

Gold and beyond

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Current market challenges from a CHF investors perspective
Dr. Anja Hochberg, Head Multi-Asset Solutions

SwissMBA Investment Roundtable, Zürich, 16. April 2025



- Swisscanto – A Swiss success story
- Current market challenges and how to master them
- Q & A /Breakout session

Swisscanto: A Swiss success story



The trust of our customers is key to our success



as at the end of 2024

Consolidated profit (CHF)	Risk-based capital ratio (going-concern)
CHF 1,289 million	17.9%

Switzerland's second-largest universal bank

Rating	AAA	S&P
	AAA	Fitch
	Aaa	Moody's

Ownership: Canton of Zurich

Asset Management of Zürcher Kantonalbank

as at February 2025

Assets under Management	Number of Funds
CHF 307 billion	238

Number of employees	Second largest fund provider in Switzerland
270	

2020: introduction
of a CO₂e reduction target

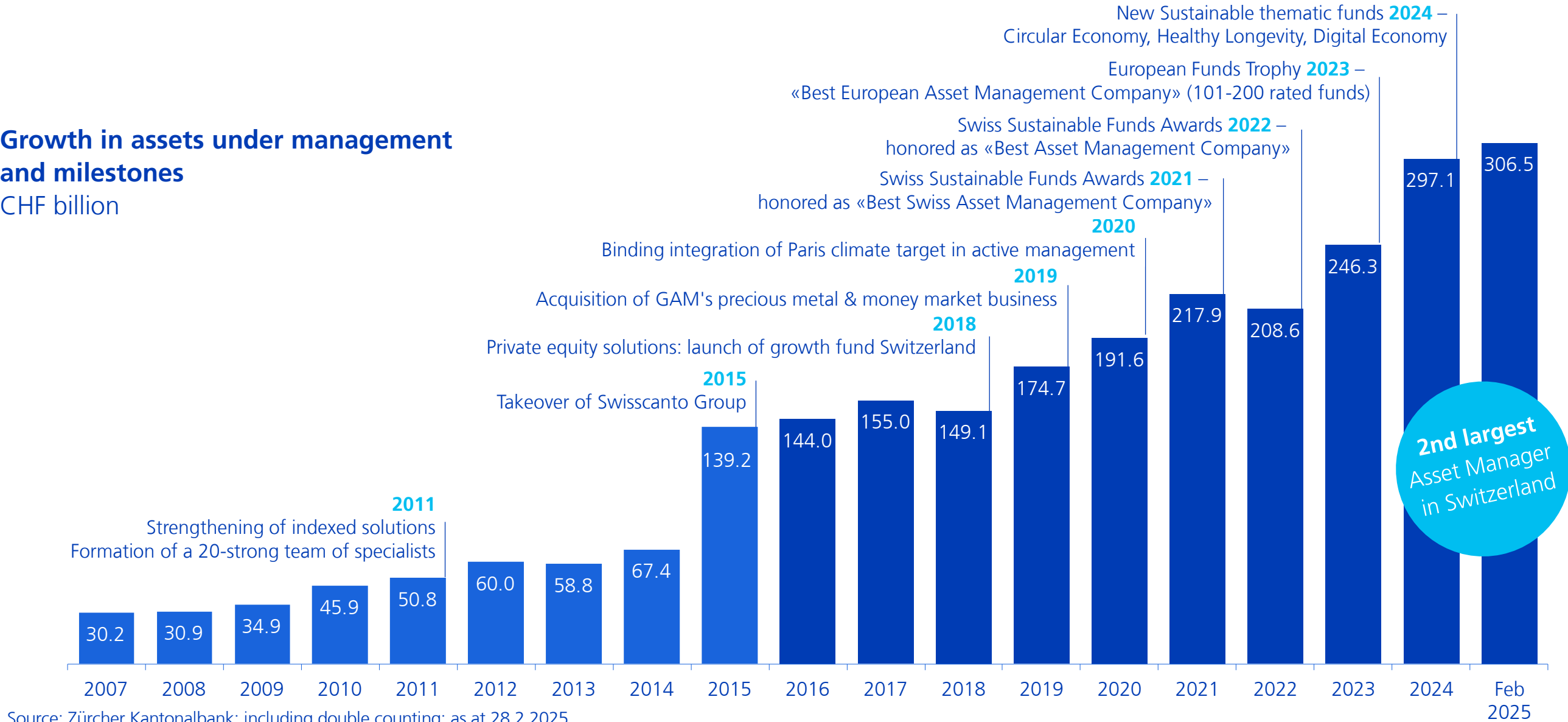


Award winning
European Fund Award 2023 as «Best European Asset Manager»
over 7 years in the categorie 101 tu 200 funds



Our development over the last 18 years: sustainable success

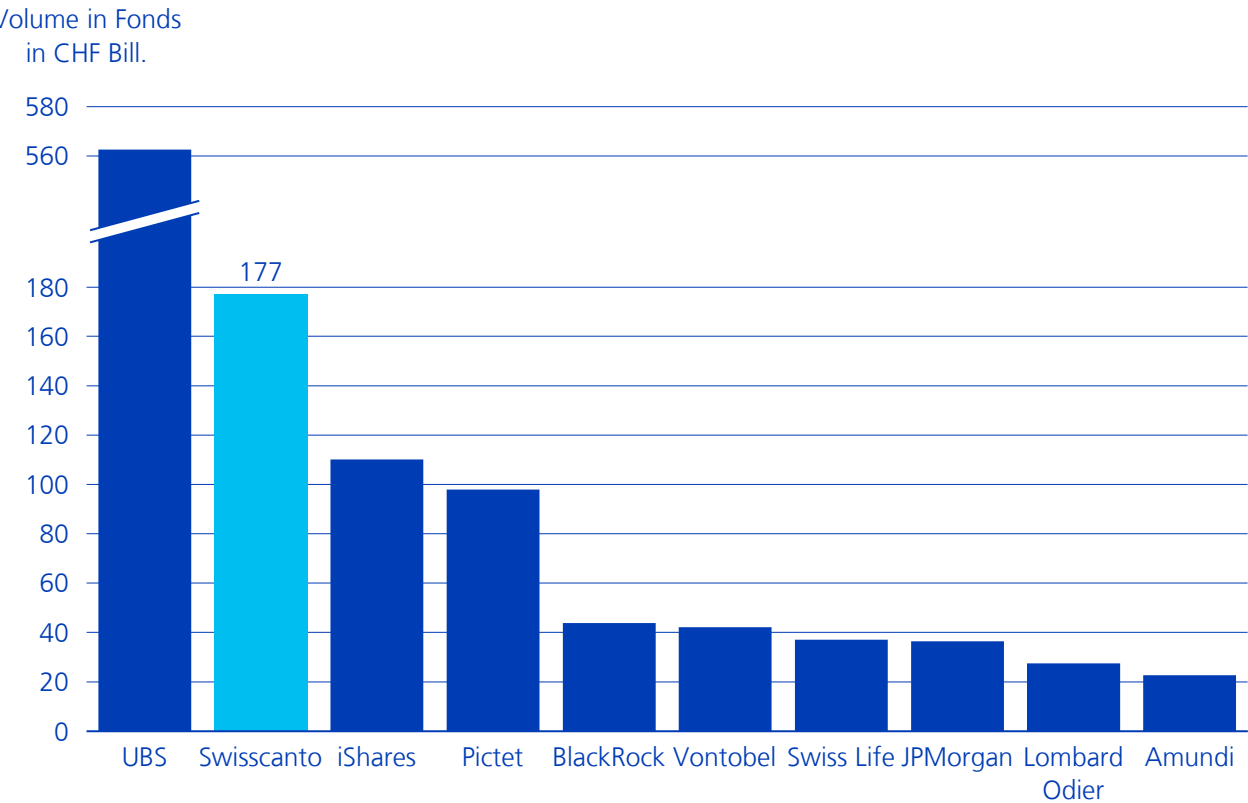
Growth in assets under management
and milestones
CHF billion



