

Annual Report 2010 Abridged Version



Foreword

Dear pension fund pro employees

Dear ladies and gentlemen

pension fund pro continued to do well in the 2010 financial year in spite of persistently low interest rates. The return on investments was 1.44 %; 0.13 % higher than the benchmark Pictet BVG-25 Index 2000. The funding ratio was 97.2 % as of 31 December 2010, which is 0.1 % lower than at the end of 2009. In spite of this slight actuarial deficiency the Board of Trustees did not apply a lower interest rate and decided in December to credit the BVG minimum interest of 2 % to the retirement assets and the premium accounts for the reporting year. Pension capital earned interest at 3.5 %.

A total of 5,739 companies (5,352 in the previous year) with 27,510 insured employees (29,228 in the previous year) entrusted their employee benefits insurance to pension fund pro. This represents an increase of 387 companies. In spite of facing strong competition, pension fund pro is continuing to focus on qualitative growth. The assets under management increased by CHF 7 million to CHF 1.8 billion in total.

The income/expenditure statement is extremely solid owing to the fact that the insurance premiums dropped by CHF 5.7 million from the previous year. Thanks to this pleasing development we were able to offer attractive terms to clients renewing their contracts.

The Board of Trustees maintained its tried-and-tested conservative investment strategy for the 2010 investment year. There were small shifts in the CHF bonds and global bonds asset classes where the exposure was reduced slightly, in expectation of higher inflation, in favour of equities and real estate.

The Board of Trustees is keeping a close eye on the European sovereign debt crisis as well as the unstable monetary situation and its impact on the financial markets.

The Board of Trustees met the challenges posed by current demographic trends (longevity) by applying the BVG 2010 actuarial tables for the first time and increasing the reserve for securing the conversion rate.

A structural reform of the employee benefits insurance system is one of the items on the political agenda. In addition to some sensible proposals, the aim is to limit the scope for action of the employer and employee representatives on the governing and executive bodies of pension funds and to substantially tighten regulatory requirements, which will increase the administrative burden. pension fund pro is in the vanguard of the efforts to limit excessive regulatory pressure and thus also the increase in administration costs facing affiliated companies.

Thanks to its business philosophy and strong market position as a pension specialist for SMEs and temporary job agencies, pension fund pro can look to the future with confidence.

On behalf of the Board of Trustees I would like to thank all our clients and distribution partners for their long-standing loyalty and trust enabling our continued progress along this road. I would also like to thank our employees who devote their subject expertise and commitment to service quality to the service of pension fund pro.

Yours sincerely,

Peter Hofmann

Chairman of the Board of Trustees

Organization

Foundation Board

Employee Representative	Peter Hofmann, Genève (President) Hubert Gwerder, Muotathal Michael Dean Head, Ballwil
Employer Representative	Thomas Kopp, Lucerne (Vice-President) Rainer Hürlimann, Baar Hansjörg Wehrli, Chur

Experts	Auxor Actuaries SA, Gland
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Auditors	Ernst & Young AG, Zurich
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Supervisory Authority	Swiss Federal Council for Social Insurance (BSV)
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Partner Companies

Pension fund pro does not employ any in-house personnel.
Specialists from mandated partners companies execute all tasks.

Asset Management	Tellco Asset Management Ltd., Schwyz
Marketing and Sales	Tellco Pension Services Ltd., Schwyz
Administration and Management	Tellco Pension Services Ltd., Schwyz

Senior Management Functions are delegated to these Companies:

General Management	Manfred Villiger (President) Tellco Asset Management Ltd., Schwyz Luigi Calarota Tellco Pension Services Ltd., Schwyz Franz Pirker Tellco Pension Services Ltd., Schwyz
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pension fund pro at a Glance

Name	pension fund pro
Abbreviated Name	pf pro
Legal Entity	Foundation subject to civil law
Type of Risk Coverage	Semi-autonomous Pension Fund
Re-Insurer (Disability and Death)	Die Mobiliar
System	Defined Contribution Plan
Affiliated Companies	5'739
Insured Parties	27'510
Savings Capital	1'155'650'459
Interest on Savings Capital	2.0 %
Reinsured Pension Recipients	2'338
Pensioner's Coverage Capital	375'056'297
Pension Payments	30'873'400
Technical Interest Rate	3.5 %
Membership Ratio of Pensioner to Actives (with respect to capital)	24.5 %
Technical Reserves (CHF 7.85 million excess conversion rate)	36'507'174
Technical Principles	EVK 2000 reinforced
Capital at 31.12.2010	1'637'988'122
Return on Investments	1.44 %
Cover Margin at 31.12.2010	97.2 %
Coverage Deficit	47'445'072

