Remaco-Report | 2026 Q2

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 March 31, 2026.

Early signs of deterioration – diversification as a shield

Geopolitical uncertainty and early signals of declining growth expectations:
In the wake of the Iran crisis, return expectations have declined slightly across the board. At the same time, markets themselves remained at a relatively high level, albeit with several ups and downs. This combination – declining return expectations amid high valuations – may point to weakening growth prospects driven by higher inflation expectations. However, caution is warranted: Changes in the study become apparent only after a delay due to the methodology. Whether geopolitical risks will have a lasting impact on capital market assumptions will only become reliably discernible in one to two quarters.
Long-term return expectations for high yield stable so far: While long-term return expectations declined slightly across most asset classes, high-yield bonds remained virtually unchanged at 2.94% (Q1: 2.90%).
Asia/Pacific remains attractive: The attractiveness of Japan and the Pacific region highlighted in the Q1 report has been confirmed by realised market performance in the first quarter. Despite the correction in long-term expectations, Japan (5.31%) remains attractive.

Strategic implications for investors:
In an environment of heightened geopolitical uncertainty and broadly declining return expectations, a central insight is confirmed: a well-diversified portfolio remains the best – if not perfect – protection in turbulent markets. A hypothetical target return of 4.0% remains achievable but requires deliberate diversification across regions and asset classes:
Regional diversification: Return expectations for non-US markets continue to lie well above the US level. Emerging markets (5.93%), the Pacific region (5.53%) and Europe (5.48%) offer potential. At the same time, the correction in Swiss equities (from 7.05% to 5.36%) serves as a reminder to be cautious about concentrated positions – including in the home market.
Bonds in a portfolio context: In the long-term capital market assumptions, high-yield bonds (Sharpe ratio: 0.30) currently exhibit the most attractive risk-return profile in the fixed-income space.

Current Expectations at a Glance:
Bonds
Expected Return: 1.6 % p.a. (Δ12M: -0.2 %).
Equities
Expected Return: 5.3 % p.a. (Δ12M: -0.5 %).
Liquid Alternatives
Expected Return: 2.4 % p.a. (Δ12M: -0.5 %).
Private Markets
Expected Return: 5.9 % p.a. (Δ12M: -0.4 %).

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 31 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
Prof. Dr. Tim Kröncke

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

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1. Survey of Capital Market Assumptions

The consensus expectations for the second quarter of 2026 are shaped by heightened geopolitical uncertainty (**Table 1** and **Figure 1**). The Iran crisis has left its first marks on long-term return expectations: forecasts have declined slightly across the board. Since our survey inherently reflects consensus changes with a delay, the current picture should be interpreted as an early signal – not as a definitive verdict.

Bond markets: slight shifts in long-term expectations

The consensus for Swiss government bonds (Eidgenossen) has turned marginally positive at 0.06% – a slight improvement over the previous quarter (-0.06%). On a year-over-year basis, the decline remains moderate at -0.04%. Corporate bonds (global hedged) edged lower to 1.83% (-0.20 percentage points versus Q1). In the long-term capital market assumptions, high-yield bonds remain stable so far at 2.94%. The 10-year Sharpe ratio of 0.30 is the highest in the fixed-income space. It should be noted that our study captures long-term return expectations over a 10-year horizon and does not reflect short-term market dynamics.

Equity markets: broad-based decline in return expectations

The average return expectation across all equity regions has fallen from 5.93% to 5.26% – a decline of 0.67 percentage points within a single quarter. The decline affects nearly all regions:
US still in last place: At 3.97%, US return expectations remain at the level of the previous quarter. The "US valuation trap" remains intact – structural overvaluation leaves little room for upward revisions.
Asia/Pacific region remains attractive: The attractiveness of Japan and the Pacific region highlighted in the Q1 report has been confirmed by realised market performance in the first quarter of 2026. Japan remains at 5.31% with a positive 12-month delta of +0.17%, making it one of the few markets enjoying rising expert favour. Together with the Pacific region (5.53%), it continues to represent a relatively attractive counterweight to the US dominance of global indices.
Emerging markets at the top: At 5.93%, emerging markets continue to offer the highest expected return among regional equity markets, followed by Europe (5.48%).
Swiss equities with correction: The expectation for Swiss equities has fallen from 7.05% to 5.36% (Δ12M: -1.71%). However, the decline does not reflect a broad shift in consensus, but rather reflects recent adjustments made by individual institutions (BlackRock, Research Affiliates), whilst the remaining expectations remain largely stable.

