Remaco-Report | 2026 Q1

Survey of Capital Market Assumptions in Swiss Francs

A Remaco study based on institutional capital market assumptions

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Key findings

On a quarterly basis, we evaluate the capital market expectations in Swiss francs for an investment horizon of 10 years, as provided by institutional financial market experts and advisors. The reporting date for this report was December 31, 2025.

Strategic Realignment in a Low-Interest-Rate Environment – Divergence as an Opportunity

Return of Zero Interest Rates for Bonds – Bottoming Out in Equity Markets:
For Swiss federal bonds (*Eidgenossen*), we observe a return to zero or negative expected return (-0.06%) over a 10-year investment horizon. While the downward trend in bonds observed since the beginning of 2024 thus continues, a clear bottoming out of long-term return expectations is emerging in the equity markets this current quarter.

The "US Valuation Trap":
The most striking result of our analysis is the pronounced divergence within global equity markets. With an expected return of only 3.98%, the US market trails behind all other geographical regions. The reason is fundamental in nature: due to historically high valuation metrics, financial market experts expect an annual valuation correction (re-valuation) of approximately -2% p.a. for US equities over the next 10 years. This stands in sharp contrast to Swiss equities, which offer the highest potential among developed markets with an expectation of 7.05%. Emerging Markets (6.31%) and the Pacific region (6.21% to 6.24%) also offer attractive risk premiums compared to the US market.

Strategic Implications for Investors:
In the current environment, traditional portfolios will increasingly struggle to exceed a target return of 4.0%. Regional weighting and the targeted use of alternative asset classes are therefore crucial.
Leveraging Regional Divergence: Based on current capital market expectations, it is opportune to significantly underweight US equities in portfolios compared to the MSCI World or MSCI ACWI. The freed-up capital can be reallocated in favor of the Swiss market, as well as Emerging Markets and the Pacific region, to secure an expected portfolio return of over 4.0% p.a.
Diversification: To further enhance returns, the inclusion of private market investments such as Private Equity (8.13%) and Private Credit (5.24%) remains an option due to their high Sharpe ratios. For liquid portfolios, the addition of Real Estate Investment Trusts (REITs) (5.21%) and other real assets is an option.

Current Expectations at a Glance:
Bonds
Expected Return: 1.6% p.a. (Δ12M: -0.2%).
Equities
Expected Return: 5.9% p.a. (Δ12M: +0.1%).
Liquid Alternatives
Expected Return: 2.8% p.a. (Δ12M: -0.2%).
Private Markets
Expected Return: 6.1% p.a. (Δ12M: 0.0%).

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 December 31, 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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1. Survey of Capital Market Assumptions

The current consensus expectations of institutional experts signal a turning point in global asset allocation (**Table 1** and **Figure 1**). While volatility remains stable in many segments, the increasing divergence in return expectations is forcing investors toward a strategic realignment of their exposures.

Bond Markets: The Return of the Reality Check

The consensus for Swiss federal bonds (*Eidgenossen*) has slipped back into negative territory at -0.06%—a significant decrease of 0.33% compared to the previous year. This development underscores the end of the brief normalization of interest rates for high grade government bonds. In contrast, corporate bonds (Global hedged) at 2.03% (+0.35% vs. previous year) and High-Yield investments at 2.90% continue to offer a necessary, albeit moderate, expected return. The bottom line for bond investors: without taking on credit risk, it is now nearly impossible to achieve a positive nominal return in Swiss francs.

Equity Markets: Geographical Divergence

The average return expectation across all equity regions has stabilized at 5.93%. However, this average conceals a massive geographical spread that supports a strategic decision to underweight the US:

- *The "US Valuation Trap":* With an expectation of only 3.98%, the US market marks the low point of our analysis. Since experts are pricing in an annual valuation correction of approximately -2% due to historically high multiples, valuation is acting as a significant "performance drag" here.
- *The "Swiss Premium":* Swiss equities remain attractive with an expected return of 7.05%. With an expected volatility of only 14.6%, the Swiss market offers one of the best risk-return profiles worldwide (see **Figure 2**).
- *The Rise of the Pacific Region & Emerging Markets:* Particularly noteworthy is the jump in expert favor for Japan (+1.34% to 6.21%). Together with Emerging Markets (6.31%) and the Pacific region (ex-Japan) (6.24%), these regions provide the necessary counterweight to the US-heavy nature of global indices.

Alternative Investments and Private Markets

Figure 2 makes it clear: those who wish to consistently clear the 4% hurdle should at least consider illiquidity premiums. Private Equity leads the return ranking at 8.13%, followed by Private Credit at 5.24%. Among liquid real assets, REITs (5.21%) provide solid return anchors in an inflation-sensitive environment.