Balance Sheet per 31.12.2010

	2010 CHF 1'000	2009 CHF 1'000
Assets		
Asset Investments	1'637'988	1'624'962
Money Market Investments	46'903	105'148
Receivables from Employers	19'768	19'180
Payments on account for Pension Schemes	0	126'000
Receivables from Third Parties	754	666
Mortgage Bonds to Employers	2'930	3'180
Mortgage Bonds to Third Parties	6'000	6'000
Domestic and Foreign Bonds CHF	427'986	439'980
Foreign Bonds in Foreign Currencies	192'690	191'403
Convertible Bonds	66'929	78'625
Swiss Equities	157'922	136'948
Global Equities	242'693	196'781
Alternative Investments	77'756	13'396
Swiss Real Estate	395'657	307'655
Accrued Assets	3'672	907
Assets from Insurance	158'612	167'026
Total Assets	1'800'272	1'792'895

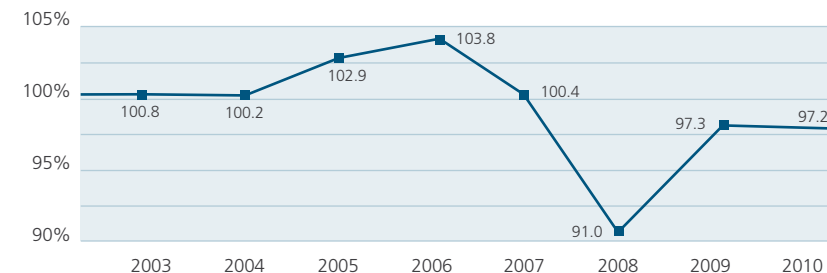
Liabilities

Liabilities	95'573	74'327
Liabilities from Vested Pensions and Pension Payments	48'679	39'748
Capital Received for Pension Funds	35'458	19'059
Other Liabilities	11'436	15'520
Accrued Liabilities	11'525	11'382
Employer Contribution Reserves	16'757	14'868
Non-Technical Reserves	830	834
Pension Capital and Technical Reserves	1'705'851	1'715'227
Savings Capital	1'155'651	1'177'407
Coverage Capital for Pensioners	375'056	356'735
Liabilities from Insurance Policies	138'637	145'785
Technical Reserves	36'507	35'300
Uncommitted Funds plus Value Fluctuation Reserves Pension Schemes	17'181	21'981
Foundation's Capital, Liquid Assets, Foundation's Coverage Shortfall	-47'445	-45'724
Status at the Beginning of the Period	-45'724	-142'309
Surplus/Deficit	-1'721	96'585
Total Liabilities	1'800'272	1'792'895

Insurance-Technical Balance Sheet

	31.12.2010 CHF 1'000	31.12.2009 CHF 1'000
Balance Sheet Assets	1'800'272	1'792'895
> Balance Sheet Liabilities	-95'573	-74'327
> Accrued Liabilities	-11'525	-11'382
> Employer Contribution Reserves	-16'758	-14'868
> Non-Technical Reserves	-830	-834
> Uncommitted Funds, Pension Institutions	-17'181	-21'981
Available Pension Assets	1'658'405	1'669'503
Savings Capital	1'155'650	1'177'407
Coverage Capital, Pensioners	375'056	356'735
Liabilities from Insurance Policies	138'637	145'785
Technical Reserves	36'507	35'300
Pension Capital and Technical Reserves	1'705'850	1'715'227
Insurance-Technical Surplus / Deficit	-47'445	-45'724
Cover Margin of the Foundation	97.2 %	97.3 %
Uncommitted Funds, Pension Institutions	17'181	21'981
Average Cover Margin of Pension Institutions	98.2 %	98.6 %

Chronology of Coverage Ratio



Affiliated Companies 2010

	2010	2009
Number Affiliated Companies		
Status as of January 1	5'352	5159
Newly Affiliated Companies	954	785
Dissolved Affiliation Policies (thereof, 25 changed to another pension scheme)	-567	-592
Status 31.12.	5'739	5'352

Number Active Members and Pensioners		
Women	8'840	9'788
Men	18'670	19'440
Status 31.12.	27'510	29'228

The Average Age		
Men	39.0	38.4
Women	39.7	39.4

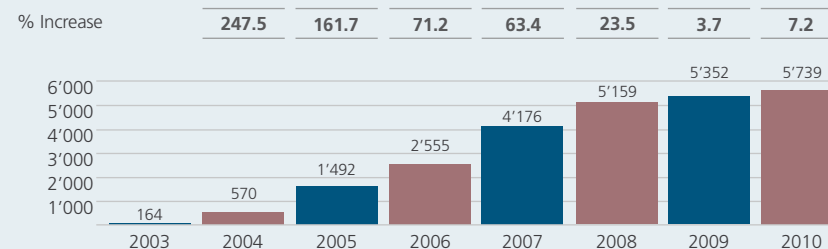
Pensioners		
Disability Pensions	610	572
Retirement Pensions	1'061	1021
Partner Pensions	426	426
Child Pensions	241	232
Status 31.12.	2'338	2'251

