

Media release

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CHF 500 million for insured members: Profond pays interest at 8% on retirement assets.

Thanks to the predominantly positive equity and bond markets, Profond was able to record a very good provisional total return of 9.6% in 2024 and interest rates on the insured members' retirement assets at 8%. This means that CHF 500 million will be paid to the insured members. The provisional funding ratio is 110%. These figures, as well as the decisions of the Foundation Board to further build up the value fluctuation reserve and keep the conversion rate constant, underline the financial stability of the pension fund.

Real value strategy in the investment continues to prove itself in 2024

The above-average interest rate is based on the proven real value strategy, with which Profond achieved a provisional total return of around 9.6% and a provisional funding ratio of 110% in 2024. This result demonstrates Profond's continued financial stability and resilience. "We are pleased to be able to offer our insured members an interest rate well above the statutory minimum interest rate this year. Our investment strategy, which relies heavily on real value such as equities and real estate, was once again very successful last year," says Laurent Schlaefli, Managing Director of Profond.

The positive performance also reflects the general market development: "2024 was a very good year for investments," comments Andreas Häberli, Chief Investment Officer and Member of the Executive Board. "US equities performed particularly well. Inflation and interest rates have fallen noticeably, while various geopolitical upheavals have hardly affected markets."

Thanks to constantly positive returns, Profond has been able to pay interest on the retirement assets at an average of 4.5% over the past five years. Profond's insured members thus benefit noticeably from the so-called "third contributor" – the compound interest effect.

Long-term stability and safeguarding the future

Profond attaches great importance to meeting its financial obligations in the long term and ensuring the prosperity of its insured members during the third stage of their life. The Foundation Board has therefore decided to use part of the return to strengthen the value fluctuation reserve and to pass on the greater part to the insured members by paying interest on retirement assets of 8%. Profond's stability is also reflected in other areas: At the end of the year, the number of insured members increased to 69,230, while assets under management increased to around CHF 12.8 billion.

Constant conversion rate

The Profond Foundation Board has also decided to keep the conversion rate constant for the years 2025, 2026 and 2027. In this way, it is creating clear and reliable conditions both for customers and partners. "This approach is contrary to the general market trend and reflects our belief that our investment strategy supports these conversion rates. Our customers benefit from security and predictability, and our insured members benefit from a constantly higher conversion rate," emphasizes Laurent Schlaefli.

For the 16th time, The most successful pension fund in Switzerland

As the past has repeatedly shown, Profond's real value strategy, with a high proportion of equities and real estate, leads to long-term success. Since its inception in 1991, Profond has achieved an average annual return of 5% and has paid an average interest on retirement assets of 4%. In 2024, in the pension fund comparison of SonntagsZeitung and Finanz und Wirtschaft, for the 16th time Profond won first place for the highest interest rate over ten years (with an average annual interest rate of 3.2% 2014-2023), making it the most successful pension fund in Switzerland in this category. Profond also finished second for the highest investment return over 3 years (with an average annual return of 2.6% in 2021-2023). In 2024, Profond was also awarded the Innovation Award for expanding its website. This provides information on specific life events and has become a widely used platform with learning videos and an online quiz to explain the complex topic of occupational retirement benefits in a simple and fun way.

Innovative new features for more flexible use of the 2nd pillar

With the 2025 Pension Fund Regulations, Profond is again introducing innovations in order to improve benefits for its insured members and their surviving dependents. The main changes include:

1. **Beneficiary order:** Now, certain categories of beneficiaries can be combined and moved in order, allowing insured members to share their lump sum payable at death more flexibly.
2. **Partners with separate residences:** From 2025, insured members can register their partner with Profond even without a common place of residence in order to secure their entitlement to a survivors' benefit.
3. **Pension with capital protection:** Insured members can now choose a pension with capital protection, which is valid for ten years or at the latest until the 75th year of life.

For further information, please contact the media department

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This release is available in German, French and Italian. In the event of legal differences between the original and the translated version, the German version will prevail.