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Insights from 125 years of investment experience

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The “UBS Global Investment Returns Yearbook 2025” draws on 125 years of market performance data across major asset classes to offer a wealth of insights and advice for investors, including those in Switzerland.

A better understanding of financial history offers Swiss investors valuable lessons that can influence future investment behavior. The [“UBS Global Investment Returns Yearbook 2025”](#) shows the market performance of the last 125 years for various asset classes. It helps to better understand current challenges such as market concentration, returns, drawdowns, correlations and changing inflation and interest rate dynamics. Here are our ten most important insights:

1. The composition of markets can change significantly. At the beginning of the 20th century, railways dominated with over fifty percent; today energy, technology and healthcare are among the largest industries. Investors with a Swiss focus are currently underweight technology and should consider further shifts.
2. Since 1900, annualized returns for US equities have been 9.7%. The analysis shows that equities were the best performing asset class everywhere, which supports the law of risk and return.
3. In contrast, the performance of government bonds was modest. The average annualized real return across 21 countries was 0.9%. This shows the need to look at long periods of time. In Switzerland, the average annualized real return on Confederation bonds was slightly higher at just over 2% thanks to low inflation, but nowhere near the level of equities.
4. Investors should not expect a shock-free ride. The real return on US equities was impressive on average, but the range of outcomes was large. This reminds us to remain calm during sell-off phases.
5. Patience was crucial. Drawdowns can vary in duration and severity. A full recovery usually takes a few years.

6. Diversification across multiple asset classes helped control volatility. In the long term, a portfolio of 60% US equities and 40% USD bonds achieved an annualized return of 5.1% with a volatility of 13.4%.
7. There are compelling reasons for diversification in equities, especially as the concentration of the ten largest companies has risen to the highest level since 1933.
8. Inflation is also an important consideration in long-term returns. Real bond yields are lower when inflation is higher. Equities perform particularly well in real terms when inflation is low.
9. Gold and commodities can play a role in protecting against inflation. Gold has a positive correlation with inflation, but has also been volatile and had a rather low long-term return. This is especially true for Swiss franc investors, who also have to take into account the long-term depreciation of the US dollar against the Swiss franc.
10. The so-called "investment factors" have delivered outperformance over the long term. Size, value, income, momentum and volatility will continue to have an important influence on portfolio returns.

Let me conclude by mentioning that there are other asset classes for which only shorter time series are available for analysis. These include private market investments (e.g., private equity), which are also likely to deliver very attractive returns over long periods. This brings me back to what is probably the most important insight: diversify across as many asset classes, regions and sectors as possible.

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