Source: Zürcher Kantonalbank; including double counting; as at 28.2.2025

Second largest Asset Manager in Switzerland... covering all asset classes

Top 10 Swiss Asset Manager AuM¹



Source: Swiss Fund Data AG; Stand: 28.02.2025

¹ according to fund volume

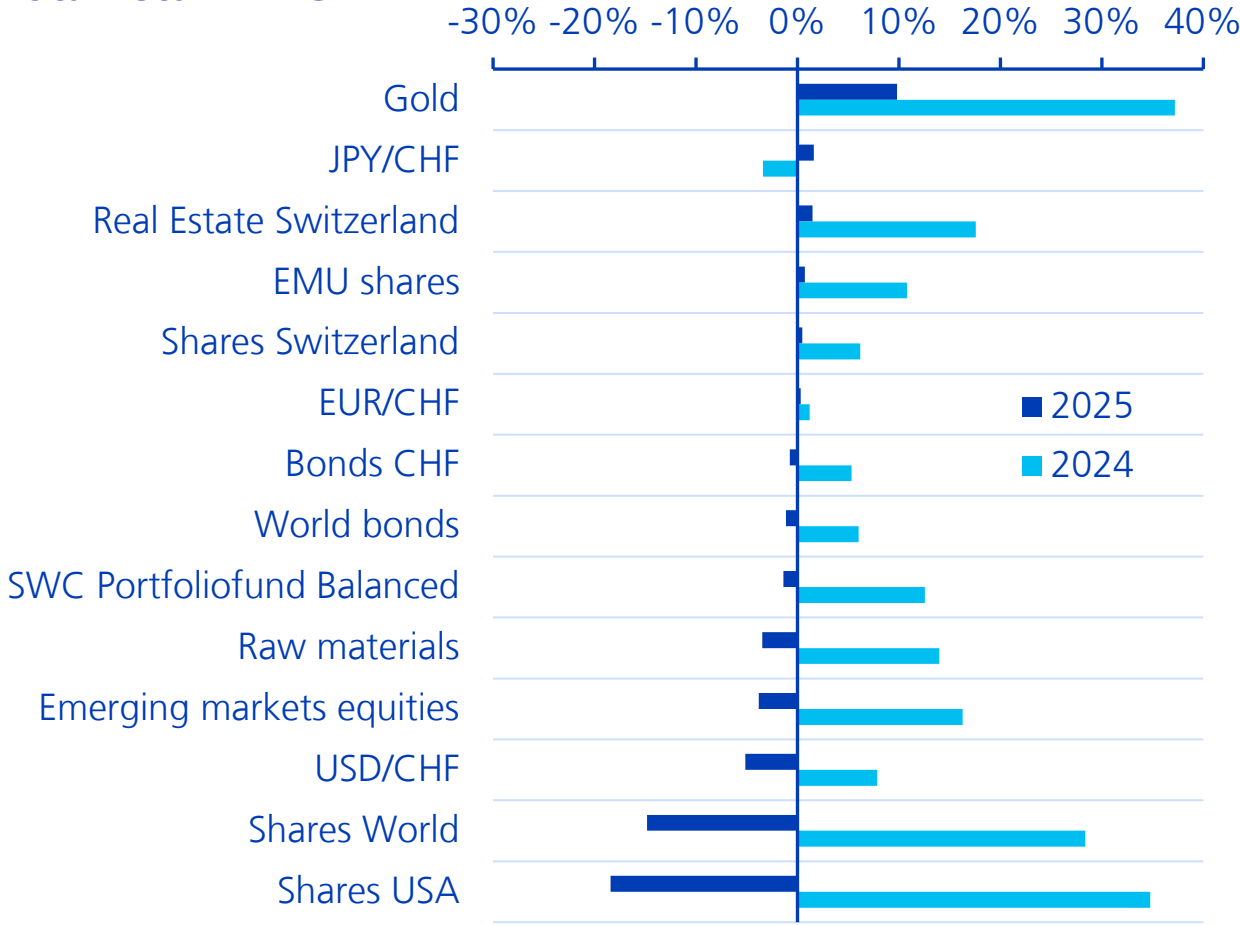


Keep your head up



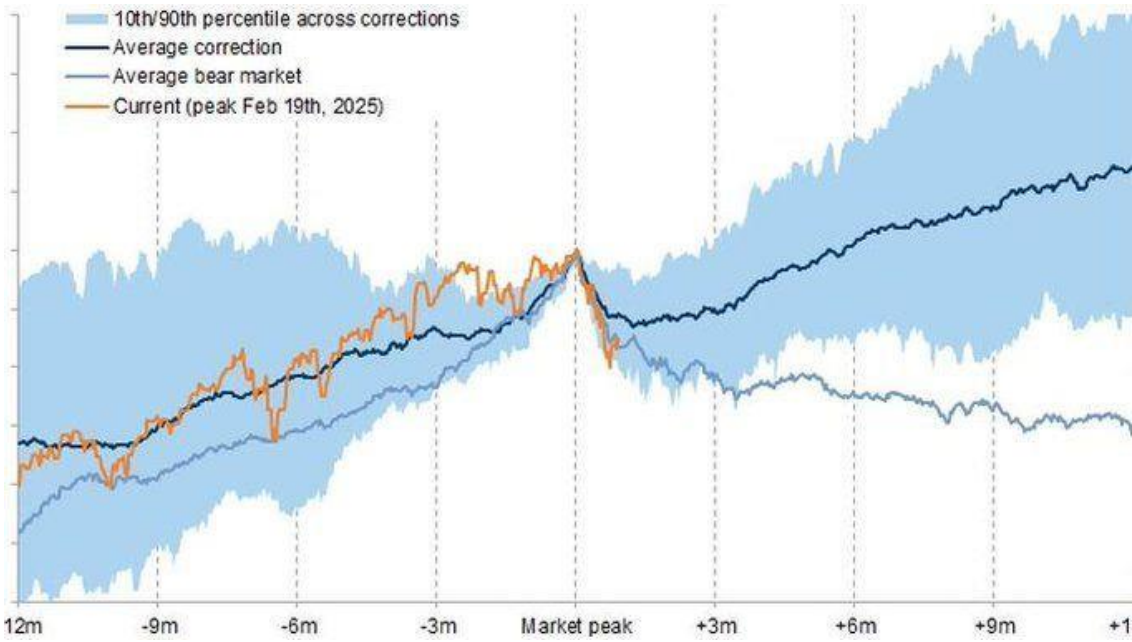
Very poor start to the year for US equities, losses in a mixed portfolio are limited

Total return in CHF



Source: Bloomberg, Zürcher Kantonalbank, data as at April 4, 2025

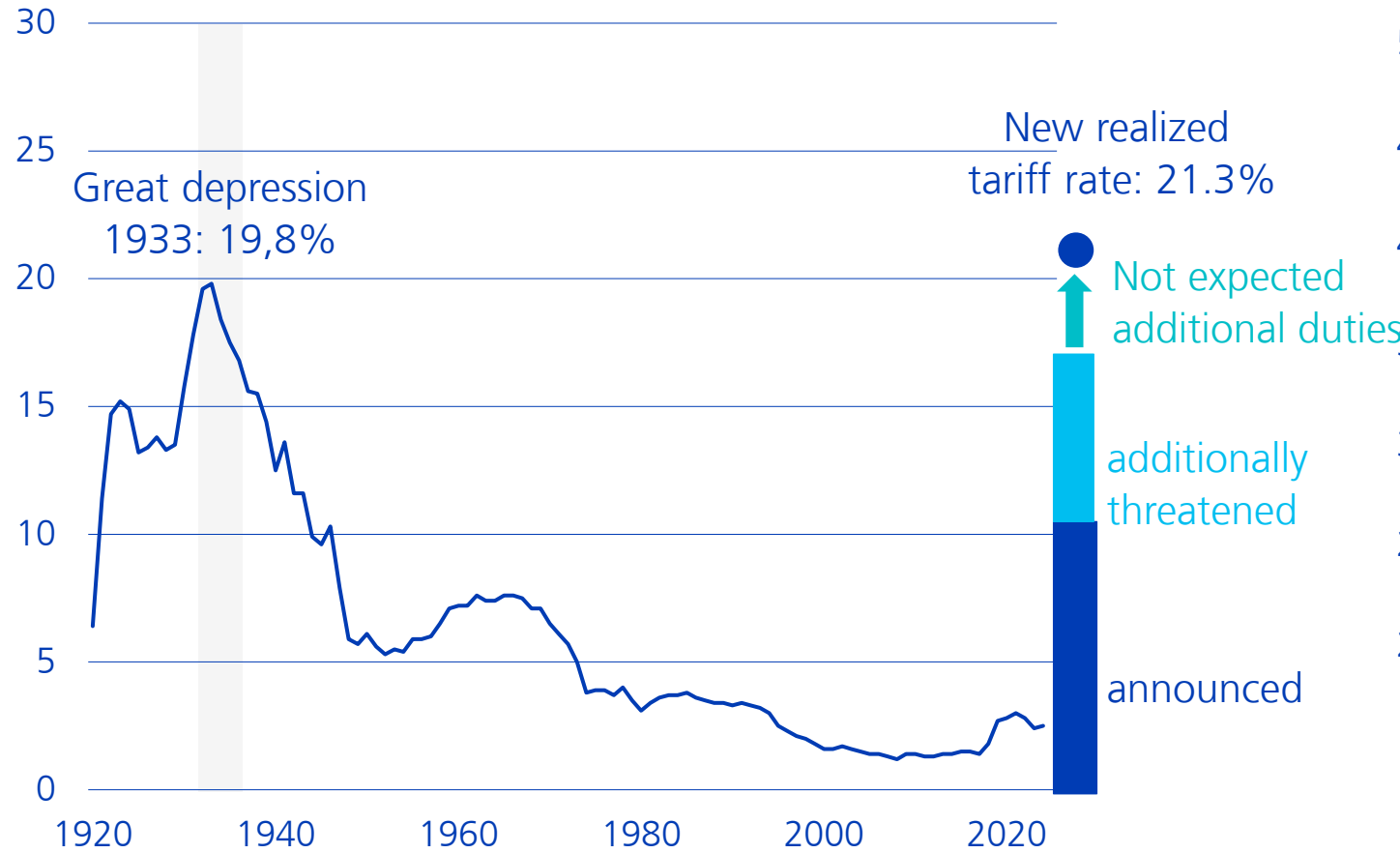
Drawdown without recession has already been reached



