

# PUBLICA's Investment Year 2025



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## 1 A pleasing investment year for PUBLICA

In all, 2025 was a pleasing year for PUBLICA's investments, which posted a solid performance of 6.6%. The Swiss real estate portfolio exceeded a (gross) market value of CHF 4 billion for the first time. The real estate team also grew, following a reorganisation in 2024 which has delivered the desired results in terms of project development, acquisition of new properties and management of the property portfolio. Equity markets around the world reached new highs. PUBLICA's equity portfolio profited from its large exposure to shares from Europe and the emerging markets, significantly outperforming the US-heavy global index. Gold did even better, generating a return of over 40% and reaching a historic record price of over CHF 110,000 per kilo of fine gold in October. PUBLICA's portfolio benefited substantially, thanks to a 3% exposure.

PUBLICA contributed to this gratifying result by its own actions, including adjustments to its strategic asset allocation agreed in 2022. Implementation of these is proceeding according to plan and having a positive impact on performance.

Less pleasing, and beyond PUBLICA's control, is the growth in government debt among the developed economies. The US has responded by imposing import tariffs and halting its payments to international organisations; the UK is increasing taxes; and France attempted to push through a pension reform that failed owing to political resistance. Interest rates in those countries remain higher than in Switzerland. The threats to world peace are of particular concern. According to the Global Peace Index, the number of state-based conflicts has reached the highest figure since the end of the Second World War.

We are looking to the future, and will continue to actively champion the interests of our active members and pension recipients. Preparations for the next scheduled revision of the investment policy are already under way.

## 2 Tariff dispute with the US and political unrest

On 20 January, Donald Trump was sworn in as the 47th President of the United States. Immediately thereafter, the new administration enacted drastic cuts to the public sector, implemented a restrictive immigration policy, and announced tariffs on goods from Canada, Mexico and China. Early April saw the announcement of tariffs on imports from numerous other countries. Investors were unsettled, and the impact of this was clearly evident. The US dollar shed 12% of its value against the Swiss franc. In April, the US's S&P 500 stock market index was down 15% compared with the start of January, while the price of gold rose sharply and was up more than 40% in Swiss franc terms by the end of the year.

The reactions of the US's trading partners to the tariff announcements varied. China, Mexico and Canada threatened countermeasures, while Japan, the European Union and Switzerland put their faith in negotiations. Following massive concessions by the EU, the US reduced its tariff on EU products to 15%, compared with the 30% originally announced. Initially, Switzerland was less successful, and at the start of August it faced the threat of 39% on Swiss imports into the US. Only after tough negotiations and numerous concessions did the US agree in November to cut this figure to the same level as imports from the EU. At the end of 2024, the Federal Council had successfully negotiated an agreement with the EU, Switzerland's most important trading partner, which was formally signed in May 2025. It is currently being debated in the Swiss Parliament, and may be put to a public vote in 2027 before coming into force. The agreement secures access for Switzerland to the EU's internal market and EU research projects. This will be covered by transitional arrangements until the agreement takes effect.

The ongoing war in Ukraine remained a key geopolitical risk factor. It continued to cause uncertainty over energy prices and commodities, prompting nervousness in Europe, where economic exposure is high. It also led investors to focus more intensely on diversification and consider excluding security-related sectors from their portfolios.

In the US Congress, it took Democrats and Republicans 15 attempts to agree on a budget, during which time the government was shut down. Federal employees resumed work in November after 43 days without pay. It was the 11th such shutdown, and the longest to date. There was also political turbulence in France and the UK. French Prime Minister François Bayrou stepped down after less than 10 months in office. He was replaced by Sébastien Lecornu, who postponed the urgently required but controversial rise in the retirement age until 2027. In the UK, a tax scandal involving the deputy prime minister triggered a government crisis in the autumn. At the end of November, the Labour government announced tax rises, in breach of an election promise. High levels of government debt in France and the UK fed through into the financial markets, in the form of rising yields on government bonds to compensate investors for the risks of holding them. At the end of 2025, yields on 10-year French government bonds were higher than in countries such as Portugal and Italy. In the UK, interest rates were at the highest level since the financial crisis of 2008.

The equity markets took the political and economic turbulence in their stride, with the Euro Stoxx 50 index, Japan's Nikkei and the S&P 500 in the US reaching historic highs on the back of solid corporate earnings and the expectation of further interest rate cuts. The Swiss Market Index ended the year at an all-time record level.

