

Vita Classic – Investment reports

September 30, 2024

Review

Important facts	
Foundation name	Vita Collective Foundation
Pension assets	CHF 20.0 billion
Net performance 2023	5.7%
Average net performance 2019–2023	3.4% p.a.
Coverage ratio (Art. 44 para. 2 BVV 2)	109.7%

Volatility makes a comeback

At the start of August, the Japanese stock market fell by 12%, causing global stock exchange crashes. The reasons were Japan's second interest rate hike and the announcement of the bond purchase program reduction, leading to an appreciation of the yen. Tensions in the Middle East also caused investors to flee to safe havens, so the yen rose by 10% against the U.S. dollar. This unsettled carry trade investors who had bet on yen loans. Only Japan's signal that it would suspend interest rate hikes calmed the markets.

Investment development

2024 performance contributions	In %
Bonds	1.0
Real estate	0.4
Equities	5.4
Infrastructure	0.2
Alternative investments	0.4
Miscellaneous (mortgages, put options and FX hedge)	-1.1
Total	6.3

Net performance as at 09/30/2024	In %
Year(s) of operation	6.3
Year 1	8.9
3 years, p.a.	1.0
5 years, p.a.	3.4
1st quarter	3.5
2nd quarter	1.2
3rd quarter	1.5
4th quarter	n.a.

Normalization of central bank interest rates

Inflation rates in Europe and the United States were only slightly above the target value of 2% at the end of September. During that month, both the European Central Bank and the Swiss National Bank lowered their key interest rates again. The U.S. Federal Reserve also began its easing cycle more boldly than expected and lowered the key interest rate by 0.5 percentage points for the first time since the start of the coronavirus pandemic. Market volatility increased in the run-up to the U.S. elections. Economic

growth in the U.S. weakened somewhat in the third quarter, while Europe recovered moderately.

For the current investment year, this equates to a return of 6.3% for the Vita Collective Foundation. The main drivers of the pleasing performance were the stock markets, which were boosted by the falling interest rates, and – to a lesser extent – price gains on bonds.

Investment strategy

Asset structure as at 09/30/2024	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	14.8	15.0	12.0	18.0
Bonds foreign currencies	15.3	15.0	12.0	18.0
Total bonds	30.1	30.0		
Swiss real estate	13.0	13.0	7.0	19.0
Foreign real estate	4.1	5.0	2.0	8.0
Total real estate	17.1	18.0		
Mortgages	6.6	5.0	2.0	9.0
Total mortgages	6.6	5.0		
Infrastructure	3.4	4.0	0.0	8.0
Total infrastructure	3.4	4.0		
Private equity	3.8	3.0	0.0	6.0
Private debt	5.5	6.0	2.0	10.0
Total alternative investments	9.3	9.0		
Total liquidity	0.6	1.0	0.0	5.0
Total miscellaneous	0.1			
Total	100.0	100.0		

Ten largest positions: equities	In % of portfolio
Apple Inc	0.8%
Nestlé SA	0.8%
Novartis AG	0.8%
Microsoft Corp	0.8%
Nvidia Corp	0.7%
Roche Holding AG	0.7%
Alphabet Inc	0.5%
Amazon.com Inc	0.4%
Meta platforms Inc	0.3%
Taiwan semiconductor manufacturing co	0.3%
Total	6.0%

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	1.3%
French Republic	0.5%
Zürcher Kantonalbank	0.3%
Federal Republic of Germany	0.3%
Luzerner Kantonalbank AG	0.2%
Kingdom of Spain	0.2%
UBS Switzerland AG	0.2%
Total	10.5%

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