Source: Goldman Sachs

Tariffs even higher than first threatened

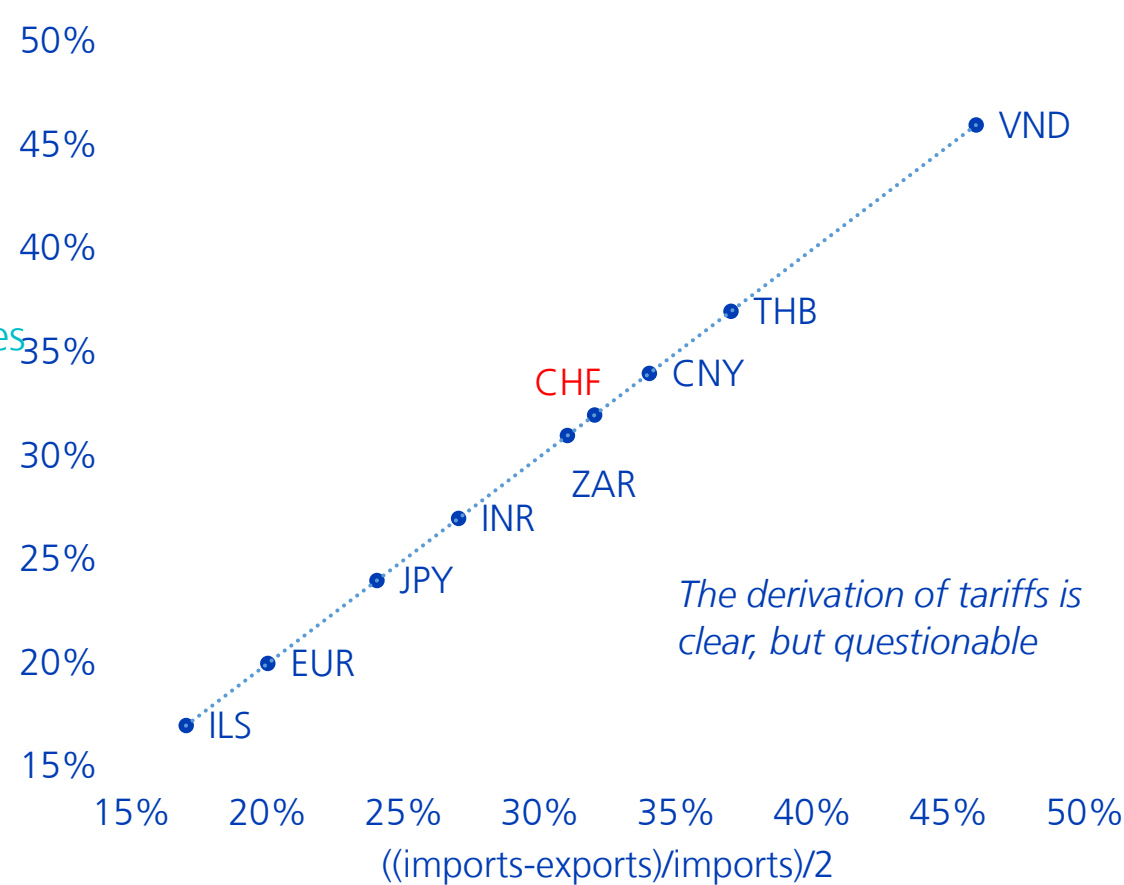
Average tariffs on all US imports in %



Source: Bloomberg, Zürcher Kantonalbank, as at 03.04.2025

Countries with high trade surpluses are penalized

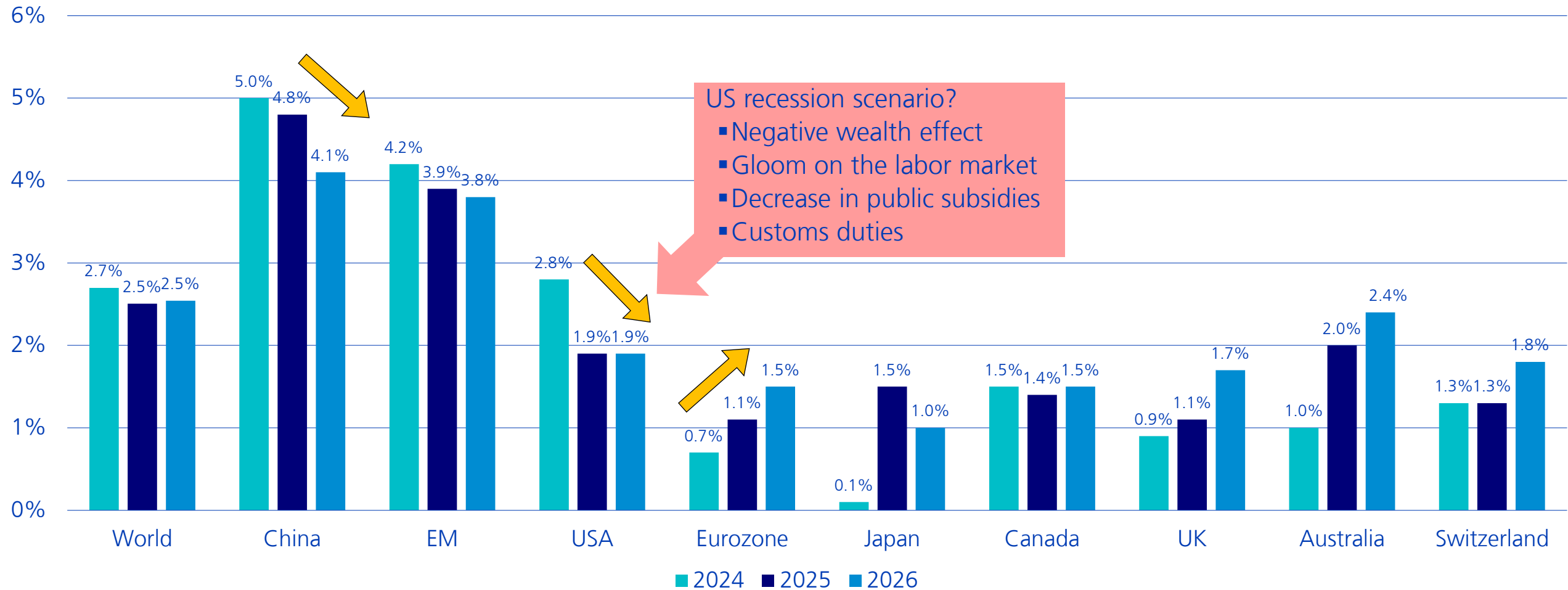
New additional tariffs as of April 2



Source: Exante

Subdued global growth in the coming year

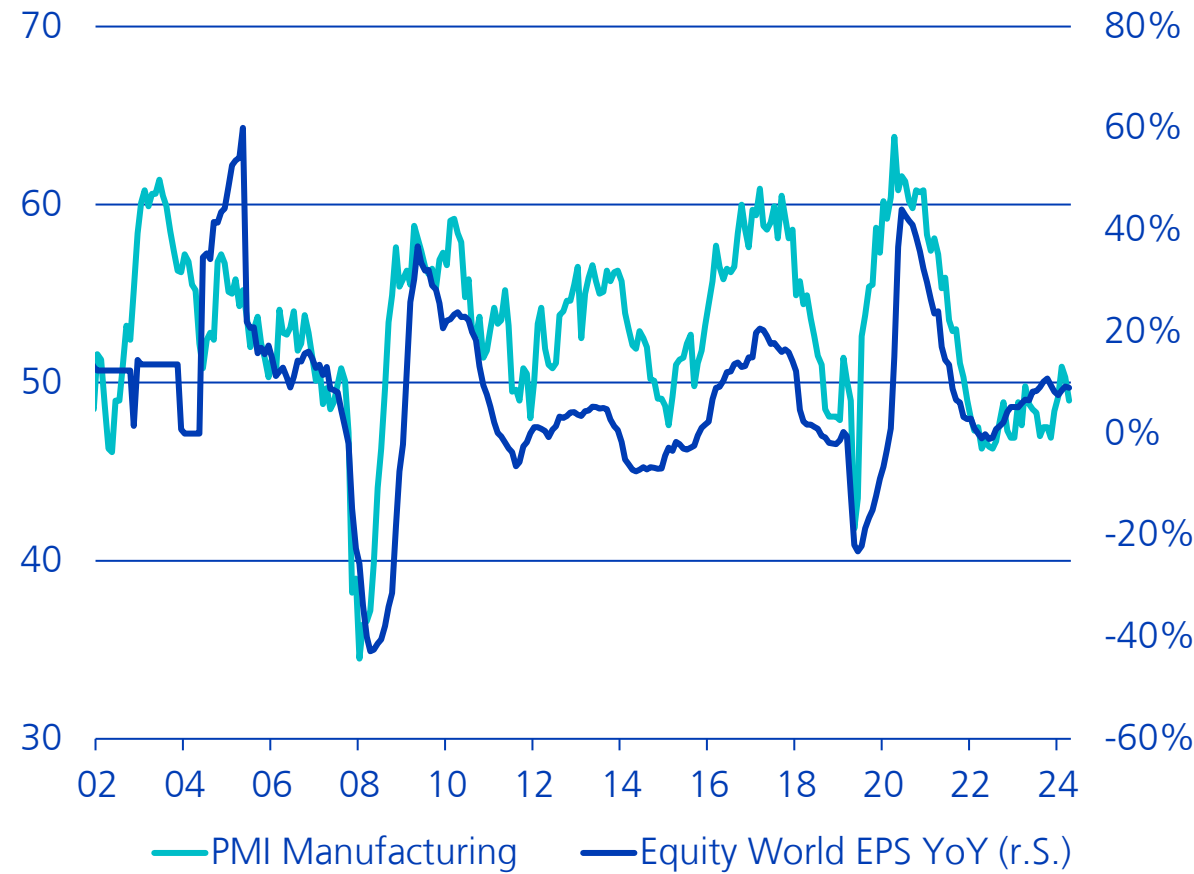
Expected real GDP growth in percent



What an economic slowdown could mean for company earnings swisscanto

A contraction typically leads to lower earnings

PMI Manufacturing MSCI World EPS YoY



Source: Bloomberg, Zürcher Kantonalbank

