Remaco-Report | 2025 Q4

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 September 2025.

Bonds

Expected return: 1.9% p.a. (Δ12M: -0.3%).

Equities

Expected return: 5.7% p.a. (Δ12M: -0.4%).

Liquid Alternatives

Expected return: 2.8% p.a. (Δ12M: -0.5%).

Private markets investments

Expected return: 6.1% p.a. (Δ12M: -0.6%).

Comment

Returns on risky investments have fallen compared with the previous year, but have remained virtually unchanged for the third quarter in a row. The downward trend in expected returns observed since the beginning of 2024 appears to have bottomed out for the time being.

In the equity markets, we are seeing a slight increase in expected long-term volatility to 17.5%, which is 0.4% higher than a year ago. In contrast, expected volatility has fallen slightly for bonds and liquid alternative investments.

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

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 September 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/**

Authors (alphabetical order):

Prof. Dr. Pascal Böni
Manohar Brüggemann, FRM
Christoph Frick, lic.oec.publ.
Prof. Dr. Tim Kröncke

Contact: **tim.kroencke@remaco.com**

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 0.58%, which corresponds to an increase of 0.09% compared to the previous year. The expected return for corporate bonds is 2.03% (-0.17% compared to the previous year) and for high-yield bonds 2.97% (-0.90% compared to the previous year). For cash investments, the experts expect an annual return of 0.41% over an investment horizon of ten years (0.36% less than in the previous year). For the third consecutive quarter, expected returns in the bond markets have changed only slightly compared with the previous quarter. This means that the trend towards falling returns in the bond markets has slowed significantly and signs of a bottoming out are emerging.

The expected return on the equity markets in the six geographical regions is 5.74% on average (0.39% less than in the previous year). Compared to the three previous quarters (5.85%, 5.84% and 5.82%), 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 region (4.05% and 5.09% respectively) have the lowest expected returns, while Switzerland and the emerging markets (7.48% and 6.49% 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 stock 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 remained relatively stable in 2023, a steady decline has been observed since the beginning of 2024. Over the course of 2025, long-term expected returns are mostly moving sideways again.

The development of Swiss equities over time is interesting. Between 2016 and 2018, the expected return was similar to that of US titles. The expected return on Swiss equities is currently the highest, while the expected return on US equities is currently the lowest. While experts consider US equities to be expensive and offering low long-term return potential, Swiss equities appear to have more upside potential.

Consolidated capital market assumptions and disagreement range: 30.09.2025

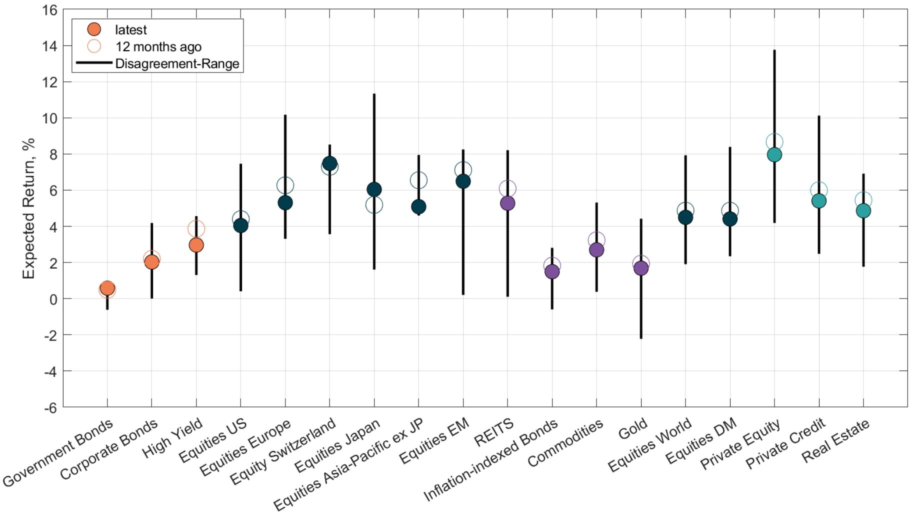

Figure 1: Consolidated capital market assumptions and disagreement range.