The development over time (**Figure 3**) illustrates that, following the decline in 2024, we are now in a phase of sideways movement. However, the "upside potential" is very unevenly distributed—while US stocks are operating at their limits, Swiss stocks and selected alternatives continue to offer significant upward potential.

Consolidated capital market assumptions and disagreement range: 31.12.2025

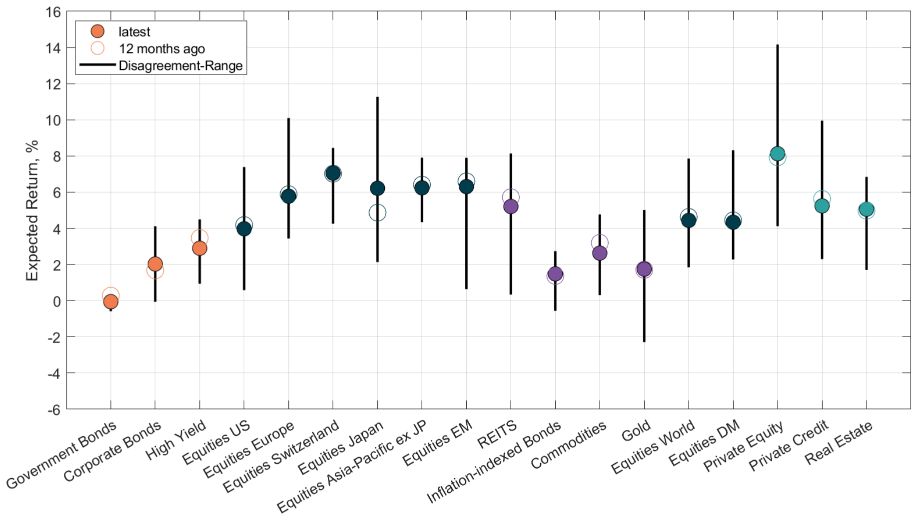

Figure 1: Consolidated capital market assumptions and disagreement range.

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	-0.06	3.86	-0.33	-0.88	-0.58	0.36
Corporate Bonds Global, hedged	2.03	6.05	0.35	0.05	-0.06	4.11
High Yield Global, hedged	2.90	9.03	-0.57	-0.58	0.94	4.49
Ø Bond Markets	**1.62**	**6.31**	**-0.18**	**-0.47**		
Equities US	3.98	15.85	-0.20	0.05	0.58	7.39
Equities Europe ex Switzerland	5.78	17.05	-0.11	0.01	3.44	10.10
Equities Switzerland	7.05	14.57	0.03	0.71	4.26	8.45
Equities Japan	6.21	17.40	1.34	0.06	2.14	11.27
Equities Pazific ex Japan	6.24	18.07	-0.18	0.08	4.34	7.91
Equities Emerging Markets	6.31	20.83	-0.29	-0.82	0.64	7.90
Ø Equity Markets	**5.93**	**17.30**	**0.10**	**0.02**		
REITs Global	5.21	17.85	-0.51	-1.10	0.34	8.14
Inflation-linked Bonds, hedged	1.48	5.67	0.11	-0.08	-0.56	2.74
Commodities	2.63	16.00	-0.57		0.31	4.77
Gold	1.74	14.82	0.04	0.02	-2.29	5.01
Ø Alternative Assets	**2.77**	**13.59**	**-0.23**	**-0.29**		
Equities Global	4.44	15.72	-0.19	-0.08	1.85	7.86
Equities Developed Markets	4.34	15.98	-0.10	0.15	2.28	8.32
Private Equity	8.13	20.22	0.20	0.13	4.12	14.16
Private Credit	5.24	10.37	-0.39	-1.00	2.30	9.95
Real Estate Global	5.06	12.03	0.08	-0.48	1.70	6.84
Ø Private Markets	**6.14**	**14.20**	**-0.04**	**-0.45**		
Cash, CHF	0.34		-0.29			

Table 1: Consolidated capital market assumptions in Swiss francs, 2026 | Q1.

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 31.12.2025. 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: 31.12.2025

