

## *Annual Report 2015 Short Version*



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## *Foreword*

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### **Dear Sir or Madam**

pension fund pro is optimistic about the future.

This is due, on the one hand, to the robustness of the Swiss economy. Despite the slowdown of the global economy, despite turbulence and uncertainty across all markets, despite negative interest rates and the idea of Switzerland as a “high price island”, our country has proven itself to be resilient. This means that we are privileged to be where we are, but we will also face a number of challenges in the years to come.

One aspect of Switzerland’s positive image is its pension system. The combination of various approaches and pillars has essentially proven itself; however, the creaking in the rafters can no longer be ignored. The OASI, which has not been reformed during the past 15 years, is running a deficit and desperately needs to be updated. The problems with the second pillar are even clearer. We have all heard it so many times, and yet it bears repeating – minimum interest rates, conversion rates and other mathematical factors must be removed from the political realm and considered objectively.

There is no reason for Switzerland to despair; however, the time has come to start making progress on these issues.

pension fund pro is part of this greater whole. At times it is negatively affected by external circumstances, and yet it continues to develop extremely positively, as has been proven by the new record levels of assets (57,557) and company affiliations (7,718). On the other hand, the number of pension beneficiaries has dropped to 3,329. That is not a coincidence, but rather a result of the strategy to lower the average age of pension fund pro members. The return of 1.20 % that was achieved in the year under review corresponds to the market potential. Alternative investments saw extremely positive development (6.74 %) and greatly exceeded the benchmark, which shows us that our strategy is keeping us on the correct path.

Last but not least, some information about us: over the past few years, we have been able to integrate Pensionskasse Profaro into pension fund pro, which has further reinforced our competitiveness and our position on the market. The Board of Trustees of pension fund pro has also experienced two losses and two new additions: Rainer Hürlimann, a long-time member and a person of outstanding merit, died, and Hubert Gwerder changed employers and therefore had to leave the Board of Trustees after many successful years. These former members were replaced by Daniel Andermatt (employee representative) and Pierre Christen (employer representative). We would like to thank the new members of the Board of Trustees, we wish them all the best, and we look forward to the positive impact they will have on pension fund pro and its beneficiaries.

We look forward to another successful year – and are doing our level best to make it happen.

**Yours faithfully**



Peter Hofmann  
Chairman of the Board of Trustees

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## *Organization*

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### **Foundation board**

Employee representative

Peter Hofmann, Geneva (President)  
Hubert Gwerder, Muotathal  
Michael Dean Head, Ballwil

Employer representative

Thomas Kopp, Lucerne (Vice-President)  
Rainer Hürlimann, Baar  
Hansjörg Wehrli, Chur

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### **Experts**

DIPEKA AG

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### **Auditors**

Ernst & Young AG

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### **Supervisory authority**

Central Switzerland BVG and Foundation  
Supervision (ZBSA)

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### **Asset management**

Tellco Pension Ltd., Schwyz

### **Depositary**

Tellco Pension Ltd., Schwyz

### **Marketing and sales**

Tellco Pension Ltd., Schwyz

### **Administration and management**

Tellco Pension Ltd., Schwyz

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### **General management**

Michel Herzig, Manager pension found pro,  
Tellco Pension Ltd., Schwyz

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*pension fund pro at a glance*

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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	7,718
Insured persons	57,557
Pension capital for working insured	1,710,738,071
Interest on savings capital	1.75 %
Pension recipients (number of pensions)	3,329
Pension capital for pensioners	565,827,239
Pension benefits	63,408,065
Technical interest rate	2.5 %
Membership ratio of pensioner to actives (with respect to capital)	24.9 %
Technical reserves	56,099,741
Technical principles	BVG 2010 reinforced
Investments at 31.12.2015	2,670,098,554
Return on Investments	1.20 %
Funding ratio at 31.12.2015	101.7 %
Value fluctuation reserve for foundation	38,863,247