Alternative investments and private markets

Among liquid alternative investments, the slight downward trend continues. Gold falls below the 1% mark in long-term return expectations to 0.99%. REITs decline to 4.82% but remain a solid real-asset investment.
Private markets remain the highest-returning asset classes in the universe: private equity leads the ranking at 7.77%, followed by private credit at 5.26%. The illiquidity premium remains attractive for investors with the appropriate time horizon and liquidity budget.
The time-series evolution (**Figure 3**) shows: following the sideways movement at the end of 2025, a slight, broad-based downward correction of return expectations is emerging. Whether this marks the beginning of a sustained trend or a temporary reaction to the geopolitical situation remains to be seen.

Consolidated capital market assumptions and disagreement range: 31.03.2026

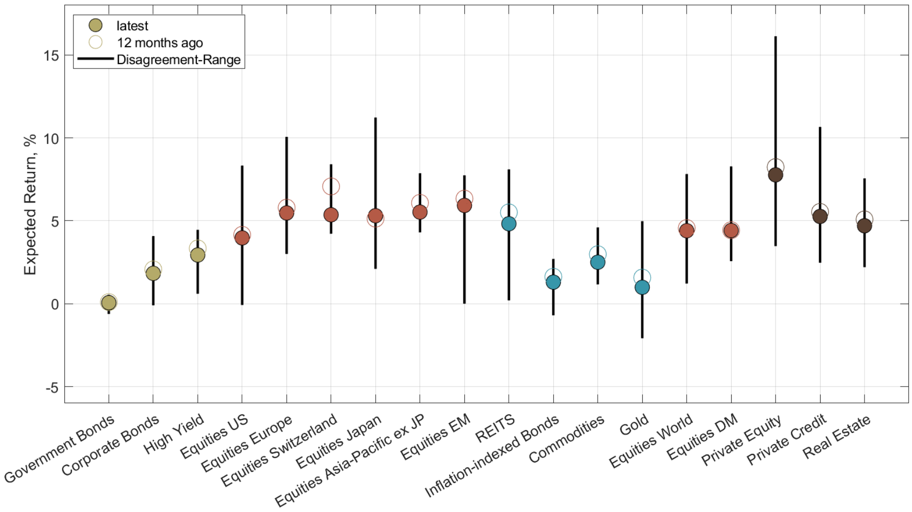

Figure 1: Consolidated capital market assumptions and disagreement range.