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**	**ΔE(R)**	**Δσ**	**min**	**max**
Swiss Confederation Bonds	0.58	4.75	0.09	1.09	-0.61	0.84
Corporate Bonds Global, hedged	2.03	6.12	-0.17	0.27	0.01	4.18
High Yield Global, hedged	2.97	9.21	-0.90	-0.50	1.31	4.56
Ø Bond Markets	**1.86**	**6.69**	**-0.33**	**0.29**		
Equities US	4.05	15.80	-0.35	0.10	0.41	7.46
Equities Europe ex Switzerland	5.31	17.37	-0.96	0.17	3.31	10.17
Equities Switzerland	7.48	14.55	0.18	0.95	3.57	8.52
Equities Japan	6.04	17.59	0.86	0.71	1.61	11.34
Equities Pazific ex Japan	5.09	18.38	-1.46	0.29	4.60	7.95
Equities Emerging Markets	6.49	21.00	-0.62	0.21	0.21	8.25
Ø Equity Markets	**5.74**	**17.45**	**-0.39**	**0.41**		
REITs Global	5.28	18.20	-0.81	-0.80	0.11	8.21
Inflation-linked Bonds, hedged	1.49	5.67	-0.33	-0.13	-0.59	2.81
Commodities	2.70	16.00	-0.53	0.00	0.38	5.31
Gold	1.69	14.47	-0.25	-0.33	-2.22	4.42
Ø Alternative Assets	**2.79**	**13.59**	**-0.48**	**-0.32**		
Equities Global	4.50	15.75	-0.37	-0.30	1.91	7.93
Equities Developed Markets	4.41	15.96	-0.45	0.37	2.35	8.39
Private Equity	7.96	20.22	-0.71	-1.08	4.19	13.76
Private Credit	5.41	10.50	-0.59	-1.40	2.48	10.12
Real Estate Global	4.86	12.10	-0.58	-1.10	1.77	6.91
Ø Private Markets	**6.08**	**14.27**	**-0.62**	**-1.19**		
Cash, CHF	0.41		-0.36			

Table 1: Consolidated capital market assumptions in Swiss francs, 2025 | Q4.

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 30.09.2025. 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: 30.09.2025

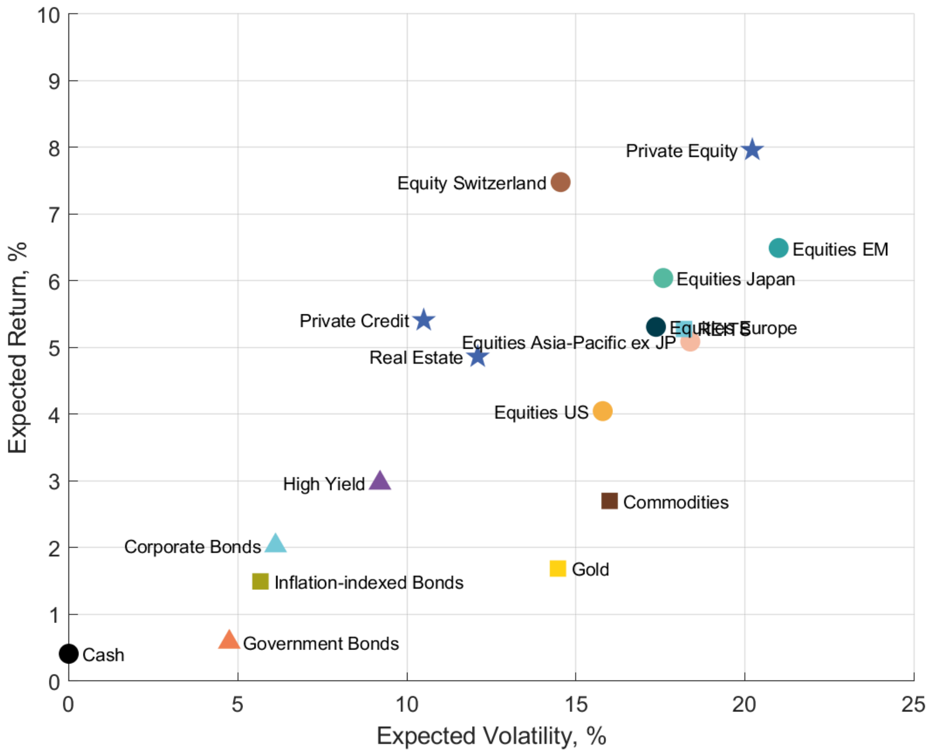

Figure 2: Risk-return diagram based on consolidated capital market assumptions.

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.

