



Remaco-Report | 2025 Q3

Survey of Capital Market Assumptions in Swiss Francs

A Remaco study based on institutional capital
market assumptions

 **remaco**

Research & Management Company, since 1947.

In this study

Every quarter, we analyse the capital market expectations of institutional asset managers and advisors in Swiss francs for an investment horizon of 10 years. The cut-off date for this report was 30 June 2025.

Bonds

Expected return: 2.0% p.a. (Δ 12M: -0.5%).

Equities

Expected return: 5.8% p.a. (Δ 12M: -0.6%).

Liquid Alternatives

Expected return: 2.9% p.a. (Δ 12M: -0.7%).

Private markets investments

Expected return: 6.0% p.a. (Δ 12M: -0.7%).

Comment

Compared to the previous year, the expected returns on risky investments have fallen. However, they have hardly changed compared to the previous quarter for the second time in a row. This shows that the downward trend, observed since the beginning of 2024, has bottomed out for the time being.

The volatile market movements in April as a result of the tariff threats by President Trump's administration have so far had no impact on the expected long-run return and the expected long-run risk. This observation underlines that short-term events have hardly any impact on institutional capital market expectations.

In order to achieve an expected portfolio return of over 4.0% with a traditional investment portfolio consisting of bonds and equities, an equity allocation of over 50% is often necessary due to the overall low expected return level. Alternatively, the addition of liquid and illiquid alternative investments can help to increase the expected return. Global diversification helps to minimise the risk of the portfolio.

About this report

In our quarterly study "Survey of Capital Market Assumptions in Swiss Francs", we collect and analyse all publicly available capital market assumptions of globally active institutional asset managers and advisors. We standardise these, convert them into Swiss francs and aggregate them into consolidated capital market assumptions. Our analysis is carried out from the perspective of a Swiss francs investor, with the result that any differences in returns and interest rates are taken into account accordingly. In this publication, we have updated the capital market assumptions in Swiss francs as of 30 June 2025, taking into account the expectations of a total of 30 institutional financial market experts. A detailed description of the methodology can be found at the end of this study.

This and future studies on capital market assumptions can be found at: <https://remaco.com/research/>

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Remaco: 360° financial advisory services for your illiquid and liquid assets since 1947.

As a partner-managed multi-family office for entrepreneurs, High-Net-Worth-Individuals (HNWI) and family offices as well as small and medium-sized institutions (such as foundations, pension funds), we offer you a single source service – personal, discreet, long-term and completely independent. Remaco actively represents your interests, creates security for you and your descendants and ensures transparency and cost efficiency in the management of your assets.

1. Survey of Capital Market Assumptions

The current consensus expectations of institutional financial market experts for bonds, equities, liquid alternative investments and private market investments are summarised in **Figure 1** and **Table 1**.

The consensus of institutional financial market experts for the expected return on Swiss government bonds is currently 0.59%, which corresponds to a decline of 0.20% compared to the previous year. The expected return for corporate bonds is 2.02% (-0.35% compared to the previous year) and for high-yield investments 3.29% (-0.88% compared to the previous year). For cash investments, the experts expect an annual return of 0.42% over an investment horizon of ten years (0.65% less than in the previous year). For the second time in a row, the expected returns on the bond markets have changed only slightly compared to the previous quarter. The trend of falling yields on the bond markets has thus weakened significantly and a bottoming out is emerging.

The expected return on the equity markets in the six geographical regions is 5.85% on average (0.63% less than in the previous year). Compared to the two previous quarters (5.84% and 5.82% respectively), however, the expected return is practically unchanged. This means that the expected returns on the equity markets are also bottoming out. Large differences can still be observed in the cross-section of the six geographical regions. The US and Pacific ex Japan markets (4.07% and 5.42% respectively) have the lowest expected returns, while Switzerland and the emerging markets (7.50% and 6.30% respectively) are still seen as the most attractive.

Figure 2 shows the expected return in relation to risk. In addition to private market investments, Swiss equities also have a high ratio of expected return to expected risk. The European and Japanese equity markets follow with an equally attractive risk/return ratio. Investments in commodities, gold and Swiss government bonds, on the other hand, have the lowest risk/return ratio.

The development of expected returns over time from the beginning of 2016 to June 2025 is shown in **Figure 3**. While expected returns were still moving sideways in a relatively stable manner in 2023, a continuous decline has been observed since the beginning of 2024. Over the course of 2025, the expected long-term returns have largely moved sideways again. It is also easy to see that the volatile market movements in April 2025 as a result of the tariff threats by President Trump's administration have so far had no impact on the expected long-term return and the expected long-term risk. This makes it clear that short-term events have hardly any impact on institutional capital market expectations.

