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VSV-ASG Investment Pulse 2026

An investment barometer exploring how Swiss independent wealth managers invest

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Executive summary

Swiss independent wealth managers (WMs) faced a turbulent investment landscape in the first quarter of 2026. The year began with rising global securities markets before geopolitical tensions in the Middle East abruptly shifted investor sentiment into a broad-based risk-off mode. Overall, WMs continued to favor Swiss and European equities while reducing their exposure to US stocks in the first quarter. They also remained underweight in bonds. Looking ahead, volatile oil prices and surging inflation expectations will likely require additional portfolio adjustments.

Asset allocations: US equities down, emerging market equities up

In the first quarter of 2026, WMs reported overweight positions in Swiss and European equities, reflecting the home bias preferences of their end clients, who are predominantly domiciled in Switzerland and Europe. WMs also reduced exposure to US equities and tilted towards emerging market equities. On average, WMs continued to underweight bonds in their client portfolios, cutting allocations across most fixed income segments – with the exception of emerging market bonds, which saw a slight increase.

Implementation: direct investments preferred for Swiss equities and most bond segments

WMs' preferences for portfolio implementation have remained largely unchanged year-on-year. The majority of WMs continue to invest directly in Swiss equities and most bond segments. However, WMs showed a strong preference for funds and ETFs when investing in emerging market and Asia Pacific (including Japan) equities.

A similar pattern was evident in fixed income, where funds and ETFs remained the preferred vehicle for investing in emerging market and high yield bonds – as well as in US corporate bonds, which saw a small increase in fund and ETF use compared with 2025.

Fund selection: historical track record, cost efficiency and liquidity score high

When selecting funds, WMs continued to prioritise product features, such as historical track record, fees/taxes and fund liquidity. In contrast, selection criteria such as benchmark comparisons, specific risk measures, diversification potential and the fund provider's brand strength were considered less critical in the selection process.

Fund usage: passive products preferred for emerging market and Asia Pacific equities and most bond segments

WMs who use funds to implement their portfolios continue to prefer passive products versus active ones. This holds true across asset classes and regions with only a few exceptions.

In equities, WMs have increased their use of passive funds when investing in emerging market and Asia Pacific equities.

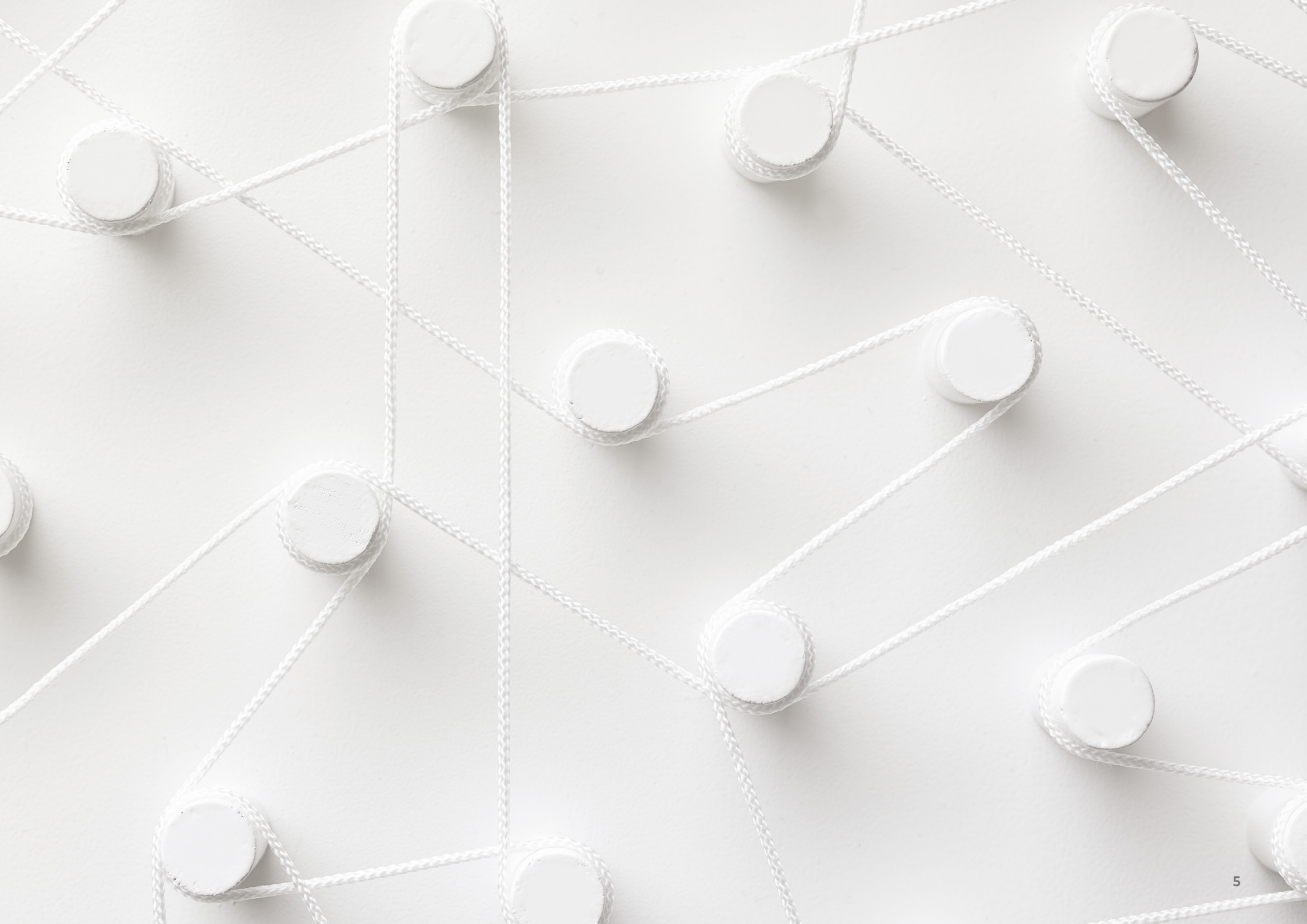
In fixed income, passive approaches dominated government and emerging market bond investments, and government bonds saw an increase in passive use this year compared with 2025. So far in 2026, WMs have also shown a preference for passive exposure to Swiss corporate bonds.

Among WMs applying passive strategies, ETFs remain the dominant investment vehicle for both equities and bonds. However, in fixed income, the share of WMs combining ETFs and index funds has grown compared with the previous two years - indicating a continuing trend towards further diversifying implementation approaches.

High levels of expertise in equities and fixed income but less in private markets and sustainable investments

WMs see their core strengths in traditional asset classes such as equities and fixed income, and less so in specialised investment areas such as alternatives, private markets and sustainable/ESG investments. Although a trend towards reduced attention to ESG among WMs was observed, WMs with higher ESG expertise used ESG strategies significantly more often than those with lower ESG expertise.

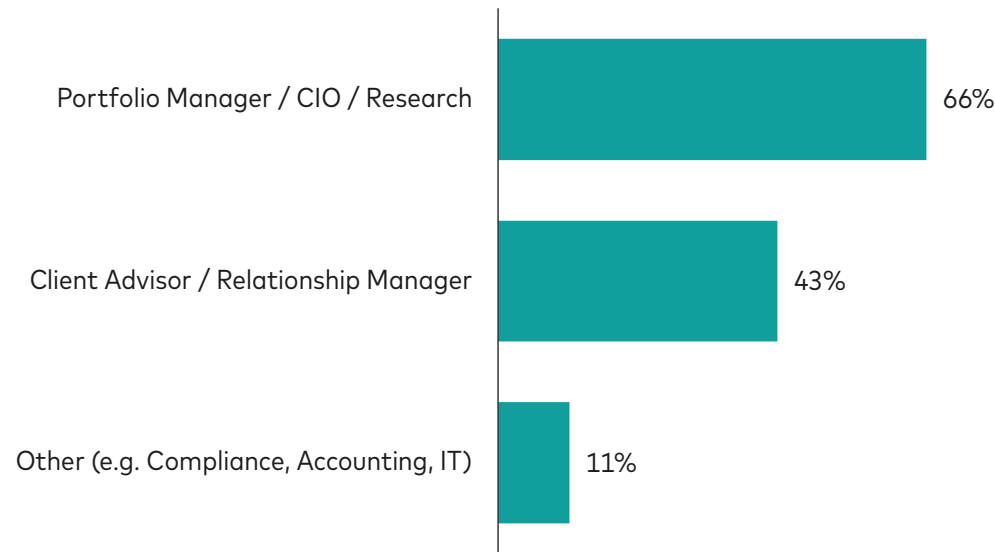




Profile of survey participants

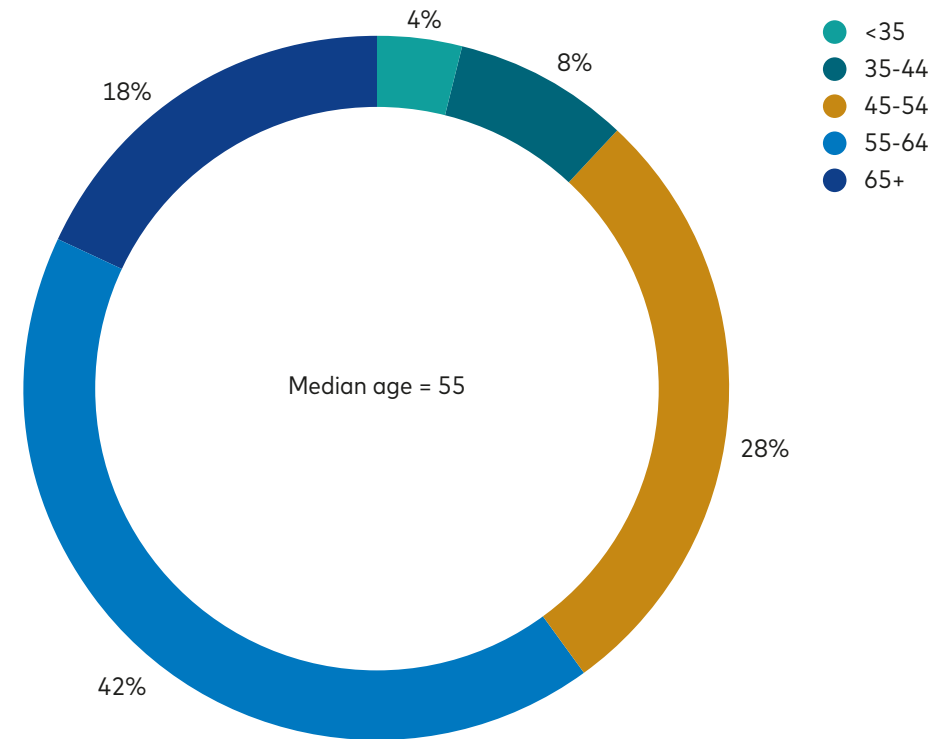
100 WMs* shared insights on their approaches to alpha generation, strategic asset allocation (SAA), fund selection and investment expertise.

