

# Swisscanto Pension Funds Monitor

Results as at 31 March 2022



Swisscanto

by Zürcher Kantonalbank

# Swisscanto Pension Funds Monitor

Coverage ratio  
**119,7 %**  
Performance  
-3,54 % (YTD)

**Price losses in the first quarter of 2022 for all asset classes, with the exception of commodities, led to a fall in the estimated coverage ratios. They are now back at around the level of the first quarter of 2021.**

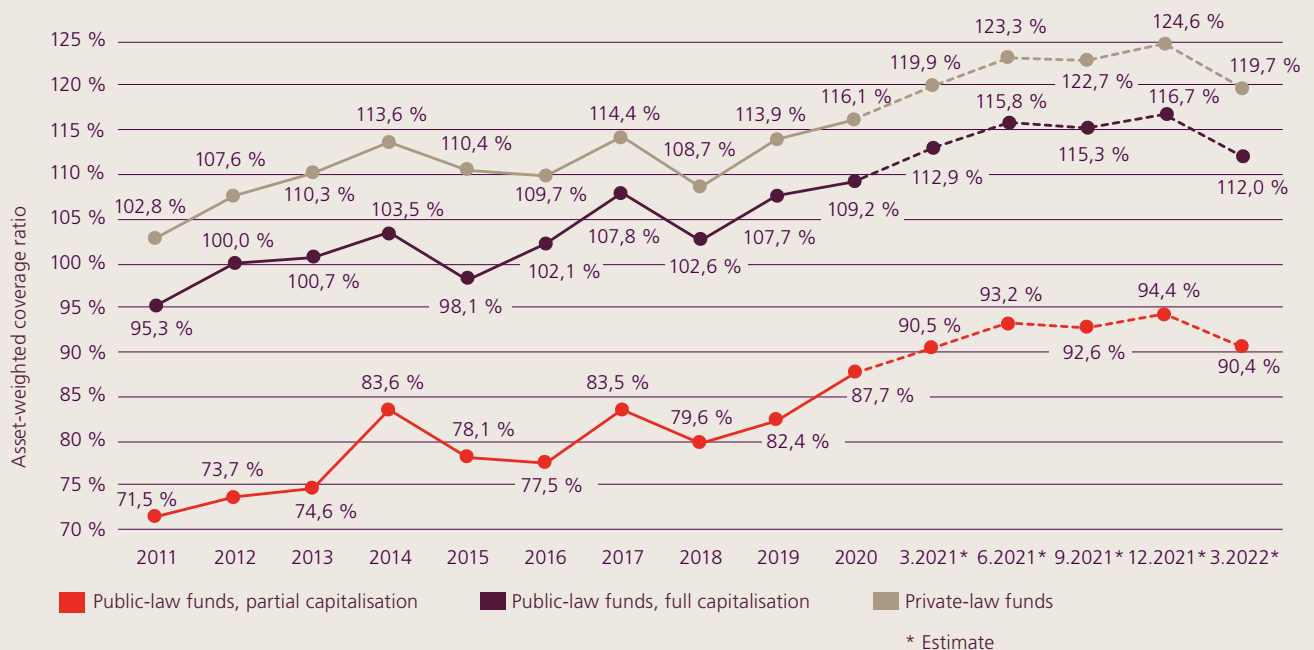
The estimated asset-weighted coverage ratio of the private-law pension schemes (Figure 1) fell in the first quarter by 4,9 percentage points to 119,7 %. The coverage ratio is still above the average target for the value fluctuation reserves and is comparable with the level at the end of the previous year's first quarter. The

financing situation of the public-law pension schemes has also deteriorated slightly. In the case of fully-capitalised public-law funds, the estimated coverage ratio of 112 % is now again below the average target for the value fluctuation reserves.