Consolidated capital market assumptions and disagreement range: 30.06.2025

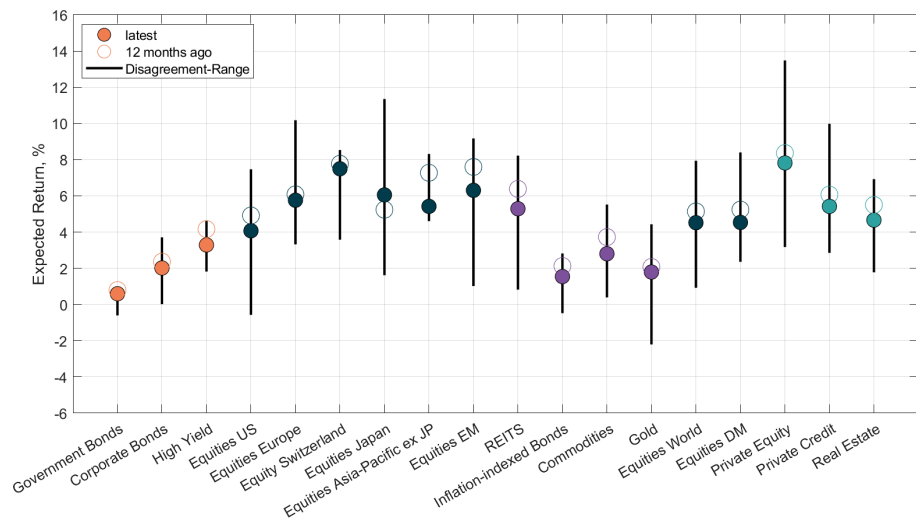


Figure 1: Consolidated capital market assumptions and disagreement range.

Circles represent the median of the individual expected return of an asset class. The black vertical lines correspond to the lowest and highest expected return in the survey (disagreement range) and show the disagreement of the financial market experts. Numbers are in % per annum, expressed in Swiss francs, and for an investment horizon of 10 years. The expected return is arithmetic.

	Expected Return p.a.	Expected Risk p.a.	Change vs. Previous Year		Range, E(R)	
Asset Class	E(R)	σ	$\Delta E(R)$	$\Delta \sigma$	min	max
Swiss Confederation Bonds	0.59	4.75	-0.20	1.09	-0.60	0.78
Corporate Bonds Global, hedged	2.02	6.12	-0.35	0.10	0.02	3.71
High Yield Global, hedged	3.29	9.25	-0.88	-0.70	1.82	4.61
Ø Bond Markets	1.97	6.71	-0.48	0.16		
Equities US	4.07	15.80	-0.85	0.15	-0.57	7.47
Equities Europe ex Switzerland	5.76	17.12	-0.32	0.10	3.32	10.18
Equities Switzerland	7.50	14.05	-0.27	0.32	3.58	8.53
Equities Japan	6.05	17.59	0.82	0.71	1.62	11.35
Equities Pazific ex Japan	5.42	18.50	-1.85	0.41	4.61	8.31
Equities Emerging Markets	6.30	21.50	-1.29	0.72	1.02	9.17
Ø Equity Markets	5.85	17.43	-0.63	0.40		
REITs Global	5.29	18.30	-1.10	-0.70	0.82	8.22
Inflation-linked Bonds, hedged	1.54	5.69	-0.58	-0.11	-0.48	2.82
Commodities	2.80	16.00	-0.92	-0.05	0.39	5.52
Gold	1.79	14.78	-0.28	-0.02	-2.21	4.43
Ø Alternative Assets	2.86	13.69	-0.72	-0.22		
Equities Global	4.52	15.77	-0.62	-0.17	0.92	7.94
Equities Developed Markets	4.53	16.28	-0.70	0.46	2.36	8.40
Private Equity	7.82	21.50	-0.55	0.20	3.17	13.48
Private Credit	5.42	11.30	-0.65	0.20	2.85	9.98
Real Estate Global	4.66	12.00	-0.84	-0.85	1.78	6.92
Ø Private Markets	5.97	14.93	-0.68	-0.15		
Cash, CHF	0.42		-0.65			

Table 1: Consolidated capital market assumptions in Swiss francs, 2025 | Q3.

