Make more of your money – here’s how

A guide for new investors

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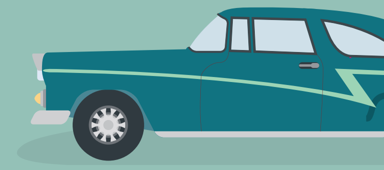
Realize your dreams faster

Investing money profitably – here's how

The average Swiss household saves around CHF 15,000 per year. Many people want to use this money to realize their lifelong dream – be it their own home, a trip around the world, or their dream boat. But there is saving – and then there is growing your money. A historical comparison shows that those who have invested their assets over the last 30 years have made more out of their own money.

The historical comparison:

Historically, long-term investments in equities or bonds offer higher potential returns.



Dreams, wishes, goals – the basis for successful investing

Have you been thinking lately about what you want to achieve? Do you know what you are saving for and how you can invest your money wisely? Start shaping your future today: Clear goals are the key to financial security and growth.

Imagine how you could:

- ☐ take early retirement at 55
- ☐ travel the world with the love of your life
- ☐ spend the winter months in the south of France
- ☐ take a grand tour in a vintage car
- ☐ fulfill your very own personal dream

How do I invest my money?

Start with a strategy

Once you know your financial goals, you need the right strategy. This is the only way to also achieve these goals. Take your time and go through the following questions. The answers will provide the cornerstones of your personal investment strategy.

Questions for the right plan
Your investment strategy:

1. Time frame:

By when do I want to have achieved my financial goal? For how long do I want to invest my money?

2. Risk/security:

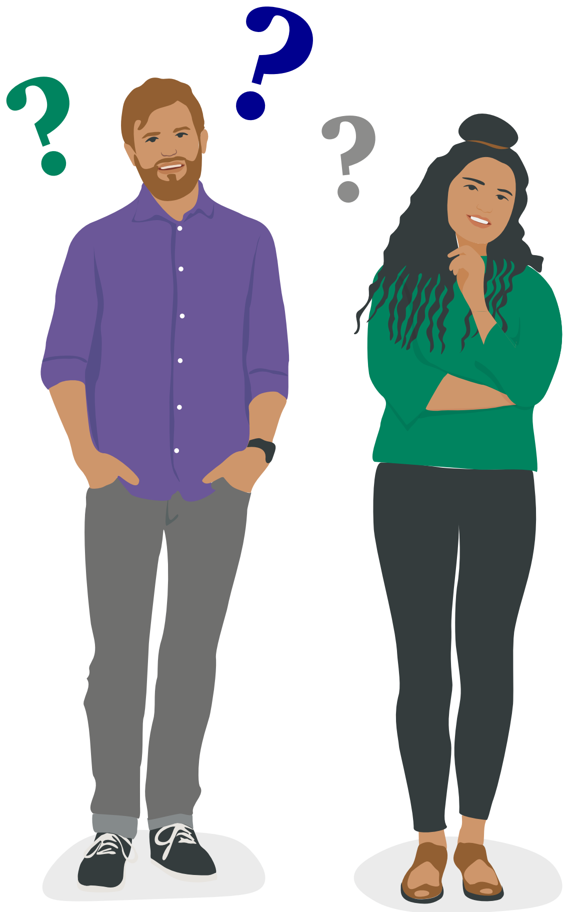
How much risk do I want to take on? How well can I cope with potential volatility?

3. Availability

Is it important for me to be able to access the money again at any time? Do I need regular payouts from my investments?

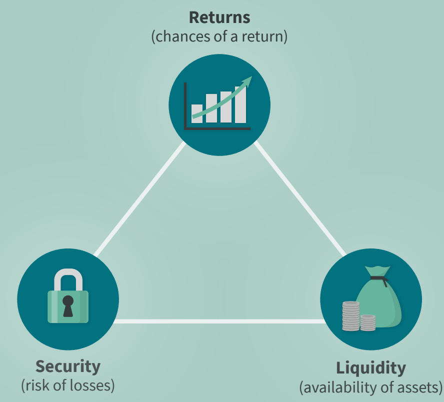
4. Capital

How much money can I already invest today? How much can I invest on a regular basis?



Your need for security, your time horizon, and your requirements regarding the availability of your assets influence the choice of investments that are right for you.