### **3 Strategic asset allocations**

The strategic asset allocation sets out the asset classes in which PUBLICA invests pension capital, and the proportions of each in the portfolio. As a result, the risk assumed and the success of investments depend largely on the strategic asset allocation. Defining it is the most important decision PUBLICA takes in terms of investing retirement assets. It is reviewed and set following a structured process which PUBLICA initiates every four years. The pension plans' risk capacity is a very important factor. The higher the proportion of pensioners compared with active members, the less risk a plan is able to take on. There are currently two strategic asset allocations: one for the open pension plans and one for the closed plan. The closed plan consists solely of pension recipients, and its strategic asset allocation therefore allows for much less risk.

### 3.1 Strategic asset allocations 2025: investments close to target

The strategic asset allocation for the open pension plans, the portfolio structure at the end of December 2025 and the deviations from the strategy are set out in the table below.

Asset class	Market value in CHF mn	Current allocation	Strategy allocation	Difference (current vs strategy)
Fixed income	18,695	43.9%	44.0%	-0.1%
Equities	14,741	34.6%	32.0%	2.6%
Real estate international	3,578	8.4%	9.0%	-0.6%
Real estate Switzerland	3,570	8.4%	9.0%	-0.6%
Precious metals	1,432	3.4%	3.0%	0.4%
Infrastructure equities	544	1.3%	3.0%	-1.7%
<b>Total</b>	<b>42,559</b>	<b>100.0%</b>	<b>100.0%</b>	

The strategic asset allocation for the closed pension plan, the portfolio structure at the end of December 2025 and the deviations from the strategy are set out in the table below.

Asset class	Market value in CHF mn	Current allocation	Strategy allocation	Difference (current vs strategy)
Fixed income	1,371	69.5%	70.0%	-0.5%
Equities	202	10.3%	10.0%	0.3%
Real estate Switzerland	333	16.9%	17.0%	-0.1%
Precious metals	66	3.4%	3.0%	0.4%
<b>Total</b>	<b>1,973</b>	<b>100.0%</b>	<b>100.0%</b>	

PUBLICA's investments are very close to both strategic asset allocations. Asset classes such as private infrastructure equities and real estate Switzerland are not traded on exchanges. This means that it takes time to reach the target allocations.

### 3.2 PUBLICA reviews the strategic asset allocation

PUBLICA reviews the long-term investment policy at least every four years, and launched the process in 2025. It comprises four steps:

- PUBLICA has revised its investment beliefs. These set out PUBLICA's investment philosophy in eight brief and concise statements. [To the investment beliefs on PUBLICA's website](#)
- At a workshop with the Investment Committee, outside experts presented their assessment of long-term trends that could have a significant impact on the risk/return profile. The themes covered ranged from trade conflicts and government debt to climate-related opportunities and risks. PUBLICA takes account of the findings when compiling its asset and liability management (ALM) study and drawing up scenarios.
- PUBLICA analysed existing and new asset classes and decided to add one: mid-market loans (unlisted, high-interest corporate loans). At the same time, it intends to scale back unlisted corporate bonds with a high credit rating, inflation-linked bonds and emerging-market government bonds in US dollars.

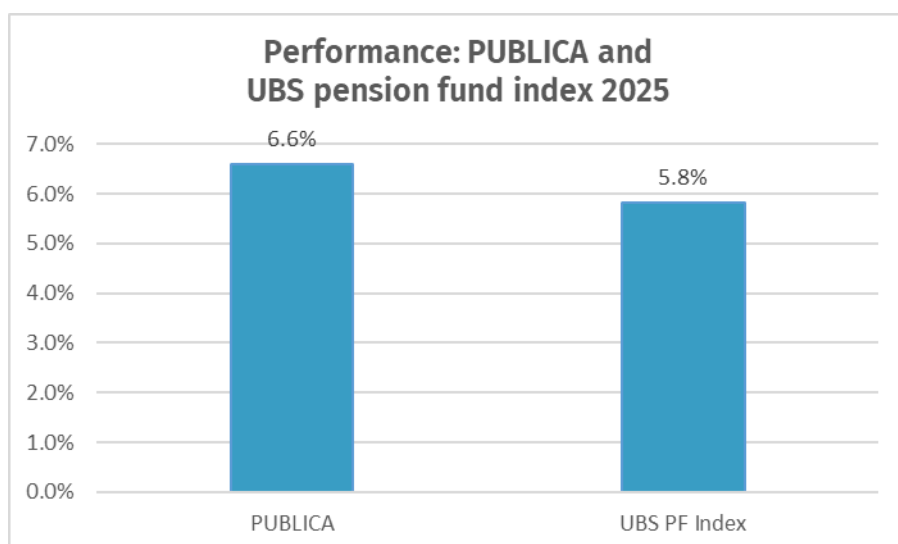
- d) The open pension plans have differing risk capacities. The revised Federal Personnel Act comes into force in 2027, and allows PUBLICA to offer a number of strategic asset allocations. The Board of Directors has chosen two. PUBLICA has therefore put together two different risk budgets for the committees to reflect the differing risk capacities of the open pension plans.
- e) For the closed pension plan, the current strategic asset allocation is being maintained.