## *Balance sheet per 31.12.2015*

	<b>31.12.2015</b>	31.12.2014
	CHF 1,000	CHF 1,000
<b>Assets</b>		
<b>Investments</b>	<b>2,670,099</b>	2,575,409
Money market investments	177,121	129,266
Receivables from employers	35,879	29,762
Receivables from third parties	44,873	4,551
Mortgage loans	59,772	–
Domestic and foreign CHF bonds	254,109	474,452
Global bonds in foreign currency	129,591	243,661
Convertible bonds	127,173	122,366
Swiss equities	276,779	266,261
Global equities	271,485	286,298
Alternative investments	556,343	297,180
Swiss real estate	736,974	721,612
<b>Accruals</b>	<b>1,504</b>	1,534
<b>Assets under insurance contracts</b>	<b>2,865</b>	1,945
<b>Total Assets</b>	<b>2,674,468</b>	2,578,888

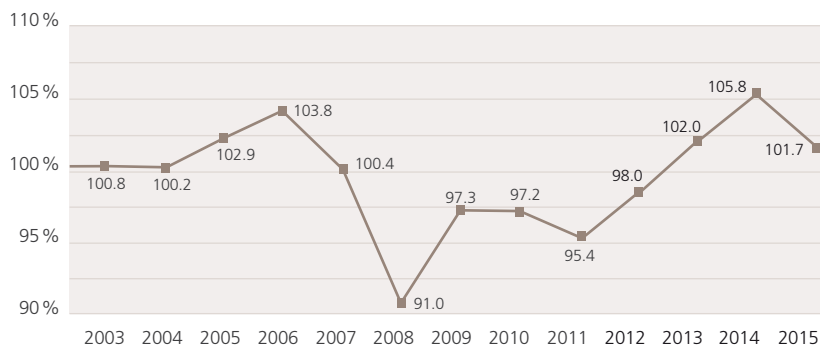
### **Liabilities**

<b>Liabilities</b>	<b>230,999</b>	225,025
Liabilities from vested benefits and pension benefits	146,260	98,070
Capital received for pension funds	28,422	41,348
Liabilities to banks and insurance companies	1,635	488
Other liabilities	54,682	85,119
<b>Deferrals</b>	<b>17,412</b>	23,719
<b>Employer contribution reserves</b>	<b>18,304</b>	18,037
<b>Pension capital and technical reserves</b>	<b>2,335,530</b>	2,153,591
Pension capital for working insured	1,710,738	1,469,272
Pension capital for pensioners	565,827	641,865
Liabilities under insurance contracts	2,865	1,945
Technical reserves	56,100	40,509
<b>Value fluctuation reserve for foundation</b>	<b>38,863</b>	124,374
<b>Fluctuation reserves for pension funds</b>	<b>19,173</b>	19,821
<b>Free assets of pension funds</b>	<b>14,187</b>	14,321
<b>Foundation capital, free assets of foundation / actuarial deficiency</b>	<b>0</b>	0
Status at beginning of period	0	0
Expense/revenue surplus	0	0
<b>Total liabilities</b>	<b>2,674,468</b>	2,578,888

## *Insurance-technical balance sheet*

	<b>31.12.2015</b>	31.12.2014
	CHF 1,000	CHF 1,000
Balance sheet assets	2,674,468	2,578,888
> Balance sheet liabilities	-230,998	-225,025
> Deferrals	-17,412	-23,719
> Employer contribution reserves	-18,304	-18,037
> Fluctuation reserves of pension funds	-19,173	-19,821
> Free assets of pension funds	-14,187	-14,321
<b>Total available pension assets</b>	<b>2,374,394</b>	2,277,965
Pension capital for working insured	1,710,738	1,469,272
Pension capital for pensioners	565,827	641,865
Liabilities under insurance contracts	2,865	1,945
Technical reserves	56,100	40,509
<b>Pension capital and technical reserves</b>	<b>2,335,530</b>	2,153,591
<b>Actuarial surplus/deficiency</b>	<b>38,864</b>	124,374
<b>Foundation's funding ratio</b> (= minimum funding ratio of the pension funds)	<b>101.7 %</b>	105.8 %
Free assets and fluctuation reserves of pension funds	-33,360	-34,142
<b>Average funding ratio of the pension funds</b>	<b>103.1 %</b>	107.4 %