The magic triangle of investing



An investment is always a compromise between:

- **Liquidity:** The ability to access your money quickly
- **Security:** Protection against potential financial losses
- **Return:** Opportunities for expected returns

When investing money, only two of these three goals can be achieved at the same time. Two examples:

- A **low level of risk and high availability** mean **low potential returns** (e.g. savings account).
- **High potential returns with low risk** mean that the **investment is not readily available** (e. g. real estate).

Investing always involves a certain amount of risk

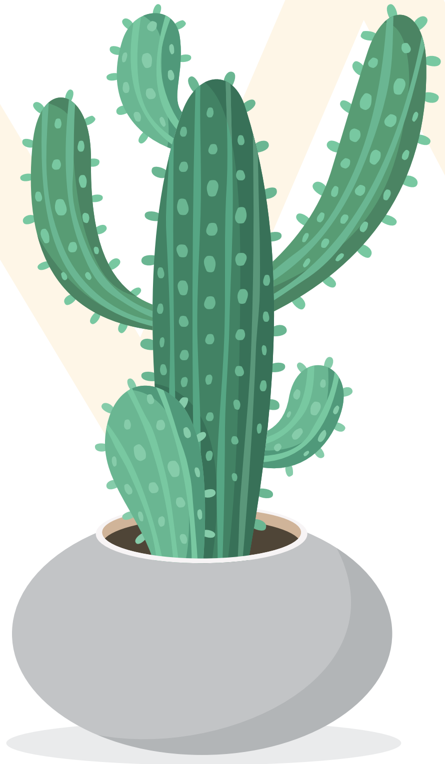
There is no guarantee that you will achieve your financial goals.
But if you understand the basic risks, you can make informed decisions and create a smart investment strategy.

These are the risks:

Market risk
The value of your investments may rise or fall due to market fluctuations.
Example: Stock prices can suddenly fall, or the value of bonds can be negatively affected by rising interest rates.

Inflation risk
If inflation is higher than the return on your investments, your money loses purchasing power. You will be able to afford less with the same amount of money in the future.

Credit risk
A company or institution that has issued a bond gets into financial difficulties and can no longer repay the interest and the loan.



Liquidity risk
Not every investment can be quickly converted into cash.
Example: When selling a property, it can take weeks or months for the proceeds to appear in your account.

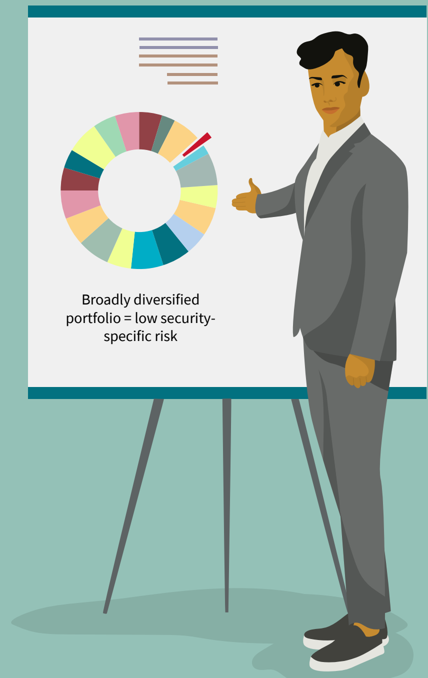
Behavioral risk
Emotions such as fear and greed can lead to ill-considered decisions such as risky purchases or panic sales.
Tip: Take your time when making decisions and seek advice.

Concentration risk
Investing all of your assets in a single form of investment or a single company is a high-risk strategy.
Example: If the value of this investment or company falls sharply, this can lead to significant losses.

TIP

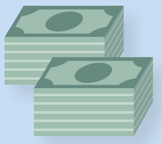
Stay calm, get all the information you need, and diversify your portfolio.

You can read about how to do this in the section “Diversification of financial investments.”



The main asset classes and their characteristics

What is an asset class? You can buy gold, purchase real estate, lend money at interest, or subscribe to equities. These different categories of assets are called asset classes. Each “class” has its own risks, return opportunities, and other specific characteristics.