In the next step, PUBLICA will draw up a range of potential strategic asset allocations that factor in the new asset classes and risk budgets. The allocations will be submitted to the committees for approval in mid-2026.

## 4 Robust performance in 2025

### 4.1 2025 performance

After deduction of all asset management expenses, the total assets gained 6.6% in value. The figures were 6.7% for the open pension plans and 4.2% for the closed one. The open pension plans have a higher-risk allocation than the closed plan. This paid off. Measured according to the UBS pension fund index, PUBLICA's portfolio outperformed other pension funds by 0.8 percentage points.

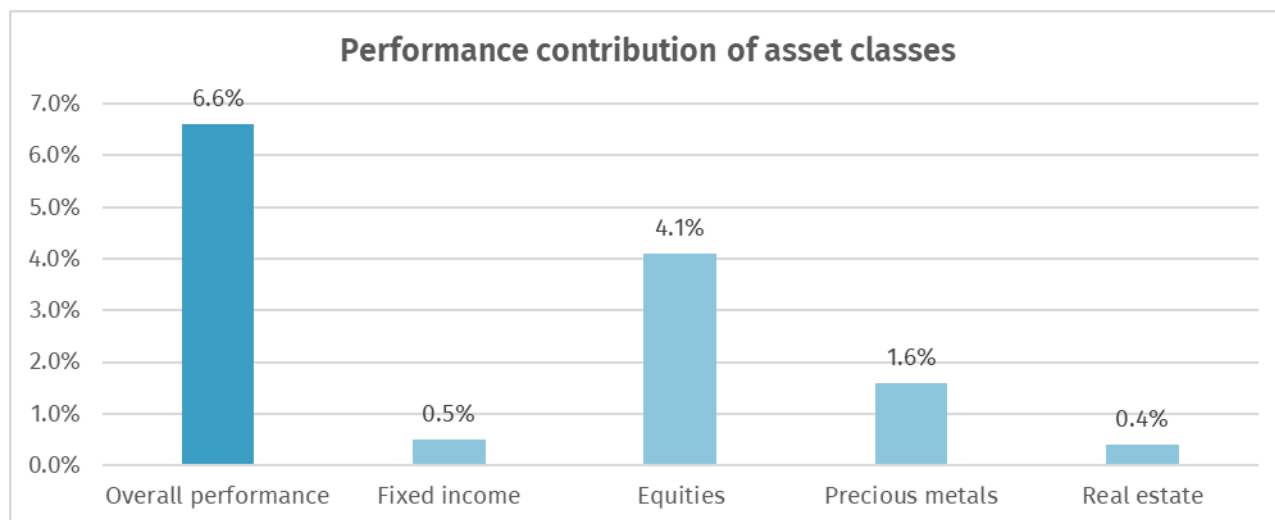


This is a very pleasing result for PUBLICA, including in comparison with other pension funds.

The most important contributors were equities and precious metals:

- Equities had the biggest positive impact on PUBLICA's consolidated total assets in 2025. With an annual return of 13.5%, they contributed 4.1 percentage points to the overall performance. Equities Switzerland, with 18.5%, and equities emerging markets, at 15.6%, were slightly above average. Equities North America returned just 5.1%.
- Thanks to a price increase of 48.1%, precious metals made a disproportionately large contribution to the positive overall result, accounting for 1.6 percentage points.
- Real estate contributed a total of 0.4 percentage points. Swiss real estate once again recorded a significant positive result of 4.8%, thanks to falling interest rates and robust income. The closed pension plan was a major beneficiary, owing to a larger 17% allocation to Swiss real estate. Foreign real estate posted a slightly negative return, dropping 0.1%, and thus added nothing to the overall performance.

- Fixed income accounted for 0.5 percentage points of the performance total. Swiss bonds recorded a return of 0.05%, while bonds ex Switzerland performed slightly better, returning 0.84%.
- A significant factor was the 13% depreciation of the US dollar against the Swiss franc. PUBLICA was able to absorb most of this thanks to its currency hedging strategy.