Consolidated capital market assumptions are based on the median of up to 30 individual expectations of globally active institutional asset managers and consultants. The cut-off date for the survey is 30.06.2025. Numbers are in % per annum, expressed in Swiss francs, and for an investment horizon of 10 years. The expected return is arithmetic. «Change on previous year» refers to 12 months earlier. The column labelled «Range» lists the highest and lowest expected return in the cross-section of institutional capital market assumptions for each asset class.

Risk-return diagram based on consolidated capital market assumptions: 30.06.2025

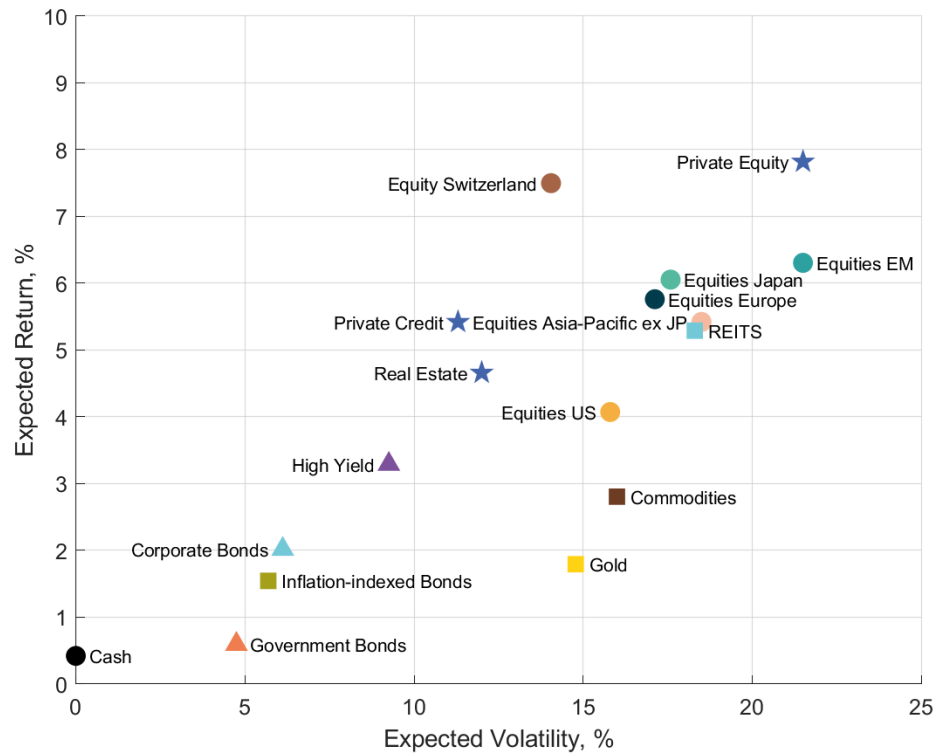


Figure 2: Risk-return diagram based on consolidated capital market assumptions.

Consolidated capital market assumptions are the median of up to 30 individual expectations of globally active institutional asset managers and consultants. Figures are in %, per annum, Swiss francs, and for an investment horizon of 10 years. The expected return is arithmetic. The cut-off date for the survey is 30.06.2025.

