

# Profond



## Financial Report 2020

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# Balance Sheet

	Notes	31.12.2020	31.12.2019
	No.	CHF	CHF
<b>Assets</b>			
<b>Investments</b>	6.4	<b>9 837 978 425</b>	<b>9 108 865 305</b>
<b>Other assets</b>			
Receivables from employers		22 176 178	23 575 804
Other receivables		21 785 355	24 745 339
<b>Total other assets</b>	7.2	<b>43 961 533</b>	<b>48 321 143</b>
<b>Accrued income and prepaid expenses</b>		<b>380 496</b>	<b>337 504</b>
<b>Total assets</b>		<b>9 882 320 454</b>	<b>9 157 523 952</b>
<b>Liabilities</b>			
<b>Liabilities</b>			
Termination benefits and pensions		200 636 768	187 159 021
Other liabilities		11 903 036	9 786 915
<b>Total liabilities</b>	7.3	<b>212 539 804</b>	<b>196 945 936</b>
<b>Deferred income and accrued expenses</b>		<b>1 763 153</b>	<b>444 001</b>
<b>Employer-paid contribution reserve</b>	6.7.4	<b>66 738 700</b>	<b>72 412 216</b>
<b>Non-technical reserves</b>	7.4	<b>2 060 000</b>	<b>2 940 250</b>
<b>Pension capital and technical reserves</b>			
Actively contributing members' pension capital	5.3	5 364 338 214	4 836 889 521
Pensioners' pension capital	5.5	2 968 270 564	2 794 006 645
Technical reserves	5.6	398 539 609	311 958 247
Separate free capital for pension funds	5.10	28 959 795	35 451 593
<b>Total pension capital and technical reserves</b>		<b>8 760 108 182</b>	<b>7 978 306 006</b>
<b>Value fluctuation reserve</b>	6.3	<b>839 110 615</b>	<b>906 475 543</b>
<b>Total liabilities</b>		<b>9 882 320 454</b>	<b>9 157 523 952</b>

# Operative account

	Notes	2020	2019
	No.	CHF	CHF
Employee contributions	7.1	189 177 092	171 161 584
Employer contributions	7.1	253 092 220	232 473 630
Withdrawal from employer-paid contribution reserve to finance contributions	6.7.4	- 19 410 138	- 8 746 598
Financing by BVG Security Fund subsidies		- 2 447 815	- 2 129 455
One-time payments and purchase amounts		70 184 689	58 408 038
Transfers to employer-paid contribution reserve	6.7.4	15 482 595	16 992 498
Security Fund subsidies		2 447 815	2 129 455
<b>Ordinary and other contributions and transfers-in</b>		<b>508 526 459</b>	<b>470 289 152</b>
Termination benefit transfers	5.3	419 366 473	468 586 490
Reimbursements of early withdrawals for home ownership promotion/divorce	5.3	6 329 577	6 819 005
Transfers following take-over of insured persons	7.7	432 155 711	547 744 282
<b>Entry benefits</b>		<b>857 851 761</b>	<b>1 023 149 777</b>
<b>Inflow from contributions and entry benefits</b>		<b>1 366 378 219</b>	<b>1 493 438 929</b>
Retirement pensions		- 168 410 843	- 161 310 783
Survivors' pensions		- 27 693 284	- 26 724 844
Disability allowances		- 18 064 436	- 17 484 105
Divorce pensions		- 148 260	- 133 477
Lump-sum payments on retirement		- 78 516 566	- 90 402 403
Lump-sum payments on death or disability		- 8 424 708	- 11 385 344
Use of free capital and employer contribution reserve		- 32 519 722	- 9 101 223
<b>Regulatory benefits</b>		<b>- 333 777 819</b>	<b>- 316 542 179</b>
<b>Non-regulatory benefits</b>		<b>0</b>	<b>0</b>
Termination benefits for leavers	5.3	- 508 843 531	- 503 910 546
Transfer of additional funds in case of collective termination	7.8	- 33 903 798	- 22 877 471
Early withdrawals for home ownership promotion/divorce	5.3	- 23 678 258	- 17 001 774
<b>Termination benefits</b>		<b>- 566 425 587</b>	<b>- 543 789 791</b>
<b>Outflow for benefits and early withdrawals</b>		<b>- 900 203 406</b>	<b>- 860 331 970</b>
Decrease (+)/increase (-) in actively contributing members' pension capital		- 436 939 172	- 567 775 988
Decrease (+)/increase (-) in pensioners' pension capital		- 174 263 919	- 174 877 753
Decrease (+)/increase (-) in technical reserves		- 86 581 362	- 63 206 919
Interest on retirement savings capital		- 90 509 521	- 155 337 203
Decrease (+)/increase (-) in contribution reserves		5 673 516	- 8 139 365
Decrease (+)/increase (-) of free capital for pension funds		6 491 798	2 793 320
<b>Decreases (+)/increases (-) in pension capital, technical reserves and contribution reserves</b>		<b>- 776 128 660</b>	<b>- 966 543 908</b>

	Notes	2020	2019
	No.	CHF	CHF
Insurance benefits		2 417 579	3 312 101
<b>Income from insurance benefits</b>		<b>2 417 579</b>	<b>3 312 101</b>
Insurance premiums		0	- 110 523
Contributions to Security Fund		- 2 600 972	- 2 395 803
<b>Insurance cost</b>		<b>- 2 600 972</b>	<b>- 2 506 326</b>
<b>Net result of insurance activities</b>		<b>- 310 137 239</b>	<b>- 332 631 175</b>
Income from capital investments		301 429 084	1 083 172 926
Investment administration expenses		- 36 078 368	- 29 178 685
<b>Net return on investments</b>	6.7	<b>265 350 716</b>	<b>1 053 994 241</b>
<b>Other income</b>	7.9	<b>375 089</b>	<b>312 153</b>
General administration		- 14 554 273	- 12 556 536
Marketing and advertising		- 2 789 837	- 2 813 629
Agents and brokerage		- 5 354 548	- 4 712 716
Auditor and occupational pension expert		- 146 059	- 140 166
Supervisory authorities		- 108 776	- 72 207
<b>Administration expenses</b>	7.6	<b>- 22 953 493</b>	<b>- 20 295 254</b>
<b>Income surplus (+) / expense surplus (-) before adding to or releasing from value fluctuation reserve</b>		<b>- 67 364 928</b>	<b>701 379 965</b>
Decrease (+) / increase (-) in value fluctuation reserve	6.3	67 364 928	- 701 379 965
<b>Income surplus (+) / expense surplus (-)</b>		<b>0</b>	<b>0</b>

# Notes

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## 1. General information and organisation

### 1.1 Legal form and objectives

Profond Pension Fund is a foundation within the meaning of Art. 80 ff. ZGB, Art. 331 OR and Art. 48 (2) BVG. The purpose of the Foundation is to administer the occupational pension within the framework of the BVG and also to counter the economic consequences of old age, death and disability as well as those in special emergencies caused by illness, accident or unemployment.