History tells us to be careful, but don't be too late to buy

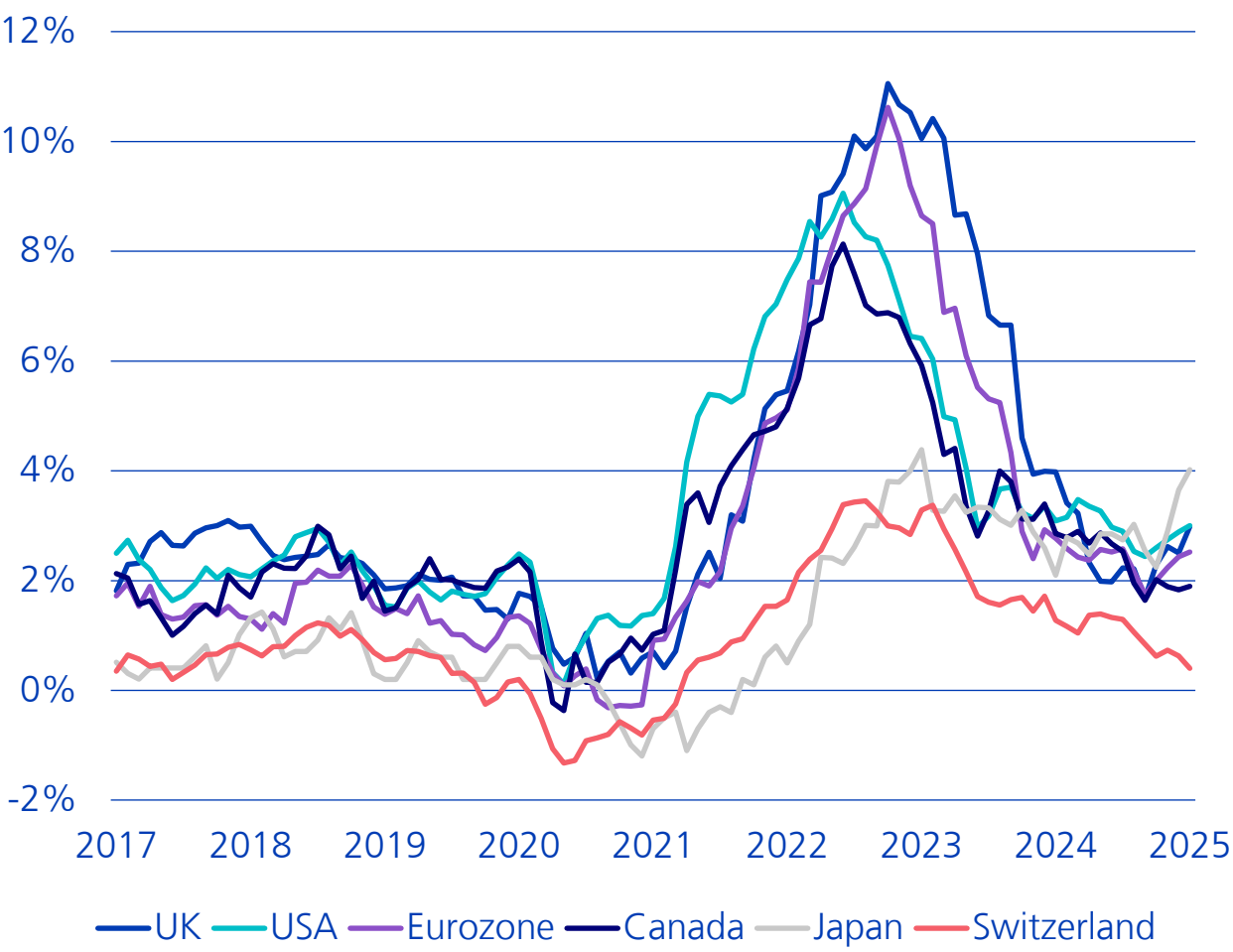
Data for MSCI World, Impact of P/E and EPS on Price Corrections

		Expected Earnings (BF)					
		typical					
		-10%	-5%	aktuell	5%	10%	
Ø 20y ➡	P/E	14.0	-24.6%	-20.4%	-16.2%	-12.0%	-7.9%
		15.0	-19.2%	-14.7%	-10.2%	-5.8%	-1.3%
		16.0	-13.8%	-9.0%	-4.3%	0.5%	5.3%
		16.7	-10.0%	-5.0%	0.0%	5.0%	10.0%
		17.0	-8.4%	-3.4%	1.7%	6.8%	11.9%
		18.0	-3.1%	2.3%	7.7%	13.1%	18.5%
		19.0	2.3%	8.0%	13.7%	19.4%	25.1%

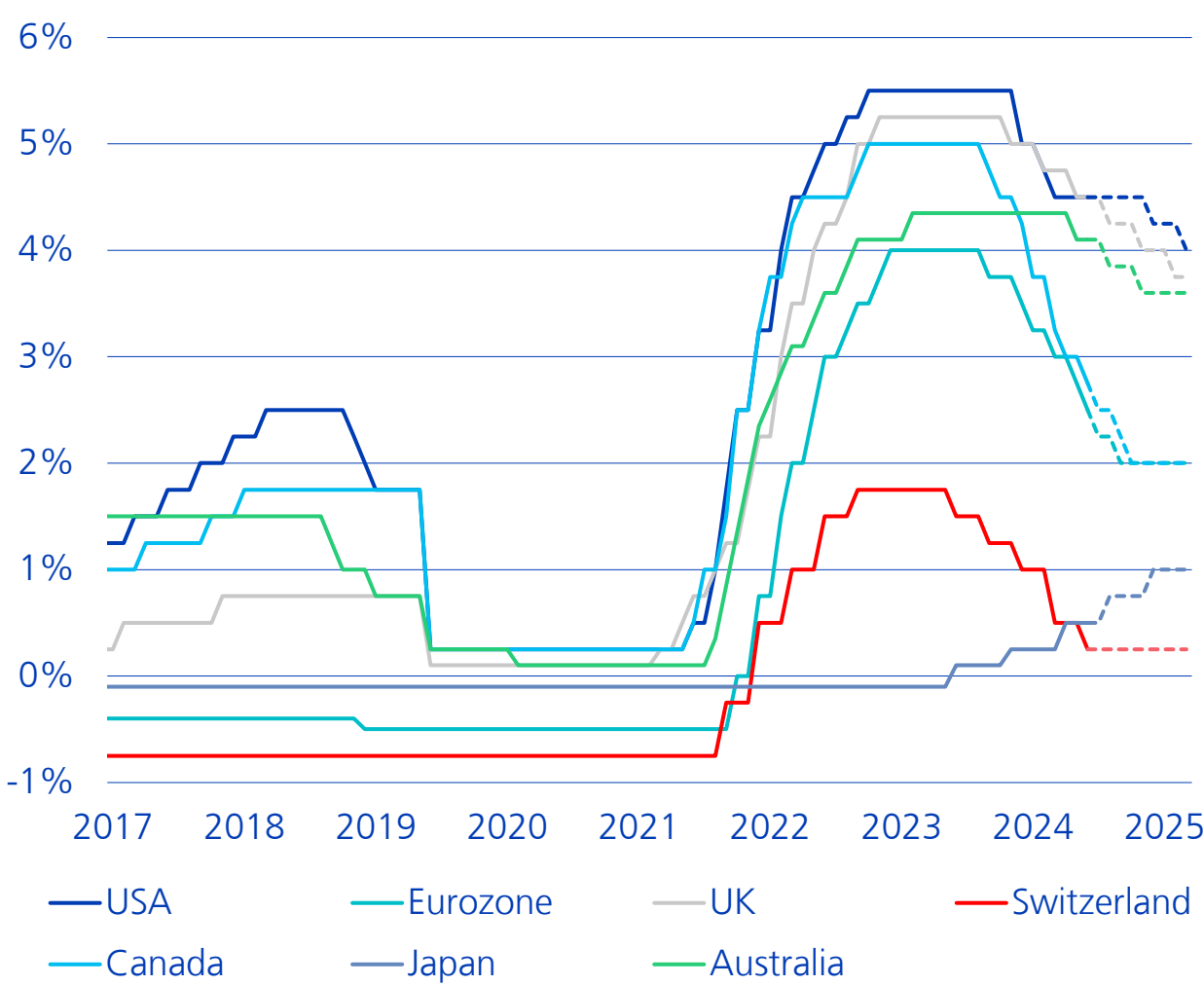
- Ø P/E is 15 in the last 20 years which implies a 10% price-correction
- Earnings usually decline by 5% (no-recession) which implies a 5% price-correction