What is your role / function? (N=100)
(multiple answers possible)



*100 WMs completed the questionnaire. 58% of respondents serve both institutional and private clients.

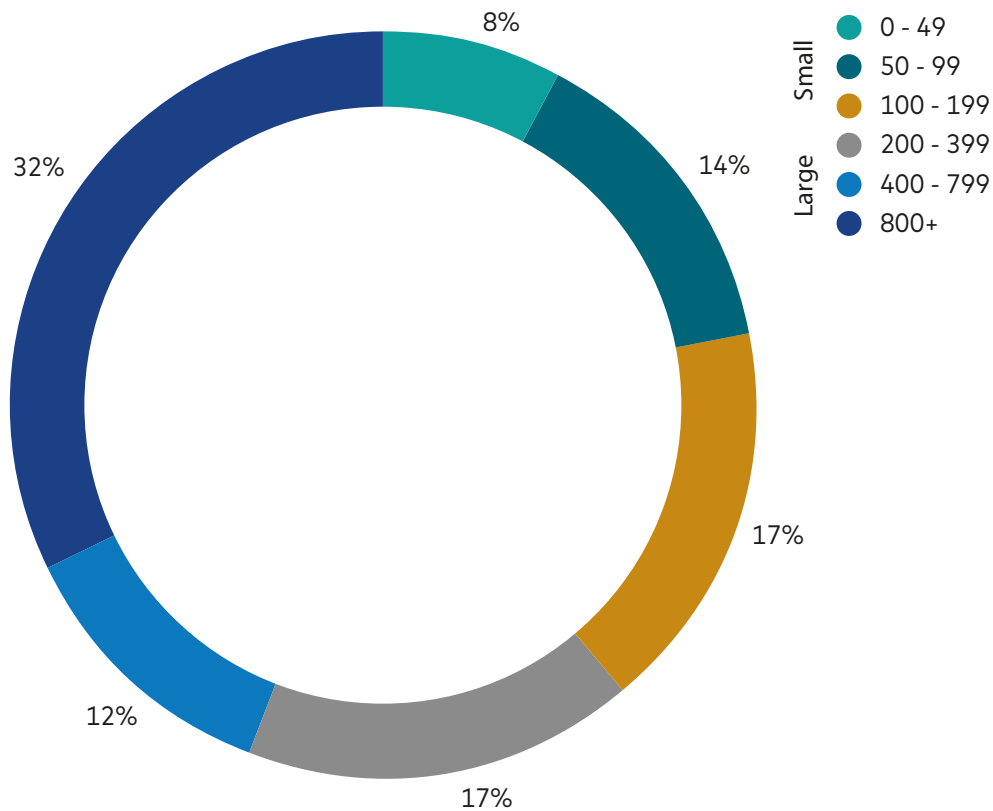
Age of survey participants (N=100)



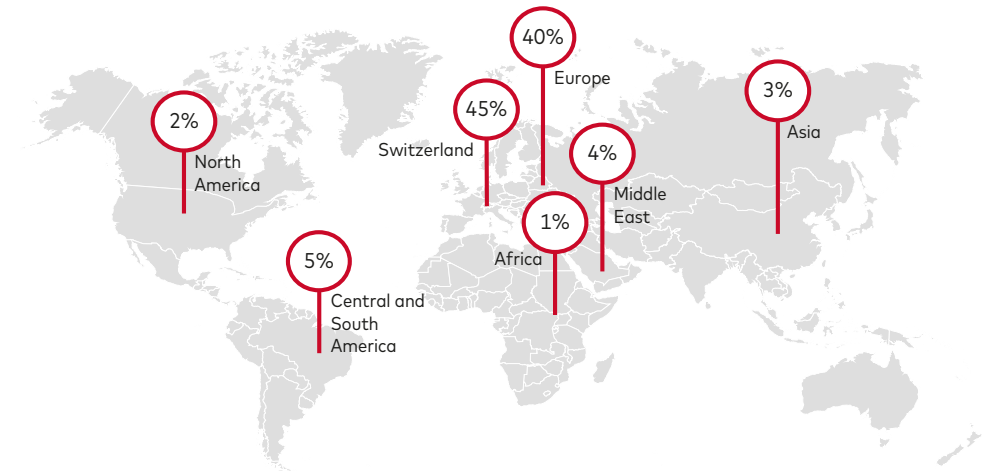
Study setup and methodology

Respondents included WMs who work at Swiss firms of all sizes with end clients domiciled predominantly in Switzerland and Europe.

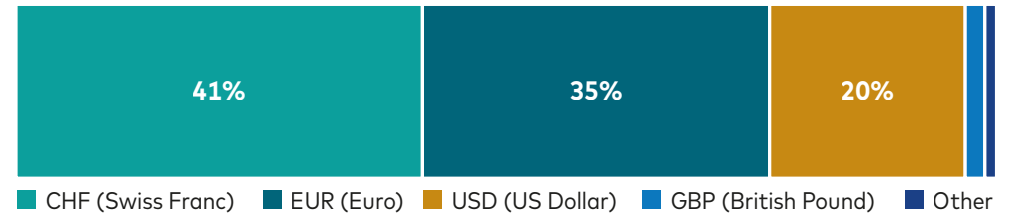
Firm size | Assets under management (in millions of Swiss francs)

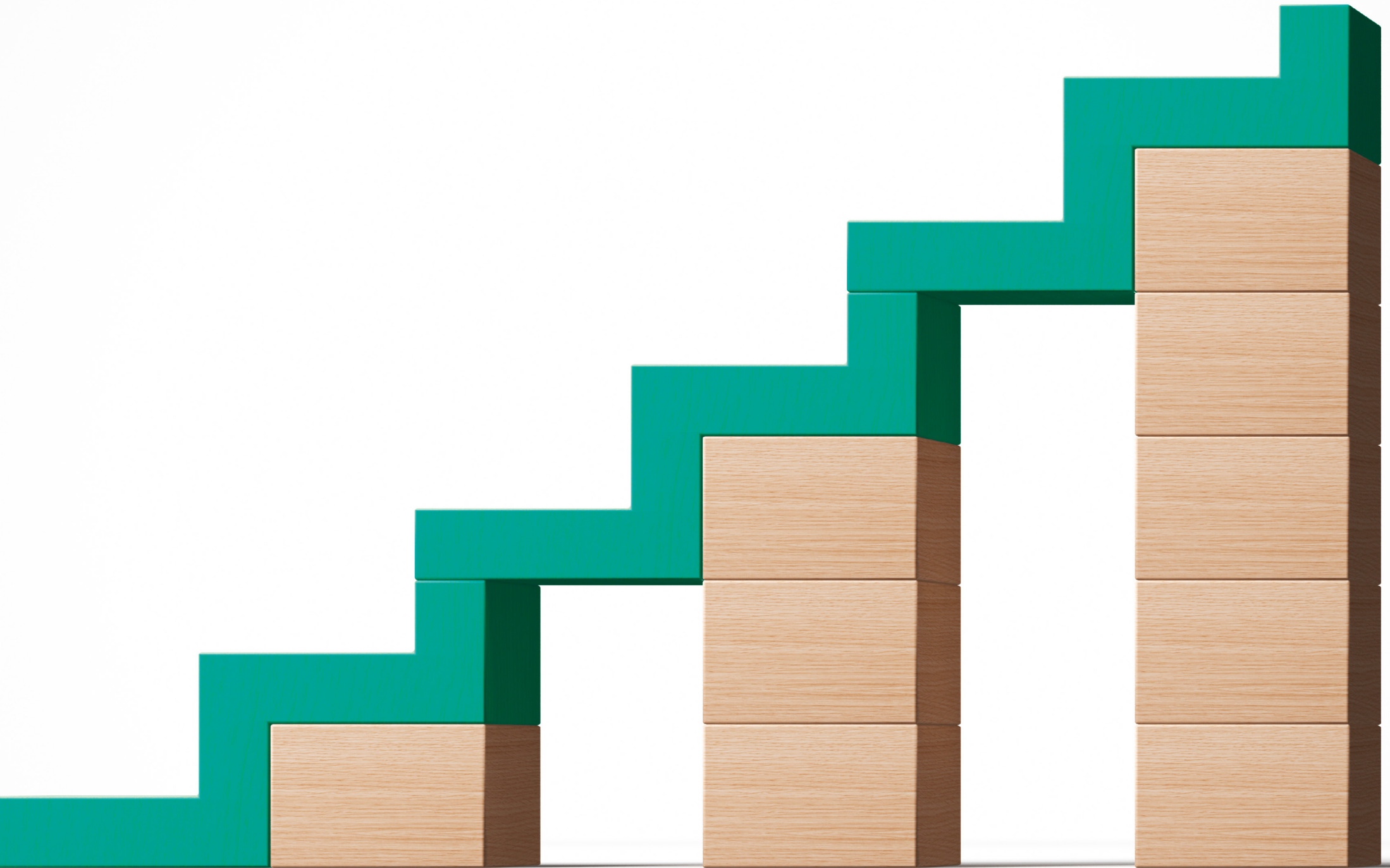


Regional distribution of WM clients



Reference currencies in client portfolios





Strategies to generate alpha

Which strategies do you use to generate alpha in your portfolios?

