



# Good news for the new year - and beyond

In addition, the Swisscanto 1e Collective Foundation was able to achieve a conciliatory end to the year with its investment categories



Swisscanto  
1e Collective  
Foundation

## Dear readers

### Markt review

A premature year-end rally since November has reconciled the majority of investors in a very changeable investment year 2023. The financial markets started the year with a great deal of euphoria, but lost considerable momentum in the second half of the year. The protracted (mild) recession, which would have opened the door to lower interest rates, was a particular burden in the third quarter. However, with inflation rates visibly declining, the US Federal Reserve has recently rekindled the prospect of interest rate cuts, thereby boosting the financial markets. In this environment, both bonds and equities recorded significant gains, while both the US dollar and the euro weakened against the Swiss franc. You can find the detailed quarterly market commentaries on our website: <https://www.swisscanto-1e.ch/anlagemanagement/anlagestrategien/>.

### Repositioning of investment strategy

The Swisscanto Investment Foundation has repositioned the investment strategy *Swisscanto AST Avant BVG Responsible Portfolio 10 GT* repositioned as of November 20, 2023. From this date, the strategic equity component was increased from 10 to 15 percent. The reason for this measure is the assessment of Zürcher Kantonalbank's asset management that inflation will be structurally higher in the next 10 years. A slight increase in the strategic equity allocation is therefore considered sensible. The increase in the equity allocation means that the chosen investment strategy now involves a slightly higher fluctuation risk. At the same time, however, this also increases the long-term earnings opportunities.

As part of the 1e pension solution offered by our foundation, we offer the *Swisscanto (CH) Money Market Fund Responsible Opportunities* strategy. The income from this strategy is subject to withholding tax. Swisscanto Invest has offered to offer the money market strategy free of withholding tax. The asset class is managed with a Total Expense Ratio (TER) of 0.28%.

At its meeting on December 4, 2023, the Board of Trustees decided to complete the asset class

changeover. The changeover will take place on February 1, 2024. As soon as the changeover is complete, we will replace the factsheets for the money market strategy in the online portal and on the website. You have the option of choosing a different investment strategy at any time. You have a total of nine strategies to choose from. Factsheets are available for all investment vehicles, providing you with information on costs, opportunities and risks. To change your strategy, please use the Foundation's online portal.

### New elections to the Board of Trustees

The term of office of the Board of Trustees ended on September 30, 2023, and the same number of candidates came forward for the four Board of Trustee mandates. The principle of silent elections was therefore applied in accordance with the organizational regulations. For the term of office from 2023 to 2026, the highest governing body is composed as follows:

- Peter Bächtold / Employer representative and President
- Beat Christoffel / Employer representative
- Marco Born / Employee representative and Vice-President
- Marco Müller / Employee representative

We congratulate Beat Christoffel on his election to the Board of Trustees and the other members on their re-election. With the election of Mr. Christoffel, the Foundation's largest client is now a member of the highest governing body. With his extensive financial and management skills, he can make a significant contribution to the development of the Foundation.

The previous member of the Board of Trustees, Ms. Eva Birkner, has decided not to stand for re-election for professional reasons. We would like to thank her for her extraordinary commitment over the past three years and wish Ms. Birkner all the best for the future.

### New Managing Director of the foundation elected

On December 4, 2023, the Board of Trustees elected Andreas Schmeltzer as the Foundation's new Managing Director.

We congratulate Andreas Schmeltzer on his election. With Mr. Schmeltzer, a proven expert with in-depth BVG and 1e expertise has been elected. He was already Managing Director of the Swisscanto 1e Collective Foundation from 2020 to 2022.

### **Economic outlook 2024**

The 2024 investment year is also likely to be challenging. In the first few months of the new year, we expect a difficult market environment in which fears of recession could materialize. In particular, we believe that consumption in the USA is likely to weaken. Reduced demand will then also be reflected in corporate profits and dampen the prospects for cyclically sensitive investments in both equities and bonds. However, falling inflation will enable central banks to intervene to stabilize the economy by lowering key interest rates.

A cautious positioning with an underweight in corporate bonds and defensive equity positioning (focus on Swiss equities) should characterize the portfolios in the first few months. As key interest rates fall and economic silver linings appear on the horizon, riskier investments will once again take center stage. In addition to an increase in corporate bonds, this should also be accompanied by a higher equity allocation.