### 1.2 BVG registration and registration with the Security Fund

The Foundation is entered in the register of occupational pension funds of the Canton of Zurich under reference number ZH 1227 and is affiliated with the Security Fund.

### 1.3 Plan statutes and regulations

Foundation deed	of 24.08.2017
Organisational Regulations	of 01.01.2020
Pension Fund Regulations	of 01.01.2020
Partial Liquidation Regulations	of 31.12.2019
Investment Regulations	of 01.11.2018
Regulations on the Formation of Provisions and Reserves	of 01.01.2020

### 1.4 Supreme body, management and authorised signatories

Foundation Board – Employer Representatives	Position	Term of office
Bodmer Peter E. (from 1.8.2020 and President since 1.7.2019)	President	2020 to 2024
Goetschmann Frédéric E. (from 1.8.2020)	Member	2020 to 2024
Mrose Beda (until 31.7.2020)	Member	2017 to 2020
Murer-Chevalier Werner	Vice-President	2015 to 2024
Schelling Stephan	Member	2019 to 2024

Theilacker Willy, until July 2020 Member, since August 2020 Assessor/Participant in an advisory capacity.

Foundation Board – Employee Representatives	Position	Term of office
Bitterli Brigitte (from 1.8.2020)	Member	2020 to 2024
Bodmer Peter E. (until 31.7.2020 and President since 1.7.2019)	President	2017 to 2020
Goetschmann Frédéric E. (until 31.7.2020)	Member	2016 to 2020
Mazouer Denis (until 31.7.2020)	Member	2016 to 2020
Nitz Bernhard (from 1.8.2020)	Member	2020 to 2024
Platz Aldo	Member	2008 to 2024
Stohler Dieter (from 1.8.2020)	Vice President	2020 to 2024

**Executive Board**

Borrmann Gerold (until June 2020)  
de Capitani Petra (from May 2020)

Häberli Andreas  
Immler Marco (from May 2020)  
Nowacki Robert (from May 2020)  
Schlaefli Laurent  
Schmidt Svenja

**Position**

Head of Finance and Administration  
Head of Human Resources and  
Internal Services  
Investment Director  
Head of Innovation and Technology  
Head of Market Management  
Chief Executive Officer  
Head of Pension Services,  
Deputy Chief Executive Officer

All members of the Foundation Board and members of the Executive Board are authorised to sign jointly with a minimum of two signatures.

**Remuneration Committee**

Bodmer Peter E.  
Murer-Chevalier Werner  
Stohler Dieter (from August 2020)

**Position**

Member  
Chair  
Member

Theilacker Willy, until July 2020 Member, until December 2020 Assessor/Participant in an advisory capacity.

**Investment Committee**

Bodmer Peter E.  
Gysin Franz  
Häberli Andreas (until July 2020 Chair)  
Schelling Stephan (until July 2020 Member)

**Position**

Member  
Member  
Member  
Chair

**Management Committee**

Bodmer Peter E. (until July 2020 Member)  
Murer-Chevalier Werner  
Schlaefli Laurent (until July 2020 Chair)  
Stohler Dieter (from October 2020)

**Position**

Chair  
Member  
Member  
Member

Theilacker Willy, until July 2020 Member, until December 2020 Assessor/Participant in an advisory capacity.

**Risk Committee**

Bitterli Brigitte (from August 2020)  
Häberli Andreas  
Mazouer Denis (Until July 2020)  
Mrose Beda (until July 2020)  
Platz Aldo (until July 2020 Chair)  
Schlaefli Laurent  
Stohler Dieter (from August 2020)

**Position**

Chair  
Member  
Member  
Member  
Member  
Member  
Member

Profond has an internal control system (ICS) and risk management in line with the size and complexity of the pension fund.

**1.5 Experts, auditors,  
advisors, supervisory  
authority**

**Occupational pension expert**

Keller Experten AG, contracting party  
André Tapernoux, graduated mathematician, responsible expert  
Altweg 2  
8500 Frauenfeld

**Auditor**

KPMG AG  
Räffelstrasse 28  
8036 Zürich

**Supervisory authority**

Supervisory Authority for BVG Pensions and Foundations of the Canton of Zurich (BVS)

**1.6 Affiliated employers**

	2020	2019
As of 01.01.	1 999	1 867
New insured persons	227	250
Departures	- 92	- 118
<b>As of 31.12.</b>	<b>2 134</b>	<b>1 999</b>

The departures of 92 affiliated employers were a matter of technical departures, company closures, mergers and terminations.

**1.7 Affiliated companies**

**Directly held majority interests:**

Agro Energie Schwyz AG  
B+B Holding AG  
Profond Investment Foundation  
Profond Finanzgesellschaft AG  
Tekag Holding AG



## 2. Actively contributing members and pensioners

	2020	2019
<b>2.1 Actively contributing members</b>		
As of 01.01.	42 556	36 750
New insured persons	15 847	17 819
Retirements, deaths, disability	- 774	- 702
Departures	- 11 746	- 11 311
<b>As of 31.12.</b>	<b>45 883</b>	<b>42 556</b>

	2020	2019
<b>2.2 Pensioners</b>		
As of 01.01.	9 592	9 135
Actively contributing members taking retirement	847	749
Acquisition of pensioners transferred	84	200
Departures	- 515	- 492
<b>Total number of pensions 31.12.</b>	<b>10 008</b>	<b>9 592</b>

### Breakdown by pension type

	2020	2019
Retirement pensions	6 704	6 312
Spouse's pensions	1 659	1 647
Bridging pensions	43	43
Disability allowances	1 018	953
Children's pensions	571	560
Divorce pensions	13	12
<b>Total number of pensions 31.12.</b>	<b>10 008</b>	<b>9 527</b>

### 3. Implementation of objectives

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#### 3.1 Characteristics of the pension plan

Profond Pension Fund provides both mandatory and supplementary cover. It operates defined contribution plans. The Foundation benefits are described in detail in the Pension Fund Regulations (valid from 1 January 2020) and specified in the pension plan for each affiliated entity.