Only a few more interest rate cuts due to rising price pressure

Inflation



Central bank key interest rate



Source: Bloomberg, Zürcher Kantonalbank, as at 21.3.25



**Recession risks &
at best moderate
returns**



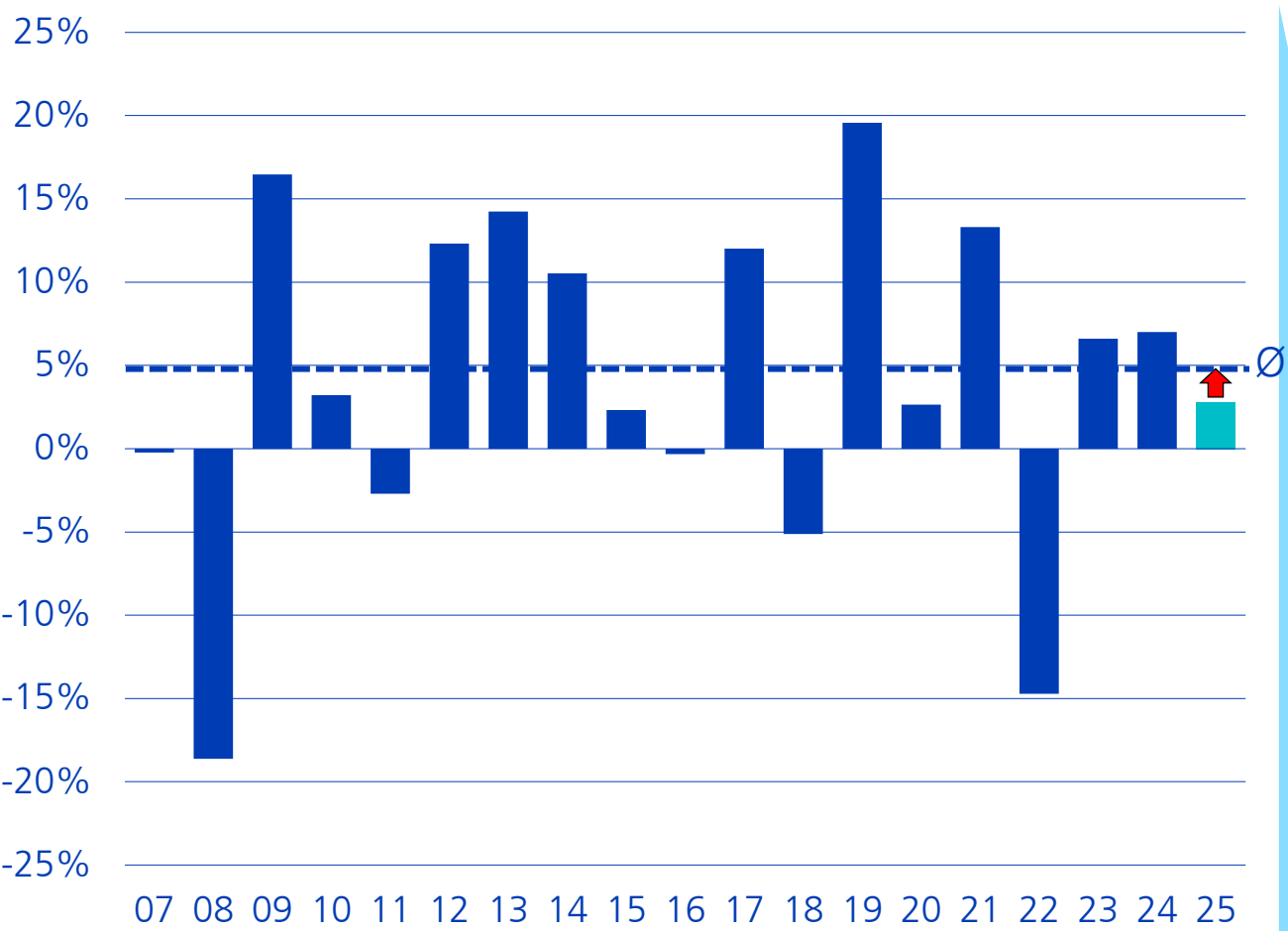
**Does correlation
hold? Bonds and
the USD**



**Multi-polar world
Or the end of
US exceptionalism**

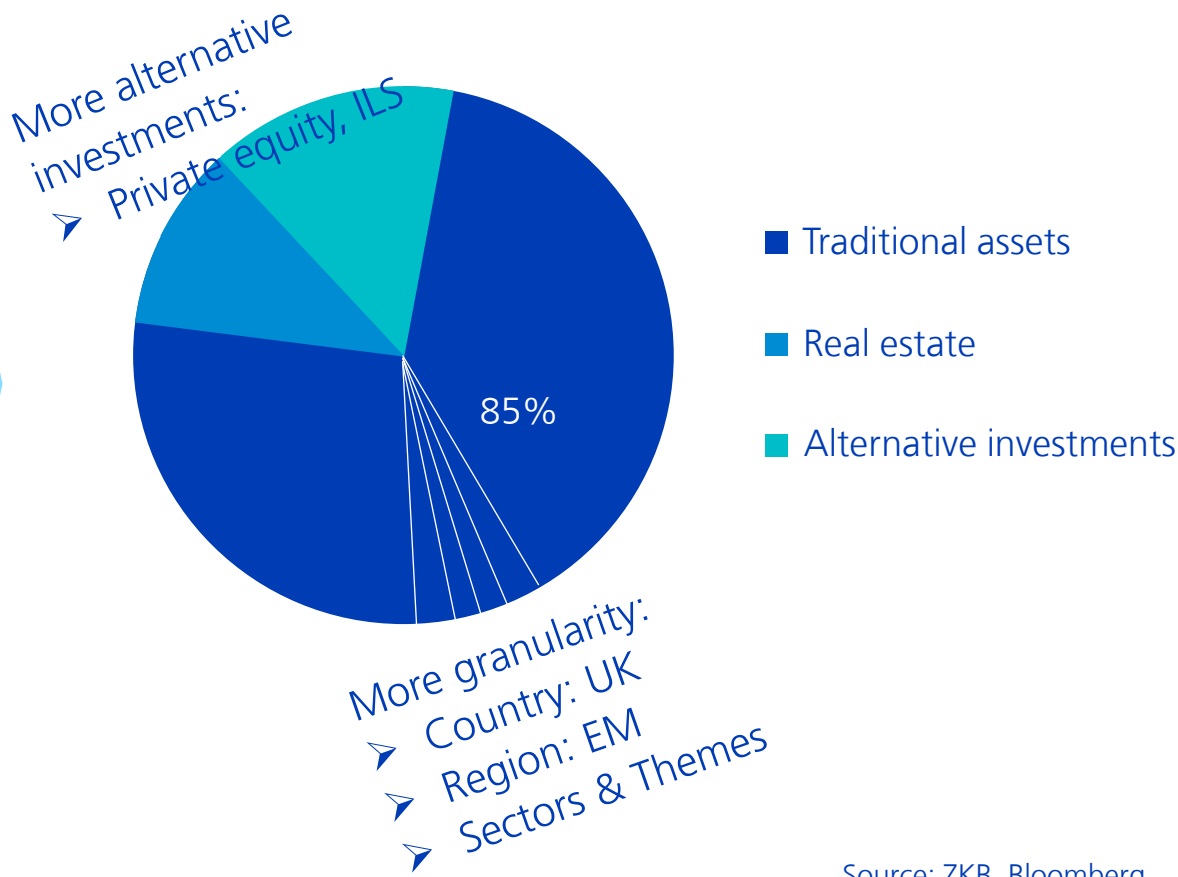
The core of a mixed portfolio weakens - more granularity needed

