

# Credit Suisse Swiss Pension Fund Index Q1 2022



# Credit Suisse Swiss Pension Fund Index

## Comparison of Swiss pension funds

Q1 2022: -3.47%

YTD 2022: -3.47%

- Losses across the board
- Equity markets fall significantly
- Very negative return contribution from CHF bonds

### Market review

Global inflation remained above target in the first quarter of 2022, prompting central banks to hike interest rates. Equity markets around the world trended lower amid rising volatility. Government bond yields increased, while the US dollar showed a mixed performance against the leading currencies.

- Global industrial output was weaker than in the previous quarter, whereas the service sector saw an improvement despite a widespread rise in COVID-19 infections. Inflation remained well above the target range set by central banks in the key countries, mainly due to higher energy prices caused by Russia's invasion of Ukraine. The US labor market is in extremely robust shape. European markets began the year in an upbeat mood, although confidence among businesses and consumers began to fall sharply in March. A similar picture was evident in China, although the situation was impacted by restrictions imposed in response to rising COVID-19 infections.
- The US Federal Reserve (Fed) increased its key interest rate by 25 basis points and ended its repurchases of money market paper. The Bank of England, meanwhile, hiked its base rate by 25 basis points on two occasions, although the Swiss National Bank, European Central Bank, and Bank of Japan held fire.
- Equities ended the quarter 5% lower, triggered by geopolitical tensions, rising inflation numbers, more restrictive monetary policy, as well as fears of an economic downturn. With a loss of 5%, US stocks outperformed their European peers. UK, Australian, and Canadian equities actually ended the quarter higher. Swiss stocks underperformed global equity markets. Emerging markets shed around 6%, although Latin America advanced and was the best performing region. At sector level, energy stocks made significant gains due to the 32% jump in oil prices. The poorest performance was recorded by communication, IT, and consumer discretionary stocks, which were adversely impacted by the expected normalization of monetary policy. Global bank equities likewise lost value, although they beat the total market.
- In fixed income, US Treasuries are showing an inverted yield curve for the first time since 2019, with two-year paper yielding more than ten-year issues. Credit premiums increased. Investment-grade and high-yield bonds delivered negative returns in the first quarter of this year, although defaults in the US as well as Europe remained at a low level. As a result of geopolitical tensions, emerging-market sovereigns suffered bigger losses than corporate and high-yield bonds.
- Currencies were likewise impacted by geopolitical tensions, with gains in the case of commodity-exporting countries such as New Zealand (+1.6% against the USD) and Canada (+1.2%). European exchange rates were generally weak, with the EUR and the GBP shedding 2.5% and 2.9%, respectively. The Japanese yen lost as much as 5.3% versus the greenback.
- Commodity indices made strong gains, thus extending last year's rally. The CS Commodity benchmark advanced by 30%. Energy prices saw the sharpest rise, owing to concerns about Black Sea supply loss as well as disruption to Russian commodity exports. This resulted in major price increases, with low inventory levels additionally amplifying the price rises. Industrial metals, agricultural goods, and precious metals ended the first quarter of 2022 in positive territory. The price of gold also increased, although this was constrained by higher real interest rates in the case of the US dollar.

The Credit Suisse Swiss Pension Fund Index is calculated on the basis of the equally weighted gross returns (prior to deducting management costs) realized by Swiss pension funds whose assets are held at Credit Suisse under a global custody arrangement. Asset management and advisory tasks, however, are performed by the pension funds themselves or by third parties. In its role as global custodian, Credit Suisse has no influence on the performance of individual pension funds.

### Credit Suisse Swiss Pension Fund Index: Losses across the board

- The Pension Fund Index fell by –7.27 points, or –3.47%, in the quarter under review. The index stood at 202.57 points as of March 31, 2022, having risen from a baseline of 100 points at the beginning of 2000. January (–1.86%) and February (–1.83%) were distinctly negative, while March (0.20%) showed slight gains.
- The lion's share of negative performance in the first quarter was attributable to equities (–1.83%). Swiss equities made a return contribution of –0.83%, while foreign equities contributed –1.00%. With a distinctly negative performance contribution of –1.61%, bonds likewise weighed on the Q1 result. Real estate (–0.05%) and mortgages (–0.01%) were also slightly negative. The other asset categories were fairly unremarkable, but likewise ended in slightly negative territory with the exception of alternative investments (+0.07%).

**Table 1: Performance contribution (quarterly)**

Credit Suisse Swiss Pension Fund Index (January 1, 2022–March 31, 2022)

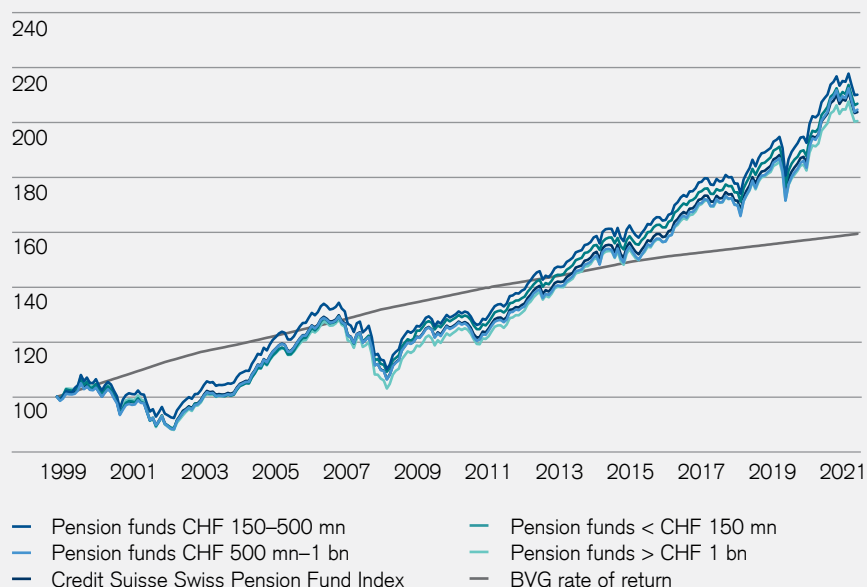
	Q1 22	Q2 22	Q3 22	Q4 22	YTD
Liquidity	–0.03%				–0.03%
CHF bonds	–1.39%				–1.39%
Foreign currency bonds	–0.21%				–0.21%
Convertible bonds	–0.01%				–0.01%
Swiss equities	–0.83%				–0.83%
Foreign equities	–1.00%				–1.00%
Alternative investments	0.07%				0.07%
Real estate	–0.05%				–0.05%
Mortgages	–0.01%				–0.01%
Other	–0.01%				–0.01%
<b>Total</b>	<b>–3.47%</b>				<b>–3.47%</b>