The benefits are calculated based on the contributed vested termination benefits, deposits, savings credits and interest credits less any early withdrawals for home ownership or divorce payouts. On retirement, the insured persons have the choice of drawing their pension capital as a lifelong retirement pension (2020 conversion rate: 6.4% for men at 65 years old and 6.2% for women at 64 years old) or drawing part or all of it as a lump sum.

The conversion rate is being gradually reduced by 0.2% each year until 2022. As a consequence, the 2022 conversion rate (ordinary retirement age) is 5.8% for women and 6.0% for men.

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#### 3.2 Financing, financing method

The financing is regulated in the Pension Fund Regulations.

The composition and amount of the contributions against the risks of death and disability, the administration costs, and the retirement credits, are regulated in the pension plans of the affiliated companies.

Average contributions are charged to cover administration costs. The risk costs vary by pension fund based on the expected losses. Retirement provision is financed by means of contributions in the amount of the retirement credits.

The Pension Fund Regulations also regulate the purchase and supplementary financing of contribution years, the purchase of salary increases and the pre-financing of bridging benefits.

## 4. Significant accounting policies and valuation methods, consistency

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### 4.1 Statement of compliance with Swiss GAAP FER 26

The balance sheet, operative account and notes to the annual financial statements comply with the professional accounting recommendations of Swiss GAAP FER 26.

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### 4.2 Significant accounting policies and valuation methods

The bookkeeping, accounting and valuation comply with the provisions of the Swiss Code of Obligations and the BVG. The annual financial statements, consisting of the balance sheet, operative account and notes, present the actual financial situation, as required by the occupational pension legislation. In the annual financial statements the assets are valued as follows:

<b>Balance sheet items</b>	<b>Valuation method</b>
Liquidity, term deposits, receivables	Nominal value (less necessary impairment)
Bonds and equities	Market value
Indirect real estate and investment foundations	Net asset value/stock exchange price
Direct real estate	Discounted cash flow method (DCF)
Real estate companies	Capitalised earnings value, net value of the company
Alternative investments (indirect)	Market value/net asset value
Alternative investments (direct)	Fair value
Pension capital and technical reserves	Expert opinion of the pension fund expert

Assets denominated in foreign currencies are translated at the exchange rate on the reporting date, transactions at the respective daily exchange rate.

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### 4.3 Changes in accounting policy, bookkeeping and accounting

No changes were made in the reporting year.

## 5. Actuarial risks/risk benefit coverage/funding ratio

### 5.1 Type of risk benefit coverage, re-insurance

The risks of death, disability and longevity are fully covered by the Foundation.

There is an insurance contract for pension payments.

### 5.2 Comments on assets and liabilities from insurance contracts

There are surrender values of CHF 28 501 694.80 (previous year: CHF 29 618 994.44) from an insurance contract. The pension payments are paid to Profond by the insurance company and paid on to the pensioners.

### 5.3 Development and interest rate of actively contributing members' pension capital

Development of and interest on savings capital	2020	2019
	CHF	CHF
Savings capital at the start of the year	4 836 889 521	4 113 320 868
Plus		
Employee savings contributions	166 201 781	149 769 210
Employee savings contributions (exemption from contributions)	3 746 346	3 916 581
Employer savings contributions	215 559 385	197 324 747
Employer savings contributions (exemption from contributions)	4 672 503	4 580 436
Termination benefit transfers	419 366 473	468 586 490
Termination benefit transfers for new affiliations	397 315 001	499 049 906
One-time payments and purchase amounts	43 512 036	54 480 796
Deposits from the release of uncommitted funds	26 672 653	3 927 242
Reimbursements for early withdrawals for home ownership promotion/divorce	6 329 577	6 819 005
Interest on savings capital	90 509 521	155 782 303
Other credits*	5 165 946	6 547 116
Minus		
Termination benefits for leavers	- 508 843 531	- 503 910 546
Termination benefits from terminated contracts	- 29 809 461	- 22 561 468
Early withdrawals for home ownership promotion/divorce	- 23 678 258	- 17 001 774
Lump-sum payments on retirement/death	- 84 971 759	- 100 166 118
Transfer of retirements with pension benefits	- 200 152 955	- 180 493 951
Transfer to pensioners' pension capital (disability or death)	- 4 146 566	- 3 081 322
<b>Savings capital at the end of the year</b>	<b>5 364 338 214</b>	<b>4 836 889 521</b>

\* This item consists of retroactive changes and corrections.

Due to accruals and interest credits from taking over new affiliations, there are differences to the operative account in respect of interest on savings capital and lump-sum payments on retirement/death.

The Foundation Board decided on an interest rate of 1.75% (previous year: 3.5%) for the retirement assets of actively contributing members.

**5.4 Total retirement assets  
in accordance with BVG**

	2020	2019
	CHF	CHF
Retirement assets in accordance with BVG (sample accounting)	2 809 498 331	2 553 869 335
BVG interest rate	1.00%	1.00%

**5.5 Development of pension  
capital for pensioners**

	2020	2019
	CHF	CHF
Status of pension capital at the start of the year	2 794 006 645	2 619 128 892
Transfer of retirements with pension benefits	200 152 955	180 493 951
Acquisition of pensioners transferred	10 254 532	41 770 733
Payment of pension capital to new pension fund	- 2 486 193	- 307 724
Transfer of pension capital of active members (disability or death)	4 146 566	3 081 322
Pension payments	- 214 316 823	- 205 653 209
Readjustment of technical basis	64 475 740	59 887 599
Adjustment for recalculation of pension capital	112 037 143	95 605 081
<b>Total pensioners' pension capital</b>	<b>2 968 270 564</b>	<b>2 794 006 645</b>

The Foundation Board reviews the granting of a cost of living allowance annually. In light of the lack of uncommitted funds and the environment of historically low inflation that has existed for a prolonged period, the Foundation Board decided not to grant a cost of living allowance on pensions as of 1 January 2021.