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	-0.04	-0.88	-0.62	0.54
Corporate Bonds Global, hedged	1.83	5.81	-0.24	-0.19	-0.10	4.08
High Yield Global, hedged	2.94	8.92	-0.39	-0.86	0.60	4.46
Ø Bond Markets	**1.61**	**6.20**	**-0.22**	**-0.65**		
Equities US	3.97	15.68	-0.18	-0.21	-0.07	8.33
Equities Europe ex Switzerland	5.48	16.85	-0.32	-0.55	3.00	10.06
Equities Switzerland	5.36	14.57	-1.71	0.10	4.22	8.41
Equities Japan	5.31	16.98	0.17	-0.36	2.10	11.23
Equities Pazific ex Japan	5.53	18.00	-0.56	-0.54	4.30	7.87
Equities Emerging Markets	5.93	20.83	-0.41	-0.66	0.00	7.75
Ø Equity Markets	**5.26**	**17.15**	**-0.50**	**-0.37**		
REITs Global	4.82	17.50	-0.69	-1.37	0.20	8.10
Inflation-linked Bonds, hedged	1.30	5.70	-0.32	0.00	-0.70	2.70
Commodities	2.50	16.00	-0.48	0.00	1.17	4.60
Gold	0.99	15.20	-0.58	0.39	-2.08	4.98
Ø Alternative Assets	**2.40**	**13.60**	**-0.52**	**-0.24**		
Equities Global	4.40	15.70	-0.16	-0.20	1.22	7.82
Equities Developed Markets	4.42	15.84	-0.02	-0.12	2.57	8.28
Private Equity	7.77	20.22	-0.47	0.12	3.47	16.13
Private Credit	5.26	10.68	-0.27	-1.02	2.47	10.66
Real Estate Global	4.70	12.02	-0.38	-0.23	2.20	7.56
Ø Private Markets	**5.91**	**14.31**	**-0.37**	**-0.38**		
Cash, CHF	0.30		-0.23			

Table 1: Consolidated capital market assumptions in Swiss francs, 2026 | Q2.

Consolidated capital market assumptions are based on the median of up to 31 individual expectations of globally active institutional asset managers and consultants. The cut-off date for the survey is 31.03.2026. 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: 31.03.2026

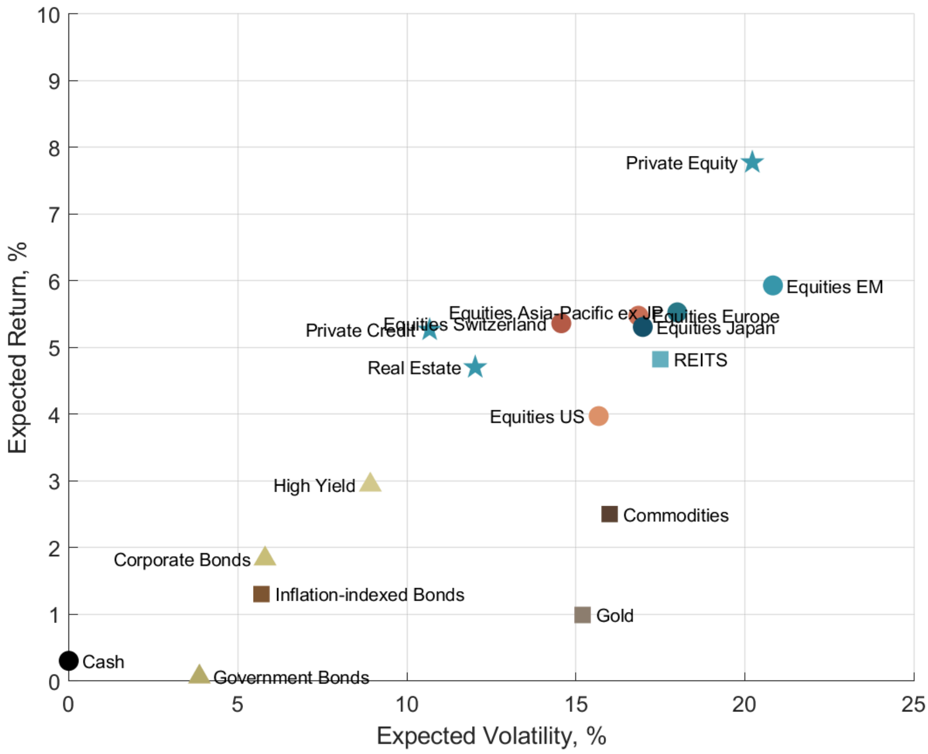

Figure 2: Risk-return diagram based on consolidated capital market assumptions.