### Credit Suisse Swiss Pension Fund Index above BVG mandatory minimum rate of return over long term

- The index of the BVG mandatory minimum rate of return (1% p.a. since January 1, 2017) rose by 0.39 points (0.25%) to 158.67 points in the reporting quarter from a baseline of 100 in January 2000. The return of the Credit Suisse Swiss Pension Fund Index was therefore -3.71% below the BVG requirement in the first quarter of 2022.

- The annualized return on the Credit Suisse Swiss Pension Fund Index (since January 1, 2000) amounted to 3.22% as of March 31, 2022. This contrasts with an annualized BVG mandatory minimum rate of return of 2.09%.

**Chart 1:**  
Performance by pension fund segment size



Scale: Index level

### BVG rate of return

until 31.12.2002	4.00%
from 1.1.2003	3.25%
from 1.1.2004	2.25%
from 1.1.2005	2.50%
from 1.1.2008	2.75%
from 1.1.2009	2.00%
from 1.1.2012	1.50%
from 1.1.2014	1.75%
from 1.1.2016	1.25%
since 1.1.2017	1.00%

**Table 2: Index level 2015–2022**

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2015	149.45	153.54	154.53	154.71	154.51	151.98	154.82	151.40	149.99	154.04	155.54	153.67
2016	152.24	151.26	152.92	154.35	156.35	155.97	157.73	158.65	158.62	157.48	157.73	159.63
2017	160.03	162.97	164.03	165.65	166.57	165.92	167.78	167.87	168.95	170.97	171.22	172.48
2018	172.42	170.25	170.20	172.40	171.44	171.65	173.73	172.82	173.03	170.69	170.63	166.96
2019	172.06	174.21	176.13	179.15	176.66	179.49	181.14	181.37	182.27	183.16	185.49	186.14
2020	187.09	182.86	172.81	178.56	181.12	182.65	184.03	185.99	186.43	184.18	191.06	193.79
2021	193.32	194.54	199.21	200.58	202.01	205.78	206.66	208.79	205.45	207.15	206.70	209.84
2022	205.93	202.17	202.57									

**Table 3: Monthly returns 2015–2021**

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2015	–1.83%	2.74%	0.64%	0.12%	–0.13%	–1.64%	1.87%	–2.21%	–0.93%	2.70%	0.97%	–1.20%	0.95%
2016	–0.94%	–0.64%	1.10%	0.94%	1.29%	–0.24%	1.13%	0.58%	–0.01%	–0.72%	0.16%	1.20%	3.87%
2017	0.26%	1.83%	0.65%	0.99%	0.55%	–0.39%	1.12%	0.06%	0.64%	1.20%	0.14%	0.74%	8.05%
2018	–0.04%	–1.26%	–0.03%	1.29%	–0.55%	0.12%	1.21%	–0.52%	0.12%	–1.35%	–0.04%	–2.15%	–3.20%
2019	3.05%	1.25%	1.10%	1.71%	–1.39%	1.60%	0.92%	0.13%	0.49%	0.49%	1.27%	0.35%	11.48%
2020	0.51%	–2.26%	–5.49%	3.33%	1.43%	0.84%	0.76%	1.07%	0.23%	–1.21%	3.73%	1.43%	4.11%
2021	–0.24%	0.63%	2.40%	0.69%	0.72%	1.86%	0.43%	1.03%	–1.60%	0.82%	–0.22%	1.52%	8.28%
2022	–1.86%	–1.83%	0.20%										–3.47%

**Table 4: Monthly returns 2022 by pension fund segment size**

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
Credit Suisse Swiss Pension Fund Index	–1.86%	–1.83%	0.20%										–3.47%
Pension funds > CHF 1 bn	–1.85%	–1.71%	0.14%										–3.40%
Pension funds CHF 500 mn–1 bn	–1.74%	–1.76%	0.28%										–3.21%
Pension funds CHF 150–500 mn	–1.83%	–1.79%	0.08%										–3.51%
Pension funds < CHF 150 mn	–2.02%	–2.08%	0.41%										–3.67%

**Table 5: Annualized returns**

January 1, 2000–March 31, 2022

	Annualized performance since January 1, 2000
Credit Suisse Swiss Pension Fund Index	3.22%
BVG rate of return	2.09%
Pension funds > CHF 1 bn	3.15%
Pension funds CHF 500 mn–1 bn	3.29%
Pension funds CHF 150–500 mn	3.36%
Pension funds < CHF 150 mn	3.24%

# Performance by asset class

## Monthly returns

**Table 6: Credit Suisse Swiss Pension Fund Index in 2022**

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
Liquidity	-2.31%	1.69%	0.03%										-0.63%
CHF bonds	-1.48%	-1.83%	-2.35%										-5.57%
Foreign currency bonds	0.05%	-3.09%	-1.96%										-4.94%
Convertible bonds	-3.29%	-1.49%	-0.24%										-4.97%
Swiss equities	-5.67%	-2.58%	2.28%										-6.01%
Foreign equities	-3.33%	-3.72%	2.01%										-5.06%
Alternative investments	0.80%	-0.45%	0.75%										1.10%
Real estate	0.09%	-0.71%	0.43%										-0.19%
Mortgages	-0.10%	-0.24%	-0.47%										-0.81%
Other	-2.04%	-1.16%	0.10%										-3.09%
<b>Total</b>	<b>-1.86%</b>	<b>-1.83%</b>	<b>0.20%</b>										<b>-3.47%</b>

Note: In addition to cash, the liquidity asset class includes money market investments and FX forwards for currency hedging purposes.