**5.6 Composition of, development of and explanation regarding technical reserves**

	2020	2019
	CHF	CHF
Conversion rate reserve for active members	226 291 790	195 322 966
Risk fluctuation reserve for risks of death and disability	51 715 000	49 504 915
Provision for increased life expectancy	84 077 786	65 829 449
Provision for pending and latent pension claims	36 455 033	0
Separate reserves for pension funds	0	1 300 917
<b>Total technical reserves</b>	<b>398 539 609</b>	<b>311 958 247</b>

The following applies to the individual reserve items:

- Conversion rate reserve for active members: The "liquidation method" is used to calculate retirement pension losses. This applies to all actively contributing members from the age of 58. With this method, the existing retirement assets are converted into retirement pensions that start immediately in accordance with the Regulations, resulting in the corresponding conversion loss. The effective lump-sum withdrawal ratio of approximately 25% (previous year: 30%) is taken into account.
- Risk fluctuation reserve for the risks of death and disability: The reserve was recalculated based on the current number of active members as of 31 December 2020 with a 99% level of security.

- Increased life expectancy: The actuarial reserve for current pensions has been increased by 0.5% per annum since 2015; this has resulted in a total increase of 3.0% as of 31 December 2020 (previous year: 2.5%).
- Provision for pending and latent pension claims (new in the reporting year). This reserve covers the expected formation of actuarial reserves for pending and latent pension cases.
- Separate reserves: These reserves were formed on the basis of agreements with the individual pension funds (e.g. for pending claims), and it was possible to release them in full in the reporting year.

### 5.7 Conclusions of the last actuarial report

The last actuarial report was produced as of 31 December 2020 and includes the following assessment:

	2020	2019
	CHF	CHF
Pension capital to be covered	8 731 148 387	7 942 854 413
Available pension fund assets	9 570 259 002	8 849 329 956
<b>The funding ratio was</b>	<b>109.6%</b>	<b>111.4%</b>

Excerpt from the report of the Swiss accredited pension actuary on the 2020 annual financial statements: "As occupational pension experts, we audited Profond Pension Fund in accordance with Art. 52e BVG and can confirm, based on this, that the Foundation is able to meet its underwriting liabilities in accordance with the regulations, financial security exists and the pension capital and technical reserves are sufficient."

### 5.8 Actuarial principles and other significant actuarial assumptions

The actuarial calculations are based on the following:

- technical interest rate: 2.25% (previous year: 2.50%)
- technical basis: BVG 2015, 2012 mortality tables
- reserves for increased life expectancy and risk fluctuations

The target value fluctuation reserve is calculated using the financial-economic method in accordance with the Investment Regulations.

### 5.9 Changes in actuarial principles and assumptions

The technical interest rate was reduced from 2.50% to 2.25% in 2020 (2019: from 2.75% to 2.50%). As a result of this change, the pensioners' pension capital had to be increased by an additional CHF 64 475 740 (previous year: CHF 59 887 599) and the technical reserves had to be increased by an additional CHF 56 548 613 (previous year: CHF 47 009 225).

**5.10 Separate free capital for pension funds**

	<b>2020</b>	<b>2019</b>
	CHF	CHF
Free capital at the start of the year	35 451 593	38 244 914
Contributions by new affiliations	25 627 096	5 948 992
Conversion of employer-paid contribution reserves into free capital	320 613	273 126
Contributions to active members' pension capital	- 26 672 653	- 3 927 242
Other uses	- 5 847 069	- 5 173 981
Interest rate	80 216	85 784
<b>Free capital at the end of the year</b>	<b>28 959 795</b>	<b>35 451 593</b>

In total, accounts with free capital were kept for 287 pension funds as of 31 December 2020 (previous year: 400). Interest of 0.25% was paid on the free capital in the year under review (previous year: 0.25%).

**5.11 Funding ratio under Article 44 BVV 2**

	<b>2020</b>	<b>2019</b>
	CHF	CHF
Total assets	9 882 320 454	9 157 523 952
Liabilities	- 212 539 804	- 196 945 936
Deferred income and accrued expenses	- 1 763 153	- 444 001
Employer-paid contribution reserve	- 66 738 700	- 72 412 216
Non-technical reserves	- 2 060 000	- 2 940 250
Separate free capital for affiliations	- 28 959 795	- 35 451 593
<b>Available pension fund assets</b>	<b>9 570 259 002</b>	<b>8 849 329 956</b>
Actively contributing members' pension capital	5 364 338 214	4 836 889 521
Pensioners' pension capital	2 968 270 564	2 794 006 645
Technical reserves	398 539 609	311 958 247
<b>Pension capital to be covered</b>	<b>8 731 148 387</b>	<b>7 942 854 413</b>
<b>Surplus cover</b>	<b>839 110 615</b>	<b>906 475 543</b>
<b>Funding ratio</b>	<b>109.6%</b>	<b>111.4%</b>

## 6. Explanatory notes on investments and net return on investments

### 6.1 Organisation of investment activities, investment advisor, investment manager and investment regulations

The Foundation Board decides on the nature and execution of the asset management and supervises the investment activities. It has recorded the organisation of the asset management and the objectives, principles and competencies in the Investment Regulations. Profond Pension Fund is also currently Profond Investment Foundation's sole investor.

Custodian bank

Credit Suisse AG

#### Asset manager

Ardian Investment UK Ltd.  
ARTICO Partners AG  
Credit Suisse AG  
Partners Capital LLP  
Profond Investment Foundation

#### Type of authorisation

FCA (Financial Conduct Authority UK)  
FINMA  
FINMA  
FCA (Financial Conduct Authority UK)  
Occupational Pension Supervisory Commission  
Occupational Pension Supervisory Commission  
FINMA  
FINMA  
FINMA

PK Assets AG

Swiss Life Asset Management AG  
UBS AG  
VI Vorsorgeinvest AG

### 6.2 Expansion of investment possibilities (Article 50 paragraph 4 BVV 2) with coherent explanation of the compliance with certainty and risk allocation (Article 50 paragraphs 1-3 BVV 2)

	Category limit pursuant to Art. 55 BVV 2 as a % of the total assets	Category limit pursuant to the Investment Regulations as a % of the total assets	Current holdings as a % of the total assets
Equities	0-50	30-55	52.3
Foreign currencies without currency hedging	0-30	15-43	31.2

Equities, foreign currencies without currency hedging: The ranges of the investment categories are set up so that the investment ratios would passively exceed the BVV 2 limits in the event of (major) market movements with no costs being incurred for immediate rebalancing. These increased ratios are to be viewed as temporary and not strategic in nature.