Annual performance of a traditional passive Swiss 60/40 portfolio



Source: Bloomberg, Zürcher Kantonalbank, 60% SPI and 40% SBI AAA-BBB

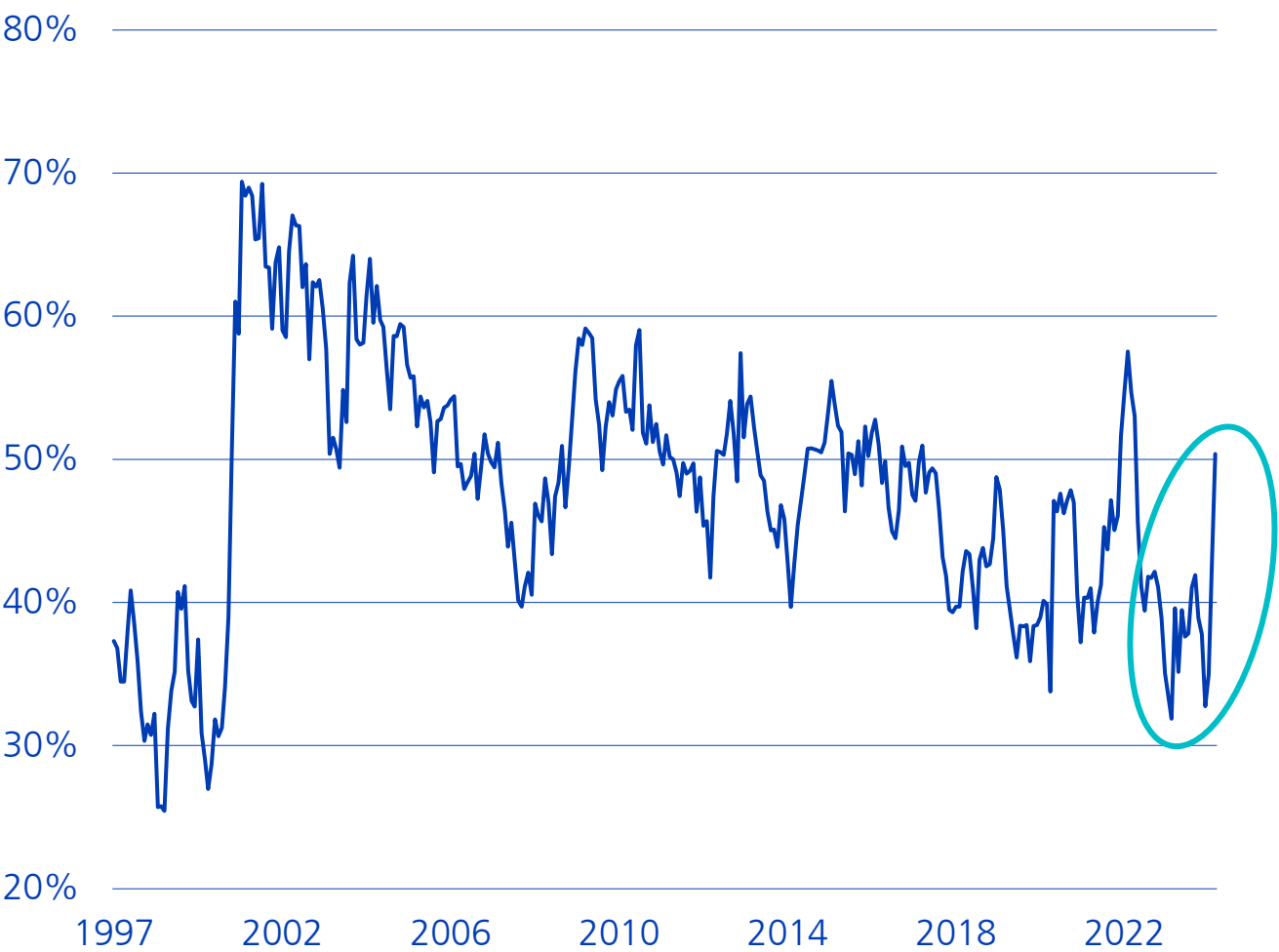
Average asset allocation of a CHF portfolios with home bias



Source: ZKB, Bloomberg

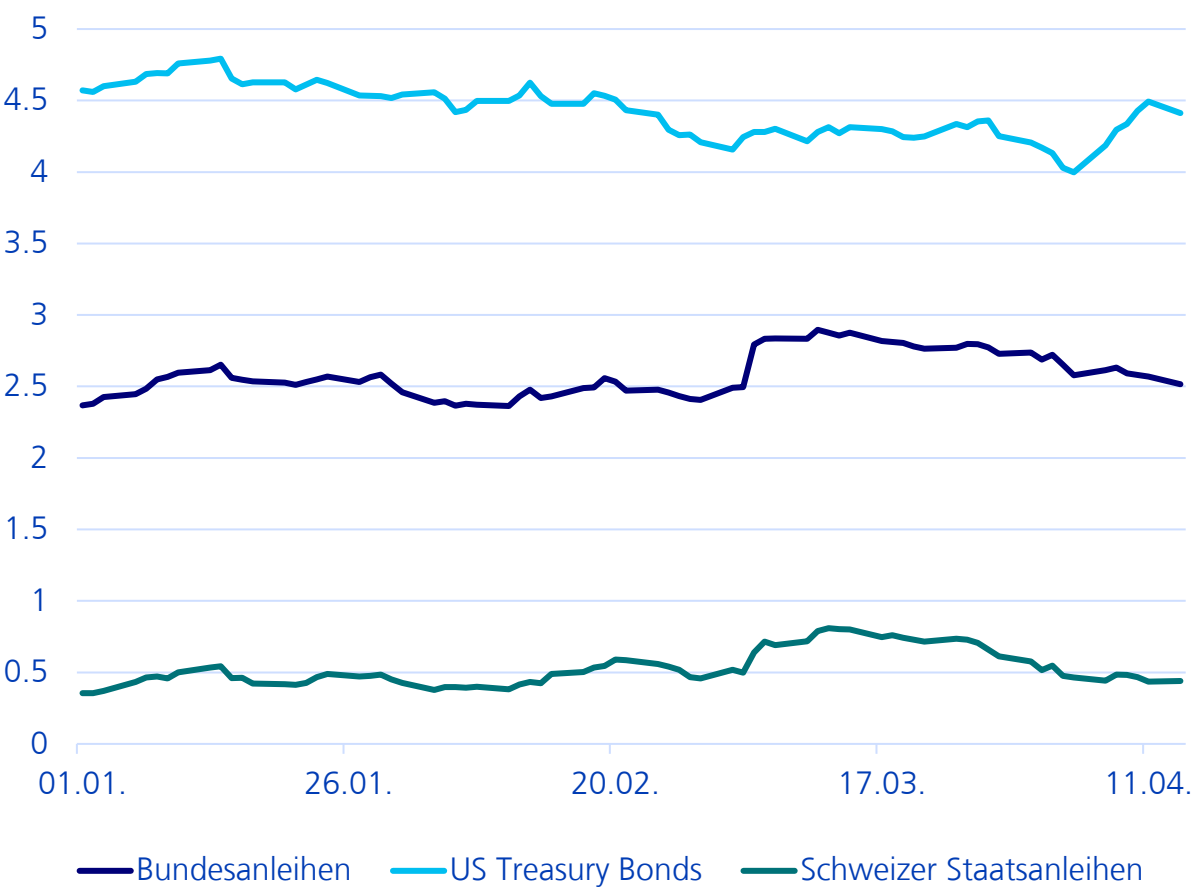
Market breadth has increased and yields have also risen