Consolidated capital market assumptions over time: 30.09.2025

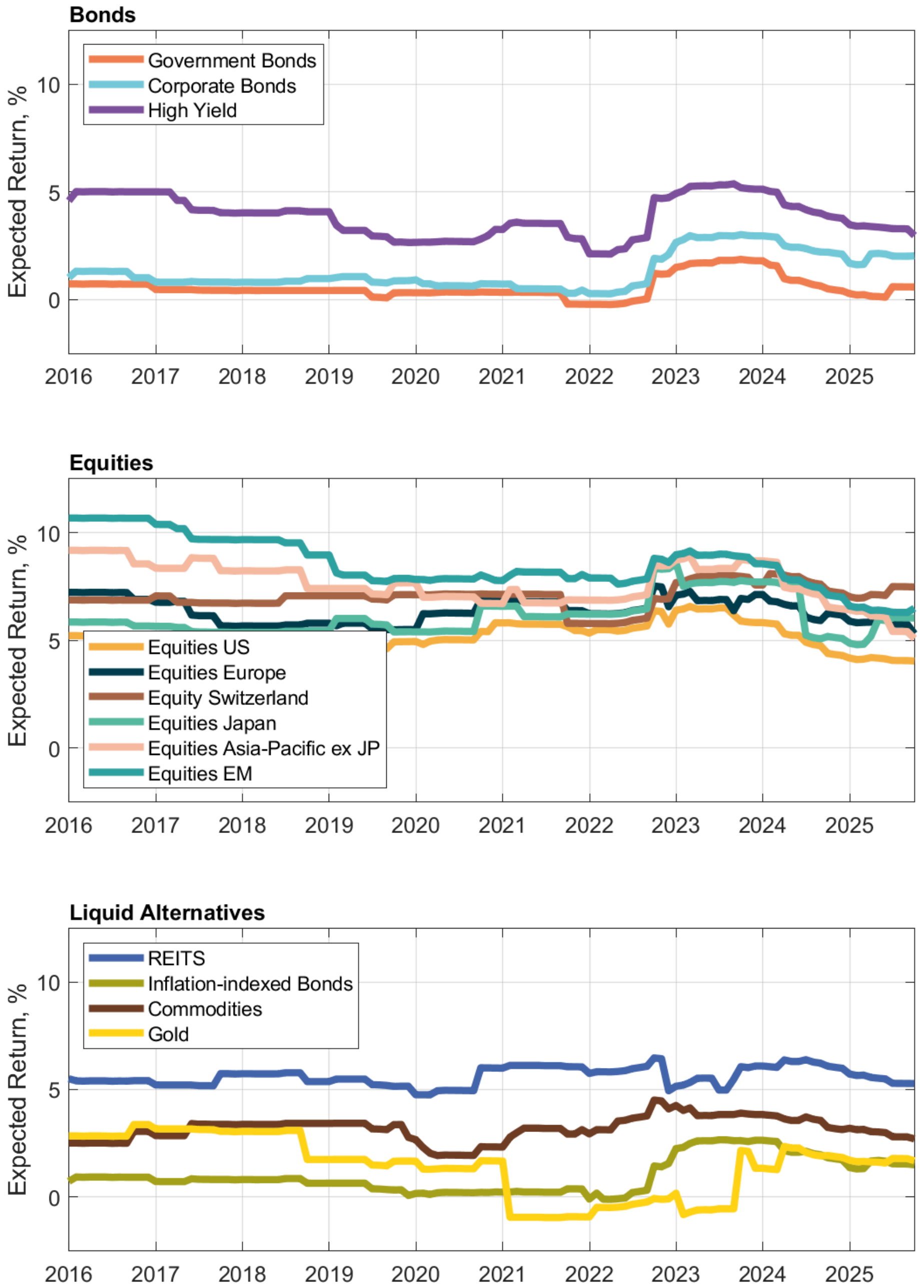

Figure 3: Consolidated capital market assumptions over time.

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-biased portfolio consisting of Swiss government bonds and Swiss equities, the information ratios for global corporate bonds and liquid alternative investments such as gold are particularly positive. 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 global portfolio, in which the equity component is represented by the MSCI World Index, all information ratios for the additional markets are currently positive – with the exception of the US. The consensus among institutional financial market experts therefore suggests that a market-value-weighted equity portfolio is not optimal and that investors can benefit from underweighting or overweighting individual regions and from 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	-0.42	0.14	-0.09	-0.02
Corporate Bonds Global, hedged	0.26	0.35	0.29	0.06	0.15
High Yield Global, hedged	0.28	-0.10	0.62	-0.01	0.13
Equities US	0.23	-1.79	1.26	-0.16	-0.05
Equities Europe ex Switzerland	0.28	-1.99	1.60	-0.21	0.12
Equities Switzerland	0.49	0.28	1.57	0.09	0.46
Equities Japan	0.32	0.34	1.23	0.03	0.19
Equities Pazific ex Japan	0.25	-1.49	1.43	-0.11	0.07
Equities Emerging Markets	0.29	-0.08	1.43	-0.01	0.14
REITs Global	0.27	-0.60	1.27	-0.04	0.11
Inflation-linked Bonds, hedged	0.19	0.14	0.22	0.03	0.11
Commodities	0.14	0.16	0.49	0.01	0.03
Gold	0.09	0.53	0.17	0.04	0.05
Equities Global	0.26	-1.85	1.38	-0.19	0.02
Equities Developed Markets	0.25	-1.83	1.35	-0.18	0.01
Private Equity	0.37	1.97	1.30	0.12	0.27
Private Credit	0.48	2.47	0.59	0.27	0.40
Real Estate Global	0.37	1.67	0.65	0.16	0.29