The Foundation manages all of its investments with the same level of care, irrespective of whether they are traditional investments or alternative investments. Overall, the investments are sufficiently diversified and this ensures the purpose of the pension fund. The asset allocation is confirmed by means of an ALM study.

### 6.3 Target value fluctuation reserve and calculation of the reserve

The target value fluctuation reserve is calculated using the so-called financial economic method. With this method, the value fluctuation reserve is determined on the basis of the risk/return characteristics of the investment categories for the investment strategy in order to provide the required interest rate on the liabilities over a one-year horizon with adequate security. The target amount of the value fluctuation reserve is expressed as a percentage of the pension capital (including technical reserves), aiming at a 97.5% level of security for the year. This target amount is reviewed annually and adjusted according to the current situation, while observing the principle of consistency in the calculation method.



The target value fluctuation reserve is 14.08% (previous year: 13.09%) of the pension capital based on volatility of 7.13% (previous year: 7.13%).

	2020	2019
	CHF	CHF
Status of the value fluctuation reserve at the start of the year	906 475 543	205 095 578
Decrease (-)/increase (+) charged to the operative account	- 67 364 928	701 379 965
Value fluctuation reserve at the end of the year	839 110 615	906 475 543
Target value fluctuation reserve	1 229 345 693	1 039 719 643
Reserve deficit in the value fluctuation reserve	- 390 235 078	- 133 244 100

#### 6.4 Breakdown of investments into investment categories

	Assets 2020	Effective proportion	Strategy	Range	Assets 2019	Effective proportion
	CHF'000	%	%	%	CHF'000	%
<b>Liquidity/receivables</b>	<b>688 951</b>	<b>7.0</b>	<b>2</b>	<b>0-10</b>	<b>660 422</b>	<b>7.2</b>
Liquidity	688 951				660 422	
<b>Nominal assets</b>	<b>1 165 470</b>	<b>11.8</b>	<b>18</b>		<b>1 001 766</b>	<b>11.0</b>
CHF-denominated bonds	377 384	3.8	12	3-20	427 988	4.7
Foreign currency bonds	788 086	8.0	6	2-10	573 778	6.3
<b>Equities</b>	<b>5 145 236</b>	<b>52.3</b>	<b>49</b>	<b>30-55</b>	<b>4 753 259</b>	<b>52.2</b>
Domestic equities	2 136 026	21.7	20	15-30	2 019 170	22.2
Foreign equities	2 472 252	25.1	24	15-30	2 292 999	25.2
EMMA equities	536 958	5.5	5	0-8	441 090	4.8
<b>Real estate</b>	<b>2 458 366</b>	<b>25.0</b>	<b>28</b>	<b>15-40</b>	<b>2 366 321</b>	<b>26.0</b>
Swiss real estate	1 653 106	16.8	19	10-30	1 545 556	17.0
Direct real estate	1 276 702	13.0			1 204 422	13.2
Indirect real estate	376 404	3.8			341 134	3.8
Real estate in other countries	805 260	8.2	9	5-15	820 765	9.0
Direct real estate	511 589	5.2			522 510	5.7
Indirect real estate	293 671	3.0			298 255	3.3
<b>Alternative investments</b>	<b>379 955</b>	<b>3.9</b>	<b>3</b>	<b>0-15</b>	<b>327 097</b>	<b>3.6</b>
Private equity	6 618	0.1	0	0-3	7 060	0.1
Private markets	244 398	2.5	1	0-10	227 774	2.5
Infrastructure	128 939	1.3	2	0-5	92 263	1.0
<b>Investments</b>	<b>9 837 978</b>	<b>100.0</b>			<b>9 108 865</b>	<b>100.0</b>

Total assets include unhedged foreign currencies in the amount of CHF 3.074 bn or 31.2% (previous year: CHF 2.766 bn or 30.4%). The investment limits under Articles 54, 54a and 54b BVV 2 were complied with or extended in accordance with the information given in note 6.2.

### Direct properties broken down by ownership

	2020	2019
	CHF	CHF
<b>Switzerland</b>		
Directly-owned properties	0.00%	1.29%
Properties owned by Profond Investment Foundation	100.00%	98.71%

### Directly-owned properties

	2020	2019
	CHF	CHF
As of 01.01.	15 550 000	15 630 000
Adjustment to market value	0	- 80 000
Transfer at market value	- 15 550 000	0
<b>As of 31.12.</b>	<b>0</b>	<b>15 550 000</b>

The properties were transferred to Profond Investment Foundation in 2020. For Wüest Partner AG's valuation (method of estimation: market value based on discounted cash flow) of the properties in Brugg (in Hauptstrasse and in Annerstrasse), discount rates of 3.40% were used in the previous year.

Profond Pension Fund is currently the sole investor in Profond Investment Foundation (PIF). Profond Investment Foundation owns real estate in Switzerland, Germany and Austria. PIF consists of the two investment groups:

### Properties owned by Profond Investment Foundation

	2020	2019
	CHF	CHF
<b>Swiss investment group</b>		
Net assets	1 276 725 970	1 188 871 746
<b>Germany/Austria real estate investment group</b>		
Net assets	511 589 380	522 509 630

The Investment Foundation's Foundation Board is composed of members of Profond Pension Fund's Foundation Board and an assessor of Profond Pension Fund. The investment decisions are, in particular, taken by the Real Estate Committee. This consists of three external real estate experts and three members from Profond Pension Fund.

### PIF key figures

	2020	2019
<b>Swiss investment group</b>		
Return on investment	4.90%	4.33%
Average discount rates	3.08%	3.20%
Borrowing ratio	18.77%	19.42%
Loss of income ratio	7.36%	4.75%
Operating profit margin (EBIT margin)	73.88%	76.36%
Operating expense ratio (TERISA(NAV))	0.58%	0.39%
WAULT (weighted average unexpired lease term)	5.24	5.57
<b>Germany/Austria investment group</b>		
Return on investment	0.04%	4.02%
Average discount rates	4.19%	4.21%
Borrowing ratio	0.00%	0.10%
Loss of income ratio	5.33%	4.01%
Operating profit margin (EBIT margin)	63.70%	62.56%
Operating expense ratio (TERISA(NAV))	0.79%	0.79%
WAULT (weighted average unexpired lease term)	8.89	9.65

Wüest Partner AG was tasked with the valuations (method of estimation: market value based on discounted cash flow) of the properties.