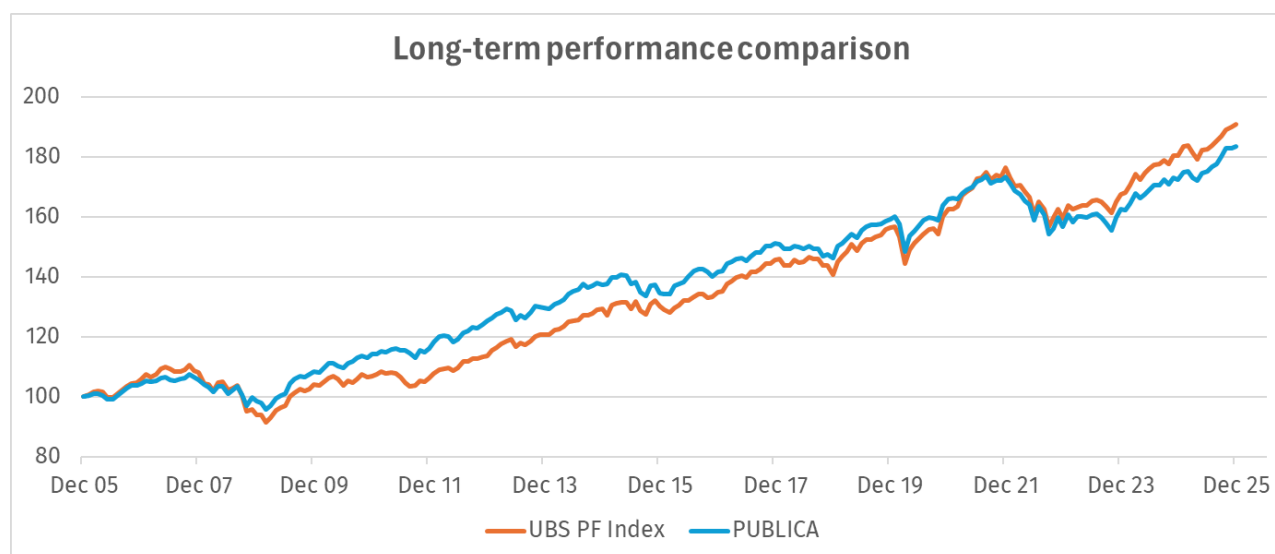


#### 4.2 Average long-term performance of 3.1% per year

Over a 20-year period from 2005 to 2025, total assets have increased in value by an average of 3.1% per annum. This is slightly below the Swiss average of 3.3%, as measured by the UBS pension fund index. The reasons for the lower increase are

- PUBLICA's somewhat more conservative strategic asset allocation, with fewer equities and more bonds,
- a lower proportion of Swiss real estate.

Additionally, US equities were underweighted against a global index, which had had a negative impact on the performance of PUBLICA's portfolio compared with other pension funds. In 2025, by contrast, this paid off for PUBLICA.



### 4.3 Low asset management expenses

In 2025, PUBLICA's asset management expenses, as measured by the Total Expense Ratio (TER), stood at 0.24%, as against 0.21% in the previous year. The slight, 0.03 percentage point rise is attributable to an increased exposure to private market investments. Asset management expenses are low when measured against comparable pension funds in Switzerland and abroad. According to the PPCmetrics study<sup>1</sup> for 2024, the asset management expenses of Swiss pension funds average 0.41%. This is mainly due to

- low-cost implementation of the strategic asset allocation in most cases, in the form of indexed mandates,
- the avoidance of expensive asset classes such as hedge funds and private equity,
- the systematic reclaiming of withholding tax abroad,
- low negotiated fees.

## 5 Investment activities in 2025: strategic asset allocation efficiently implemented

In 2025, the focus was on implementing the existing strategic asset allocation efficiently. PUBLICA did not adjust its strategic target allocations, concentrating instead on investing close to the prescribed percentages. Interest rates in Switzerland are very low. This increased the importance of managing liquidity to limit the cost burden while remaining able to trade. The currency markets fluctuated sharply, necessitating especially careful management of currency hedging within the strategic bandwidths for currency risk.

In terms of collaboration with external asset managers, there was no need for new mandates or changes of partner, since the existing cooperations deliver high quality and continuity. PUBLICA liaises closely with these managers and monitors the partnerships on an ongoing basis, to ensure that the strategic asset allocation is implemented in accordance with PUBLICA's mandate to invest retirement assets in the interests of active members.