Share of securities with 1 year outperformance vs. MSCI World



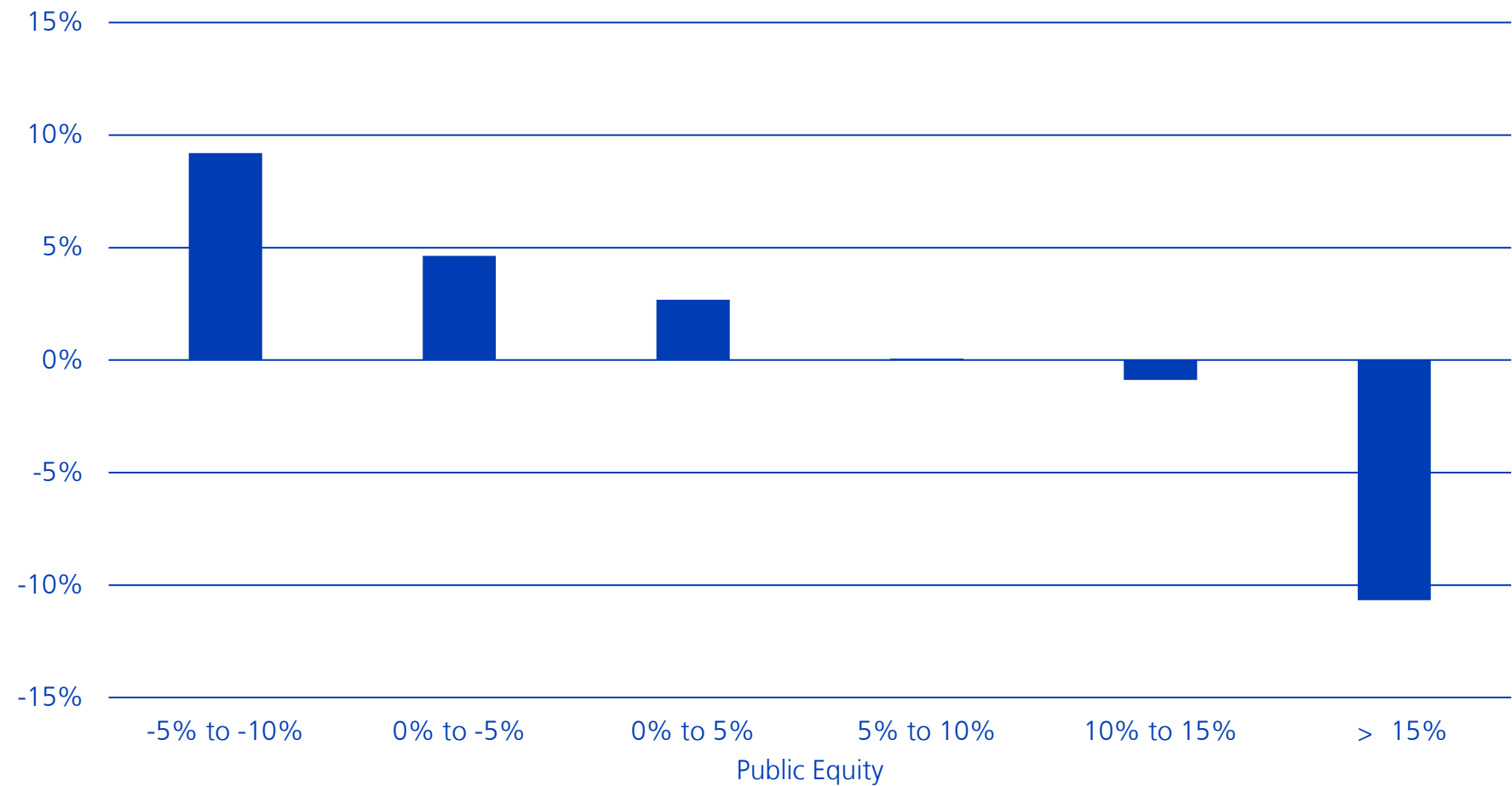
Source: Bloomberg, Zürcher Kantonalbank

Yield of benchmark bonds (in percent)



Private equity: best returns when you need them

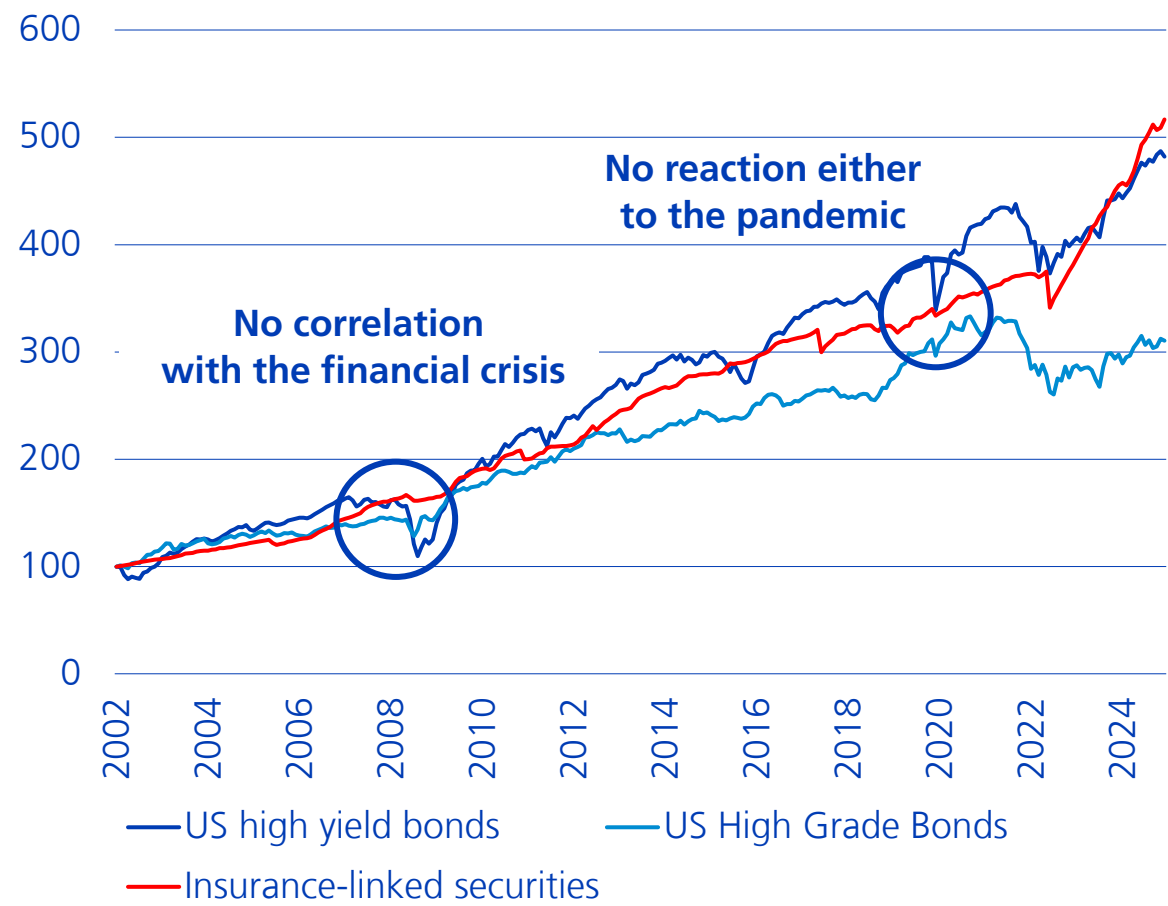
Relative Performance of Private Equity vs. Public Equity



Source: Zürcher Kantonalbank, Bloomberg, rolling 1Y performance of LPX 50 NAV and MSCI World

Insurance premiums: high returns and little fluctuations?

Performance, indexed



Source: Bloomberg, Zürcher Kantonalbank

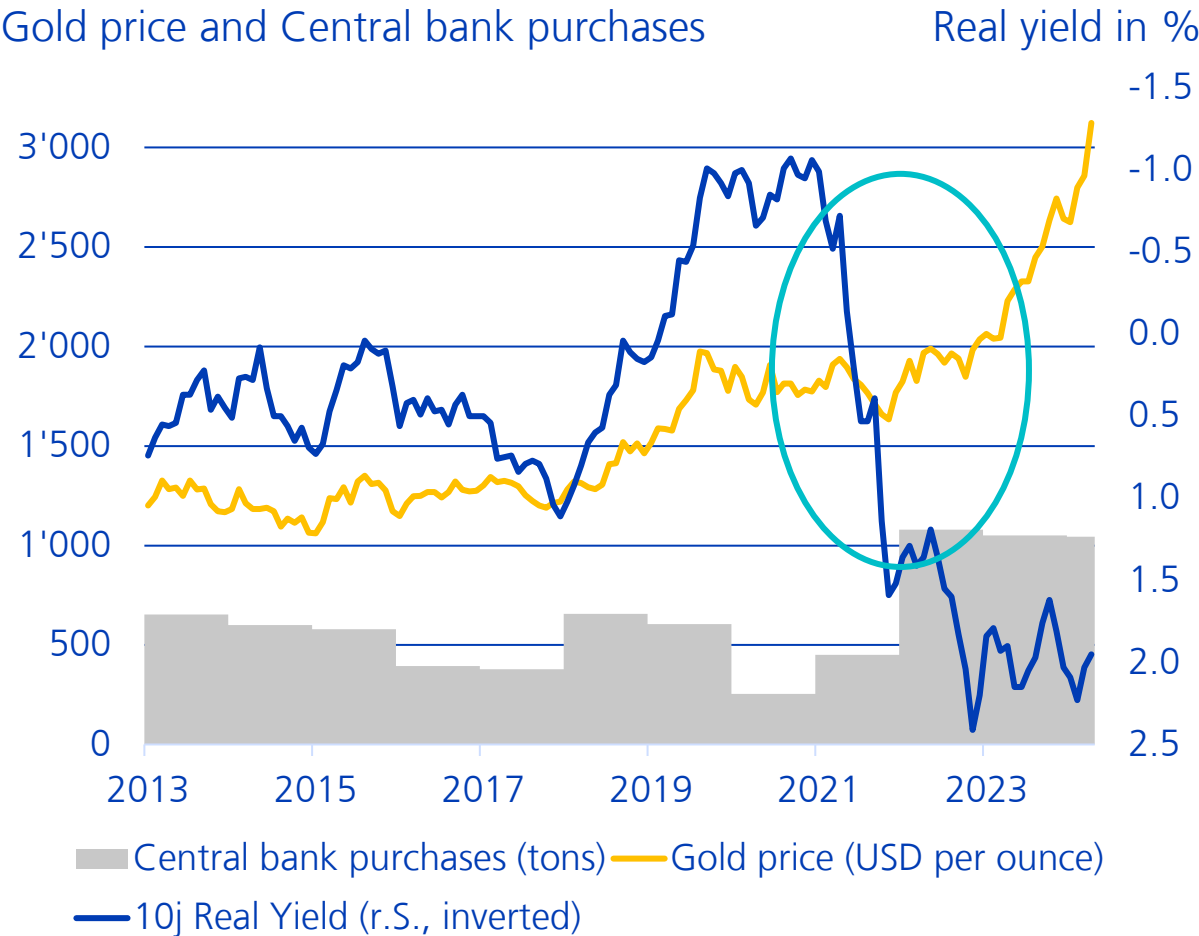
- Insurance-linked securities or catastrophe bonds earn insurance premiums on the coverage of extreme losses
- Corresponds to the business model of reinsurers such as SwissRe or MunichRe
- The premiums are similar to high yield bonds (i.e. 7% p.a. on average), but fluctuate less and hardly with the economy