### Direct properties by type of use

	Area	Income
<b>Swiss investment group</b>		
Residential	51.00%	50.00%
Commercial	49.00%	50.00%
<b>Germany/Austria real estate investment group</b>		
Residential	1.00%	1.00%
Commercial	99.00%	99.00%

### 6.5 Current (open) financial derivative instruments

Exposure effect of currency forwards	Market values 2020	Market values 2019	Level of exposure 2020	Level of exposure 2019
	CHF	CHF	CHF	CHF
CHF	0	0	953 482 988	891 915 234
AUD	- 227 623	22 583	- 6 115 123	- 9 481 455
EUR	- 2 480 820	4 613 545	- 540 131 866	- 546 269 990
USD	4 065 339	6 281 292	- 395 590 843	- 326 305 718
GBP	- 186 245	82 369	- 11 645 157	- 9 858 071

In order to reduce foreign currency risk, foreign currencies are strategically hedged with currency forwards.

**6.6 Open commitments**

In connection with private market investments and infrastructure investments, an open commitment of CHF 462 918 845 (previous year: CHF 177 885 933), which is made available on demand, remains as of the balance sheet date.

The increase relates to new investments in the private markets, infrastructure and (indirect) real estate categories.

**6.7 Comments on net return on investments**

	2020	2019
	CHF	CHF
<b>Liquidity</b>	<b>- 5 760 089</b>	<b>- 3 581 836</b>
- Interest income	- 4 486 847	- 2 107 453
- Foreign currency adjustments	- 293 359	- 734 392
- Interest on termination benefits	- 979 883	- 739 991
<b>Nominal assets</b>	<b>17 389 313</b>	<b>17 751 329</b>
- Interest income	22 610 409	11 559 092
- Net currency gains	- 5 221 096	6 192 237
<b>Equities</b>	<b>203 841 861</b>	<b>954 229 192</b>
- Dividends	114 381 431	143 180 145
- Net currency gains	89 460 431	811 049 047
<b>Real estate</b>	<b>75 500 572</b>	<b>103 572 348</b>
- Distribution of profits	26 657 842	36 602 987
- Valuation gains and net currency gains	48 842 730	66 969 361
<b>Alternative investments</b>	<b>10 457 426</b>	<b>11 201 893</b>
- Distribution of profits	18 482 283	8 239 768
- Valuation gains and net currency gains	- 8 024 857	2 962 125
<b>Administration expenses for investments</b>	<b>- 36 078 368</b>	<b>- 29 178 685</b>
- Administration expenses	- 2 487 864	- 2 329 724
- Asset management costs	- 6 194 215	- 7 708 408
- Third-party costs*	- 1 397 955	746 436
- TER costs	- 25 998 333	- 19 886 989
<b>Net return on investments</b>	<b>265 350 716</b>	<b>1 053 994 241</b>

\* Costs from 2018 that relate to the sale of alternative investments were settled in the previous year. These costs were intentionally not invoiced until the final sale.

### Notes on asset management costs

Investments	2020	2019
	CHF	CHF
Transparent investments	9 837 978 425	8 866 629 401
Non-transparent investments	0	242 235 904
<b>Total investments</b>	<b>9 837 978 425</b>	<b>9 108 865 305</b>
Cost transparency ratio	100.00%	97.34%

The non-transparent investments in the previous year consist of the following items: Ardian Infrastruktur V CHF 465 209, ASF Peace Co-Invest L.P. CHF 11 052 228, Brookfield Infrastructure Fund CHF 2 827 186, Mellifera CHF 225 087 465, Mercure Holding SCA CHF 2 790 687 and Patrimonium Prepaid Gesundheitsimmobilien CHF 13 129.

Investments	2020	2019
	CHF	CHF
Directly booked asset management costs	10 080 035	9 291 696
Total of all key cost figures in Swiss francs for collective investments	25 998 333	19 886 989
<b>Asset management costs recognised according to the operative account</b>	<b>36 078 368</b>	<b>29 178 685</b>
As a percentage of cost-transparent investments	0.37%	0.33%

	2020	2019
<b>Asset management performance</b>	<b>2.7%</b>	<b>13.5%</b>

Performance is calculated based on the time-weighted rate of return (TWR) calculation method.

#### 6.7.1 Dealing with retrocessions

The companies commissioned with asset management have made a contractual commitment not to collect any retrocessions, or if they have received retrocessions, to pass these on in full to Profond Pension Fund.

The Foundation has also sought confirmations from the institutions regarding any retrocessions that they received or paid. These confirmations have been received and do not indicate that any retrocessions were paid to any closely related or third parties.

The Foundation received no retrocessions during the year under review.

### 6.7.2 Loyalty provisions

Profond applies the rules of the ASIP sector association, namely the ASIP Charter and the professional guidelines, which are based on compliance with the loyalty and integrity regulations of the BVG. Upon joining, the Foundation Board, Executive Board and employees confirm that they will adhere to these regulations. The members of the Foundation Board, the committees and the Executive Board also confirm each year that they meet the legal and regulatory requirements and comply with the loyalty regulations.

As per the loyalty provisions, and pursuant to Art. 48f and 48g BVV 2, loyalty declarations were requested from the persons and institutions charged with investing and managing the pension fund assets. These were fully answered.

### 6.7.3 Exercise of voting rights

Profond exercises its voting rights for listed Swiss companies. Profond's voting behaviour can be viewed on its website. In all transactions to be voted on, efforts are made to see that the interests of the shareholders or beneficiaries are taken into account as far as possible. Profond's voting behaviour is based on the recommendations of Inrate, which supports institutional investors in exercising their shareholder rights by providing detailed corporate governance research and voting recommendations. In the case of foreign investments, the voting right is exercised via portfolio managers.