**Table 7: Benchmark indices in 2022**

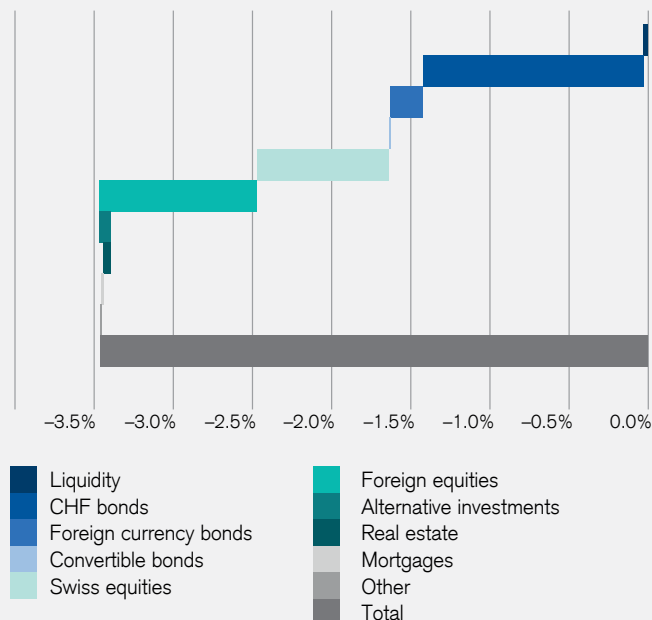
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
CHF bonds SBI AAA-BBB 1-15Y (TR)	-1.16%	-1.66%	-2.04%										-4.78%
Foreign currency bonds Bloomberg Global Aggr. (TR)	0.09%	-2.63%	-2.75%										-5.22%
Swiss equities SPI (TR)	-5.67%	-2.20%	2.42%										-5.51%
Foreign equities MSCI AC World ex Switzerland (NR)	-2.76%	-4.06%	2.48%										-4.39%
Real estate direct/ investment foundations KGAST Immo-Index (Switzerland) (TR)	0.31%	0.34%	0.57%										1.22%
Real estate funds SXI Real Estate Funds Broad (TR)	-0.19%	-3.45%	-0.56%										-4.17%

### Negative first-quarter return heavily affected by Swiss equities

- Swiss equities were very negative in the quarter under review (−6.01%) and underperformed the SPI (TR) (−5.51%).
- Foreign equities were likewise negative (−5.06%) and lagged behind the benchmark MSCI AC World ex Switzerland (NR) (−4.39%).
- CHF bonds were very negative (−5.57%) and underperformed the SBI AAA-BBB 1–15Y (TR) (−4.78%).
- Foreign currency bonds were negative (−4.94%), but ahead of the benchmark Bloomberg Barclays Global Aggr. (TR) (−5.22%).
- Real estate was slightly negative (−0.19%), but ahead of the benchmark (50% KGAST and 50% SXI Real Estate Funds Broad [TR]) (−1.49%).
- Liquidity (cash, FX forwards for currency hedging) posted a negative return (−0.63%) in the first quarter.

**Chart 2:**

Contribution waterfall YTD 2022



**Scale:** Return in percent (%)

# Risk/return positions

## Five-year review: Falling annualized return in the reporting quarter, as annualized risk increases

- The unweighted average annualized return in Q1 2022 fell by –1.31 percentage points compared with the fourth quarter of 2021 to 4.31% amid slightly rising risk (+0.17% to 5.09%).
- The Sharpe ratio therefore deteriorated significantly from 1.26 to 0.97.
- Pension funds with an investment volume of CHF 500 million to CHF 1 billion exhibited the best risk/return ratio (Sharpe ratio of 1.00).
- Pension funds with an investment volume of less than CHF 150 million showed the highest median return (4.58%).
- Pension funds with an investment volume of above CHF 1 billion showed the lowest median return (4.39%).
- Pension funds with an investment volume of less than CHF 150 million showed the lowest Sharpe ratio (0.94).

**Chart 3:**

Annualized risk/return comparison; five-year view, monthly values from April 2017 to March 2022



**Table 8: Risk/return ratios**

April 1, 2017–March 31, 2022

	Risk	Return	Sharpe ratio
Credit Suisse Swiss Pension Fund Index	5.09%	4.31%	0.97
Pension funds > CHF 1 bn	4.96%	4.24%	0.99
Pension funds CHF 500 mn–1 bn	4.87%	4.22%	1.00
Pension funds CHF 150–500 mn	4.92%	4.19%	0.98
Pension funds < CHF 150 mn	5.54%	4.58%	0.94

**Table 9: Return bandwidths**

April 1, 2017–March 31, 2022

	Minimum	1st quartile	Median	3rd quartile	Maximum
Credit Suisse Swiss Pension Fund Index	–0.34%	3.91%	4.46%	5.16%	6.94%
Pension funds > CHF 1 bn	1.97%	3.81%	4.39%	5.20%	5.99%
Pension funds CHF 500 mn–1 bn	2.86%	4.04%	4.43%	5.00%	6.47%
Pension funds CHF 150–500 mn	–0.34%	4.00%	4.51%	4.82%	6.57%
Pension funds < CHF 150 mn	3.11%	4.12%	4.58%	5.69%	6.94%

Note: The Sharpe ratio shows the return in excess of the risk-free interest rate divided by the volatility, which is a measure of its risk.

The risk/return figures in Table 8 are annualized values for the past five years. A portfolio only contributes to the return and risk of the index during the periods in which this portfolio is included in the index. The data points in Chart 3, by contrast, show the figures for the portfolios that were part of the index at the end of the reference quarter, regardless of the date they joined the index, as well as the figures for the index itself. The data points of recently added portfolios may have been removed if the annualization led to meaningless outliers.