### Pension funds by coverage ratio

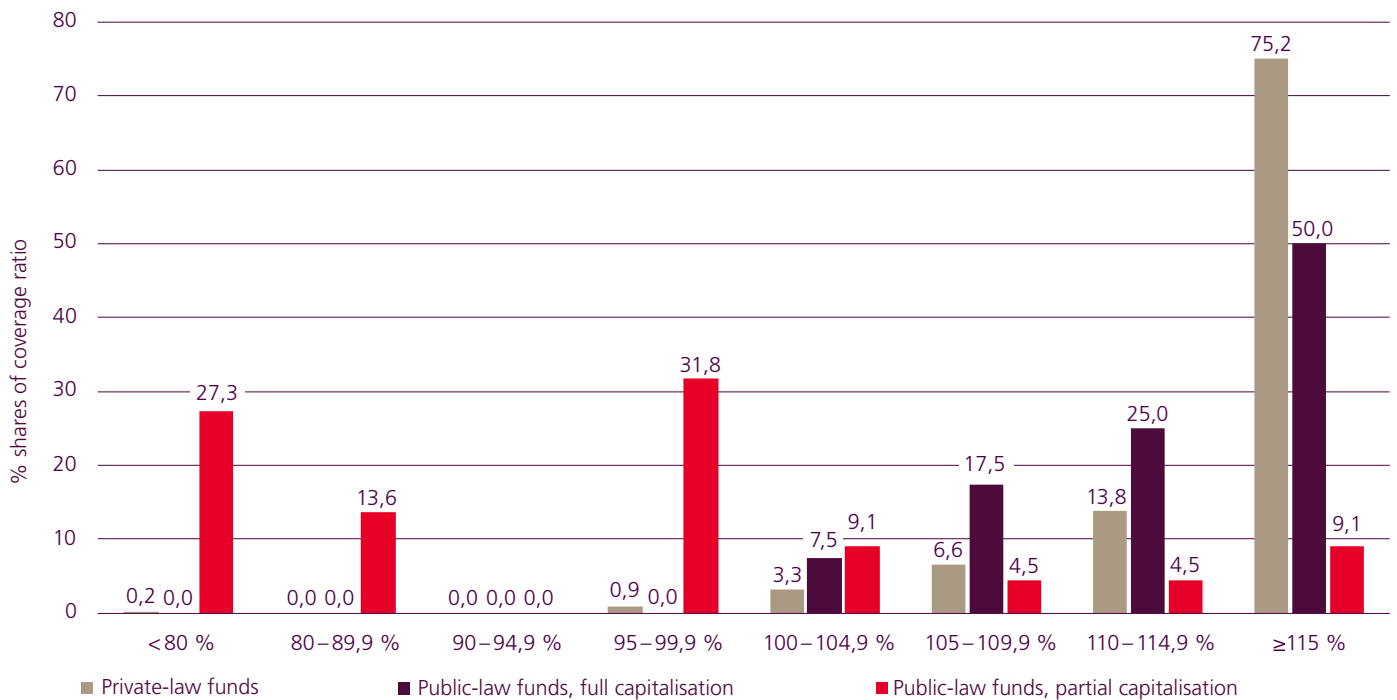
Around three quarters of private-law pension schemes have a coverage ratio of at least 115 %. The share of fully-capitalised public-law funds with a coverage ratio of at least 115 % has decreased since the last quarter by around 25 percentage points to 50 % (Figure 2).

**Figure 1: Development of coverage ratios, 2011 to 31/03/2022**



Source: Swisscanto and Prevanto AG

**Figure 2: Shares of private- and public-law pension schemes per coverage ratio range as at 31 March 2022**



Source: Swisscanto and Prevanto AG

### Pension funds by returns

The pension schemes surveyed had to accept an estimated asset-weighted return of  $-3,54\%$  in the first quarter of 2022. All asset classes, except commodities, had a negative impact on returns (*Table 1*). However, the prices of many commodities rose sharply in the first quarter due to supply bottlenecks and the war between Russia and Ukraine.

**Table 1: Index returns of selected asset classes\***

Asset class	1st quarter of 2022
CHF bonds	$-6,06\%$
Global bonds	$-5,22\%$
Global bonds hedged in CHF	$-5,28\%$
Swiss equities	$-5,51\%$
Global equities	$-4,21\%$
Swiss direct and indirect real estate	$-1,65\%$
Hedge funds	$-1,63\%$
Commodities	$26,79\%$
<b>Return</b>	<b><math>-3,54\%</math></b>

Source: Bloomberg 2022

\*CHF bonds: SBI; global bonds: Bloomberg Barclays Global Aggregate Total Return Index Value ex CHF; global bonds hedged in CHF: Bloomberg Barclays Global Aggregate Total Return Index Value ex CHF hedged in CHF; Swiss equities: SPI; global equities: MSCI AC ex CH; Swiss direct and indirect real estate: 50% KGAST, 50% Rüd Blass Immo Index; hedge funds: HFRX Global Hedge Fund Index hedged in CHF; commodities: Bloomberg Commodity Index Swiss Franc Total Return