Table 2: Performance indicators based on consolidated capital market assumptions, 2025 | Q4.

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, Nuveen, PGIM, PIMCO, Research Affiliates, RowePrice, StateStreet, Vanguard, Verus, Voya, Wilshire, Wells Fargo). 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 Couts, Goncalves and Loudis (2024, *SSRN Working Paper*).

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

Giuseppe Schilirò

Senior Familiy Office Manager

Remaco Asset Management AG

giuseppe.schiliro@remaco.com
ch.linkedin.com/in/giuseppe-schiliro

Prof. Dr. Tim Kröncke

CIO Remaco Asset Management AG

tim.kroencke@remaco.com
ch.linkedin.com/in/tim-a-kroencke

You can find this and future studies on capital market expectations at:
https://remaco.com/research/

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

Authors (alphabetical):
Prof. Dr. Pascal Böni
Manohar Brüggemann, FRM
Christoph Frick, lic.oec.publ.
Prof. Dr. Tim Kröncke

Contact:
tim.kroencke@remaco.com

Remaco Asset Management AG
Hirzbodenweg 103, Postfach, 4020 Basel
Beethovenstrasse 11, 8002 Zürich
www.remaco.com

4. Disclaimer

This presentation has been prepared by Remaco Asset Management AG ("Remaco") solely for informational purposes and for the exclusive use of the party to whom Remaco delivers this presentation (together with its subsidiaries and affiliates, the "Potential Investor"). This presentation contains selected information regarding a potential investment opportunity (the "Transaction"). The sole purpose of this presentation is to assist recipients in deciding whether they wish to proceed with an investigation of a possible Transaction. This presentation is not intended to form the basis of any investment decision or any decision to purchase any equity interests (or other interests), directly or indirectly, in the Transaction. This presentation, and the information contemplated herein, does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction.

Remaco does not make any representation or warranty, either express or implied, as to the accuracy, completeness, reasonableness or reliability of the information contained in this presentation. Remaco expressly disclaims any and all liability for any direct or consequential losses relating or resulting from the use of this presentation. Under no circumstances is this presentation to be construed as a prospectus, offering memorandum or advertisement. No representation is made regarding the legality of a participation by a Potential Investor in a potential Transaction under applicable securities laws or other laws. The Potential Investor should not construe the contents of this presentation as legal, tax, accounting or investment advice or a recommendation of any kind. The Potential Investor should consult its own counsel, tax and financial advisors as to legal and related matters concerning any transaction described herein. This presentation does not purport to be all-inclusive or to contain all of the information that the Potential Investor may require. No investment, divestment or other financial decisions or actions should be based on the information in this presentation. This material must not be copied, reproduced, distributed or passed to others at any time without the prior written consent of Remaco.

By accepting the delivery of this presentation, you agree to the foregoing. This presentation includes certain observations, assumptions, statements, estimates and projections as to future events and thus involves significant elements of subjective judgment and analysis. Such statements, estimates and projections reflect certain assumptions and anticipated results; such assumptions and results may or may not prove to be correct. Actual results may differ from such statements, estimates and projections and such differences may be material. Such estimates and projections are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include general economic and business conditions, competition, changes in political, social and economic conditions, and possible changes in the regulatory structure, customer preferences and various other matters, many of which are beyond the control of Remaco and its client, as applicable. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realized.

There can be no assurances that actual events will not differ materially from those assumed or projected. In the event any of the assumptions used in this presentation do not prove to be true, results are likely to vary substantially from those discussed herein and such variations may be material. Remaco does not undertake to update or revise any of the observations, assumptions, projections or forward-looking statements contained herein or any other information contained herein, even if it becomes clear that they will not be realized or are otherwise inaccurate. The delivery of this presentation shall not under any circumstances imply that the information set forth herein is correct at any date subsequent to the delivery of this presentation the date of this presentation or the date at which the information was provided. The information contemplated in this presentation is in summary form and thus does not contain all relevant and material information relating to the matters contemplated herein.

www.remaco.com