	Insurance-Linked	US High Yield Bonds	US High Grade Bonds
Annual Return	7.43%	7.15%	5.13%
Standard Dev	3.75%	9.05%	6.73%
Sharpe Ratio	1.4	0.8	0.4
Best Month	3.1%	12.1%	8.3%
Worst Month	-9.0%	-15.9%	-6.3%
% Positive Months	88%	69%	61%
Correlation to ILS	-	0.26	0.25

Source: Bloomberg, own calculation, Data 2002-2024

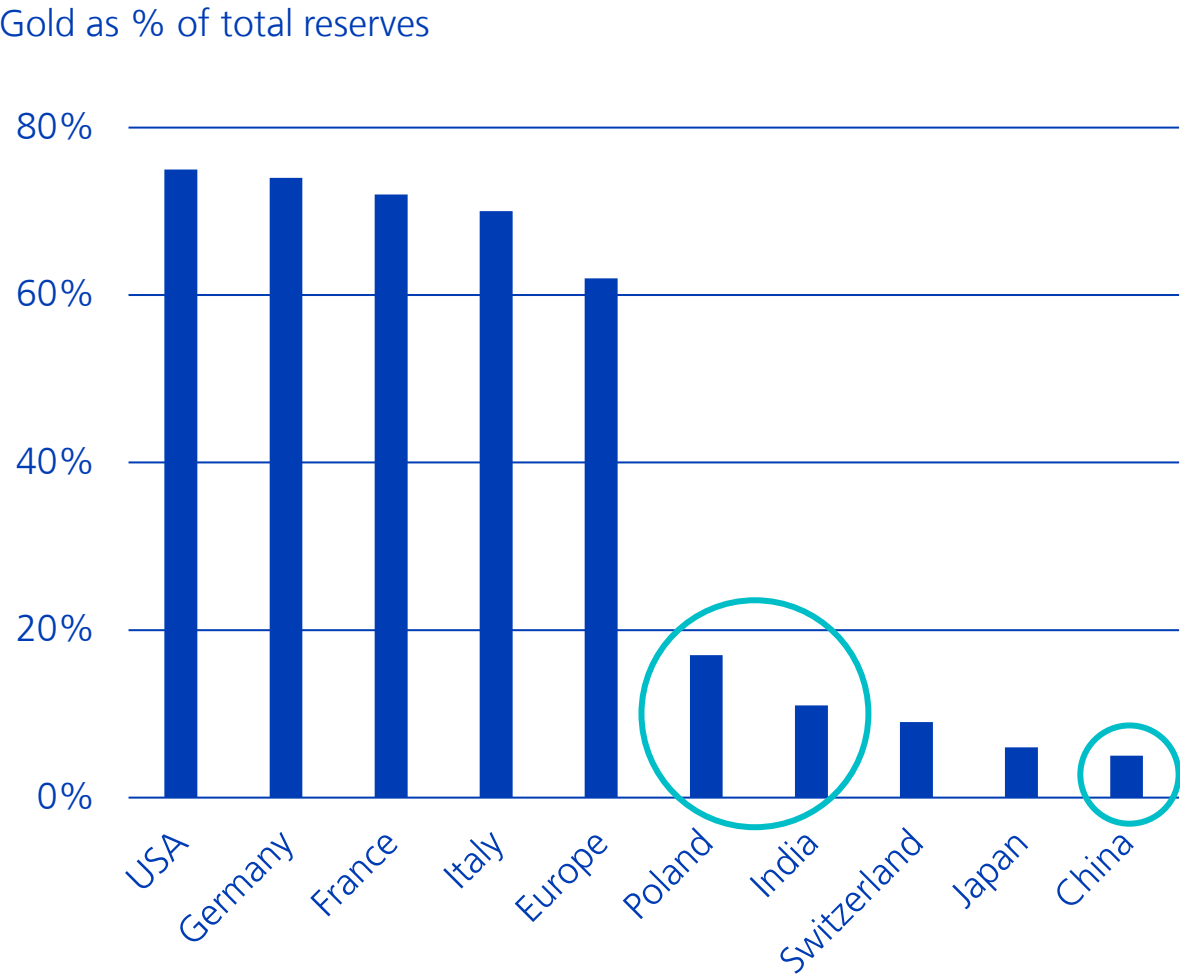
Gold: winner of the american power claims

Structural break after Ukraine invasion



Source: Bloomberg, World Gold Council, own presentation

Emerging markets gold reserves with potential



Source: World Gold Council

Gold: Not just tactical – the portfolio case

Return of ETF inflows

Gold price ETF Holdings



Source: Bloomberg

Gold in a multi asset portfolio

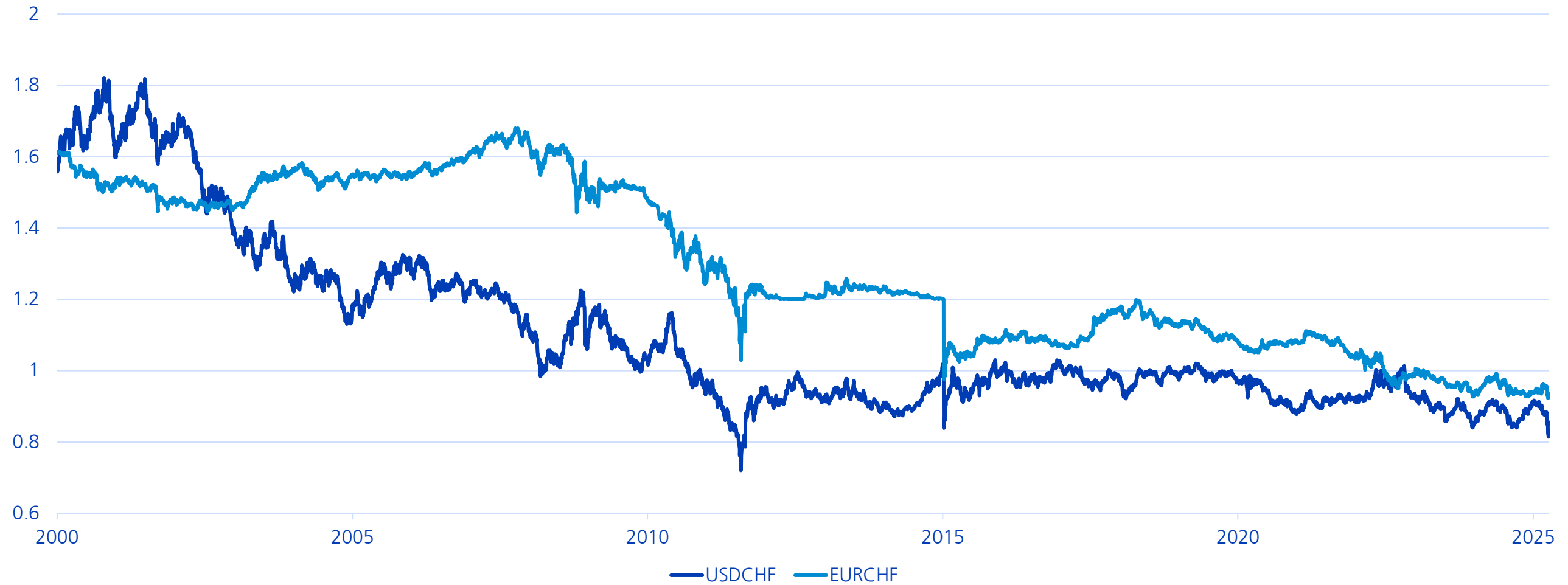
Pictet LPP 40 Plus and gold allocation

Historical Return*	0% Gold	5% Gold	10% Gold
Return p.a. (%)	3.0	3.3	3.6
Risk p.a. (%)	6.8	6.7	6.6
Sharpe Ratio	0.38	0.43	0.47
Max. DD (%)	31.6	29.2	26.9

*03.01.2000 – 11.04.2025

Watch your currency exposure !

Exchange Rate Trends: USD/CHF and EUR/CHF Since 2000



Whats your safe haven ?

Diversification

Protection
Strategies

?

Swiss Franc
Strength/
Home Bias

Gold/
Commodities
in SAA

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