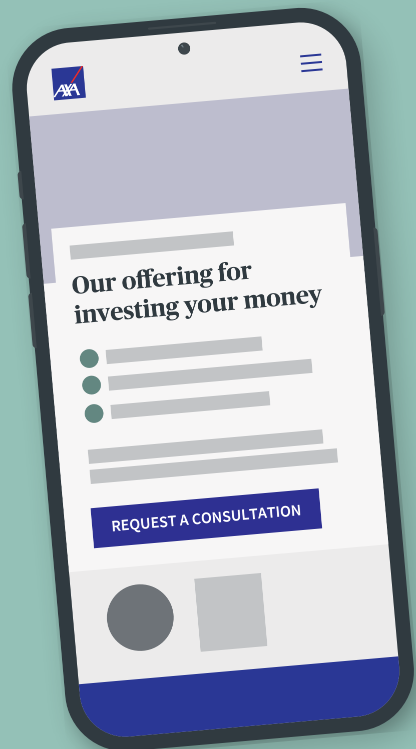
Money	Bonds	Equities	Real estate	Alternative investments
				
This asset class includes cash and balances in savings and checking accounts. Money is one of the safest investments. It is readily available, but yields little return due to low interest rates. Inflation can even cause your money to lose value.	Bonds are interest-bearing securities with a fixed term. You lend your money to a company or government and receive interest in return. Bonds do not promise very high returns, but they do offer lower risk than equities, for example.	Equities are shares in a company that are traded on the stock exchange. Shareholders can benefit from the company’s performance, for example in the form of capital gains or dividends. Equities offer high return opportunities, but also entail more risk. Their value can fluctuate greatly depending on company and market performance.	You buy a commercial or residential building or acquire equities in real estate companies. Earnings opportunities arise from rental income and the potential for appreciation. Real estate often requires high initial investments and can usually only be sold slowly.	This asset class includes investments in commodities, art, cryptocurrencies, or other instruments such as hedge funds and private equity. Alternative investments allow you to invest outside the traditional markets and achieve attractive returns. They open up exciting opportunities for investors who are willing to take risks. However, they are often less transparent and liquid.
Asset class in the magic triangle				
Liquidity ●●● Security ●●● Return ○○○	Liquidity ●●○ Security ●●○ Return ●○○	Liquidity ●●○ Security ●○○ Return ●●○	Liquidity ○○○ Security ●●○ Return ●●○	Liquidity ●○○ Security ●○○ Return ●●○

Sustainable investing

Achieve not only financial returns, but also positive impacts on the environment, society, and corporate governance.

You can achieve this by investing your assets sustainably.