Pensioners – Insurance Contract, «GENERALI Personenversicherung»		
Disability Pensions	313	333
Retirement Pensions	409	418
Partner Pensions	149	173
Status 31.12.	871	924

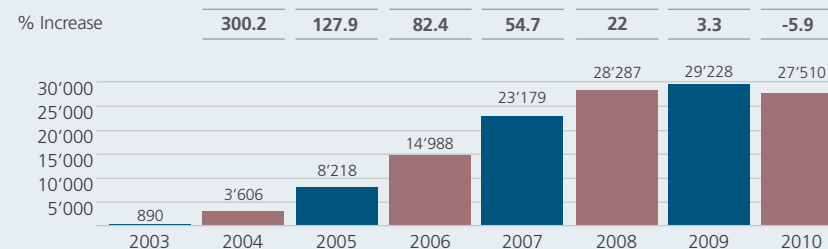
Pending Reinsured Disability Claims Status 31.12.	234	228
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Ratio of Pensioners to Active Members (Number, including pending disability cases)	8.6 %	7.8 %
Ratio of Pensioners to Active Members (Number, including GENERALI)	11.1 %	10.4 %

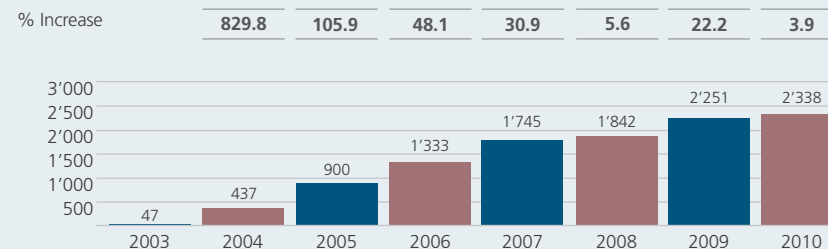
Affiliated Companies

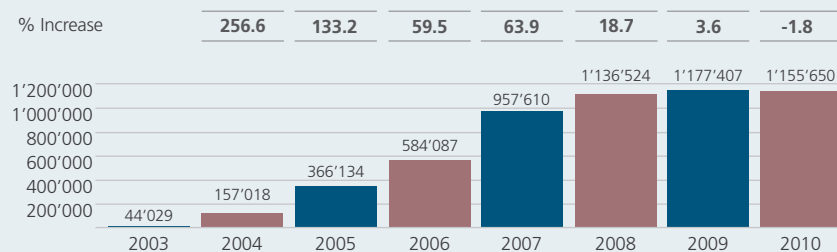
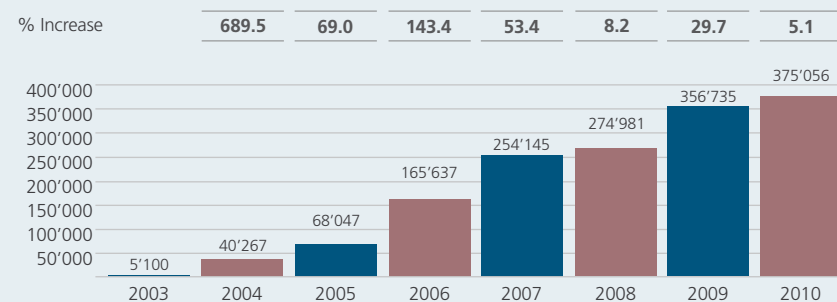


Active Members and Pensioners



Pensioners



Statutory Savings Capital (including BVG share) – since 2003 - 2010**Actuarial Reserve – Trends 2003 - 2010***Financing*

	2010 CHF 1'000	2009 CHF 1'000
Contributions		
Employee Contributions	76'145	76'893
Employer Contributions	88'490	88'140
Contingency Reserve Premium Accounts	-350	-200
Total Contributions	164'285	164'833

Disbursements		
Pension Credits	116'112	117'170
Insurance Premiums	25'789	31'516
Contributions to Guarantee Fund	809	824
Formation of Reserve for Conversion Rate	2'099	2'492
Formation of Price Increase Compensation Fund	1'460	1'495
Administrative Expenses (excluding Asset Management)	12'496	12'858
Total Disbursement	158'765	166'355

Balance	5'520	-1'522
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Employee / Employer		
Employee	46 %	47 %
Employer	54 %	53 %