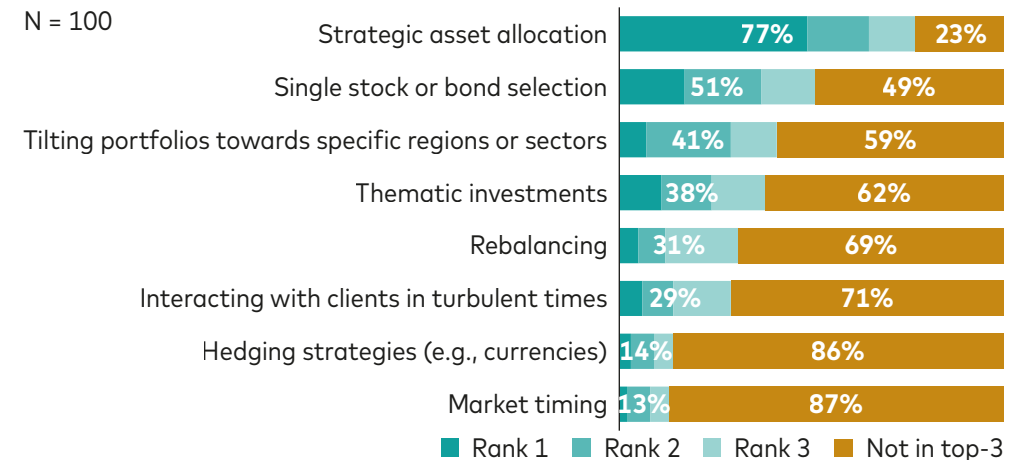
WMs were asked to identify the top-three strategies they rely on to generate alpha in their portfolios:

- **Strategic asset allocation** stands out as the most important source of alpha, with 77% of respondents ranking it among their top-three strategies.
- **Single stock or bond selection** is the second-most (51%) relevant lever, underlining the importance of security-level insights in generating outperformance.
 - Additional analysis shows that WMs consider their expertise in equity and bond investments to be very high (see section Expertise in investment areas).
- **Tilting portfolios towards specific regions or sectors** is considered relevant by some (41%) WMs, but ranks noticeably behind the two leading strategies.
- **Thematic investments** (38%), **rebalancing*** (31%) and **interacting with clients during turbulent times** (29%) also play a role, but are typically not considered primary alpha drivers.
- The least important strategies are **hedging** (14%) and **market timing** (13%). A large majority of WMs do not consider these approaches to be among their top contributors to alpha.

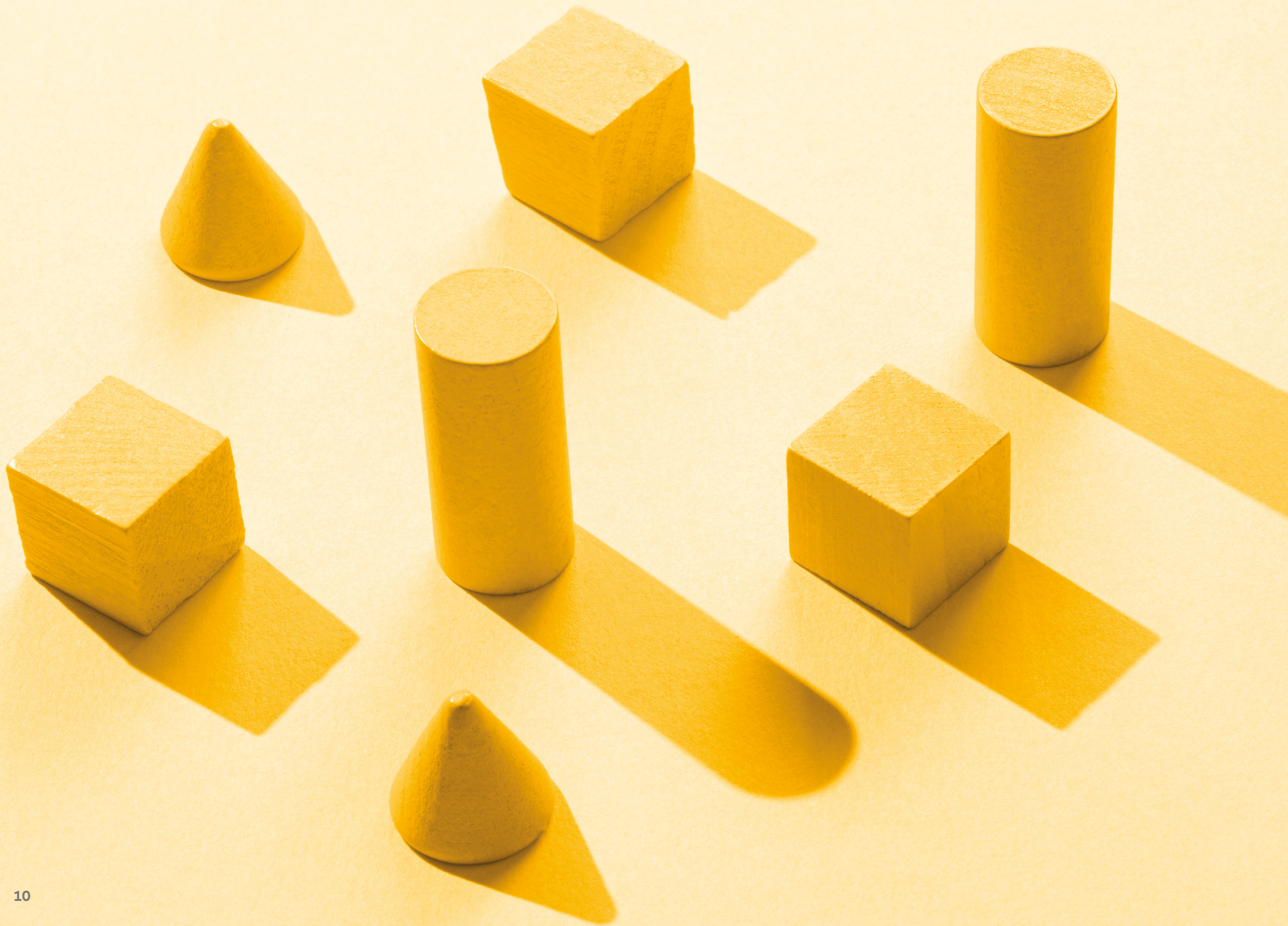
* In this year's survey, WMs were also asked which rebalancing strategies they use and how they implement them (see section Rebalancing strategies and their implementation).

Which strategies do you use to generate alpha in your portfolios?

N = 100



Reading example: 77% of WMs identify strategic asset allocation as one of their top-three strategies to generate alpha.



Strategic asset allocation: equities

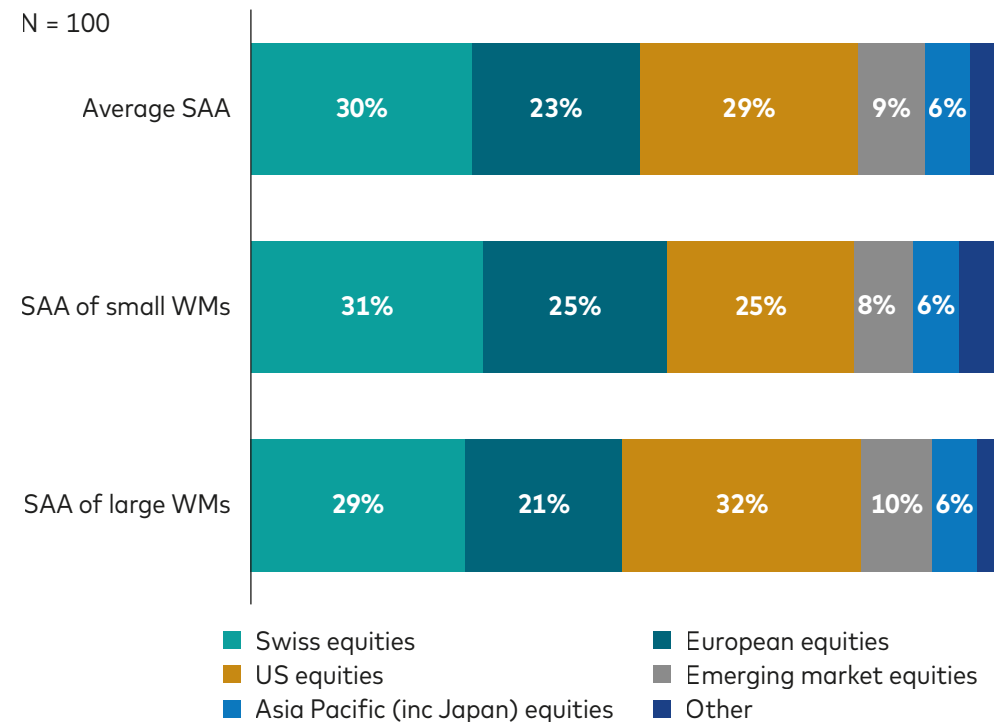
WMs' strategic asset allocation (SAA) for equities reflects regional tilts towards Swiss and European equities rather than a global market-weighted approach.

For the first time in the survey, WMs were asked about their strategic allocation for equities in a **balanced mandate (40-60% equity exposure)**:

- On average, the **strategic asset allocation (SAA)** of WMs shows a strong deviation from global market weights. This might be explained by the predominance of Swiss- and European-domiciled end clients (see regional distribution of WM clients):
 - WMs' portfolios exhibit a pronounced home bias, with **Swiss equities** accounting for 30% of equity allocations, significantly above their global market weight (around 2% based on the FTSE All-World Index as at Q1 2026).
 - WMs also tilt their portfolios towards **European equities**, compared with a global equity market-weighted benchmark.
 - In contrast, **US equities** are clearly underweighted in portfolios. On average, WMs allocate only 29% to the US market (compared with more than 60% in a global equity benchmark).
- There are slight differences between **small** and **large WMs**:
 - Larger WMs allocate more to US equities (32%), a difference of 7 percentage points compared with smaller WMs (25%) who show a slightly stronger home bias.
- More pronounced differences emerge when comparing **younger** and **older firms** (relative to the median firm age of 23 years in operation; data not shown):
 - Younger WMs** allocate more to **US equities** (32%), whereas **older WMs** display a stronger home bias, with higher allocations to **Swiss equities** (35%).