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: 31.03.2026

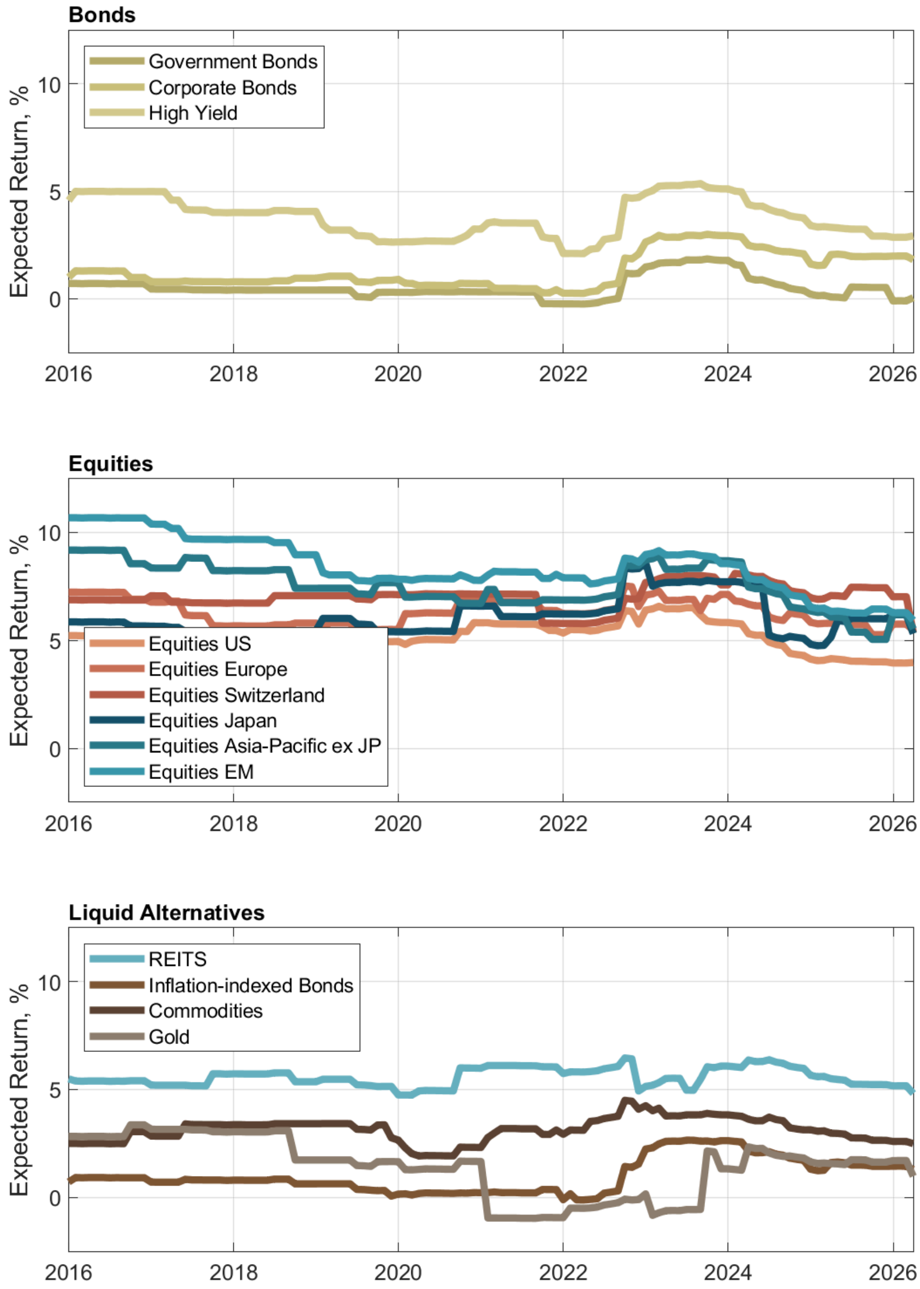

Figure 3: Consolidated capital market assumptions over time.