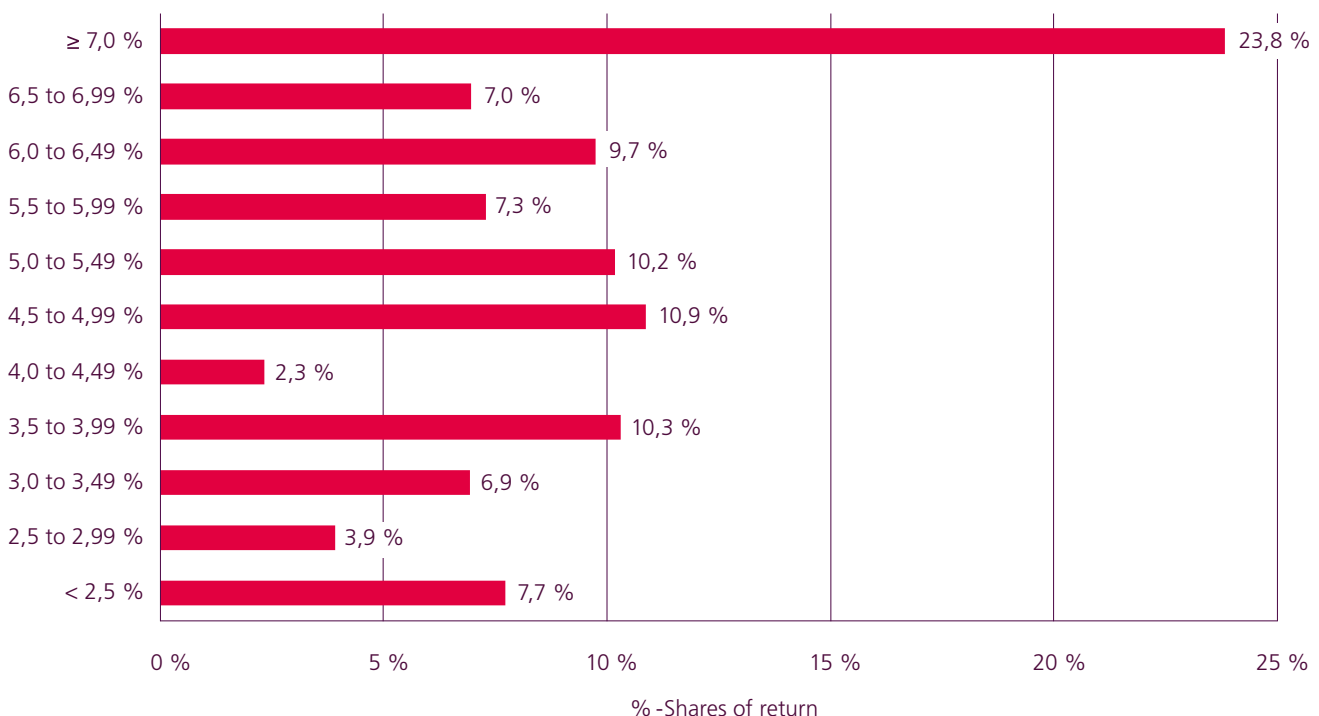
Figure 3 shows the distribution of the estimated cumulative returns without deduction of costs since 1 January 2021, i.e. over the past five quarters. The return of each pension fund is extrapolated on the basis of index returns. The calculations are based on the asset allocation of the pension funds as at 31 December 2020 and assume that no significant changes in the allocation have been made since then.

The **Swisscanto Pension Funds Monitor** is based on data from the Swisscanto Pension Funds Study by Zürcher Kantonalbank. The calculations are prepared by Prevanto AG.

The estimates as at 31 March 2022 are based on the effective information provided by 514 pension institutions with assets totalling CHF 777 billion as at 31 December 2020 (Swisscanto Pension Funds Study 2021). The estimates are projections on the basis of market developments and the investment strategy chosen by the survey respondents at the beginning of 2021.

[zkb.ch/pk-monitor](http://zkb.ch/pk-monitor)

**Figure 3: Returns on pension funds since 01/01/2021**



Source: Swisscanto and Prevanto AG

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