In a balanced mandate, how do you define your SAA for equities in a neutral state across the following regions?

N = 100



Reading example: On average, Swiss equities account for 30% of WMs equity investments.

Strategic asset allocation: bonds

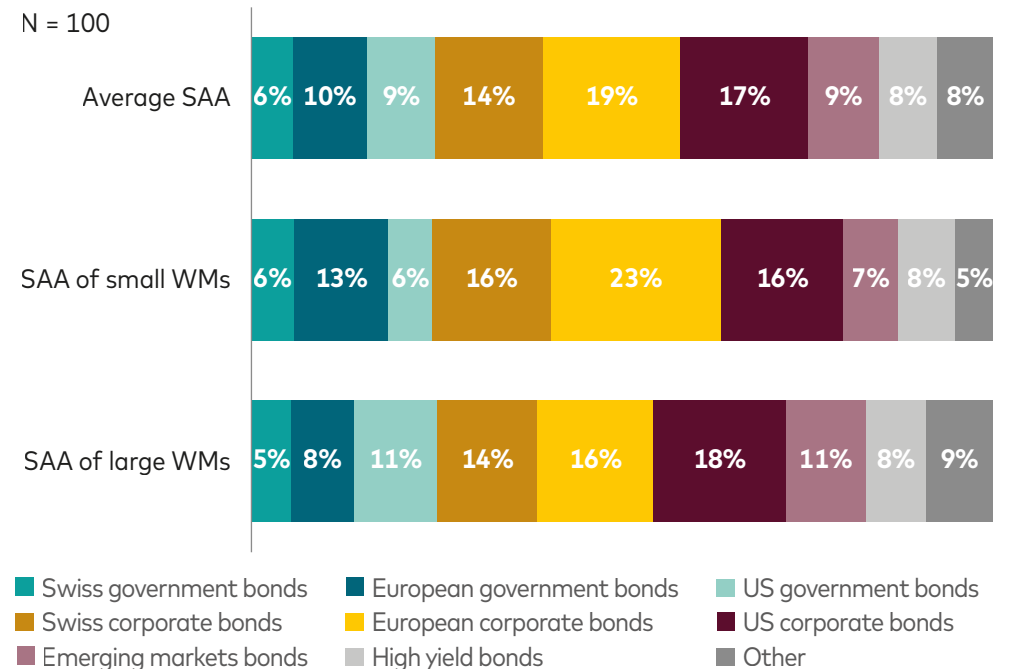
Bond allocations reflect a clear preference for yield-oriented segments, with limited emphasis on government bonds.

WMs were also asked about their strategic allocation for bonds in a balanced mandate:

- On average, WMs show a clear preference for **corporate bonds** over **government bonds**.
 - Swiss, European** and **US corporate bonds** together account for the largest share of fixed income portfolios (50%).
- In contrast, **government bonds**, particularly **Swiss government bonds**, represent a smaller share (25%) of bond portfolios, which might be explained by the less attractive yields of Swiss government bonds in the current market environment.
- Differences between **small** and **large WMs** are visible:
 - Smaller WMs** allocate more heavily to **European corporate bonds** (23%).
 - In contrast, **larger WMs** show **more diversified** allocations across corporate bonds (48%), as well as emerging market (11%), high yield (8%) and other (9%) bond segments.
- More pronounced differences emerge when comparing **younger** and **older WMs** (relative to the median firm age of 23 years in operation; data not shown):
 - Younger WMs** show **more diversified** allocations across bond segments.
 - In contrast, **older WMs** allocate more heavily to **Swiss corporate bonds** (18%), while also maintaining slightly higher allocations to government bonds (28%).

In a balanced mandate, how do you define your SAA for fixed income in a neutral state across the following regions?

N = 100



Reading example: On average, Swiss government bonds typically account for 6% of WMs' bond investments.

Deviations from strategic asset allocation: equities vs bonds

WMs continue to overweight Swiss and European equities, while tactically underweighting US equities. European corporate bonds remain an overweighted fixed income segment. Emerging market equities and bonds saw the strongest positive shifts in both asset classes.

WMs are deviating from their strategic equity and bond allocations as follows:

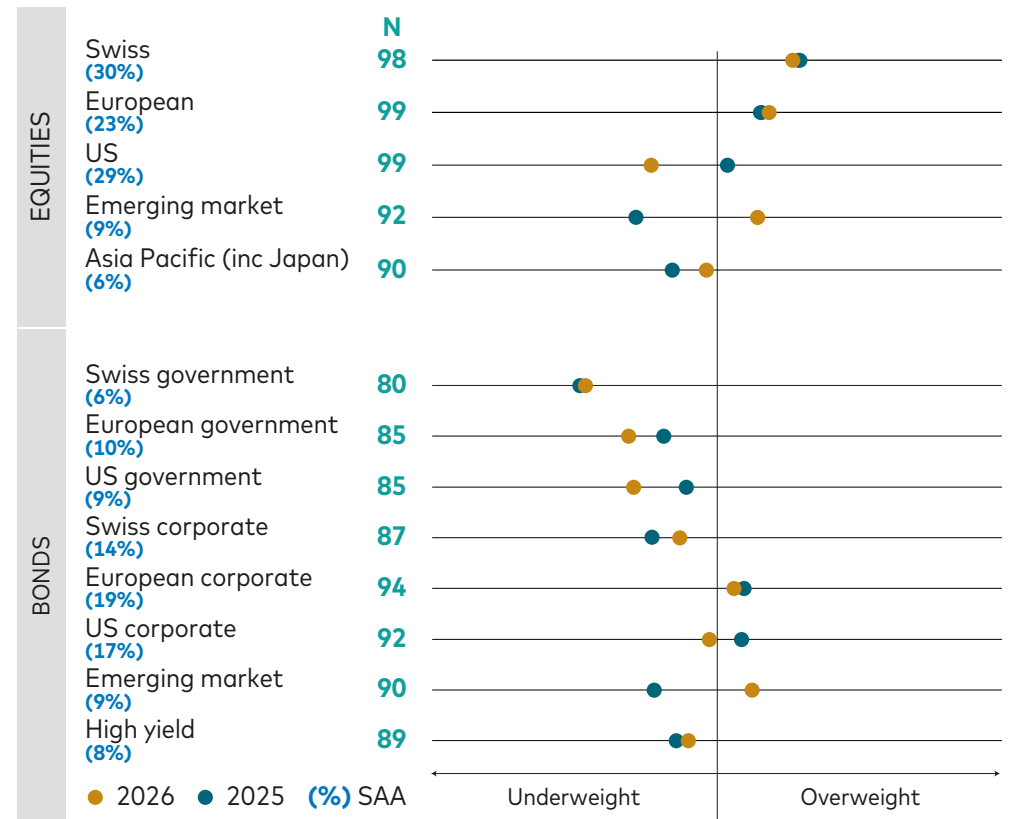
Equities

- **Swiss** and **European equities** remain the most favored, with both regions slightly overweighted, broadly in line with last year.
- In contrast, **US equities** have moved to an underweight position.
- **Emerging market equities** showed the strongest increase towards overweight, while **Asia Pacific (including Japan) equities** continue to be slightly underweight.

Bonds

- The overall picture remains unchanged: bonds are broadly underweight across most segments. The most pronounced underweight is in **Swiss government bonds**, followed by **European** and **US government bonds**.
- Corporate bonds present a more nuanced picture. **Swiss corporate bonds** remain underweight, while **European corporate bonds** are slightly overweight. **US corporate bonds** are close to neutral, with a slight negative shift compared to last year.
- While **high yield bonds** continue to be underweight, **emerging market bonds** show a notable positive shift compared to last year.

How do you currently deviate from your balanced SAA in the corresponding markets?



Numbers do not sum up to 100%, because "other" is excluded.

Reading example: On average, WMs overweight Swiss equities in client portfolios, although slightly less than in 2025.

Rebalancing strategies and implementation

Most WMs take an opportunistic approach to rebalancing that they implement manually.

WMs were asked which rebalancing strategies they use and how they implement them (manual or automated):

Rebalancing strategies:

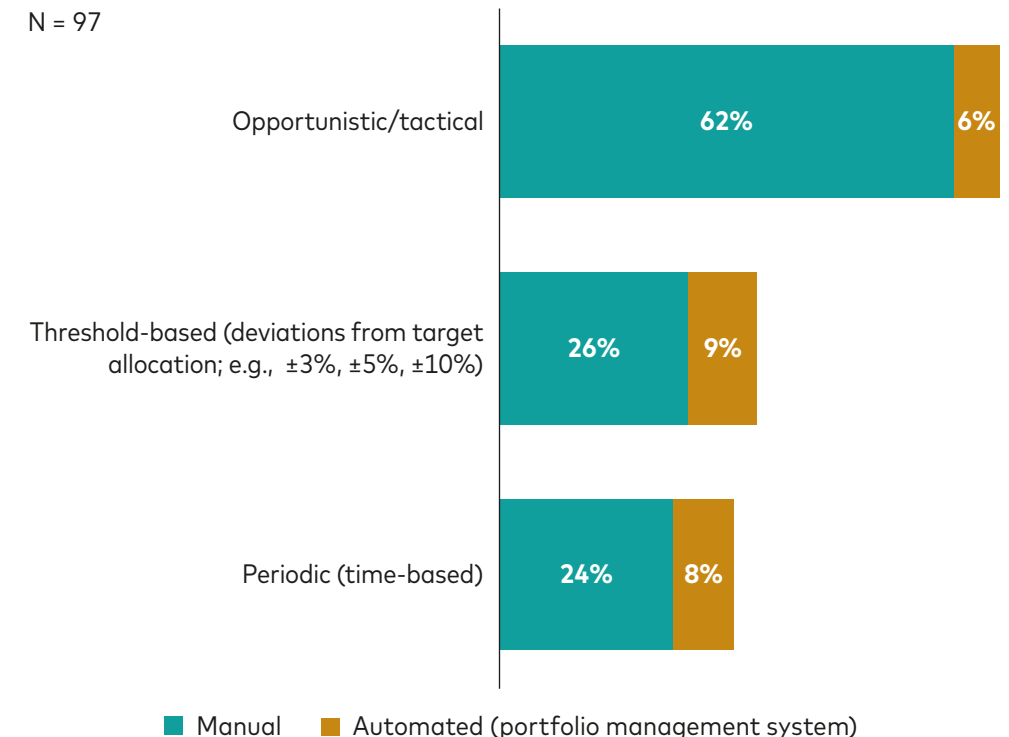
- Rebalancing is clearly dominated by an **opportunistic/tactical** approach, which is used by the majority of WMs (68%), far ahead of **threshold-based** (35%) and periodic (32%) strategies.
- Overall, **threshold-based** and **periodic** strategies are often used in combination with **opportunistic** rebalancing rather than as standalone approaches.
- 67% of WMs rely on a **single rebalancing strategy**, with purely opportunistic/tactical rebalancing being the most common. **Multiple rebalancing strategies** are used by 33% of WMs (data not shown).