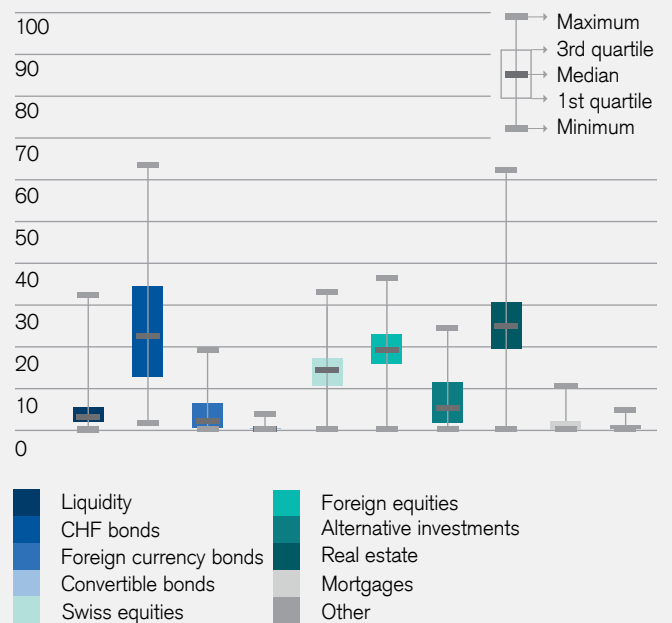
# Asset allocation

## Rises in real estate, declines in equities and bonds

- The sharp decline in share and bond prices led to a shift in favor of real estate, liquidity, alternative investments, and mortgages.
- Real estate +0.89% to 24.73%
- Liquidity +0.19% to 4.33%
- Alternative investments +0.17% to 6.83%
- Mortgages +0.16% to 1.70%
- Convertible bonds –0.04% to 0.22%
- CHF bonds –0.19% to 24.22%
- Foreign equities –0.34% to 19.75%
- Foreign currency bonds –0.38% to 4.05%
- Swiss equities –0.44% to 13.82%

**Chart 4:**

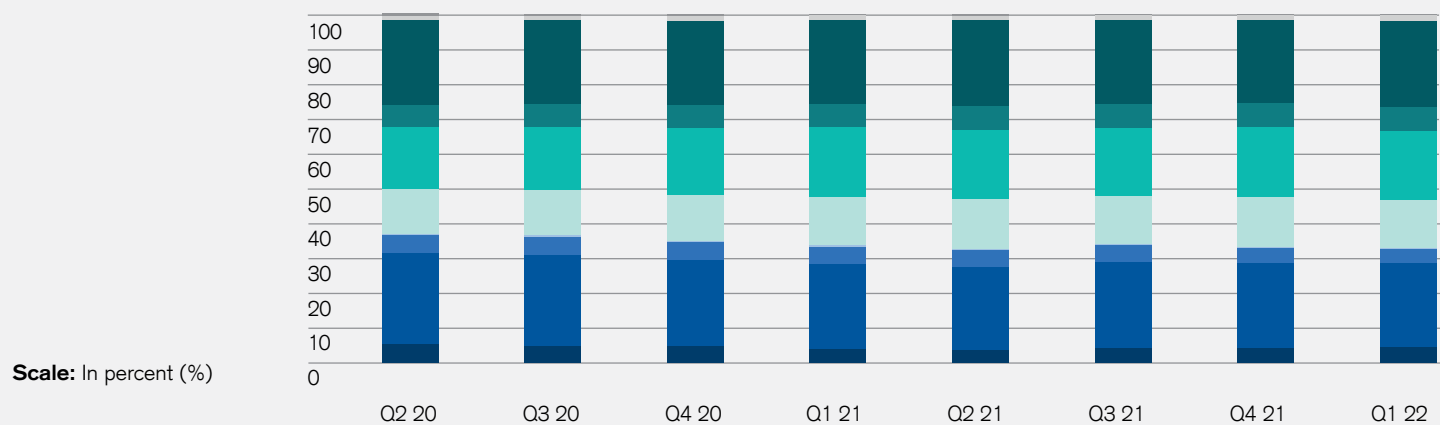
Asset allocation



**Scale:** In percent (%)

**Chart 5:**

Asset allocation at the end of the quarter for the last eight quarters



■ Liquidity	5.21%	4.86%	4.71%	3.84%	3.59%	4.12%	4.14%	4.33%
■ CHF bonds	26.14%	26.03%	24.73%	24.44%	24.03%	24.84%	24.41%	24.22%
■ Foreign currency bonds	5.25%	5.22%	5.10%	4.98%	4.71%	4.60%	4.43%	4.05%
■ Convertible bonds	0.37%	0.37%	0.38%	0.33%	0.32%	0.36%	0.26%	0.22%
■ Swiss equities	12.89%	12.97%	13.26%	13.83%	14.21%	13.76%	14.26%	13.82%
■ Foreign equities	17.56%	18.13%	19.03%	20.10%	19.88%	19.59%	20.09%	19.75%
■ Alternative investments	6.52%	6.46%	6.60%	6.69%	6.71%	6.74%	6.66%	6.83%
■ Real estate	24.15%	24.08%	24.16%	23.87%	24.66%	24.15%	23.84%	24.73%
■ Mortgages	1.35%	1.35%	1.33%	1.46%	1.42%	1.50%	1.54%	1.70%
■ Other	0.58%	0.53%	0.69%	0.45%	0.46%	0.36%	0.36%	0.34%

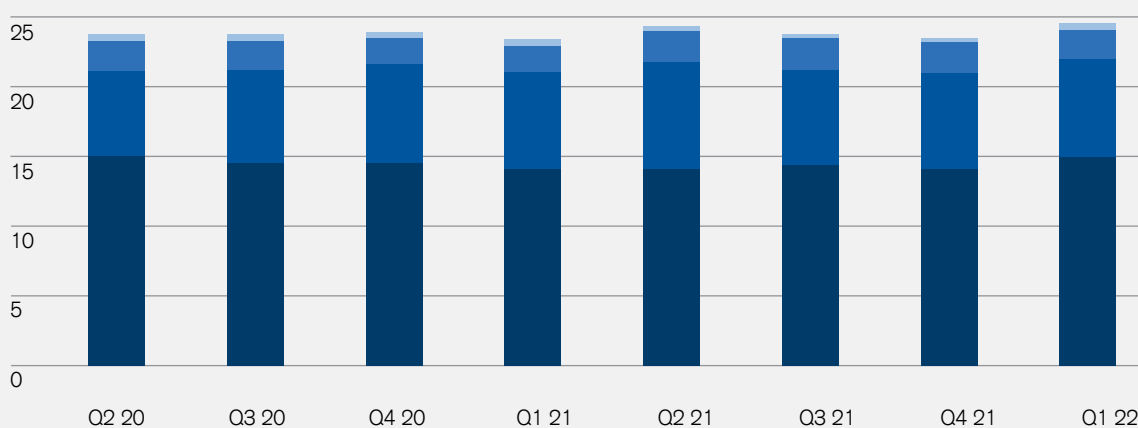
### Increase in real estate

- The total proportion of real estate was up as of the end of the first quarter of 2022 (+0.89% to 24.73%).