Consolidated capital market assumptions over time: 30.06.2025

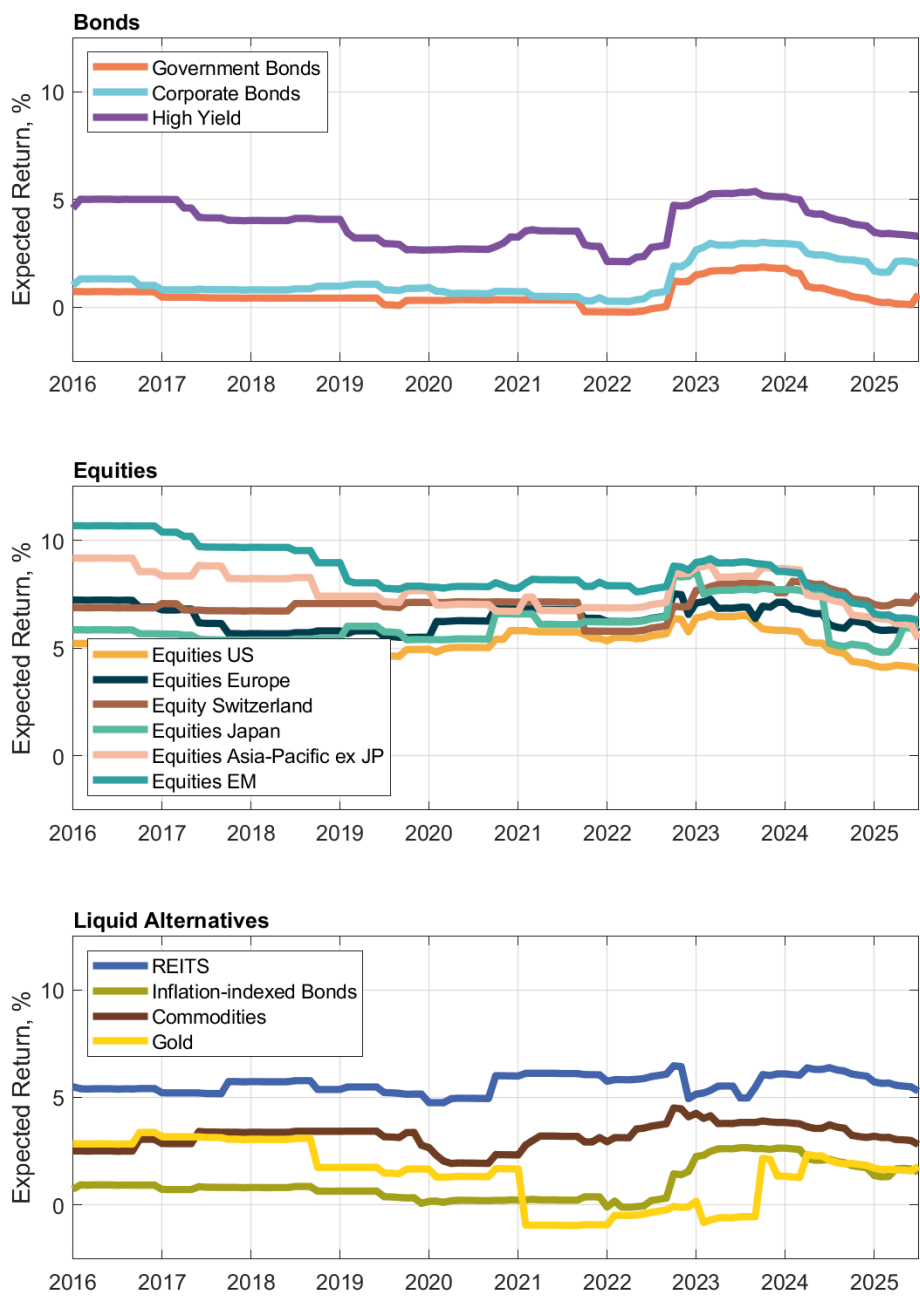


Figure 3: Consolidated capital market assumptions over time.

The figure shows the expected return on the asset classes from Table 1 and Figure 1 over time from 2016.

2. Globally Diversified Investing

2.1 Capital market assumptions favour global diversification

One benefit of forward-looking capital market expectations is that the attractiveness of asset classes can be evaluated in comparison with each other and with selected portfolios. Historical data is often used for this purpose. However, looking in the rear-view mirror is not good advice when setting up a portfolio for the future.

In **Table 2**, we show forward-looking performance indicators calculated exclusively on the basis of institutional capital market expectations. With the help of these key figures, the attractiveness of asset classes can be evaluated in comparison with each other and with selected portfolios.

For a home bias portfolio consisting of Swiss Confederation bonds and Swiss equities, the information ratios for global corporate bonds in particular are positive, as are those for liquid alternative investments such as gold. Global equities are currently performing less well, as can be seen from the negative information ratios. The reason for this is the exceptionally high expected return for Swiss equities in the current report. For the simple world portfolio, in which the equity component is represented by the MSCI World, all information ratios of the additional markets are currently positive. The consensus among institutional financial market experts therefore indicates that a market value-weighted equity portfolio is not optimal and that investors can benefit from underweighting or overweighting individual regions and investing in liquid alternative investments.

2.2 Remaco Global Market Portfolio

In most cases, the expected return of our benchmark portfolios can be further increased through global diversification. However, a simple value-weighted global portfolio does not optimally utilise the diversification potential. For this reason, we have developed the **Remaco World Portfolio**.

This is a rule-based approach that systematically utilises institutional capital market expectations in the investment allocation and also takes into account the consensus or dissent between institutional experts. Specifically, we start from a predefined initial portfolio and use a capital market model to overweight attractive asset classes and underweight unattractive asset classes on a rule-based basis.

You can find more information on the **Remaco World Portfolio** at: <https://remaco.com/weltportfolio/>

Our white paper provides a detailed description of the methodology: Böni, Brüggemann, und Kröncke, «How Efficient are Static Multi-Asset Portfolios? Evidence from Institutional Capital Market Expectations», <http://dx.doi.org/10.2139/ssrn.5315806>.