Implementation of rebalancing strategies:

- Across all rebalancing strategies, WMs predominantly implement them **manually**.
- **Automated** rebalancing via portfolio management systems is only used by a minority of WMs.

How do you rebalance your portfolio? (multiple rebalancing strategies possible)

N = 97



Reading example: Opportunistic/tactical rebalancing is used by 68% of WMs, either as a standalone approach or in combination with other strategies and is predominantly implemented manually.

Direct vs fund/ETF investments

WMs continue to favor direct investments in Swiss equities and most developed market bond segments. In contrast, they prefer funds and ETFs when investing in emerging market and Asia Pacific (including Japan) equities and high yield bonds.

WMs were asked how they implement their portfolios - through direct investments or via funds and ETFs:

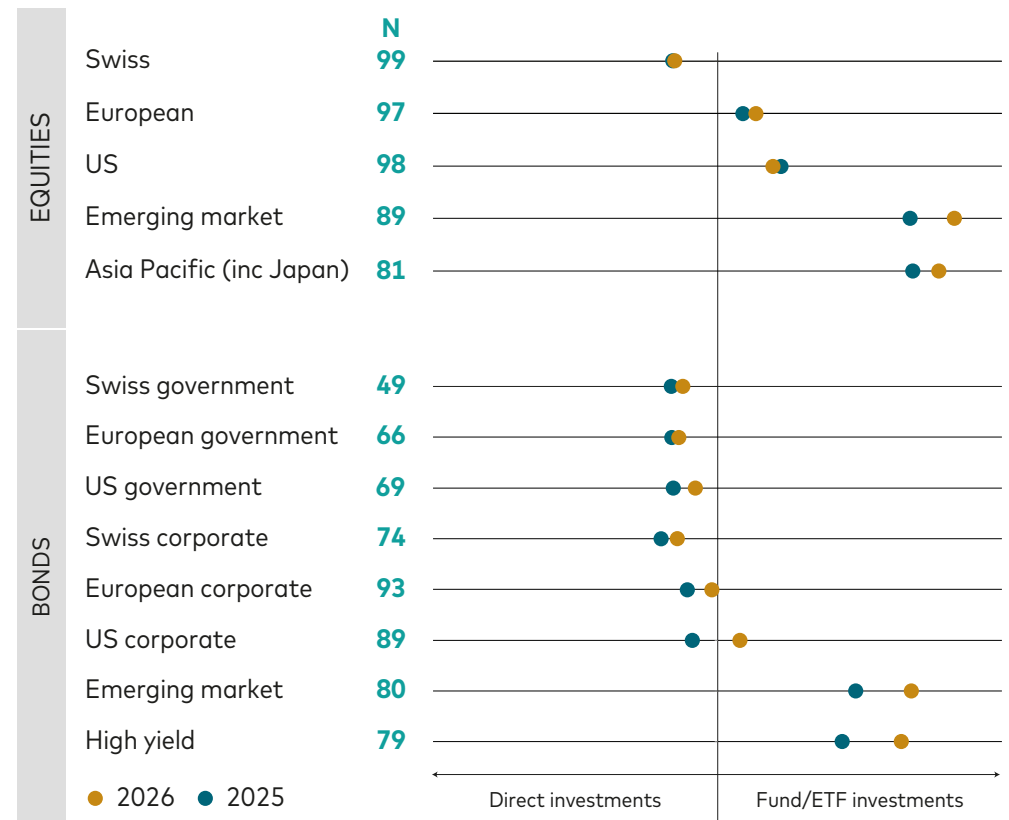
Equities

- For **Swiss, European** and **US equities**, the picture remains largely unchanged from last year. **Swiss equities** continue to be implemented slightly more via direct investments, while WMs show a slight preference for funds and ETFs when investing in **European** and **US equities**.
- For **emerging market** and **Asia Pacific equities**, WMs show an increasingly strong preference for funds and ETFs.

Bonds

- Direct investments remain the preferred approach for most **government** and **corporate bond** investments in **Switzerland, Europe** and the **US**, with the exception of **US corporate bonds**, where a shift towards funds is observed. Overall, the preference for direct investments has weakened slightly since 2025, with a gradual move towards funds and ETFs.
- As in previous years, **emerging market** and **high yield bonds** are predominantly implemented via funds and ETFs, with this preference becoming more pronounced.

How do you implement exposures to the following markets? (direct investments versus funds/ETFs)



Reading example: On average, for Swiss equities, WMs slightly favor direct investments over funds/ETFs.

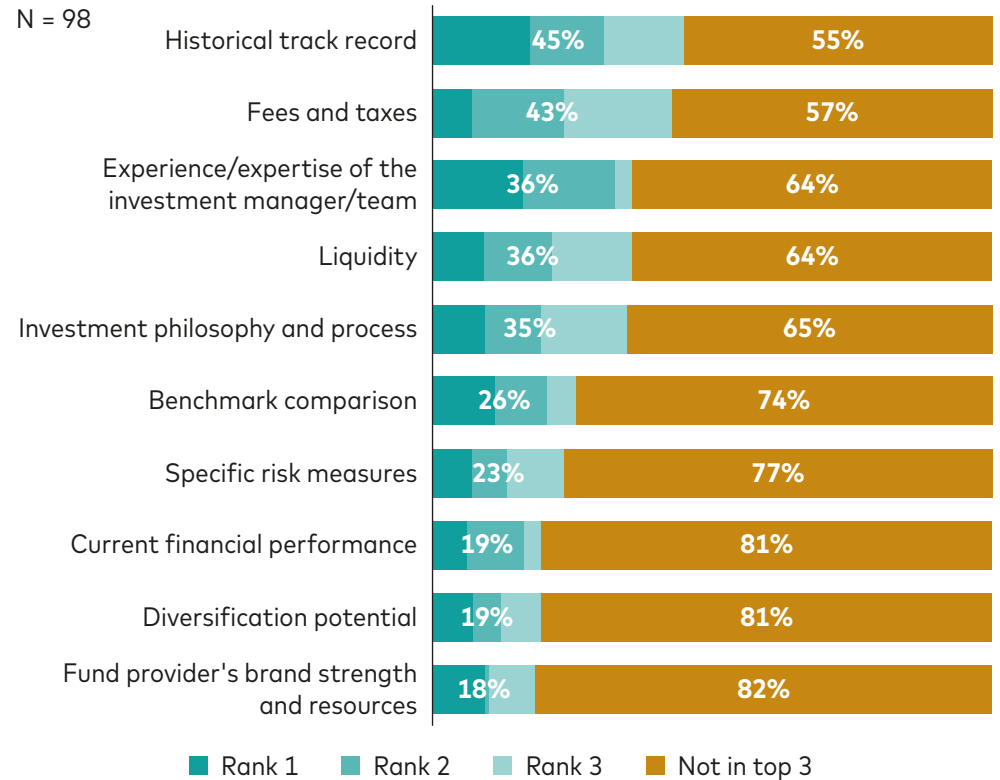
Fund selection criteria

When selecting funds, WMs mainly focus on historical track record and costs.

WMs who at least partially use funds in their portfolio implementation were asked to rank their top-three selection criteria:

- **Historical track record** (45%) as well as **fees and taxes** (43%) are the most important criteria, highlighting a strong focus on proven performance and cost efficiency.
- Qualitative aspects such as the **experience and expertise of the investment manager** (36%) as well as **investment philosophy and process** (35%), are also relevant when selecting funds. **Liquidity** (36%) also plays a key role.
- In contrast, more technical metrics such as **benchmark comparisons** (26%), **specific risk measures** (23%) and **current financial performance** (19%) are less frequently considered among WMs' top-three criteria.
- WMs considered the **fund provider's brand strength and resources** (18%) the least important selection criteria.

When selecting investment funds for your portfolios, which criteria do you consider most important?



Reading example: 45% of WMs identify historical track record as one of their top three strategies to generate alpha.

Active versus passive investments

Passive investing plays a central role in portfolio implementation, particularly in emerging market and Asia Pacific (including Japan) equities as well as in government bonds. In these segments, a clear shift towards passive investing is observed in this year's survey.