- Swiss real estate increased overall (+0.74% to 21.69%), (direct +0.74% to 14.89%; indirect +0.00% to 6.81%).
- Foreign real estate increased slightly (+0.15% to 3.04%).

**Chart 6:**

Real estate allocation at the end of the quarter for the last eight quarters



Scale: In percent (%)

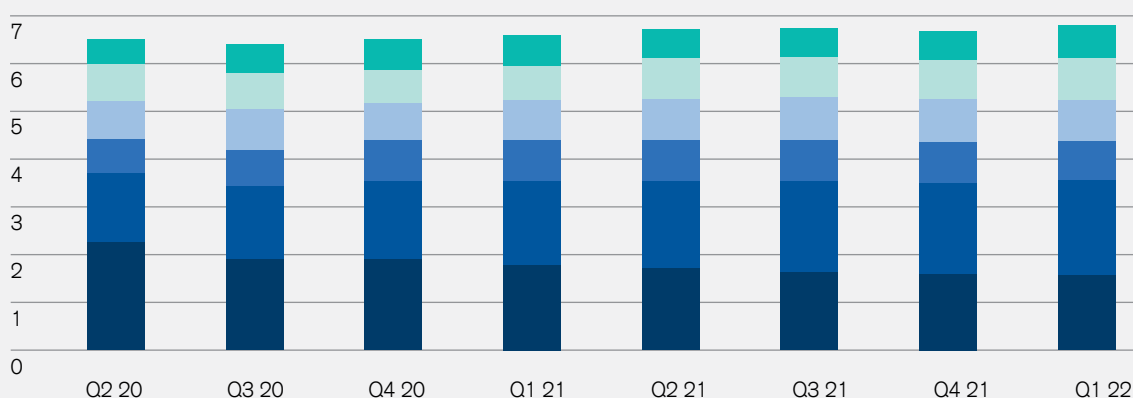
■ Swiss direct investments / investment foundations	14.97%	14.78%	14.77%	14.46%	14.35%	14.42%	14.14%	14.89%
■ Swiss investment funds	6.14%	6.30%	6.53%	6.44%	7.32%	6.78%	6.81%	6.81%
■ Foreign hedged	2.12%	2.07%	1.98%	1.99%	2.04%	1.97%	1.96%	2.04%
■ Foreign unhedged	0.92%	0.93%	0.89%	0.98%	0.96%	0.98%	0.93%	1.00%
<b>Total</b>	<b>24.15%</b>	<b>24.08%</b>	<b>24.16%</b>	<b>23.87%</b>	<b>24.66%</b>	<b>24.15%</b>	<b>23.84%</b>	<b>24.73%</b>

### Increase in private equity component

- The alternative investments component increased slightly compared with the previous quarter (+0.17% to 6.83%).
- The biggest increase was recorded in private equity (+0.12% to 2.01%).
- There was a slight increase in the infrastructure (+0.06% to 1.06%), senior loans (+0.04% to 0.67%), and commodities (+0.01% to 0.80%) components.
- The insurance-linked (–0.05% to 0.67%) and hedge funds (–0.01% to 1.62%) components decreased slightly.

**Chart 7:**

Allocation of alternative investments at the end of the quarter for the last eight quarters



Scale: In percent (%)

Hedge funds	2.02%	1.96%	1.96%	1.91%	1.89%	1.76%	1.63%	1.62%
Private equity	1.45%	1.49%	1.51%	1.63%	1.74%	1.84%	1.89%	2.01%
Commodities	0.66%	0.68%	0.76%	0.77%	0.75%	0.79%	0.79%	0.80%
Insurance-linked	0.89%	0.83%	0.82%	0.79%	0.73%	0.75%	0.73%	0.67%
Infrastructure	0.92%	0.89%	0.87%	0.90%	0.96%	0.97%	1.00%	1.06%
Senior loans	0.58%	0.60%	0.69%	0.69%	0.64%	0.64%	0.62%	0.67%
<b>Total</b>	<b>6.52%</b>	<b>6.46%</b>	<b>6.60%</b>	<b>6.69%</b>	<b>6.71%</b>	<b>6.74%</b>	<b>6.66%</b>	<b>6.83%</b>

### Modified duration

- The modified duration for the overall index fell to 4.97 as of March 31, 2022.
- Pension funds with assets between CHF 500 million and CHF 1 billion exhibited the highest modified duration (5.85) as of the end of March 2022.
- The lowest modified duration as of the end of March 2022 (3.67) was observed in pension funds with investment assets of below CHF 150 million.

**Table 10: Modified duration in 2022 (at month-end)**

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Credit Suisse Swiss Pension Fund Index	5.20	5.21	4.97									
Pension funds > CHF 1 bn	5.42	5.47	5.23									
Pension funds CHF 500 mn–1 bn	6.58	6.24	5.85									
Pension funds CHF 150–500 mn	4.72	4.92	4.82									
Pension funds < CHF 150 mn	3.99	3.94	3.67									

Note: The modified duration indicates the direct sensitivity of the bond price (in percentage terms) to a 1% change in the market interest rate. Only direct bond investments are used in calculating the modified duration; collective investments are excluded.