### Chronology of funding ratio



## *Affiliated companies 2015*

	2015	2014
<b>Affiliated companies</b>		
As at January 1	7,132	6,720
Newly affiliated companies	1,434	1,122
Cancelled affiliation contracts	-848	-710
<b>As at December 31</b>	<b>7,718</b>	7,132

<b>Active insured and pensioners</b>		
Women	17,575	16,217
Men	39,982	35,776
<b>As at December 31</b>	<b>57,557</b>	51,993

<b>The average age of the insured is</b>		
Women	40.2	39.8
Men	39.3	39.0

<b>Pensioners</b>		
Disability pensions	906	795
Retirement pensions	1,499	1,693
Partner pensions	505	661
Child pensions	419	411
<b>As at December 31</b>	<b>3,329</b>	3,560

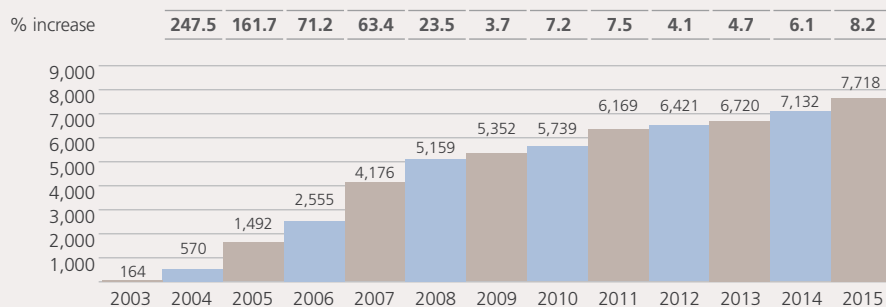
<b>Pension beneficiaries under insurance contracts</b>		
Disability pensions	20	16
Partner pensions	3	2
<b>As at December 31</b>	<b>23</b>	18

<b>Change in pending reinsured disability cases</b>		
<b>As at December 31</b>	<b>518</b>	478

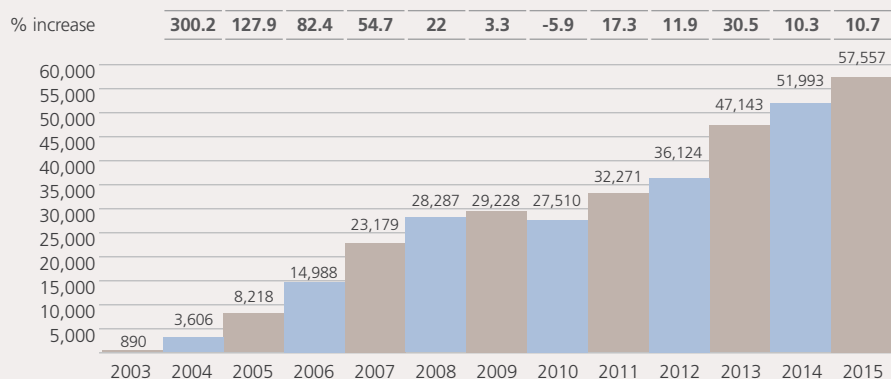
Ratio of pensioners to active members (Number, including pending disability cases)	6.3 %	7.2 %
Ratio of pensioners to active members (Number, including insurance contracts )	6.3 %	7.2 %