WMs who use funds and ETFs to implement their portfolios shared their preferred investment approach - active versus passive:

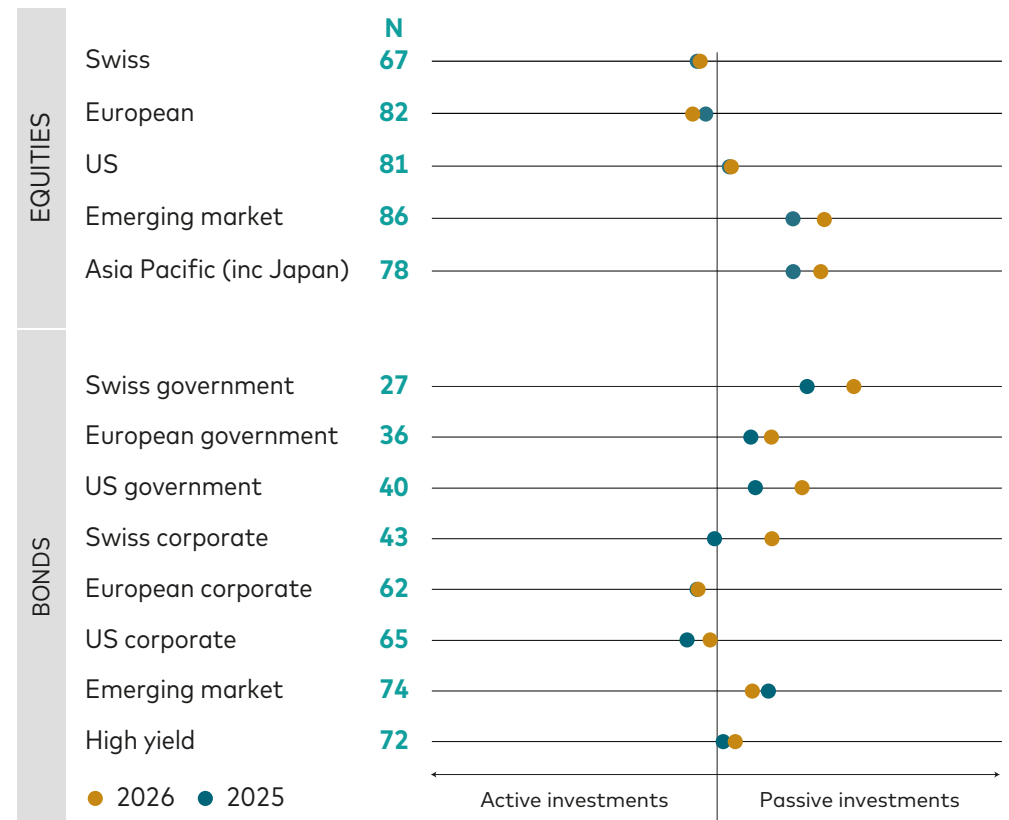
Equities

- **Swiss, European** and **US equities** show a broadly balanced allocation between active and passive strategies. **Swiss** and **European equities** lean slightly towards active, while **US equities** show a slight preference for passive.
- By contrast, investments in **emerging market** and **Asia Pacific equities** are increasingly dominated by passive strategies, with a clear shift towards passive approaches observed this year.

Bonds

- Passive strategies are particularly prominent in **government bond** investments, which continue to shift towards passive approaches.
- **Corporate bonds** present a more mixed picture. This year, passive strategies are preferred for **Swiss corporate bonds**, while **European** and **US corporate bonds** lean slightly towards active or mixed approaches, with few year-on-year changes.
- **Emerging market** and **high yield bonds** are again more passively implemented, although to a lesser extent than **government bonds**.

How do you invest in the following markets?
(active versus passive)



Reading example: On average, for Swiss equities, WMs who use funds/ETF investments prefer a balanced investment approach.

Use of passive funds: ETFs vs index funds 1/2

ETFs remain the primary vehicle for passive equity investments. Mixed approaches (ETFs and index funds) are growing in popularity.

WMs who use passive strategies commented on their choice of investment vehicle preferences - ETFs, index funds or both:

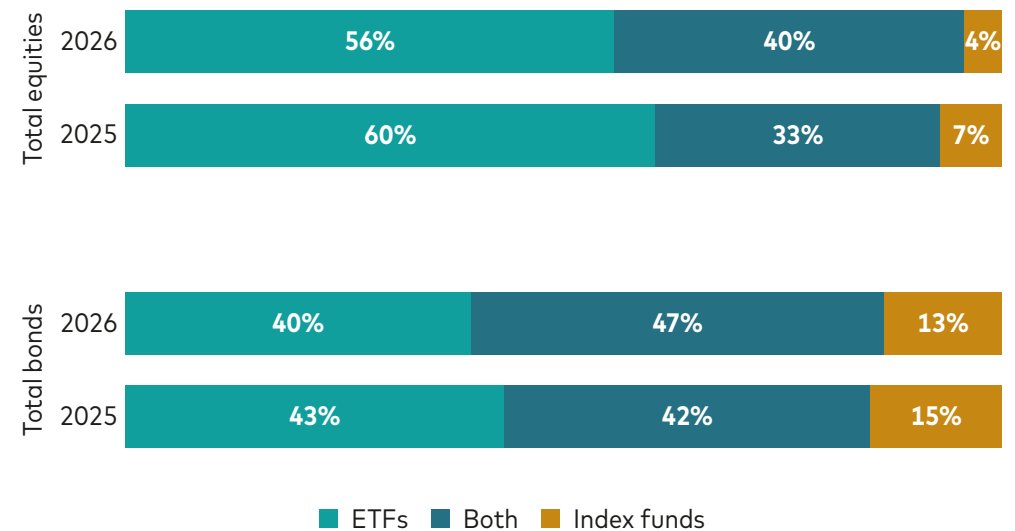
Equities

- For equity investments, **ETFs** are clearly the dominant vehicle for passive implementation (56%).
- This applies consistently across all equity regions, where over half of WMs use **ETFs** exclusively and the remainder combine **ETFs and index funds** (see regional/sector split).
- The use of **index funds** is slightly higher in **emerging market** and **Asia Pacific equities** than in developed equity markets (see regional/sector split).

Bonds

- In fixed income, the picture is more balanced. On average, WMs prefer to combine **ETFs and index funds** (47%), followed by **ETFs-only** implementations (40%). **Index funds-only** strategies play a more visible role in bond investing than in equities (13% versus 4%, respectively).
- ETFs are used above average for investing in **Swiss** and **US government bonds** (see regional/sector split).
- In contrast, the share of index fund investments is higher in **European government** and **corporate bonds**, although they are not often used as a standalone solution.

How do you implement your passive investments? (ETFs, index funds or both)

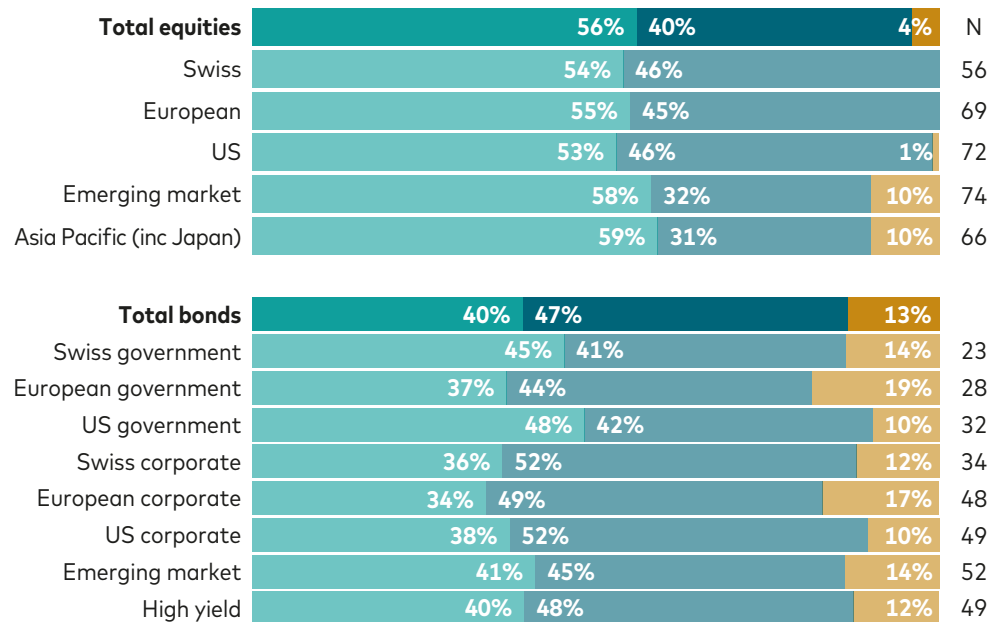


Reading example: In 2026, among WMs who invest in passive equity products, 56% of them use ETFs only, 4% use index funds only and 40% use a mix of ETFs and index funds.

Use of passive funds: ETFs vs index funds 2/2 – regional/sector split

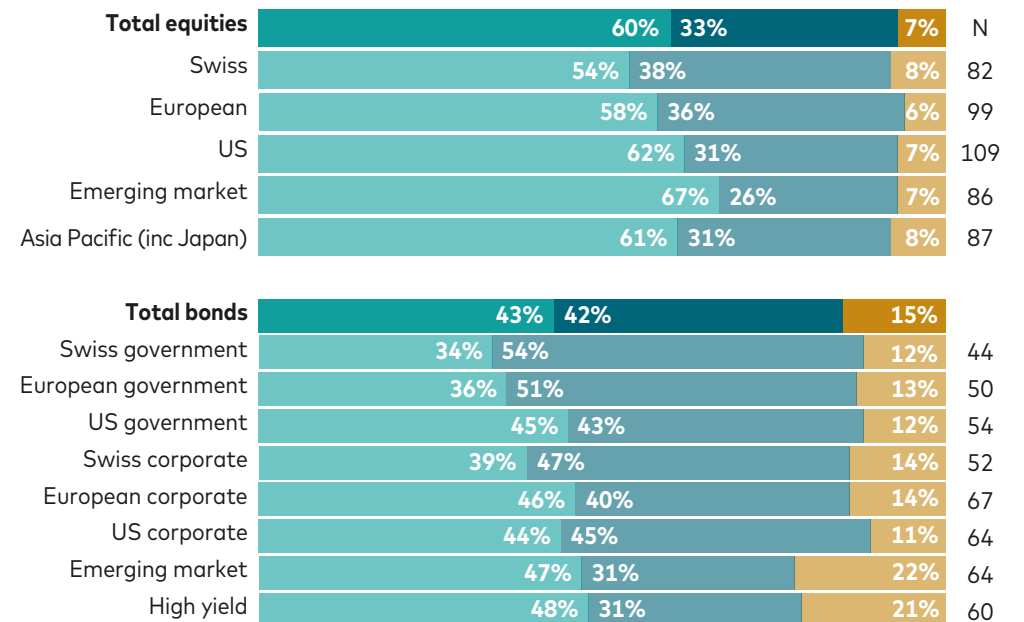
How do you implement your passive investments?
(ETFs, index funds or both)