	Sharpe Ratio	Excess Return, %	Beta	Information Ratio	
Benchmark	«Cash»	«Home Bias»	«Home Bias»	«Home Bias»	«World»
Swiss Confederation Bonds	0.04	-0.45	0.14	-0.10	-0.02
Corporate Bonds Global, hedged	0.26	0.31	0.30	0.06	0.15
High Yield Global, hedged	0.31	0.10	0.64	0.01	0.17
Equities US	0.23	-2.02	1.31	-0.19	-0.05
Equities Europe ex Switzerland	0.31	-1.72	1.64	-0.18	0.17
Equities Switzerland	0.50	0.30	1.57	0.10	0.50
Equities Japan	0.32	0.05	1.29	0.00	0.19
Equities Pazific ex Japan	0.27	-1.50	1.51	-0.12	0.10
Equities Emerging Markets	0.27	-0.75	1.54	-0.04	0.12
REITs Global	0.27	-0.88	1.33	-0.06	0.10
Inflation-linked Bonds, hedged	0.20	0.13	0.23	0.02	0.11
Commodities	0.15	0.11	0.53	0.01	0.03
Gold	0.09	0.65	0.17	0.04	0.06
Equities Global	0.26	-2.09	1.43	-0.22	0.02
Equities Developed Markets	0.25	-2.04	1.42	-0.19	0.02
Private Equity	0.34	1.26	1.42	0.07	0.23
Private Credit	0.44	2.18	0.65	0.22	0.36
Real Estate Global	0.35	1.38	0.66	0.13	0.27

Table 2: Performance indicators based on consolidated capital market assumptions, 2025 | Q3.

Reported performance indicators are based on consolidated capital market assumptions and are forward-looking. Sharpe ratio is the expected return minus the return for an investment in cash, divided by the expected risk (standard deviation). The remaining performance indicators are calculated against a benchmark portfolio. The «Home-Bias» benchmark consists of 40% Swiss Confederation bonds and 60% Swiss equities. The «World» benchmark consists of 40% Swiss Confederation bonds and 60% global equities. The excess return (alpha) is the expected return based on consolidated expectations less the risk-adjusted return according to the benchmark. Beta measures the systematic risk of an asset class relative to the benchmark. The information ratio is the Alpha divided by the tracking error calculated against a benchmark.

3. Methodology

Our study is based on the published capital market assumptions of 30 globally active institutional asset managers and advisors (Amundi, Aon, Benjamin Edwards, BlackRock, BNY Mellon, Callan, Capital Group, Cohen Steers, EFG, Envestnet, Fidelity, Franklin Templeton, Invesco, JP Morgan, LGIM, LGT, Meketa, MFS, Morgan Stanley / Graystone, Northern Trust, Nuveen, PGIM, PIMCO, Research Affiliates, RowePrice, StateStreet, Vanguard, Verus, Voya, Wilshire). We only consider institutions that actually use capital market assumptions for investment decisions or for advising professional investors. Institutional capital market assumptions are produced by research teams who generally disclose their methodology in the respective reports.

All capital market assumptions refer to a long-term time horizon of five to fifteen years, with a time horizon of ten years being the most common. Many original sources provide either only the geometric or only the arithmetic expected return. In these cases, we calculate the missing information. We convert the capital market assumptions in foreign currency into Swiss francs (based on full hedging by forward contracts).

An individual capital market assumption remains in our sample until a more up-to-date assumptions is published, up to a maximum of 18 months. All forecasts are currently updated at least once a year by the respective institutions, and in many cases also during the year, e.g. quarterly. As not all asset classes are covered by all institutions, the number of individual capital market assumptions available varies.

For the asset class "Cash CHF, short-term risk-free investment in Swiss francs", we have relatively few observations (#5) in our sample. We report here the mean value of the consolidated capital market assumptions and the current value for "Fixed-term deposits and time deposits, 12 months", which is available on the Swiss National Bank's website.

Finally, we aggregate the individual expectations into consolidated expectations by calculating the median of all available observations. Our methodology is comparable to the regularly published study by Horizon Actuarial Services, which provides consolidated capital market assumptions for the US, as well as recent research by Dahlquist & Ibert (2024, *Review of Financial Studies*) and Coutts, Goncalves and Loudis (2024, *SSRN Working Paper*).

Get in touch with us to learn more about evidence-based portfolio management at Remaco.



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Founded in 1947, Remaco is a Swiss securities firm and consulting company that offers its clients research, management, and advisory services.

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