An implementation plan is in place for the strategic asset allocation adopted in 2022, which takes longer for illiquid asset classes than for others. PUBLICA has specifically expanded those asset classes in accordance with the plan. The focus has been on

- expanding private infrastructure equities
- progressively extending the real estate portfolio in Switzerland.

The following sections offer an overview of the most important developments in these areas.

### 5.1 Infrastructure investment partnership established

In 2022, PUBLICA added a new asset class: private infrastructure equities, with a target allocation of 3% to be built up over time. Implementation is via three globally diversified infrastructure funds that invest mainly in power networks, renewable energy, transport and data infrastructure. Over the course of the year, PUBLICA increased the fund's capital commitments in order to accelerate the build-up of this asset class.

Meanwhile, the infrastructure investments are being implemented in close cooperation with other pension funds. To this end, PUBLICA has entered into a partnership with three other Swiss pension funds under which it invests directly in high-value infrastructure facilities together with the Dutch

<sup>1</sup> PPCmetrics – Pensionskassen Jahrbuch 2024

pension fund asset manager APG. The aim is to invest cost-efficiently and transparently in concert with like-minded investors. The partnership was set up in 2024, and the first two transactions were carried out in 2025: investments in renewable energy in North America and power transmission in Europe. The portfolio is to be further enlarged over the next two to three years and assume a central role within PUBLICA's infrastructure investments.

## 5.2 Real estate Switzerland expanded

PUBLICA directly holds a portfolio of real estate in Switzerland, which it expanded in 2025. At the end of the year, the portfolio's gross market value exceeded CHF 4 billion for the first time. This was essentially due to

- the purchase of four existing properties,
- the purchase of a plot of land for a development project,
- positive revaluations.

The Swiss real estate portfolio comprises 90 properties, three of which are still being developed or constructed. They are spread over more than 50 locations and are mainly situated in city centres, suburban areas with good transport links, and along key transport corridors. PUBLICA invests in residential, commercial and mixed-use properties. The residential category accounts for more than two thirds of the portfolio. Some two thirds of the properties are located in German-speaking Switzerland, with one third in the French-speaking regions.

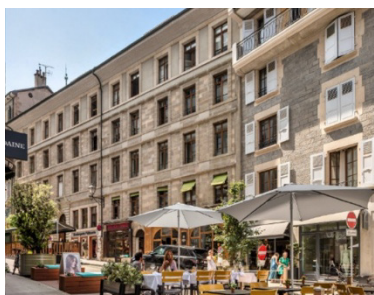
In 2025, PUBLICA acquired properties in Liestal, Bern-Liebefeld, Lucerne and Geneva, as well as a site for a development project at Glattpark in Opfikon, which will consist of around 200 rental apartments, retail and commercial premises. Construction is scheduled to commence in spring 2026, and be completed in 2028.



Schauenburgerstrasse 25/27/29, Liestal BL



Waldeggstrasse 40a-d/42a-c, Liebefeld-Köniz BE



Rue Verdaine 10+12, Geneva



Maihofstrasse 74+76, Lucerne



Boulevard Lilienthal/Chavez-Allee/  
Dufaux-Strasse (Glattpark), Opfikon ZH  
(artist's impression)

PUBLICA's properties are managed by outside companies. From 1 January 2027, it will streamline these activities by focusing them on one company as opposed to six at present. The new partner, Wincasa, operates throughout Switzerland and was chosen in a multi-stage selection process. At the same time, PUBLICA will move to a full mandate arrangement, under which the company provides both commercial services (accounting, collection, management IT services) and technical services (letting, tenant support, maintenance, etc.).

## 6 Risk management and compliance

To generate a return, we have to take risks. It is essential that we do this deliberately and have the capacity to bear those risks. Risk capacity depends in particular on the structure of the active membership, its expected development over time, and the resulting financial obligations. PUBLICA assesses risk capacity in detail as part of a meticulous process, on the basis of which it defines a risk budget. The Board of Directors is financially responsible for PUBLICA, and decides on the strategic asset allocation.

When investing assets, we pay particular attention to the appropriate diversification of risks. We ensure that the risks entered into are compensated by systematic risk premiums. We constantly monitor risks using a range of resources, including reports by external partners such as the custodian bank, the asset and liability management consultant and the investment controller, which we complement with our own calculations and analyses.