Find out more at
AXA.ch/sustainable-investments



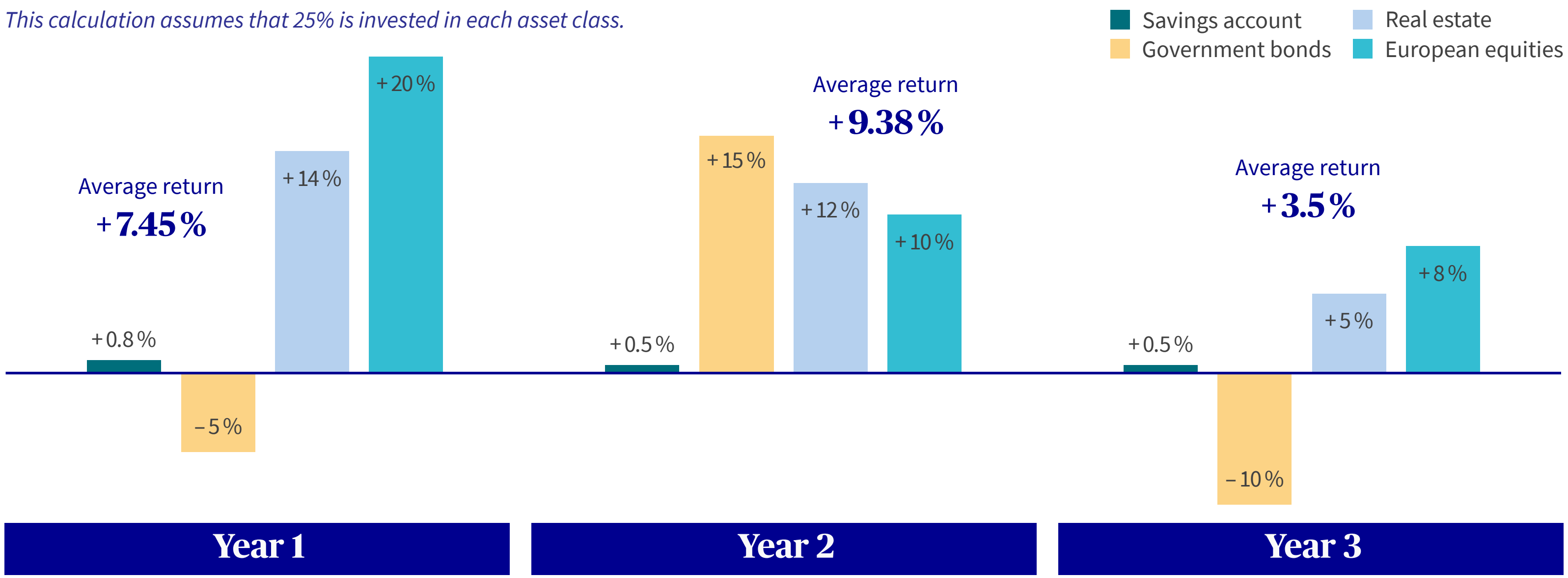
Minimize risk through diversification

Diversification is an important concept in the world of investing. Diversified investments can minimize the risk of your investment portfolio while still generating profits.

Minimize risk
Investing in the equities of a single company or a few companies in the same industry carries both a high individual risk and a high market risk. That is why you should spread your investments widely. For example, by investing in different companies from different industries and investing your money in other asset classes. That is diversification.

Balancing fluctuations over the years
The aim of diversification is to create a portfolio of investments and asset classes that do not behave in the same way. While certain investments in one class may lose value in a given year, other asset classes may move in a different direction. This balances out the highs and lows. A diversified portfolio ensures that fluctuations are cushioned over the years and more consistent returns are achieved.

This calculation assumes that 25% is invested in each asset class.



Outsource diversification

A fund allows you to easily invest in a diversified portfolio – even with smaller amounts.

Funds explained
A fund is a kind of "pot" that collects money from many investors. This money is invested in various assets, making it possible to invest in a diversified portfolio with small amounts.

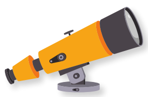
Fund categories
- **Equity funds:** Contain various stocks, often with a focus on specific themes, regions, or industries.
- **Bond funds:** Contain government and/or corporate bonds.
- **Real estate funds:** Contain various shares in real estate companies, land, real estate, or other real estate funds.
- **Mixed funds:** Invest in various asset classes such as equities, bonds, and real estate.

Active or passive management
Funds are actively managed by fund managers or passively track a market index such as the SMI. Both types charge fees, with actively managed funds usually charging higher fees.

Success factors of a good investment strategy

In addition to diversification, patience, and regular investments are key to a successful investment strategy. This allows you to put your money to work for you thanks to compound interest and the average cost effect.

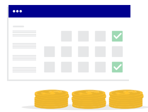
1. Long term



Markets are constantly in flux. There are also times when prices fall. However, those who remain patient and invest for the long term will overcome crises and benefit from price gains and any regular profit sharing (dividends).

Our tip: Invest for the long term. The longer your investment horizon, the better your chances of achieving an attractive return.

2. Frequency



Do I have enough money? Will prices fall again tomorrow? What if I need the money tomorrow? Hurdles like these deter many people from investing. A simple remedy is to invest regularly. This reduces your risk in the event of market fluctuations and allows you to benefit from the average cost effect (see info box). And you can get used to investing in small steps.

Our tip: Set a fixed amount and frequency with which you will invest over a certain period of time.

3. Compound interest effect

The compound interest effect ensures that long-term financial investments can grow disproportionately. This happens when the annual interest on a financial investment is reinvested. Then, in the following year, interest is earned on this interest – i.e. compound interest. This means that the return increases steadily. The effect is particularly strong over a very long time horizon and with a growing amount of money.

Our tip: Follow tips 1 and 2 and stick with it.

Average cost effect

Those who invest smaller amounts on a regular basis can benefit from the average cost effect. This leads to more consistent returns, as you buy more shares when prices are low and fewer shares when prices are high. In the long term, you therefore buy at the average price, thereby offsetting price fluctuations.