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 support global diversification

Advantage through forward-looking analysis: Forward-looking capital market assumptions make it possible to evaluate the attractiveness of asset classes precisely, rather than relying solely on historical data. Using the **information ratio** (IR), we identify systematic optimisation potential in **Table 2**: a positive value signals that increasing the weight of the respective asset class would improve the risk-adjusted performance (**Sharpe ratio**) of the overall portfolio.

Home-bias portfolio – diversification gains importance: For investors with a traditional Swiss focus (40% Eidgenossen, 60% Swiss equities), the correction in Swiss equity expectations has altered the diversification landscape. The information ratio for Swiss equities, at 0.14, remains in positive territory but has weakened compared with the previous quarter (0.20).

The world portfolio – broad diversification as the order of the day: For a standard world portfolio (40% Eidgenossen, 60% MSCI World), all non-US equity regions continue to show positive diversification contributions: Switzerland (IR: 0.25), Europe (IR: 0.18), Japan (IR: 0.17), Pacific (IR: 0.15) and emerging markets (IR: 0.13). US equities remain return-indifferent with an IR of 0.00. In the long-term capital market assumptions, high-yield bonds (IR: 0.17) also show a positive diversification contribution – with the caveat that short-term credit market dynamics are not yet fully reflected.

Conclusion: In times of heightened uncertainty, broad diversification gains importance. A purely passive world portfolio remains suboptimal. Diversification across regions, asset classes and liquidity tiers remains the most effective lever for stabilising the portfolio.

2.2 Remaco World Portfolio

Uncertainty demands a systematic approach: In an environment of declining return expectations and heightened geopolitical risks, a market-capitalisation-weighted portfolio (MSCI World) reaches its limits. US dominance in the index, coupled with the persistent "US valuation trap", constrains return potential – and offers no protection against regional dislocations.

The Remaco World Portfolio is a rules-based, efficient investment approach that systematically translates the institutional consensus expectations of up to 31 globally leading experts into an optimised allocation – while responding flexibly to changing market conditions.

Future-proof your portfolio: The Remaco World Portfolio is not merely an alternative to the MSCI World – it is the necessary upgrade for a market environment in which active selection and diversification determine success.

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	Sharpe Ratio	Excess Return, %	Beta	Information Ratio	
Benchmark	**«Cash»**	**«Home Bias»**	**«Home Bias»**	**«Home Bias»**	**«World»**
Swiss Confederation Bonds	-0.06	-0.53	0.10	-0.14	-0.11
Corporate Bonds Global, hedged	0.26	0.69	0.29	0.13	0.16
High Yield Global, hedged	0.30	0.94	0.58	0.13	0.17
Equities US	0.23	0.03	1.24	0.00	0.00
Equities Europe ex Switzerland	0.31	0.57	1.57	0.06	0.18
Equities Switzerland	0.35	0.36	1.60	0.14	0.25
Equities Japan	0.29	1.55	1.18	0.12	0.17
Equities Pazific ex Japan	0.29	1.18	1.38	0.09	0.15
Equities Emerging Markets	0.27	1.45	1.42	0.09	0.13
REITs Global	0.26	0.97	1.21	0.07	0.11
Inflation-linked Bonds, hedged	0.18	0.36	0.22	0.07	0.10
Commodities	0.14	0.94	0.43	0.06	0.03
Gold	0.05	-0.04	0.25	0.00	0.00
Equities Global	0.26	0.06	1.37	0.01	0.11
Equities Developed Markets	0.26	0.12	1.36	0.01	0.08
Private Equity	0.37	3.79	1.25	0.23	0.28
Private Credit	0.46	3.23	0.59	0.35	0.39
Real Estate Global	0.37	2.48	0.65	0.24	0.29

Table 2: Performance indicators based on consolidated capital market assumptions, 2026 | Q2.

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 31 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, NPEC, 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.

Giuseppe Schilirò

Senior Familiy Office Manager

Remaco Asset Management AG

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

Jürg Ritz

CEO

Remaco Asset Management AG

juerg.ritz@remaco.com
ch.linkedin.com/in/jürg-andreas-ritz

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

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