2026



● ETF ● Both ● Index funds

2025



● ETF ● Both ● Index funds

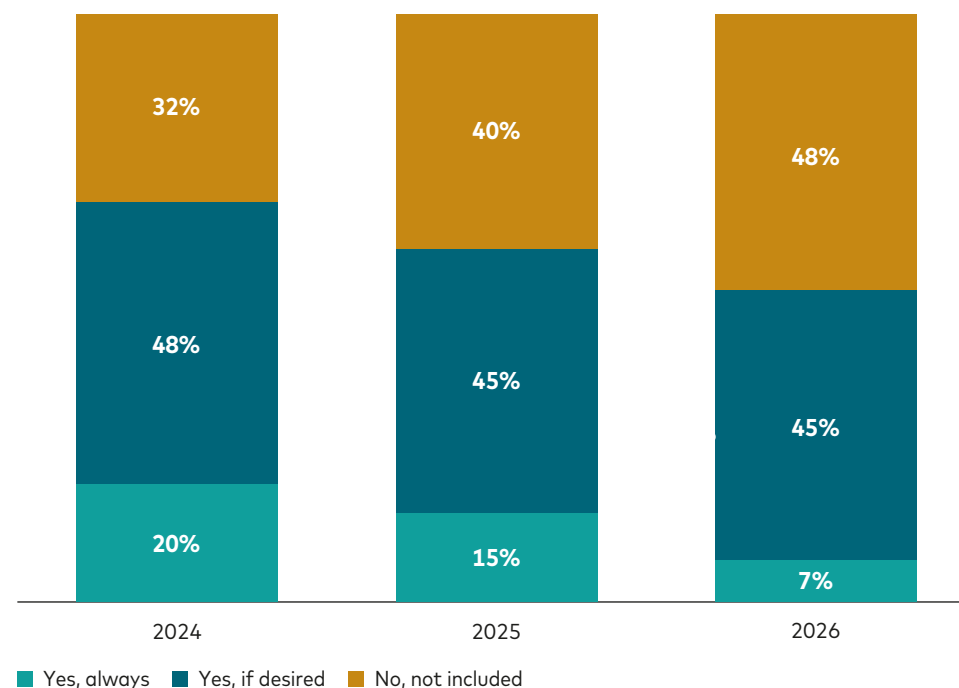
Sustainability strategies: inclusion of sustainability (ESG) criteria

ESG integration continues to moderate, with a growing share of WMs choosing not to incorporate sustainability criteria into their investment process. When ESG is applied, its use is primarily driven by client preferences rather than systematic portfolio integration.

WMs were asked whether they include sustainability (ESG) criteria in their investment process:

- Survey results indicate a moderation in respondents' focus on ESG investing compared with prior years. In 2026, 52% of WMs include ESG criteria in their investment process, either by default or upon client request, down from 60% in 2025.
 - Only 7% of WMs integrate ESG criteria **by default**, marking a further decline compared with previous years.
 - At the same time, 45% of WMs apply ESG criteria **upon client request**, similar to last year.
- In contrast, the share of WMs **not including ESG** at all increased to 48%, continuing the trend observed in recent years.
- Additional analysis reveals that the inclusion of sustainability criteria is closely linked to WMs' ESG expertise (see section Expertise in investment areas).
- ESG inclusion remains more prominent among **larger WMs** (AUMs>200mn; data not shown):
 - Among **larger WMs**, 56% include ESG criteria: 8% by default and 48% upon client request.
 - In comparison, 49% of **smaller WMs** include ESG criteria (5% by default and 44% upon request).

Do you include sustainability (ESG) criteria in your investment process?
N=100



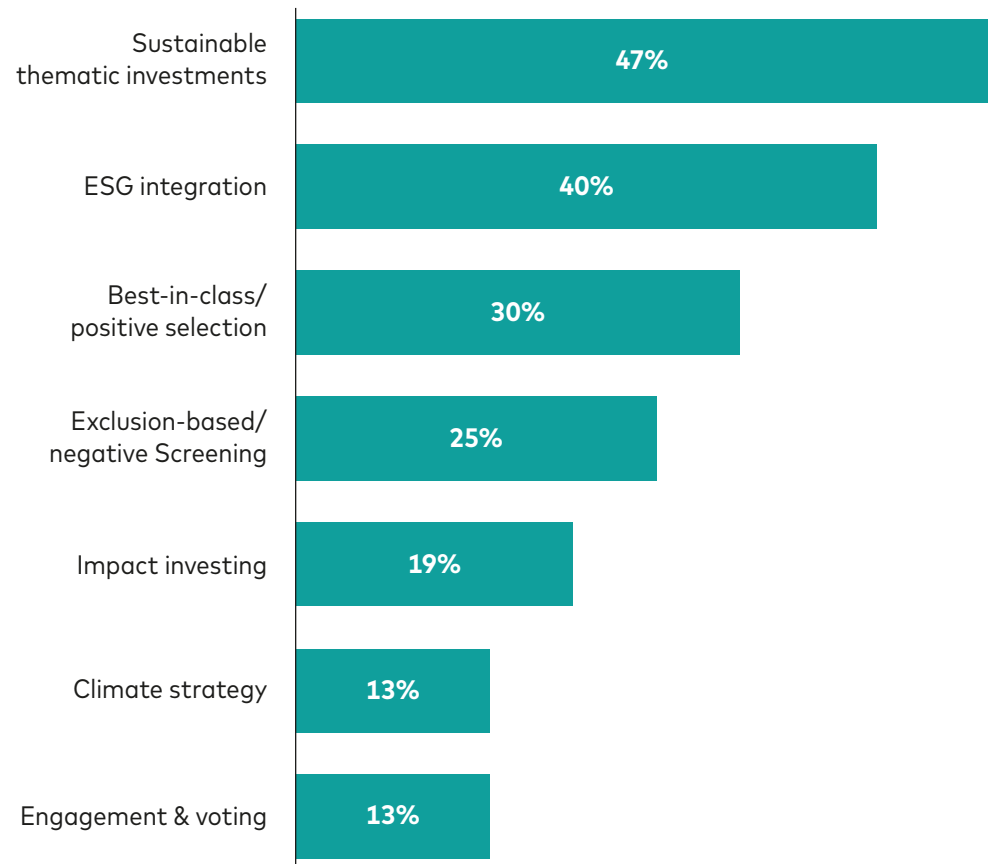
Sustainability strategies: strategy selection

When applying ESG in portfolios, WMs typically combine two sustainability strategies rather than focusing on a single approach only. Sustainable thematic investments is the most preferred strategy for the first time, followed by ESG integration.

WMs who integrate sustainability criteria into their investment process were asked about the ESG strategies they apply:

- WMs typically combine two **ESG strategies** in their sustainable investment process (data not shown).
- For the first time in the study, **sustainable thematic investments** emerged as the most widely used ESG strategy (47%).
- **ESG integration** ranked second (40%), maintaining its position from last year.
- **Best-in-class selection**, which was the leading strategy in 2025, dropped to third place in 2026 (30%).
- In contrast, **impact investing, climate strategies** and **engagement & voting** remained niche approaches, each used by a smaller share of WMs.
- Interestingly, no major differences are observed between **large** and **small WMs** in their choices of ESG strategies (data not shown), other than best-in-class/positive selection being slightly more prevalent among larger WMs.

Which sustainable (ESG) investment strategies do you apply?
N=52



Reading example: 47% of WMs who apply sustainable (ESG) investment strategies use sustainable thematic investments.

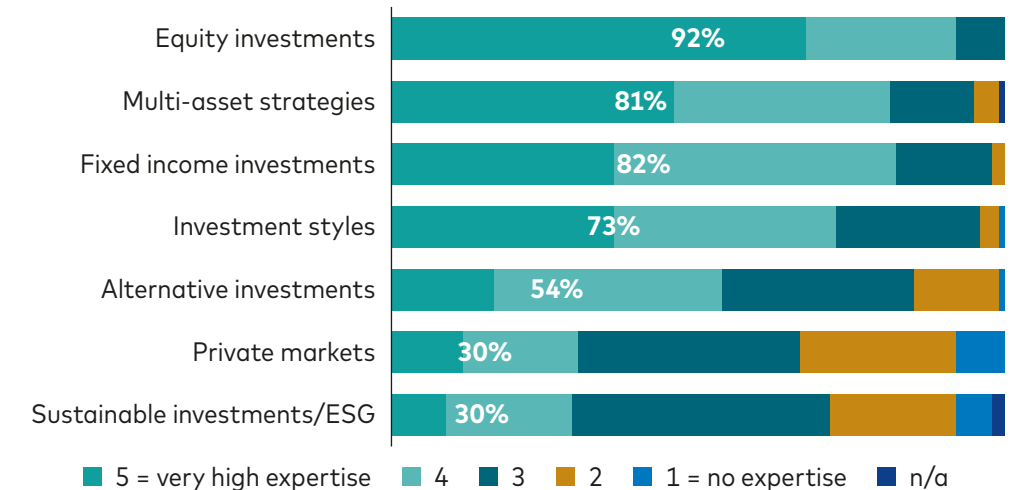
Expertise in investment areas

WMs view their core strengths lying in traditional investments and asset classes, while their expertise in more specialised areas such as private markets and ESG is less developed.

WMs were asked to rate their level of expertise in different investment areas:

- Expertise is highest in **equity investments**, where the vast majority of WMs (92%) rate their skill as high to very high.
- **Multi-asset strategies** and **fixed income investments** also show strong competence levels (81% and 82%, respectively).
- For **investment styles**, the picture is more balanced, with solid but less pronounced expertise (73%) compared to traditional asset classes.
- Expertise is notably lower in **alternative investments**, where only half of WMs (54%) place themselves in the upper expertise range.
- WMs consider their expertise to be the lowest in **private markets** and **sustainable investments/ESG**, where only 30% of WMs consider their expertise to be high to very high.
 - Additional analysis (data not shown) reveals that the **inclusion of sustainability criteria** is closely linked to WMs' **ESG expertise**: The share of WMs not including sustainability at all declines markedly with higher expertise, from 83% among those with no ESG expertise to just 22% among those with very high expertise.