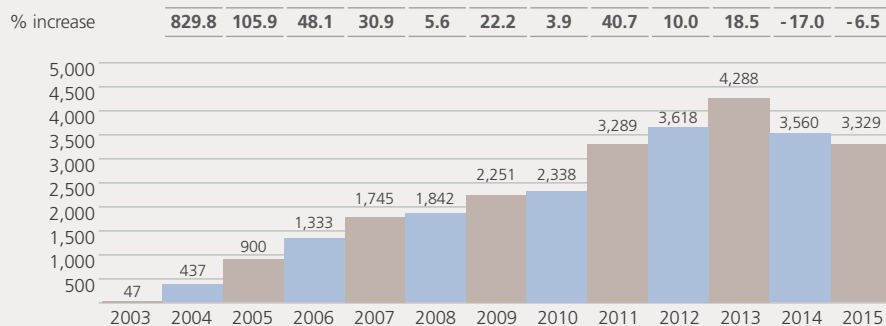
### Affiliated companies



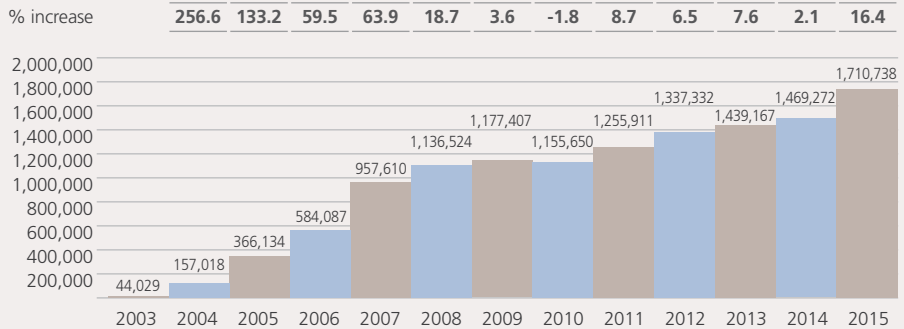
### Active members



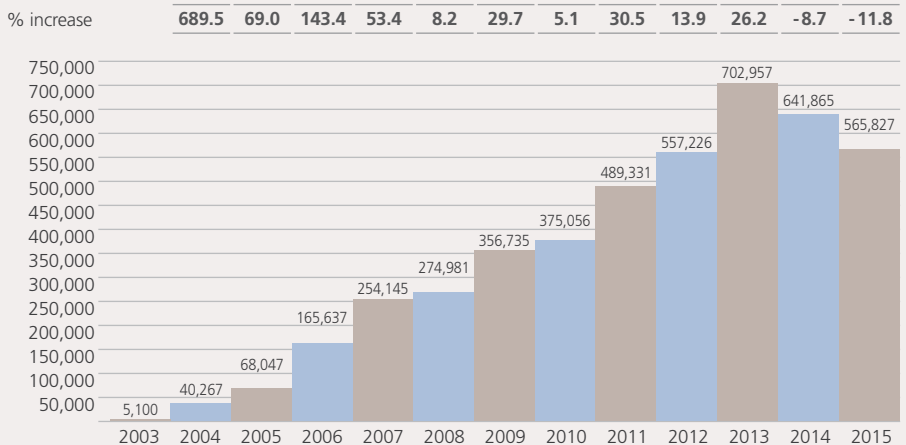
### Pensioners



### Pension capital for working insured (including BVG share) – from 2003 to 2015



### Change in pension capital for pensioner – from 2003 to 2015



## *Financing*

	<b>2015</b>	2014
	CHF 1,000	CHF 1,000
<b>Income (contributions)</b>		
Employee contributions	122,186	110,801
Employer contributions	136,281	123,477
Contingency reserve premium accounts	-700	-815
<b>Total income</b>	<b>257,767</b>	233,463
<b>Expenses (utilisation)</b>		
Retirement credits	199,035	175,333
Insurance premiums	35,541	31,513
Contributions to Security Fund	1,203	1,074
Formation of reserves for conversion rate	7,545	9,985
Creation of inflation adjustment fund	0	0
Administrative costs	21,706	17,763
<b>Total expenses</b>	<b>265,030</b>	235,668
<b>Balance</b>	<b>-7,263</b>	-2,205
<b>Employee / Employer</b>		
Employee	<b>47 %</b>	47 %
Employer	<b>53 %</b>	53 %
<b>Cost per insured / pensioner</b>		
Administrative costs	353	317
Administrative costs (investment portfolio)	577	435
<b>Total costs</b>	<b>930</b>	752

