

August 2023

# Ascaro News



## In this issue

- Financial markets up in the first half of 2023
- Ascaro Vorsorgestiftung in a market comparison
- In the political sphere
- New Data Protection Act
- Delegates' Meeting 2023
- Ascaro News – the last printed issue!

**as|caro**  
Vorsorgestiftung

# Financial markets up in the first half of 2023

Almost every asset classes posted gains in the first half of the year, despite continued headwinds from global monetary policy and economic trends. That broad recovery does, however, need to be placed in a broader context: 2022 was one of the worst years on the stock markets for a long time – for both equities and bonds, which meant that the stock markets started the current year at lower levels. Furthermore, the fears of a severe winter energy shortage in Europe did not materialise. The abrupt end of the zero-COVID strategy in China also had a positive effect on the markets.

Both the return and the extent of inflation came as something of a shock to many market observers and also to the central banks. The huge turnaround in interest rates is, however, now having an increasingly dampening effect on inflation. While inflation rates have now reached their peak, core inflation in particular is proving to be extremely sticky. The central banks maintained their restrictive monetary policy. Yield curves have flattened in recent months and in some cases have even inverted, which means that they have taken into account the increased risks of recession.

The stock markets, on the other hand, seem to be ignoring the recessionary risks. The strong start to the year was followed by the US banking crisis, the forced takeover of the major bank

Credit Suisse by its competitor UBS and the hype surrounding artificial intelligence, which made the technology sector – and the large-cap corporations in particular – attractive to investors. Investor confidence was also boosted by the fact that the energy crisis did not impact on the economy to the degree that had been feared. On the contrary, a warm winter and declining economic momentum pushed the oil price down to a level similar to that at the beginning of 2022. As a result, inflationary tendencies have disappeared for the time being.

The turnaround in interest rates has put indirect real estate investments under pressure worldwide. Thanks to the still comparatively low Swiss interest rates, Swiss real estate equities and real estate funds are doing very well compared with those of other countries. While a degree of cooling is evident in the owner-occupied housing market, the situation in the rental housing market is precisely the reverse. More and more households are looking for flats and the supply is becoming increasingly scarce. The changes to interest rates will lead to increases in rents from autumn onwards, as these are partly determined by the reference interest rate.

Investments at Ascaro posted a return of +2.77 % as of the end of June 2023. The coverage ratio is 110.5 %. Although last year's losses were limited by our chosen investment strategy, which is shaped by a cautious equity ratio and a substantial share of Swiss real estate, we did not quite manage to match the

performance of the published comparative figures and the internal benchmark (+3.64 percent) or the 'Pictet BVG 2015-25' index (+4.19 percent), which is similar in composition to that of our portfolio. This had, however, been anticipated due to the changes in the outlook.



+2.77 %

Return



110.5 %

Coverage

## Ascaro Vorsorgestiftung in a market comparison

For the 18th year running, "SonntagsZeitung" and "Finanz und Wirtschaft" have collaborated with the consultancy firm Weibel Hess & Partner AG to carry out their comprehensive pension fund comparison of 32 open-ended common and collective foundations.

In addition to an analysis of pension funds' investment returns, interest credits, conversion rates and further key financial figures, a 'mystery shopping' test was also carried out this year in which companies were asked to provide quotes for a SME and its employees as part of a covert operation.

As in previous comparisons, the pension fund rating shows that Ascaro Vorsorgestiftung, has good to very good results and is in many cases ranked among the best. The year 2022, which was a challenging year for investments, was marked by geopolitical crises and a turnaround in monetary policy. Ascaro even managed to achieve the best investment result of all participating institutions at -2.89 %, albeit still in negative territory. In addition, a multi-year view in this discipline confirms our consistently solid results – Ascaro is always in the top five.

Ascaro also remains committed to maintaining a consistently high interest rate on savings capital, which is confirmed by its top ranking. Something else we are pleased about is that Ascaro – as the smallest fund in the comparison – is among the institutions with the lowest administrative costs per head, which is also an excellent result!

The results of the pension fund rating confirm that the responsible bodies are on the right track in terms of their work which is aimed at benefiting the stakeholders and the affiliated companies. The Board of Trustees and the Executive Board will continue to pursue their successful course.

---

## In the political sphere

The vested benefits provided by occupational pension schemes have been under pressure for some time due to increases in the life expectancy of the population and the fluctuations on the capital markets. On 17 March 2023, Parliament passed the reform of the Occupational Benefit Scheme (BVG 21), which aims to relieve the second pillar system through a variety of measures and reduce redistribution from those still in employment to those already retired. In addition, the reform will strengthen the occupational benefit scheme for part-time employees or those employed by more than one company. In particular, the reform includes the following measures:

- Reduction of the conversion rate at the reference age from 6.8 to 6.0 percent
- Strengthening of the savings process
- Compensatory measures for the transitional generation (15 age cohorts from age 50)

A campaign to force a referendum opposing the reform passed by parliament was successful and a referendum on the subject will now be held in 2024. The majority of Ascaro's occupational benefits are in the supplementary category, which is why the reform is likely to have less impact on Ascaro than on pension funds that pay benefits close to the legal limit. We are excited about future developments! You can find further information at <https://www.bsv.admin.ch/bsv/en/home.html>.



## New Data

# Protection Act

If we take a look at the Swiss Confederation's SME portal – [www.kmu.admin.ch](http://www.kmu.admin.ch), we can see that the first federal act on data protection dates back to 1992. Since then, the Swiss population has made the use of the Internet and smartphones part of their everyday lives, and social networks, cloud services and the Internet of Things are also gaining in popularity. As a result of such societal changes, the Data Protection Act required revision and this amended version will now come into force on 1 September 2023. Swiss-based companies,

including pension funds, must adapt to the revised regulations. On the one hand, the Act improves the processing of personal data and, in certain cases, grants Swiss citizens new rights, while on the other, it aims to increase the compatibility of Swiss law with EU law, in particular with the General Data Protection Regulation (GDPR). We too have been busy in the past weeks and months ensuring that we comply with the new Data Protection Act. You will therefore find some new terms of use and data protection regulations on our website or in our forms.



# Delegates' meeting

The annual Delegates' Meeting was held in Bern on 10 May 2023. In addition to reporting on 2022 and examining current events on the financial markets, Till Grünewald, Head of Berner Generationenhaus (Bernese House of Generations), presented the findings from the latest generational survey 'the issues considered most important by the young and the old'. Topics such as

'different generations in the workplace', 'opportunities and risks of mixing ages', 'the ageing society as a generational issue' and many more were examined from a political and ethical perspective and illustrated by the results of the survey. The exciting afternoon was concluded with an aperitif and a host of interesting discussions.

---

## Ascaro News – the last printed issue!

We informed you some time ago that we would be switching the Ascaro News information channel to digital only at the end of this year, as a consequence of the trend of decreasing demand for printed copies. This edition

is therefore the last printed version, so, if you have not already done so, please subscribe to our electronic newsletter. Doing so is easy and quick via our website – [www.ascaro.ch](http://www.ascaro.ch)!

**ascaro**  
Vorsorgestiftung

**Ascaro Vorsorgestiftung**  
Belpstrasse 37 | Postfach 562  
3000 Bern 14  
T +41 31 303 34 40  
[www.ascaro.ch](http://www.ascaro.ch)