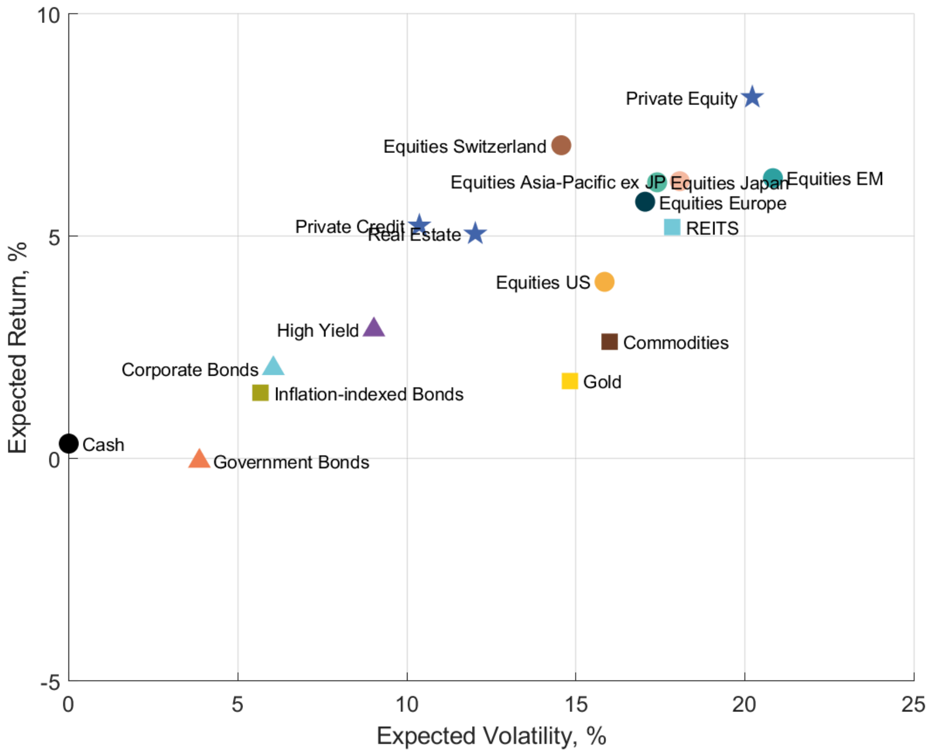

Figure 2: Risk-return diagram based on consolidated capital market assumptions.