Please rate your level of expertise in the following investment areas
N=100



Reading example: 92% of WMs rate their expertise in equity investments as (very) high.

1

Asset allocation and rebalancing

- Equities continue to be overweighted.
- Strong home bias towards Swiss and European shares.
- Rebalancing approaches are opportunistic rather than rules-based.

2

Portfolio implementation

- Steady preference for funds/ETFs on the equity side (except for Swiss equities).
- Steady preference for direct investments in most bond segments.
- Shift towards funds/ETFs across most equity and bond categories.

3

WMs' expertise

- Strong expertise in equities, fixed income and multi-asset strategies.
- WMs see their core strengths lying less in alternatives, private markets and ESG.
- Interest in ESG investing continues to moderate.

Methodology

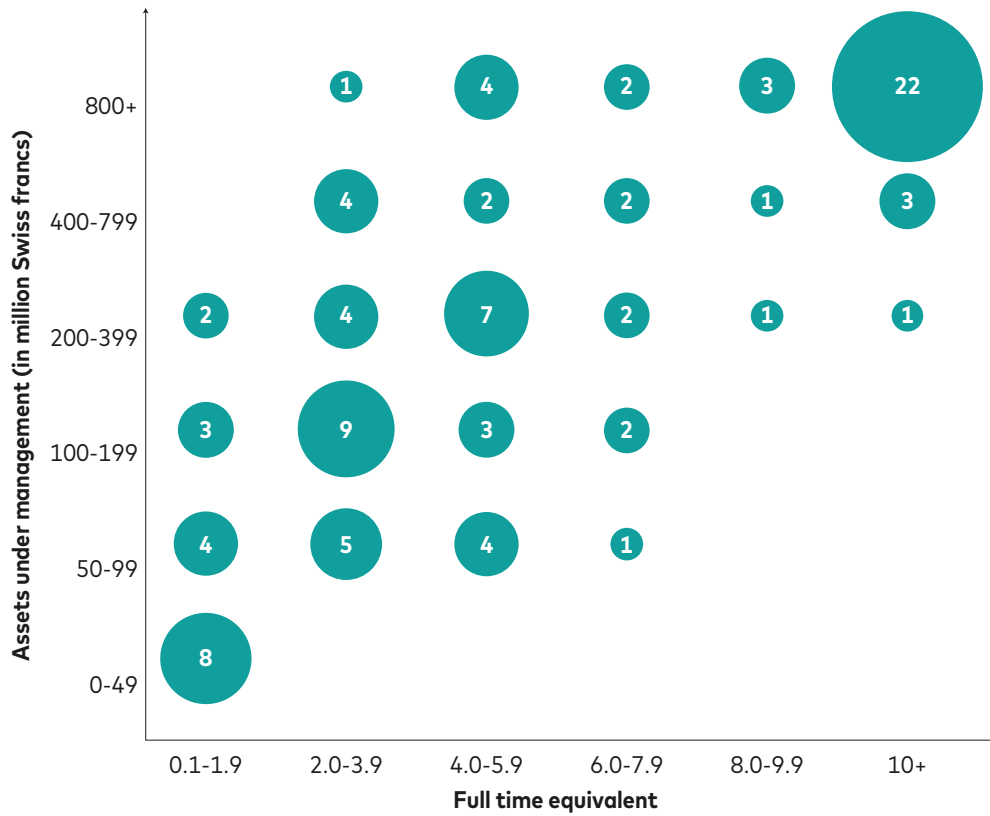
The survey was conducted from 25 February 2026 to 30 March 2026 by the Lucerne University of Applied Sciences on behalf of Vanguard as a sponsor. Verband Schweizerischer Vermögensverwalter (VSV-ASG) acted as a facilitator by inviting their members to participate in the survey. The first part of the survey addressed SAA and rebalancing. The second part focused on portfolio implementation including fund selection. The third part focused on WMs' expertise and sustainability investments. The questionnaire contained closed questions with either a pre-defined 5-point scale or pre-defined multiple or single choice answers.

Initially, the survey was directly sent to Swiss wealth managers (WMs) through VSV-ASG and Vanguard. Later, the survey link was published on their websites.

There are 1,427 authorised independent Swiss WMs and VSV-ASG counts 795 as members.* A total of 100 WMs completed the survey questionnaire. Respondents included WMs who work at Swiss firms of all sizes. Due to the fact that several WMs from the same company took part in the survey, small firms (less than CHF 50 million AUM and/or less than 2 FTE) are under-represented and large firms (more than 800 million AUM and/or more than 10 FTE) are overweighted (compared to the demography of VSV-ASG members). WMs with private and institutional clients took part in the survey.

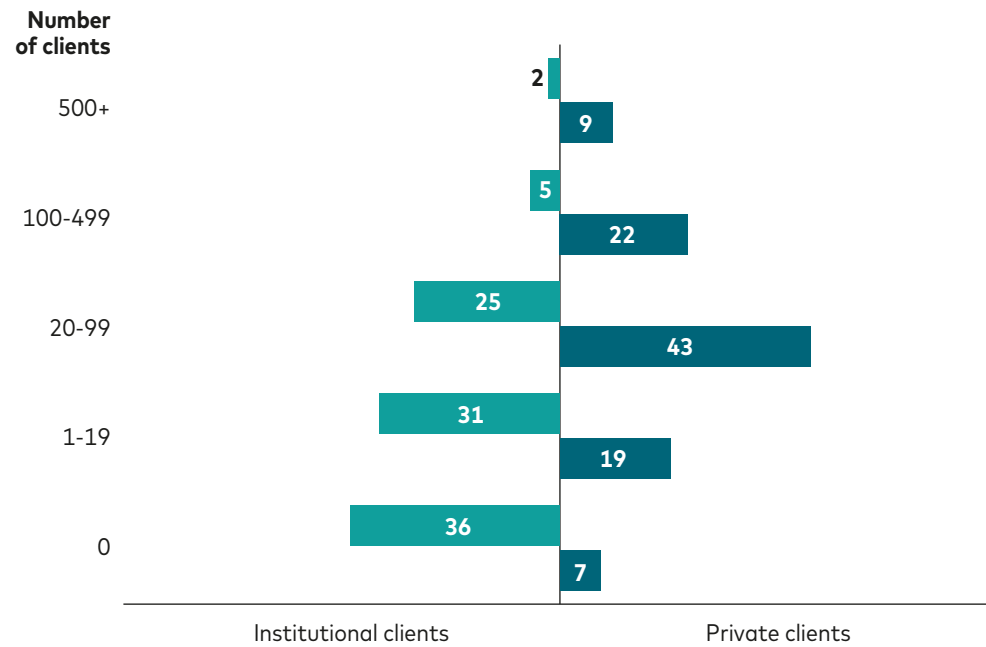
*Source: FINMA, VSV-ASG, as at 15 April 2026.

Sample Firm Size 1/2



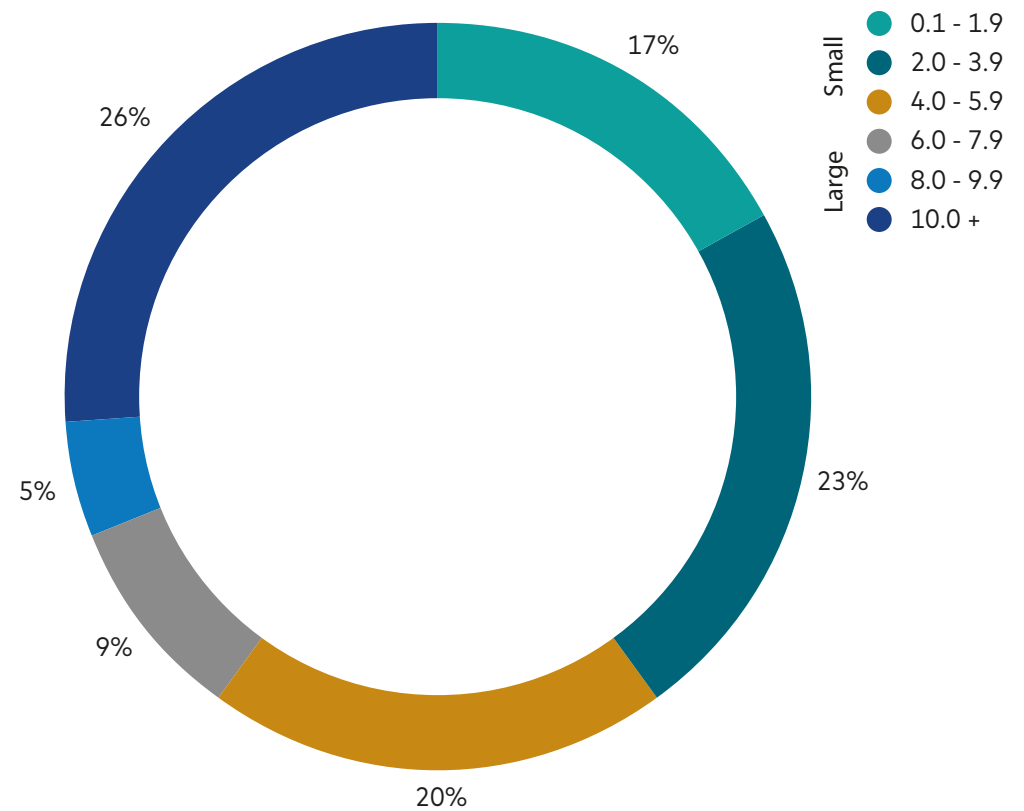
Sample Firm Size 2/2

Number of wealth managers (n=100)



Reading example: There are 36 WMs that do not have any institutional clients and 7 WMs that do not serve any private clients. 64 WMs serve at least one institutional client and 93 WMs serve at least one private client.

Firm size | Full time equivalent



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