



Reichmuth Dividendenselektion Schweiz - P

H2 2024

YTD **+9.8%**

Declining Swiss Policy Rates

The persistently challenging economic environment in Europe has also impacted the Swiss economy. Nevertheless, a recessionary scenario is not expected in Switzerland. According to the Swiss Economic Institute KOF, GDP is projected to grow by 1.4% in 2025, following a 0.9% increase in 2024. Inflation has decreased more sharply than anticipated in recent months and is now below 1% in Switzerland. This, combined with the strong appreciation pressure on the Swiss franc, led the SNB in December to lower its policy rate by an additional 50 basis points to just 0.5%.

A Challenging Second Half

The Swiss equity market saw a pleasing rise in the first half of the year. However, in the second half, particularly after Trump's election, stock prices in Europe and Switzerland came under pressure. Despite this, Switzerland is less likely to be significantly impacted by protectionist measures, thanks to its nearly balanced trade relationship with the U.S. Over the full year, the Swiss equity market SPI gained 6.2%. Our selection achieved an even more increase of 9.8%.

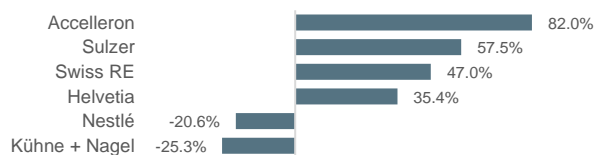
Financial Companies Gained Ground

The top-performing stock in our portfolio was Accelleron, with a gain of over 80%. The company is the global leader in turbochargers for the maritime industry, developing, manufacturing, and servicing these systems worldwide to improve fuel efficiency and reduce emissions. We are also impressed by its shareholder-friendly dividend policy. However, after the sharp price increase, much of the positive outlook is

now priced in, prompting us to slightly reduce the position size. Financial and insurance companies, such as Helvetia, Swiss Re, and Julius Baer, also performed well. Julius Baer, in particular, impressed with strong net new money growth and substantial investments in digitalization and efficiency improvements. Its 4.7% dividend yield is attractive and further enhanced by share buybacks.

Nestlé Faces a Weak Year

On the negative side, Nestlé saw its share price decline by more than 20% over the year. However, we consider its adjusted medium-term targets to be highly achievable, and the valuation discount relative to its peers has become substantial. The investment case is further supported by an attractive dividend yield exceeding 4%. Notably, since the introduction of its registered share in 1959, the company has never reduced its dividend and has increased it for 29 consecutive years.



(selected Performance in 2024)

Attractive Swiss Dividend Stocks

Given the increased likelihood of a return to negative interest rates in Switzerland, carefully selected Swiss dividend stocks with solid balance sheets, promising business models, and stable dividends remain attractive for income-oriented investors in 2025.

Marc Strub,
Portfoliomanager



BEST MANAGER: EQUITY - SWITZERLAND
Marc Strub
Reichmuth & Co Privatbankiers

Legal notice and disclaimer

This publication is a communication addressed to investors which draws their attention to certain financial services and financial instruments and is therefore deemed to be advertising within the meaning of Art. 68 FinSA (Financial Services Act) and Art. 95 FinSO (Financial Services Ordinance).

Only the binding documents of the investment and the third-party provider are authoritative for the assessment of the suitability and appropriateness of the described investment for the client. These generally comprise the current prospectus (or equivalent document), the applicable subscription form, the basic information sheet (or equivalent document) and other documents where applicable. Reichmuth & Co. (hereinafter referred to as the "Bank") provides these documents for the client before the investment decision is made. The fact sheet assists in assessing the suitability and appropriateness of an investment for the client. The information that it contains is for information purposes only. They do not constitute an offer or a solicitation to buy or sell products, nor a recommendation to engage in other transactions or to conclude any legal transaction. It is expressly stated that no advice is given in this fact sheet. The information is also not intended as an aid to making decisions about legal, tax, economic or other questions. Before making a decision based on the information in this fact sheet, please consult a qualified specialist at the Bank. Investments are subject to risks, including the potential loss of the invested capital. The price, value and returns of investments are subject to fluctuations, i.e. they can fall as well as rise. Investments in foreign currencies are subject to additional currency risk, i.e. the performance of such investments depends on the volatility of the foreign currency. The risks are described in detail in the current product documents, which must be read carefully before investing in products. Neither the Bank nor its contractual partners accept liability for any losses. Positive performance in the past is no guarantee of positive performance in the future. This means that there is no guarantee that the value of the fund units held will equal the originally invested capital when withdrawn. The information does not take into account either the specific or future investment objectives, the fiscal or financial situation or the individual needs of the particular recipient. It does not replace expert advice needed prior to making any investment decision, particularly in respect of all the associated risks. The information in this fact sheet is provided without any guarantee or commitment whatsoever and is made available to the recipient for informational purposes only and solely for his or her personal use. The Bank accepts no responsibility and provides no guarantee that the information in this document is error-free.