### 6.7.4 Comments on employer-paid contribution reserves

	2020	2019
	CHF	CHF
Employer-paid contribution reserves for individual pension funds without waiver of use, status as of 01.01.	72 412 216	64 272 851
Deposits	15 482 595	16 992 498
Use for financing contributions	- 19 410 138	- 8 746 598
Release in the event of collective termination	- 1 608 144	- 8 279
Interest rate	182 784	174 870
Conversion of employer-paid contribution reserves into free capital	- 320 613	- 273 126
<b>Total employer-paid contribution reserves without waiver of use</b>	<b>66 738 700</b>	<b>72 412 216</b>

There are no employer-paid contribution reserves with waiver of use. The employer-paid contribution reserves accrued interest at 0.25% in 2020 (previous year: 0.25%).

## 7. Comments on other balance sheet and operative account positions

### 7.1 Breakdown of pension fund contributions

	2020	2019
	CHF	CHF
Employee savings contributions	166 201 781	149 769 210
Employee risk contributions	18 550 937	17 147 391
Employee administrative contributions	4 424 374	4 244 983
<b>Total employee contributions</b>	<b>189 177 092</b>	<b>171 161 584</b>
Employer savings contributions	215 559 385	197 324 747
Employer risk contributions	29 296 767	27 400 981
Employer administrative contributions	7 117 669	6 687 275
Basic contributions	1 062 534	1 021 158
Cost contributions for extraordinary expenses	55 866	39 469
<b>Total employer contributions</b>	<b>253 092 220</b>	<b>232 473 630</b>

### 7.2 Other assets

	2020	2019
	CHF	CHF
Receivables from employers	22 176 178	23 575 804
Cash and cash equivalents from operating activities	6 306	7 144
Receivables from pension funds	141 619	3 141 619
Withholding tax	17 317 461	18 891 694
Other credited assets	692 009	168 407
Movable goods, IT, renovations	3 594 752	2 500 767
Rent deposits	33 208	35 708
<b>Total other assets</b>	<b>43 961 533</b>	<b>48 321 143</b>

### 7.3 Liabilities

	2020	2019
	CHF	CHF
Commitments to departed members	138 155 417	138 163 576
Commitments to pensioners	2 566 782	9 379 388
Early receipt of termination benefits *1	37 611 469	4 414 257
Early receipt of new affiliations	16 049 898	28 369 974
Obligations from new affiliations*2	6 253 202	6 831 826
Other creditors	11 903 036	9 786 915
<b>Total liabilities</b>	<b>212 539 804</b>	<b>196 945 936</b>

\*1 Due to a change in the pension fund system, the past financial year was closed earlier. Therefore, fewer receipts could be processed.

\*2 As of 31 December 2020, it was not yet possible for all new affiliations from 2018 and 2020 to be definitively finalised. This was a matter of take-overs of foundations for which the take-over agreements are pending and the remaining funds have not been definitively recognised.

#### 7.4 Non-technical reserves

	2020	2019
	CHF	CHF
Provisions for deferred real estate capital gains tax from transfer to Profond Investment Foundation	2 060 000	2 060 000
Provisions for deferred real estate capital gains tax	0	880 250
<b>Total non-technical reserves</b>	<b>2 060 000</b>	<b>2 940 250</b>

The real estate capital gains tax is calculated on the basis of the difference between the taxable acquisition cost and the current market value.

#### 7.5 Investments with the employer

	2020	2019
	CHF	CHF
Profond Investment Foundation		
Current accounts	12 708 316	1 036 296
Holdings	1 790 676 202	1 707 295 146
Asset dedication	100 000	100 000
<b>Total Profond Investment Foundation</b>	<b>1 803 484 518</b>	<b>1 708 431 442</b>

Forward exchange transactions for foreign currency hedging are not included in the investments with the employer.

	2020	2019
	CHF	CHF
Profond Investment Foundation		
Valuation adjustment	57 058 892	71 184 063
TER costs	- 11 225 579	- 8 606 570
<b>Total Profond Investment Foundation</b>	<b>45 833 313</b>	<b>62 577 493</b>

Foreign currency valuations are not included in the above table.



### 7.6 Administration expenses

	2020	2019
	CHF	CHF
Administration expenses according to the operative account	22 953 493	20 295 254
Expenses for insurance benefits paid	- 3 081 837	- 2 650 911
Other income (relevant to administration costs)	- 375 089	- 312 153
<b>Total administration expenses (adjusted)</b>	<b>19 496 568</b>	<b>17 332 190</b>

Profond Pension Fund is a fully autonomous foundation. All insurance services (e.g. for disability) are therefore provided internally and, pursuant to Swiss GAAP FER 26, are recognised as administration expenses instead of insurance cost. The administration expenses are therefore reduced by this item.

Other income comprises income from services that the Foundation provides and thus reduces the administration expenses.

### 7.7 Additions to number of insured persons

	2020	2019
	CHF	CHF
Transfers of termination benefits	397 315 001	499 049 906
Transfers of free capital and employer-paid contribution reserves	24 586 178	5 948 992
Transfers of pensioners' pension capital	10 254 532	41 770 733
Transfers of technical reserves	0	974 651
<b>Total transfers following take-over of insured persons</b>	<b>432 155 711</b>	<b>547 744 282</b>

### 7.8 Departures of insured persons

	2020	2019
	CHF	CHF
Transfer of termination benefits	29 809 461	22 561 468
Transfer of pensioners' pension capital	2 486 193	307 724
Transfer of free capital and employer-paid contribution reserves	1 608 144	8 279
<b>Total transfer of funds in case of collective termination</b>	<b>33 903 798</b>	<b>22 877 471</b>

### 7.9 Other income

	2020	2019
	CHF	CHF
Other income	22 914	38 416
Withholding tax commission	48 650	35 837
Home ownership promotion fees	84 064	76 400
Services to third parties	219 460	161 500
<b>Total other income</b>	<b>375 089</b>	<b>312 153</b>

## 8. Supervisory authority requirements

The supervisory authority remarked that the investment in real estate should be presented in more detail. This was done in section 6.4. The supervisory authority also wants the mortgages in Profond Investment Foundation not to be renewed any more.

Profond remains in dialogue with the supervisory authority regarding Profond Investment Foundation.

## 9. Further information regarding financial situation

### 9.1 Partial liquidations

The partial liquidations are being duly processed in accordance with the Partial Liquidation Regulations approved on 31 October 2019 and valid from 31 December 2019. The pending and completed partial liquidations are presented in a separate listing covering a period of two years.