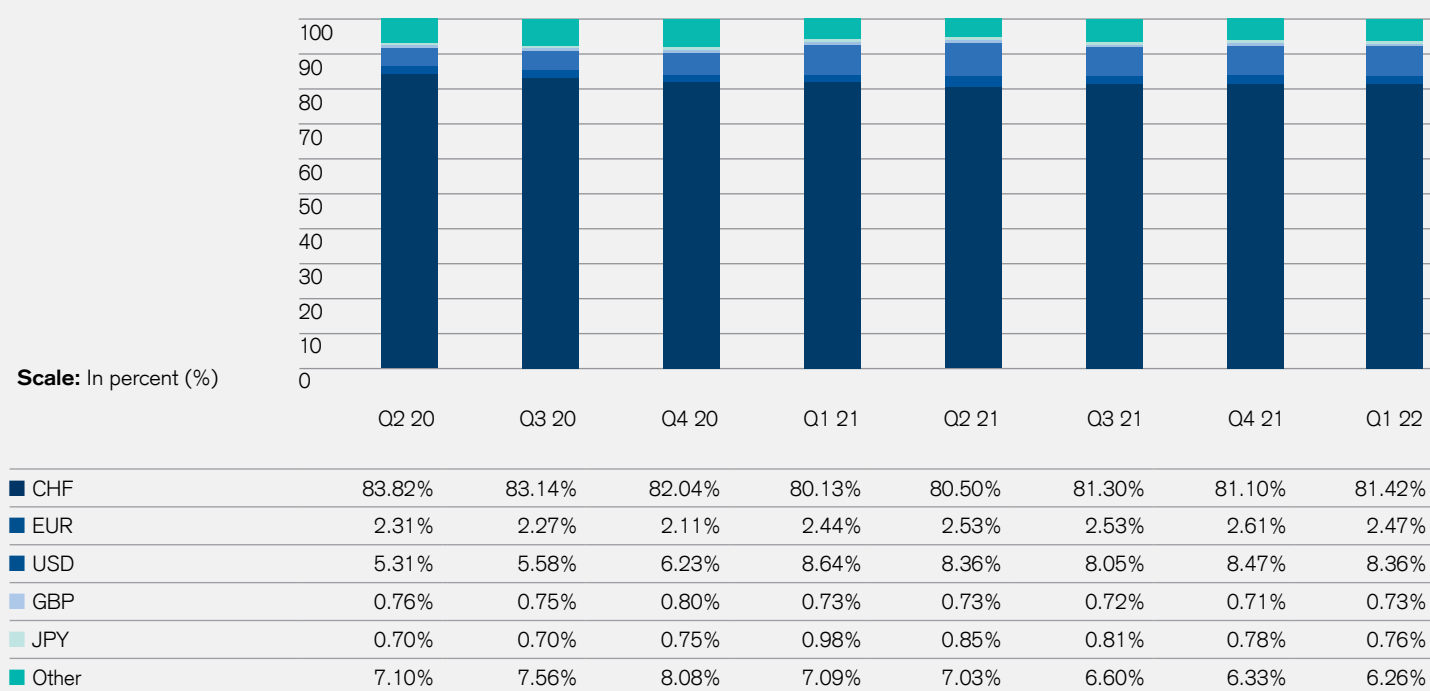
# Currency allocation

## Increase in Swiss franc component in first quarter of 2022

- The reporting quarter saw a shift to the Swiss franc component, the share of which rose to 81.42% (+0.32%). The GBP component also increased marginally (+0.02% to 0.73%).

- The EUR component decreased (−0.14% to 2.47%). The USD component (−0.11% to 8.36%), JPY component (−0.02% to 0.76%), and the other currencies (−0.07% to 6.26%) also showed a decrease.

**Chart 8:**  
Currency allocation for the last eight quarters



**Table 11: Foreign exchange rates against the CHF in 2022**

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
EUR	0.73%	−1.27%	−0.64%										−1.18%
USD	2.18%	−1.46%	0.31%										1.00%
GBP	1.22%	−1.45%	−1.57%										−1.82%
JPY	2.12%	−1.42%	−4.82%										−4.17%

**Data source:** Credit Suisse, unless otherwise specified.

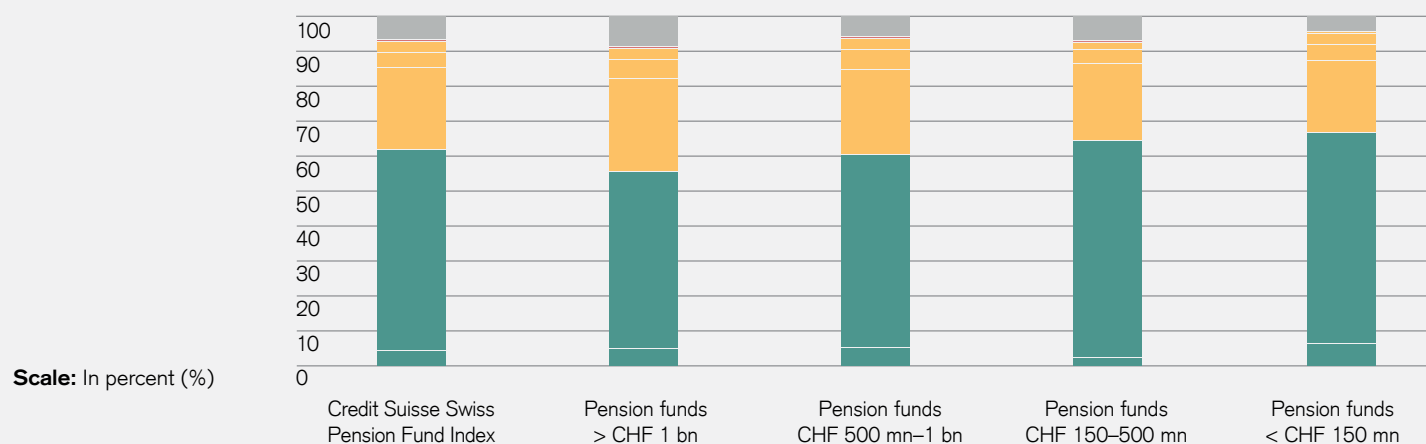
Past performance and financial market scenarios are not reliable indicators of future results.

# Sustainability analysis

## Asset allocation by MSCI ESG rating

- The independent MSCI ESG rating is based on the MSCI ESG score (0–10). The “leader” category for the respective sector is shown in green (AAA & AA), while yellow depicts “average” (A–BB) and red is for “laggard” (B–CCC).
- An MSCI ESG AA rating accounts for the biggest share of the overall index of all pension funds at 57.59%. This is an increase of 14.37% versus the previous quarter.
- The leader category is very strongly represented in the Credit Suisse Swiss Pension Fund Index at 61.92% (+15.63%).
- Many index-linked equity investments again showed an improved MSCI ESG rating in the first quarter of 2022.
- The laggards – MSCI ESG ratings of B and CCC – account for by far the smallest share in all subindices.