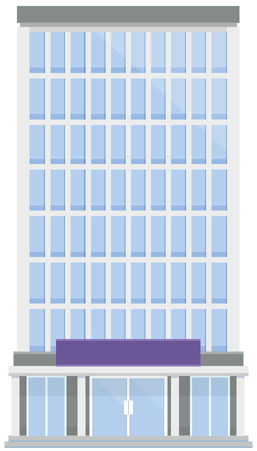
Insurance company or bank: Where should I invest my money?

If you want to invest money, you don't have to do it at a bank. Insurance companies offer investment options that combine the advantages of banks and insurance.

Here is an overview of the two options:

Insurance company
Investment solutions offered by insurance companies are particularly popular for retirement provision, especially pillar 3a. More and more insurance companies are offering additional investment products.

Investing with an insurance company:
- The insurance company handles the trading and management of the investments.
- Clear selection of investment options.
- Often geared toward retirement planning.
- In the event of the insurance company's bankruptcy, 100% of the security deposit is legally protected.
- Tax advantages depending on the inves ment product.



Bank
Banks cover traditional investment options: from equities, funds, and fixed-term deposits to complex financial market products.

Investing with a bank:
- Your own securities account and the option to trade investments yourself.
- Wide variety of investment options.
- Rather high barrier to entry due to the high complexity associated with the independent trading of financial investments.
- Generally no investment products with insurance coverage.

Combine security and wealth accumulation

At AXA, you have the opportunity to build up your assets in a targeted manner while benefiting from security options.

SmartFlex capital plan
The SmartFlex capital plan combines income opportunities with safety capital.

This offers advantages that you would not have with a bank.

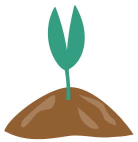
This includes:
- **Tax advantages:** No income tax on dividends and interest
- **Asset protection:** Protection in the event of debt enforcement or bankruptcy
- **Investment management:** Staggered investment of the deposit reduces the investment risk (average cost effect).
- **Flexibility:** For example, when choosing the investment focus.

Combine returns with insurance protection.
AXA.ch/capital-plan

Step-by-step guide

How to invest your money successfully

Returns, equities, funds, compound interest – investing money can quickly seem complex. However, if you leave your money in a savings account, you run the risk of losing value. By following the steps below, you too can make more of your money.

1. 

The starting point: Define your goals

What are you saving for? What dreams do you want to realize with your assets?

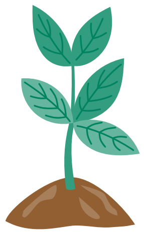
These questions are the starting point for successful investing. After all, only those who have a clear goal in mind will remain motivated in the long term and consistently pursue their investment strategy.

2. 

The reason: Define a strategy

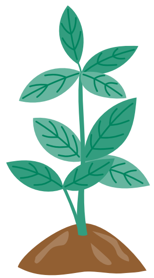
Decide how long and how much money you want to invest. Also consider how well you can cope with potential losses or fluctuations in value and whether there is a possibility that you may need to access the money prematurely.

Together with your goals, this will determine your investment strategy.

3. 

The path: Select the right investment

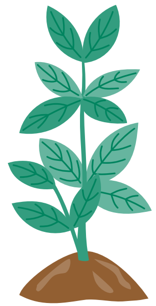
Your investment strategy, in particular your risk capacity and risk tolerance, your return expectations, and your requirements regarding the availability of the money, determine which asset classes and investments are appropriate for you.

4. 

The context: Diversify!

Diversify your investment both within an asset class and across different asset classes. This will better protect you against fluctuations.

With a fund, you can invest your money easily and directly in a diversified manner – even with small amounts.

5. 

The success: Keep at it

Invest a fixed amount regularly over the long term. This will help you overcome temporary market crises, offset costs, and benefit from the compound interest effect over time.

It also means you don't have to wait until you have the perfect starting amount to invest your money.

Investing and planning for retirement

Investments play a crucial role in ensuring a worry-free retirement. Planning for retirement together with an expert lays the foundation for your financial success.

Arrange a free, no-obligation consultation with AXA.

This brochure will help you prepare for the consultation. Write down your questions, goals, and concerns.

Our advisors will work with you to find suitable investment opportunities to help you achieve your financial goals and wishes for retirement.

All you have to do then is sit back and let your money work for you!

We help you step by step.

Arrange a free, no-obligation consultation.
AXA.ch/pensions-consultation

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