

Newsletter

Cash

Q3 2025

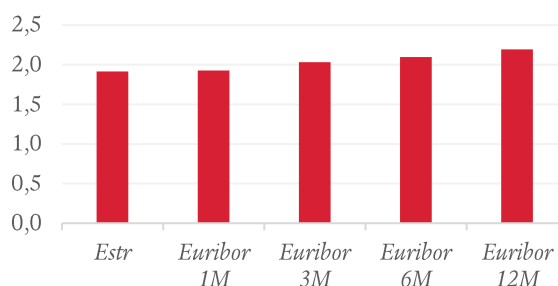
In an economic environment that remains uncertain, the third quarter closed on a resilient note for money markets. The European Central Bank paused its easing cycle, keeping rates unchanged, while short-term yields remained attractive with low volatility. Across the Atlantic, amid a weakening labor market, the Federal Reserve cut its key interest rates by 25 basis points during its September meeting.

Highlights of the quarter

Rates

In an environment still marked by significant uncertainty, short-term rates continue to stand out for their low volatility and attractive yield levels. The European Central Bank paused its monetary policy, easing cycle by keeping its key rates unchanged. This decision resulted in stable reference rates: €STR settled at 1.92%, and 3-month Euribor closed at 2.03%.

Money market rates below 12 months



Source: Swiss Life Asset Managers as of 30/09/2025

Central banks

After eight consecutive cuts to its key interest rates, the European Central Bank paused in the third quarter, leaving rates unchanged. The deposit rate remains at 2.00%. In contrast, the Fed resumed its monetary policy easing by lowering its benchmark rate by 25 bps. This decision comes amid a deteriorating labor market and slowing growth prospects.

Expectations

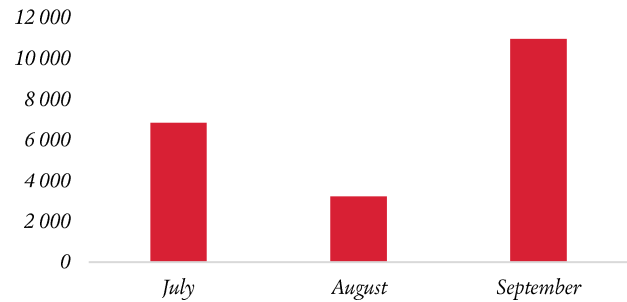
In Europe, given the stability of inflation expectations, the market no longer anticipates any rate cuts over the next 12 months. The slowdown in growth momentum does not seem to worry investors. Across the Atlantic, the repercussions of the Trump administration's decisions are gradually taking shape. In this context, the market expects the Federal Reserve to maintain its accommodative policy stance.

Disclaimer: Source: Swiss Life Asset Managers France, Bloomberg. This presentation contains historical market data. Historical market trends are not a reliable indicator of future market behavior. These data are provided for illustrative purposes only. Depending on the date of publication, the information presented may differ from the updated data.

Primary market

As expected, activity remained subdued during the summer period. The market gradually reopened at the end of the season amid political uncertainty in France. Some French issuers anticipated their financing needs ahead of the fall of the Bayrou government. In the context of historically tight *spreads*, issuance volumes increased compared to the third quarter of the previous year.

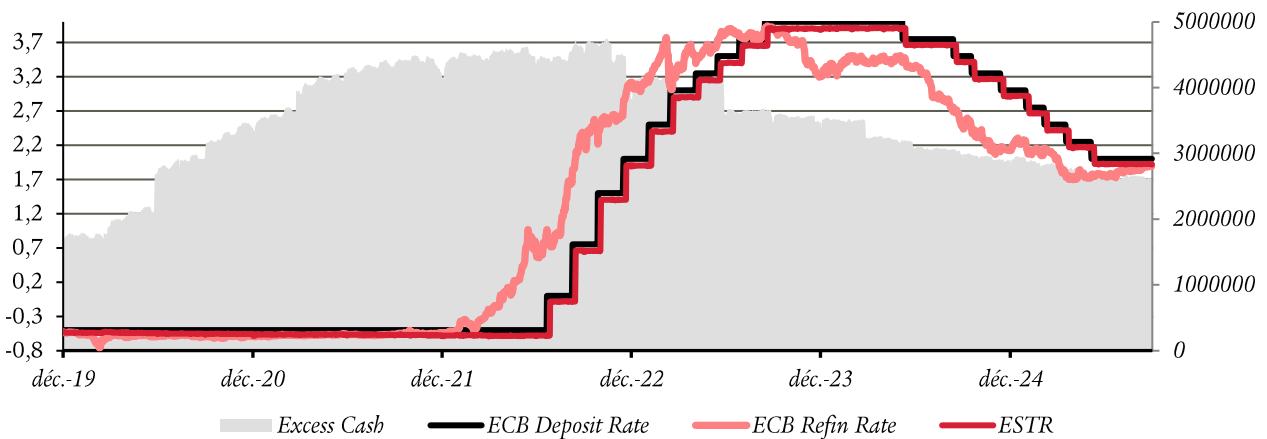
Issue volume (millions)



Source: Swiss Life Asset Managers as of 30/09/2025

Eonia + surplus liquidity

Central Bank Indicators



Source: Swiss Life Asset Managers as of 30/09/2025



Our strategy

« Amid central banks' wait-and-see stance and political uncertainties, the money market has emerged as a safe haven combining stability and attractive returns ».

Albane Desjardins

Portfolio Manager, Investment Grade

- The ECB has paused its easing cycle, allowing short-term rates to maintain attractive yield levels. This elevated level enabled us to invest at favorable rates while prudently managing portfolio sensitivity.
- Some issuers adjusted their financing conditions by improving their *spreads* by a few basis points. We seized these opportunities to strengthen portfolio diversification.
- As year-end approaches, we are maintaining a significant liquidity buffer and a range of short maturities to meet investors' cash needs.

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About Swiss Life Asset Managers

Swiss Life Asset Managers has more than 165 years of experience in managing the assets of the Swiss Life Group. This insurance background has exerted a key influence on the investment philosophy of Swiss Life Asset Managers, which is governed by such principles as value preservation, the generation of consistent and sustainable performance and a responsible approach to risks. Swiss Life Asset Managers offers this proven approach to third-party clients in Switzerland, France, Germany, Luxembourg, the UK, Italy and the Nordic countries.

As at 31 December 2024 assets under management for third-party clients amount to EUR 132.7 billion. Together with insurance assets for the Swiss Life Group, total assets under management at Swiss Life Asset Managers stood at EUR 289.9 billion. Swiss Life Asset Managers is a leading institutional real estate investor in Europe¹. Of the assets totalling EUR 289.9 billion, EUR 93.4 billion is invested in real estate. In addition, Swiss Life Asset Managers, in cooperation with Livit, manages real estate totalling EUR 22.1 billion in value. Total real estate assets under management and administration at the end of December 2024 thus came to EUR 115.4 billion.

Swiss Life Asset Managers employs more than 2300 people in Europe.

A financially self-determined life

Swiss Life enables people to lead a financially self-determined life and look to the future with confidence. Swiss Life Asset Managers pursues the same goal: We think long-term and act responsibly. We use our knowledge and experience to develop future-oriented investment solutions. This is how we support our customers in achieving their long-term investment objectives, which in turn also take account of their client's needs so they can plan their future in a financially self-determined manner.

¹ #2 IPE Top 150 Real Estate Investment Managers 2024 Ranking Europe, #2 INREV Fund Manager Survey 2024
Swiss Life Asset Managers data at 30.06.2025

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Find all our publications on:
www.swisslife-am.com

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