Cost per Insured Life / Pensioner		
Administrative Expenses (including Marketing and Advertising)	404	394
Administrative Expenses (investment portfolio)	94	79
	498	473

Operating Account

	2010	2009
	CHF 1'000	CHF 1'000
Total Influx from Contributions and Entry Payments	317'880	353'388
Total Outflow for Payments and Early Withdrawals	-324'156	-222'508
Dissolution/Formation of Pension Capital, Technical Reserves and Contribution Reserves	2'816	-132'823
Insurance Payments	23'558	13'680
Insurance Expenditure	-26'597	-32'341
Net Result from the Insurance Portion	-6'499	-20'604
Result from Asset Investment	19'932	132'581
Administrative Expenses (Investment Portfolio)	-2'915	-2'575
Net Result from Asset Investment	17'017	130'006
Other Returns/Other Expenses	564	409
Administrative Expenditures	-12'495	-12'858
Expenditure / Income Surplus before Interest in Available Resources	-1'413	96'953
Interest on Available Resources Pension Funds	-308	-368
Expenditure / Income Surplus before Creation / Release of Fluctuation Reserve	-1'721	96'585
Creation of Fluctuation Reserve	-	-
Income / Expenditure Surplus	-1'721	96'585

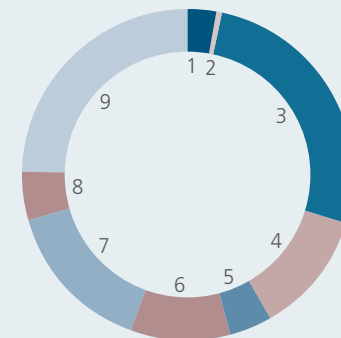


Capital 2010

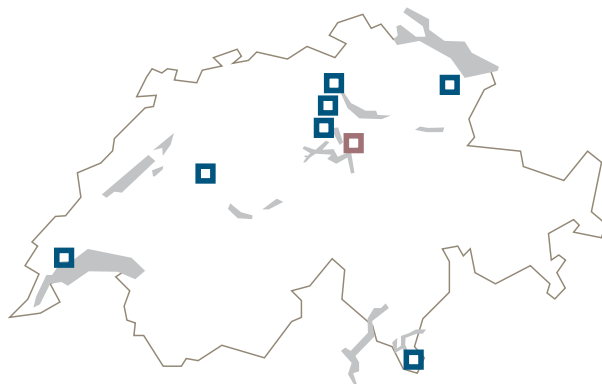
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Swiss Equities	157'922	136'948
Global Equities	242'693	196'781
Alternative Investments	77'756	13'396
Swiss Real Estate	395'657	307'655
Subtotal	1'617'466	1'479'116
Receivables from Employers	19'768	19'180
On Account payments by pension schemes	–	126'000
Other Swiss Receivables	754	666
Transitory Assets	3'672	907
Assets from Insurance Policies	158'612	167'026
Total Assets	1'800'272	1'792'895

Asset Classes (%)

2.9 %	1
0.6 %	2
26.5 %	3
11.9 %	4
4.1 %	5
9.8 %	6
15.0 %	7
4.8 %	8
24.5 %	9
100.0 %	



Based in Schwyz, on your Doorstep.



■ Head Office

pensionskasse pro
Bahnhofstrasse 4
Postfach 434
CH-6431 Schwyz
t 041 817 70 10
info@pkpro.ch

Zurich/Aargau

ZH (West), AG
pensionskasse pro
Albisstrasse 33
CH-8134 Adliswil
t 043 268 82 50
zurich@pkpro.ch

Zurich East

ZH (East), SH, TG
pensionskasse pro
Bellerivestrasse 3
CH-8008 Zürich
t 044 817 01 02
zurich-ost@pkpro.ch

Central Switzerland

LU, NW, OW, SZ, UR, ZG
pensionskasse pro
Bahnhofstrasse 3
CH-6340 Baar
t 041 761 02 05
zentralschweiz@pkpro.ch

Mid-Country

BE, BS, BL, SO
pensionskasse pro
Morgenstrasse 129
CH-3018 Bern
t 031 911 82 82
mittelland@pkpro.ch

Eastern Switzerland

AI, AR, GL, GR, SG, TG
pensionskasse pro
Kornhausstrasse 3
Postfach 1651
CH-9001 St. Gallen
t 071 250 18 20
ostschweiz@pkpro.ch

Western Switzerland

GE, VD, FR, NE, VS, JU
caisse de pension pro
Rue des Marchandises 13
Case postale 1102
CH-1260 Nyon 1
t 022 990 90 40
romandie@pkpro.ch

Ticino

cassa pensione pro
Bahnhofstrasse 4
Casella postale 434
CH-6431 Svitto
t 091 646 32 42
ticino@pkpro.ch