## *Operating statement*

	2015 CHF 1,000	2014 CHF 1,000
Total inflow from contributions and entry payments	558,332	440,348
Total outflow for benefits and early withdrawals	-653,473	-494,221
Release/creation of pension capital, technical reserves and contribution reserves	19,452	28,554
Income from insurance benefits	19,910	22,799
Insurance expenses	-36,745	-32,587
<b>Net result from insurance component</b>	<b>-92,524</b>	-35,107
Result from investment	59,689	175,316
Administrative expenses (Investment portfolio)	-35,448	-24,365
<b>Net investment result</b>	<b>24,241</b>	150,951
Other returns/other expenses	545	477
Administrative costs	-21,706	-17,763
<b>Expense / revenue surplus before interest on available funds</b>	<b>-89,444</b>	98,558
Interest on free assets of pension funds	-253	-228
<b>Expense / revenue surplus before creation / release of fluctuation reserve</b>	<b>-89,697</b>	98,330
Creation/release of fluctuation reserve for Foundation	89,048	-81,635
Creation/release of fluctuation reserve for pension providers	649	-16,695
<b>Expense / revenue surplus</b>	<b>0</b>	0

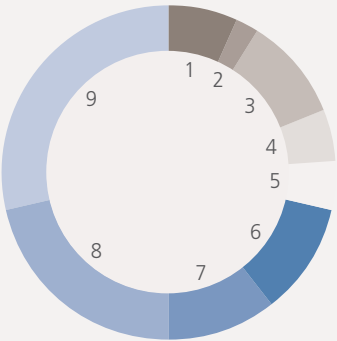


## *Capital 2015*

	2015 CHF 1,000	2014 CHF 1,000	Asset classes
Money market investments	177,121	129,266	6.8%
Mortgage loans	59,772	0	2.3%
Domestic and foreign bonds CHF	254,109	474,452	9.8%
Foreign bonds in foreign currencies	129,591	243,661	5.0%
Convertible bonds	127,173	122,366	4.9%
Swiss equities	276,779	266,261	10.7%
Global equities	271,485	286,298	10.5%
Alternative investments	556,343	297,180	21.5%
Swiss real estate	736,974	721,612	28.5%
<b>Subtotal</b>	<b>2,589,347</b>	2,541,096	100.0%
Interest on receivables from employers	35,879	29,762	
Other receivables Switzerland	44,873	4,551	
Prepaid expenses	1,504	1,534	
Assets under insurance contracts	2,865	1,945	
<b>Total assets</b>	<b>2,674,468</b>	2,578,888	

Asset classes

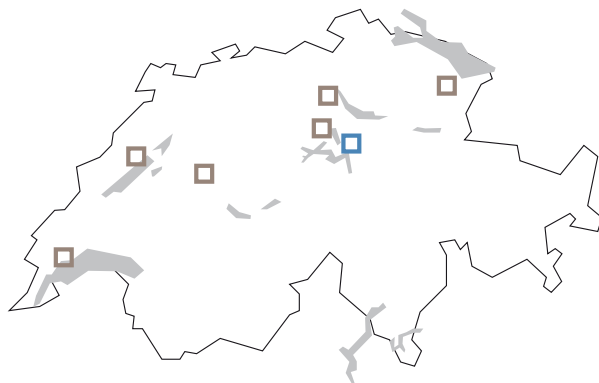
Money market investments	6.8%	1
Mortgage loans	2.3%	2
Domestic and foreign bonds CHF	9.8%	3
Foreign bonds in foreign currencies	5.0%	4
Convertible bonds	4.9%	5
Swiss equities	10.7%	6
Global equities	10.5%	7
Alternative investments	21.5%	8
Swiss real estate	28.5%	9
	100.0%	



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## *Based in Schwyz, on your Doorstep.*

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