The main driver for the open pension plans identified in the monthly risk report from the custodian bank is equities, which account for more than three quarters of the investment risk in this strategic asset allocation. We take account of extreme scenario analyses based on historical events. This additionally creates an acceptance of risk. For example, a recurrence of a financial crisis on the scale of 2008 would result in the open pension plans losing around 24% of their invested assets. We are in a position to weather such downturns, mainly because the investment objective is long term, and it is realistic to assume that the funded ratio will recover within the time horizon stipulated by the legislator. To achieve this, it is especially important that we adhere to the strategic asset allocation, because experience has shown that following a market slump, return opportunities are plentiful and there for the taking.

In the case of the closed pension plan, which has a much lower risk capacity, the dominant area of investment risk is interest rates. Within this strategic asset allocation, the losses resulting from another financial crisis on the scale of 2008 would be limited to around 7%.

Our custodian bank reports on compliance weekly and monthly. There were no violations of the law in 2025. On a few occasions, limits set out in the investment guidelines were exceeded. The overshoots were very small, and they were always identified promptly and rectified or disclosed without delay.

## 7 Responsible investment: approaches maintained

PUBLICA has a duty to invest the pension assets of its active members diligently and in line with its fiduciary responsibility. That also means taking account of ESG (environmental, social and governance) criteria. In this respect, PUBLICA is guided by risk considerations and the normative basis, comprising Swiss laws as well as international agreements and conventions. Over the long term, its aim is to achieve a risk/return profile at least as good as, or better than, would otherwise be the case.

In 2025, PUBLICA worked on the following issues:

- It continued **dialogue** with companies via the specialist partners SVVK-ASIR (Swiss Association for Responsible Investments) and Inrate. One example was Holcim. Dialogue is at the heart of what the SVVK-ASIR does. PUBLICA was one of its founders in 2015.
- PUBLICA systematically exercised its **voting rights**. In this year's rezonanz ranking, PUBLICA was placed 44 out of 404. The ranking rates global asset managers as well as Swiss and foreign pension funds. rezonanz considers voting behaviour at annual general meetings on sustainability issues.
- PUBLICA has a **climate-efficient equity index**, which overweights companies that derive opportunities from climate change and underweights those exposed to climate-related risks. It revised this index in 2025.
- PUBLICA also applies responsible investment approaches to its **real estate portfolio**: "Les Cèdres" is a major development project in Chavannes-près-Renens comprising a total of 20 buildings, which are being constructed in a number of stages. PUBLICA has acquired five of these. Construction is in line with the Minergie standard, with renewable energy for heating, solar panels on the roof, and the use of recycled concrete. The concept for the surrounding Cèdres park was developed in consultation with the commune; it comprises 30,000 m<sup>2</sup> of green areas, 5,000 m<sup>2</sup> of urban woodland and 600 trees.
- PUBLICA measures its contribution to the **UN Sustainable Development Goals**, and has continued to do so with its partner Net Purpose. In 2025, PUBLICA focused in particular on its private infrastructure equities. Its evaluation reveals that around 36% of these make a positive contribution to UN Goals 3, 7 and 11.

**For more information, see:**

- [Holcim's path to net zero – SVVK-ASIR](#)
- [rezonanz.io](#)
- [10 years of the SVVK-ASIR: review and insights | PUBLICA](#)
- [PUBLICA's climate-efficient equity index](#)
- [In Chavannes, trees are still putting down roots | PUBLICA](#)

PUBLICA reports in detail on all progress in its responsible investment report, which will be published in late April 2026.

## 8 Looking ahead

Over the coming year, PUBLICA will continue the process of reviewing its long-term investment policy. In 2026, the emphasis will be on precise details of the two strategic asset allocations for the open pension plans. PUBLICA will also create the basis for building up the mid-market loans asset class. Despite headwinds, especially from the US, responsible investment remains a key pillar of PUBLICA's investment strategy. For the coming year, PUBLICA aims to address its net zero target, reviewing and (where necessary) redefining the measures for achieving it, and communicating them in a comprehensible way.

The real estate Switzerland team will continue to expand the portfolio and prepare for the handover of management to Wincasa. PUBLICA will also sharpen its real estate strategy.

Emmanuel Vauclair takes up his post as Director of PUBLICA on 1 May 2026. We look forward to working with him.

Matthias Weber  
Chair of the Investment Committee

Sandro Doudin  
Head of Asset Management

Bern, 30 January 2026

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**This report was published before the audit was complete. It was therefore compiled on the basis of the monthly report from our custodian bank.**

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