict. On the other hand, the ongoing hype surrounding artificial intelligence and solid quarterly results boosted the capital markets.

Investment development

2024 performance contributions	In %
Bonds	0.2
Real estate	0.2
Equities	5.2
Infrastructure	0.3
Alternative investments	0.6
Miscellaneous (mortgages, put options and FX hedge)	-2.0
Total	4.6

Net performance as at 06/30/2024	In %
Year(s) of operation	4.6
Year 1	6.1
3 years, p.a.	0.5
5 years, p.a.	3.2
1st quarter	3.5
2nd quarter	1.0
3rd quarter	n.a.
4th quarter	n.a.

Encouraging half-year on the stock market

The Vita Collective Foundation concluded the first half of the year 2024 with performance of 4.6 percent. Equities were the main driver of the pleasing performance, although they lost some momentum in the second quarter. In addition to the geopolitical risks in the Middle East, the outcome of the European elections and the subsequent announcement of new elections in France weighed on the financial markets. Moreover, the development of inflation has not

been forgotten. The European Central Bank decided to reverse interest rates in June and lowered its key interest rate by 25 basis points to 4.25 percent for the first time since 2019. The Swiss National Bank also lowered its key interest rate – for the second time this year. The US monetary authorities still expect only one interest rate cut this year. Although inflation has fallen since mid-2022, it is still above the long-term target of two percent.

Investment strategy

Asset structure as at 06/30/2024	In %	Target	Min.	Max.
		Strategy		
Swiss equities	6.0	6.0	4.0	8.0
Foreign equities	26.8	27.0	22.0	32.0
Total equities	32.8	33.0		
Bonds CHF	14.6	15.0	12.0	18.0
Bonds foreign currencies	15.1	15.0	12.0	18.0
Total bonds	29.7	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	5.7	6.0	2.0	10.0
Total alternative investments	9.7	9.0		
Total liquidity	0.7	1.0	0.0	5.0
Total miscellaneous	0.1			
Total	100.0	100.0		

Ten largest positions: equities	In % of portfolio
Nestlé SA	0.9%
Microsoft Corp	0.8%
Nvidia Corp	0.8%
Apple Inc	0.8%
Novartis AG	0.8%
Roche Holding AG	0.7%
Alphabet Inc	0.6%
Amazon.com Inc	0.5%
Taiwan semiconductor manufacturing co	0.4%
Meta platforms Inc	0.3%
Total	6.6%

Ten largest positions: bonds	In % of portfolio
United States of America	4.1%
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%
Luzerner Kantonalbank AG	0.2%
Kingdom of Spain	0.2%
Nestlé SA	0.2%
Total	10.3%

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