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: 31.12.2025

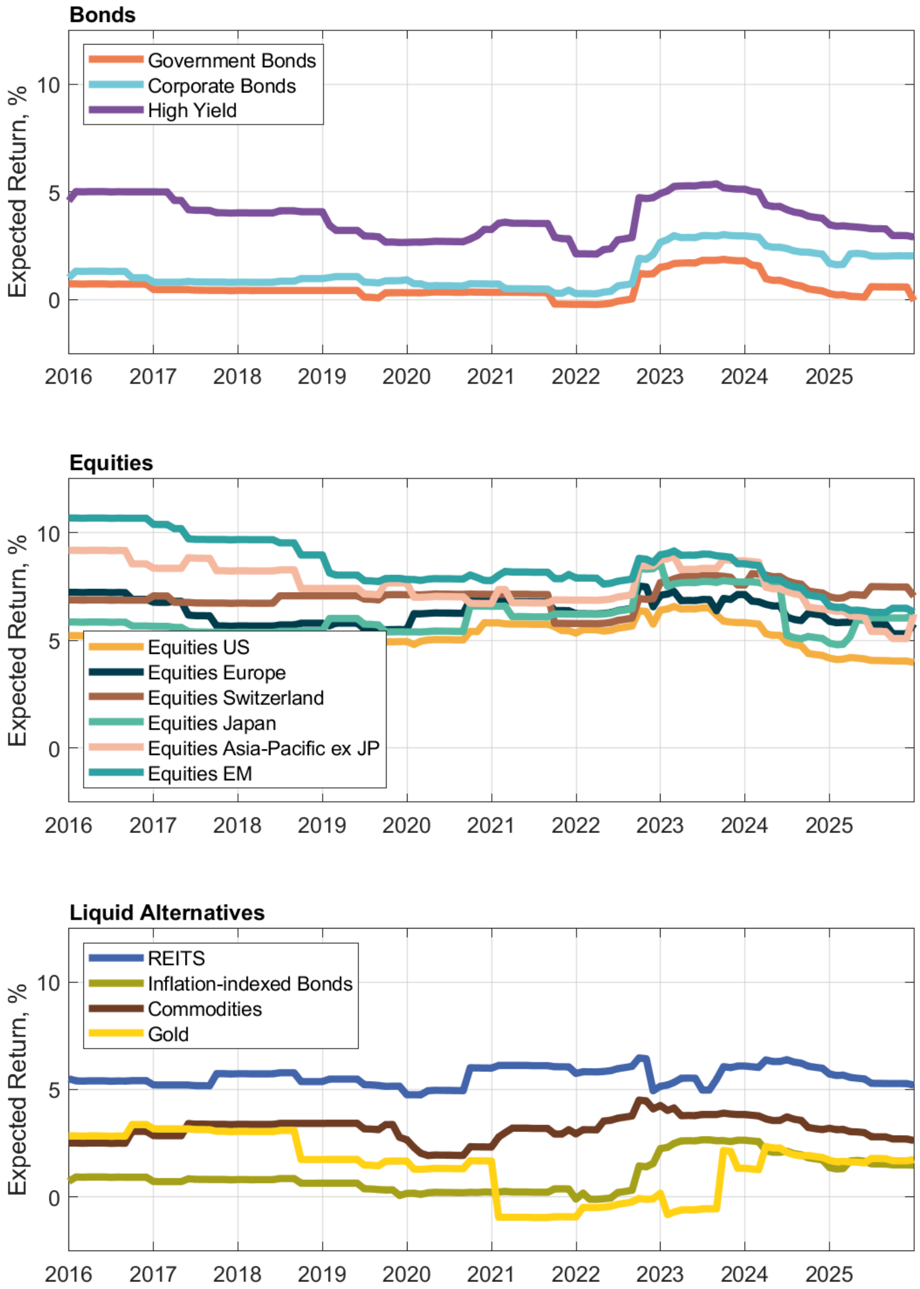

Figure 3: Consolidated capital market assumptions over time.

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 Expectations Favor Global Diversification

The Advantage of Forward-Looking Analysis. Forward-looking capital market expectations allow for a proactive evaluation of the attractiveness of asset classes, rather than relying solely on historical data. Using the **Information Ratio (IR)**, we identify systematic optimization potential in **Table 2**: a positive value signals that increasing the weighting of the respective asset class improves the risk-adjusted performance (Sharpe Ratio) of the overall portfolio.

Home-Bias Portfolio: Focusing on the Swiss Return Anchor. For investors with a traditional Swiss focus (40% Swiss federal bonds, 60% Swiss equities), the domestic market remains attractive. With an Information Ratio of 0.20, Swiss titles continue to be the central return driver. Due to the exceptionally high expectations for the Swiss market, global equity indices (IR: -0.13) are currently less favorably.

Global Portfolio: The Necessity of Actively Moving Away from the US. For a standard global portfolio (40% Swiss federal bonds, 60% MSCI World), the data highlight a significant inefficiency caused by market-cap-weighted US dominance: the Information Ratio for US equities is a mere 0.00. As experts expect a correction due to historically high multiples, the US market no longer offers risk-adjusted added value. Efficiency gains can instead be achieved by purposefully overweighting regions that offer attractive risk premiums. These include, in particular, Switzerland (IR 0.45), Japan (IR 0.24), the Pacific region (IR 0.23), and Europe (IR 0.22).

Conclusion: A purely passive global portfolio is currently not optimal. Investors can increase expected portfolio returns by reducing US weighting and consistently reallocating capital into the undervalued markets of Switzerland, Japan, and Pacific region.

2.2 Remaco Global Portfolio

The Limits of Passive Index Investing: Today, a market-cap-weighted portfolio (MSCI World) almost inevitably leads into the "US valuation trap." Those who orient themselves blindly toward market capitalization ignore the divergences in global return expectations and give away performance potential.

The Remaco Global Portfolio is the answer to this inefficiency. It is a rule-based, efficient investment approach that systematically incorporates the institutional consensus expectations of 30 world-leading experts.

Future-Proof Your Portfolio: The Remaco Global Portfolio is not just an alternative to the MSCI World—it is the necessary upgrade for a market environment where selection determines success.

Learn more at: ***https://remaco.com/weltportfolio/***

Benchmark	Sharpe Ratio «Cash»	Excess Return, % «Home Bias»	Beta «Home Bias»	Information Ratio «Home Bias»	Information Ratio «World»
Swiss Confederation Bonds	-0.10	-0.76	0.10	-0.20	-0.15
Corporate Bonds Global, hedged	0.28	0.58	0.29	0.11	0.18
High Yield Global, hedged	0.28	0.25	0.60	0.03	0.16
Equities US	0.23	-1.26	1.27	-0.11	0.00
Equities Europe ex Switzerland	0.32	-0.71	1.59	-0.08	0.22
Equities Switzerland	0.46	0.51	1.60	0.20	0.45
Equities Japan	0.34	1.15	1.22	0.09	0.24
Equities Pazific ex Japan	0.33	0.46	1.41	0.04	0.23
Equities Emerging Markets	0.29	0.46	1.43	0.03	0.16
REITs Global	0.27	0.07	1.24	0.00	0.14
Inflation-linked Bonds, hedged	0.20	0.33	0.21	0.06	0.13
Commodities	0.14	0.40	0.49	0.03	0.04
Gold	0.09	0.62	0.20	0.04	0.06
Equities Global	0.26	-1.27	1.39	-0.13	0.15
Equities Developed Markets	0.25	-1.32	1.38	-0.13	0.07
Private Equity	0.39	2.92	1.26	0.17	0.30
Private Credit	0.47	2.68	0.58	0.30	0.41
Real Estate Global	0.39	2.19	0.65	0.21	0.33

Table 2: Performance indicators based on consolidated capital market assumptions, 2026 | Q1.

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) and Couts, Goncalves and Loudis (2024).

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

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