In 2020, the following suspected cases of partial liquidation as of 31 December 2019 were reviewed and executed:

<u>Current status regarding partial liquidation</u>	<u>Decrease in number of members</u>	<u>Restructuring</u>	<u>Termination of affiliation agreements</u>	<u>Total</u>
Number of affiliations examined				177
Suspected cases	173	0	4	177
Positive decision	0	0	4	4
Negative decision	173	0	0	173
Decision pending	0	0	0	0
Executed	173	0	3	176
Pending	0	0	1	1

In 2020, as in the previous year, there were no transfers to the value fluctuation reserve on contract terminations.

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**9.2 Contingent liabilities**

There are contingent liabilities (performance-related increase in purchase price) of up to CHF 5 000 000 (previous year: CHF 5 000 000) in connection with investments in the alternative investment "Infrastructure".

A rent guarantee of CHF 130 000 was issued for the office premises in Zurich instead of a rent deposit account.

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**9.3 Pledge of assets**

A deed of pledge in the amount of CHF 150 000 000 was agreed in the framework agreement for loans between Profond Pension Fund and Credit Suisse AG, dated 11 December 2016. As of 31 December 2020, CHF 2 918 955 of this had been used.

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**9.4 Legal proceedings in course**

There are currently no substantial legal proceedings in course.

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**9.5 Reduction in technical interest rate as of 1 January 2021**

The Foundation Board of Profond Pension Fund decided to decrease the technical interest rate to 2.0% as of 1 January 2021. This reduces the funding ratio by around 1.4 percentage points.

## **10. Events subsequent to the balance sheet date**

None.



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## **Report of the Statutory Auditor to the Board of Foundation of the Profond Vorsorgeeinrichtung, Zurich**

### **Report of the Statutory Auditor on the Financial Statements**

As statutory auditor, we have audited the accompanying financial statements of Profond Vorsorgeeinrichtung, which comprise the balance sheet, Operating account and notes for the year ended 31 December 2020.

### **Foundation Board's Responsibility**

The Foundation Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the foundation's deed of formation and the regulations. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Foundation Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### **Responsibility of the expert in occupational benefits**

In addition to the auditor, the Foundation Board appoints an expert in occupational benefits to conduct the audit. The expert regularly checks whether the occupational benefit scheme can provide assurance that it can fulfil its obligations and that all statutory insurance-related provisions regarding benefits and funding comply with the legal requirements. The reserves necessary for underwriting insurance-related risks should be based on the latest report provided by the expert in occupational benefits in accordance with Article 52e paragraph 1 of the Occupational Pensions Act (OPA) and Article 48 of the Occupational Pensions Ordinance 2 (OPO 2).

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements for the year ended 31 December 2020 comply with Swiss law and with the foundation's deed of formation and the regulations.

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 EXPERTSuisse Certified Company



**Profond Vorsorgeeinrichtung, Zurich**  
Report of the Statutory Auditor  
on the Financial Statements  
to the Board of Foundation

**Report on Other Legal and other Requirements**

We confirm that we meet the legal requirements on licensing (Article 52b OPA) and independence (Article 34 OPO 2) and that there are no circumstances incompatible with our independence.

Furthermore, we have carried out the audits required by Article 52c paragraph 1 OPA and Article 35 OPO 2. The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organisation, management and investments are applied.

We have assessed whether

- organisation and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to the size and complexity of the foundation;
- funds are invested in accordance with legal and regulatory requirements;
- the occupational pension accounts comply with legal requirements
- measures have been taken to ensure loyalty in fund management and whether the Governing Body has ensured to a sufficient degree that fund managers fulfil their duties of loyalty and disclosure of interests;
- the available funds or discretionary dividends from insurance contracts have been used in compliance with the legal and regulatory provisions;
- the legally required information and reports have been given to the supervisory authority;
- the pension fund's interests are safeguarded in disclosed transactions with related entities.

We confirm that the applicable legal and statutory requirements have been met.

We recommend that the financial statements submitted to you be approved.

KPMG AG

***This is the English translation of the  
German Report of the Statutory Auditor***

Erich Meier  
Licensed Audit Expert  
Auditor in Charge

Philip Menzi

Zurich, 4 May 2021



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Frauenfeld, 20 May 2021

### Report of the Swiss accredited pension actuary on the 2020 annual financial statements

The actuarial report prepared as of 31.12.2020 is based on the actuarial bases of the BVG 2015 Periodic Table 2012 (unchanged compared to prior year). The technical interest rate was reduced from 2.50% to 2.25% as of 31.12.2020, which has resulted in one-off costs of CHF 121.0 m for the increase in the actuarial mathematical reserves and technical reserves and has reduced the funding ratio by 1.6 percentage points.

The funding ratio fell from 111.4% to 109.6% within a year, which is primarily due to the decrease in the technical interest rate. The fluctuation reserves recognised in the balance sheet amount to around 68% of the target value.

The current funding is actuarially correct and, taking account of the technical bases, Profond's benefit commitments are secured by contributions, reserves, pension liabilities and expected income from assets. As the return expected in the long-term exceeds the target return of 2.7%, it can be assumed that the financial situation will remain good in the medium term.

Concerning funding, the savings process is balanced as the savings contributions match the retirement credits. Like in the previous years, the financial obligations for the newly arising death and disability benefits of active members are significantly smaller than would be expected according to the actuarial bases. As a result, a profit arises in this risk process. The cost process is also positive as the cost contributions plus all remunerations and income together exceed the administration expenses. Two thirds of the costs for the retirement losses of CHF 29.4 m in 2020 were covered by the risk surplus, one third was covered by the return on assets.

The Foundation Board adopted the changes we requested in the Reserving Regulations and in the actuarial bases. From an actuary's point of view, no further measures need to be implemented by the end of 2021.

As pension experts, we confirm that the actuarial principles are suitable, financial security is given as of the reporting date, the regulatory actuarial requirements comply with the legal requirements and the measures taken to cover the actuarial risks are sufficient.

Keller Experten AG (contractual partner)

André Tapernoux  
SKPE Pension Fund Actuary  
Executive actuary

Patrick Baeriswyl  
SKPE Pension Fund Actuary



Matthias Keller

Patrick Baeriswyl

Roland Schorr

André Tapernoux

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