**Chart 9:**  
Asset allocation by MSCI ESG rating



AAA	4.34%	4.95%	5.29%	2.33%	6.41%
AA	57.59%	50.59%	55.03%	62.20%	60.39%
A	23.37%	26.77%	24.43%	22.04%	20.54%
BBB	4.74%	5.24%	5.86%	3.94%	4.68%
BB	2.77%	3.11%	3.00%	2.15%	3.26%
B	0.37%	0.57%	0.44%	0.27%	0.22%
CCC	0.03%	0.05%	0.00%	0.01%	0.07%
Not rated	6.80%	8.71%	5.95%	7.07%	4.44%

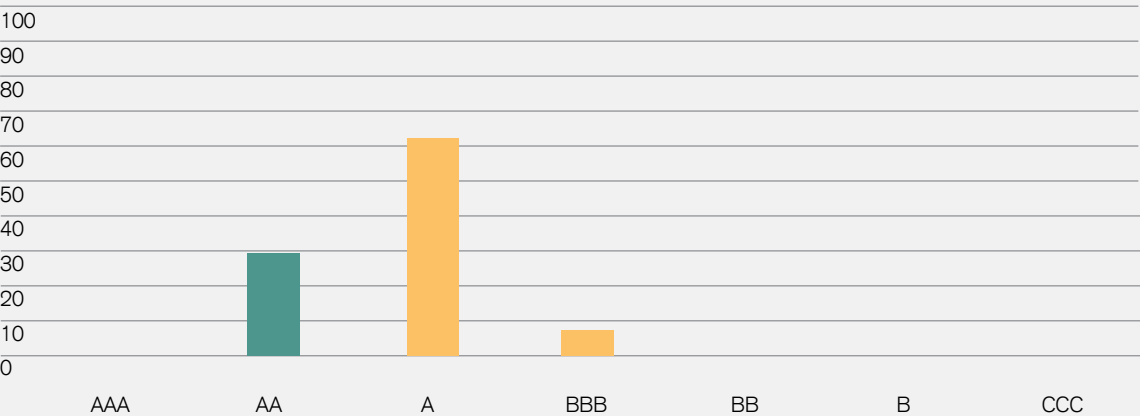
Note: All sustainability analyses relate exclusively to the asset classes of equities and bonds.

Data source: MSCI, Credit Suisse

**Distribution of average MSCI ESG ratings**

- The percentage share of the category with average MSCI ESG ratings of AA increased compared with the previous quarter to 29.63% as of March 31, 2022.
- At 62.96%, the vast majority of participating pension funds had an MSCI ESG rating of A.
- 7.41% were assigned an average MSCI ESG rating of BBB.

**Chart 10:**  
Relative number of average ESG ratings



Scale: In percent (%)

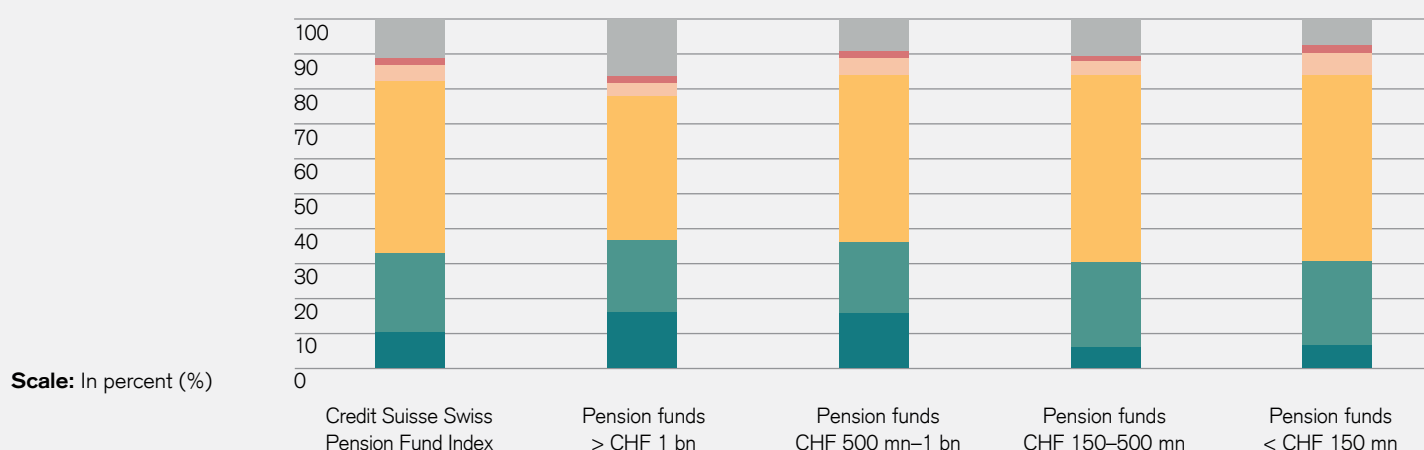
Note: All sustainability analyses relate exclusively to the asset classes of equities and bonds.  
Data source: MSCI, Credit Suisse

### Asset allocation by weighted average carbon intensity category (MSCI WACI)

- The weighted average carbon intensity is expressed in tons of carbon emissions per USD million sales. This metric allows the carbon risk of equities and bonds to be measured.
- 32.97% of the overall index falls into the “very low” or “low” carbon intensity categories.

- The largest part of the investments is allocated to the “moderate” category. The allocation to the “very high” and “high” categories is relatively small in every segment size of the pension funds.

**Chart 11:**  
Weighted average carbon intensity category according to MSCI



**Table 12: Asset allocation by weighted average carbon intensity category as of March 31, 2022**

Very low	10.31 %	16.02%	15.76%	5.98%	6.56%
Low	22.66%	20.71%	20.23%	24.32%	24.03%
Moderate	49.41 %	41.09%	48.03%	53.74%	53.55%
High	4.54%	3.91%	4.81 %	3.98%	6.14%
Very high	1.93%	2.12%	2.01 %	1.46%	2.48%
Not rated	11.15%	16.16%	9.17%	10.51%	7.24%

Note: All sustainability analyses relate exclusively to the asset classes of equities and bonds.

