

[OPINION09](#) JAN, 2025

## **Rated Swiss equity fund managers share top tips for 2025**

**Five of Citywire's top-rated fund managers give their exclusive opinions on the outlook for the Swiss stock market this year.**

[BY SAVANNAH COBB-THOMAS](#)

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2024 was a year of highs for global market watchers. The highest number of global elections, an all-time high for bitcoin, record highs for the US dollar, a heightening of Asia's financial influence and global debt rising.

Investors in the Swiss financial hub have been blessed with relatively low inflation. However, stock pickers may feel jaded after a return of 7.6% for the SMI in 2024, including dividends. This significantly trailed Germany's DAX and the USA's S&P 500.

Here top Swiss equity fund managers share their round-ups of the year just finished, and offer their top recommendations and resolutions for the Swiss stock market for 2025.

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[Andreas Degen](#)

**Baloise – AAA rated**

The Swiss equity market ended the year with a solid above-average return, navigating through a challenging year with headwinds for most companies.

Going into 2025, the structural problems for the European region will persist. However, there is upside potential for the return of cyclical growth as many companies see their businesses bottoming out or starting to improve.

The soft-landing scenario is on track, inflation is mostly under control and additional upside could come from progress in Ukraine, Israel and the Middle East.

For 2025, industrial companies are well positioned to participate in a cyclical upswing especially manufacturers with exposure to semiconductor supply chains.

On the other hand, selected financial institutions will have opportunities to profit from friendly capital markets, high interest in crypto products and trading as well as the ongoing reorganisation of the Swiss financial landscape due to the migration of former Credit Suisse clients.



[Marc Strub](#)

**Reichmuth – AAA rated**

The Swiss economy is unlikely to remain unaffected by the challenging economic environment, which continues to be particularly difficult in Europe. Nevertheless, a recession in Switzerland is not expected. The country's GDP is projected to grow by around 1.5% in 2025. Monetary policy is likely to remain expansionary, as the SNB continues to face the challenge of a strong Swiss franc and is expected to reduce interest rates toward zero in 2025.

I have a positive outlook for the Swiss equity market in 2025. While Swiss stock prices came under some pressure following Donald Trump's election in November 2024, Switzerland's nearly balanced trade relationship with the United States suggests it will be less affected by protectionist measures.

From a stock-specific perspective, shares of Givaudan, a leading aroma and fragrance manufacturer, are attractive. The company benefits from its leading market position in a structurally growing industry, is well-managed, generates attractive margins and is fairly valued.

The defensive heavyweights Roche and Nestlé also appear promising after a challenging year. Roche posted only modest share price gains in 2024, while Nestlé's stock lost nearly 25%. However, I consider Nestlé's new medium-term targets to be

realistically achievable and the valuation discount compared to its peers has now become too pronounced.

Following a period of underperformance, I am also optimistic about smaller Swiss industrial stocks. One example is Georg Fischer, which has recently focused more on the more stable and profitable Water and Flow Solutions business.

In general, for 2025, I favour selected quality stocks with solid balance sheets, attractive business models, and stable dividends, of which there are many to choose from in the Swiss equity market.

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[Eric Chassot](#)

**Banque Cantonale Vaudoise – AA rated**



## Sylvain Bornand

### **Banque Cantonale Vaudoise – AA rated**



As we saw in 2024, to outperform the Swiss indexes you have to identify which themes to avoid before picking your winners. Looking ahead to 2025, investors should continue to steer clear of certain sectors – such as the food industry and Swiss firms dependent on German carmakers – in order to start with the best possible investment universe.

Despite their recent performance, Swiss small- and mid-caps still have much to offer, especially if accommodative monetary policies boost economic activity in Europe and firms can maintain their bottom line while contending with the strong Swiss franc. Within the struggling manufacturing sector, companies that have diversified their operations by building out customer services look less cyclical and are a better bet.

The MedTech industry will continue to flourish in 2025, thanks to productivity gains and strong innovation. However, valuations vary widely within the sector, ranging from 13 to 63 times 12-month projected earnings.

Small and mid-cap pharma stocks could continue to benefit from their competitive position in niche markets, as well as their defensive profile if the economy is weak. Market conditions are particularly favourable for pharma suppliers, especially those that produce molecules and active ingredients (such as Bachem and Siegfried).

Other underlying trends include a strong demand for diabetes and obesity drugs (Ypsomed) and dental implants (Straumann). Industries related to AI and the energy transition are also poised to have a banner year (such as Belimo or Huber+Suhner).



[Nicolas Peter](#)

**Aquila – A rated**

We have a positive outlook on the Swiss equity market for the coming year despite the weak performance in 2024 compared to other regions. With the recent interest rate cut by the Swiss National Bank, TINA (there is no alternative) is back, which will benefit Swiss equities. In addition, Swiss assets remain a strategic component in our multi-asset portfolios, particularly due to their strong value preservation function and Switzerland's stable economic and political environment.

However, the highly concentrated Swiss [market requires an active investment](#) approach, which we also pursue in our [Aquila Corby Swiss Equity fund](#). We see it as crucial for investors to take into account the high concentration and defensive orientation and therefore to be selective.

In 2024, the Swiss industrial sector faced significant challenges, including declining orders, a strong Swiss franc, and weak external demand, particularly from key trading partners like Germany. Nevertheless, our core holdings in this sector, where we have the largest overweight, demonstrated resilience and have been able to consistently increase their profits.

Insurance companies remain also an overweight as both valuations and dividend pay-outs are attractive and continue to favour the sector. On an individual stock basis, companies such as Accelleron and Swissquote remain among our favourites. After the recent setback, Ypsomed is also back on our watch list.

## **Related Portfolio Managers**

### **Eric Chassot**



11/84 [inEquity - Switzerland](#)(Performance over 3 years)

**Average total return:**

**4.95%**

### **Andreas Degen**



7/84 [inEquity - Switzerland](#)(Performance over 3 years)

**Average total return:**

**6.45%**

### **Mac Sub**



2/84 [inEquity - Switzerland](#)(Performance over 3 years)

**Average total return:**

**16.02%**

### **Stefan**



11/84 [inEquity - Switzerland](#)(Performance over 3 years)

**Average total return:**

**4.95%**

### **Nicolas Peter**





8/84 [inEquity - Switzerland](#)(Performance over 3 years)

**Average total return:**

**6.28%**