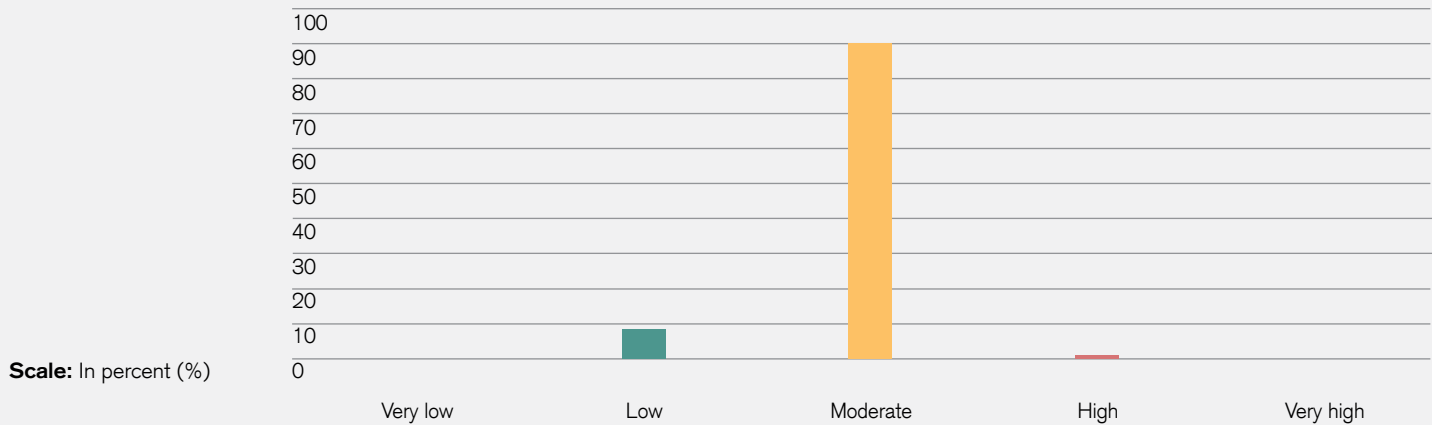
Data source: MSCI, Credit Suisse



**Distribution of weighted average carbon intensity category according to MSCI**

- 8.57% of pension funds are in the “low” average carbon intensity category.
- The vast majority of pension funds (90.48%) were assigned to the “moderate” category as of March 31, 2022.
- At 0.95%, the “high” average carbon intensity category accounts for by far the smallest share.

**Chart 12:**  
Relative number of average MSCI carbon intensity category



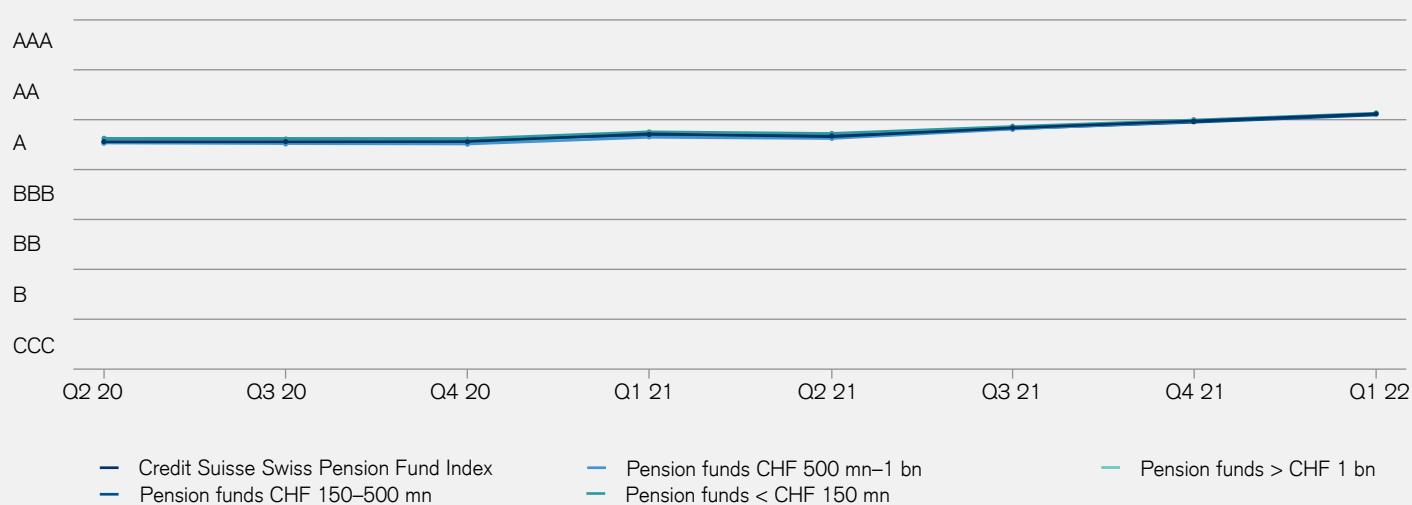
Note: All sustainability analyses relate exclusively to the asset classes of equities and bonds.  
**Data source:** MSCI, Credit Suisse

### Average MSCI ESG rating in last eight quarters

- The positive trend in the average MSCI ESG scores seen in the two preceding quarters continued.

**Chart 13:**

Average ESG rating at end of quarter




### Average MSCI ESG score for the last eight quarters

	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22
■ Credit Suisse Swiss Pension Fund Index	6.40	6.39	6.39	6.56	6.53	6.75	6.95	7.16
■ Pension funds > CHF 1 bn	6.47	6.46	6.46	6.56	6.57	6.74	6.93	7.08
■ Pension funds CHF 500 mn–1 bn	6.47	6.47	6.47	6.66	6.61	6.81	6.99	7.17
■ Pension funds CHF 150–500 mn	6.34	6.33	6.32	6.51	6.47	6.73	6.95	7.20
■ Pension funds < CHF 150 mn	6.38	6.38	6.39	6.60	6.52	6.77	6.96	7.17

Note: All sustainability analyses relate exclusively to the asset classes of equities and bonds.

**Data source:** MSCI, Credit Suisse



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