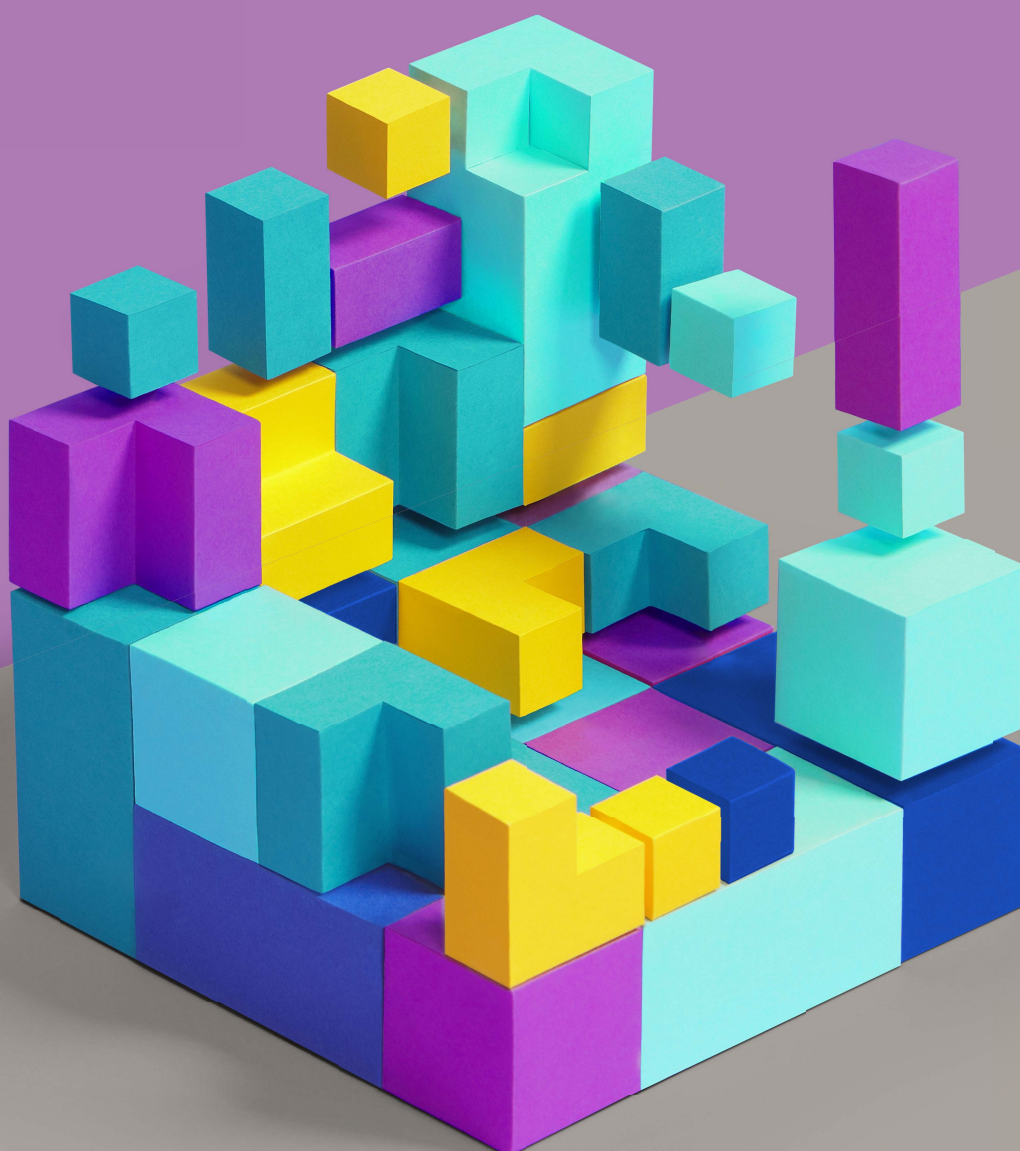




telco



Telco pk
Annual report
2022

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Foreword

Dear Sir or Madam



We can summarise 2022 by referencing the turbulence that made for a challenging environment for the financial markets. This turbulence was due to a sharp rise in interest rates that resulted in high losses for bondholders and substantial price corrections on the stock markets. Thanks in part to our dynamic risk management, Tellco pk achieved a time-weighted performance of - 5.80 % over the entire year, significantly better than the benchmark of - 14.06 %. We ended 2022 with a coverage ratio of 101.7 %.

Encouraging growth

Numerous companies and insured persons again placed their trust in us over the past year. At the end of 2022, the number of insured persons at Tellco pk had risen from 88,500 to 94,500, corresponding to an increase of 8 %. With some 4,600 current pension recipients, there is just one pension recipient for every 22 active contributors, an exceptionally good ratio that reflects our young average age.

Due to the negative performance, the balance sheet total remained at just under CHF 4.25 billion.

Dynamic risk management

As a pension fund, we bear enormous responsibility for the financial future of the persons insured with us. One of the greatest challenges is identifying and minimising potential risks for the Foundation so as to ensure financial stability and continuity for the benefit of the insured. Tellco pk's goal is to achieve the best possible return with the highest possible security.

We therefore rely on dynamic risk management, which significantly reduces the risk of coverage shortfalls while also preventing restructuring contributions to the greatest extent possible. The past year demonstrated that this approach works: Because we regularly and systematically assess the market environment as well as the financial condition of the pension fund, we were able to quickly reduce our exposure to riskier investments. This led to a significant reduction in fluctuations in performance, thus providing greater security to insured persons and employers.

Sustainable investing

We are careful not only with the assets of the insured persons affiliated with us, but also with our environment. We recognise that our actions have long-term effects and are committed to contributing to a more sustainable future. Tellco pk is pursuing initiatives that include a decarbonisation strategy and already invested more than CHF 150 million directly in relevant projects, such as solar power installations, wind farms and hydroelectric power plants. An additional CHF 150 to 200 million is to be invested in this area by 2025. We also continue to make great strides in equities and real estate: In the real estate sector, for example, we are aiming for a mix of a variety of renewable energy sources, including photovoltaics, geothermal probes and heat pumps. By 2025, we also plan to double the output of the photovoltaic installations we own.

ePlix portal for insured persons launched

In January 2023, a milestone in the digital transformation was reached with the launch of the new insurance portal ePlix. ePlix is an independent and free Swiss application that adheres to the highest security standards and offers users unique functionality that is being offered for the first time: the ability to access a complete overview of your personal pension provision. We invested a great deal of time and energy in the development of ePlix in order to ensure that the app meets the needs of the users and provides a seamless user experience.

All insured persons will have access to their OPA pension data, which is updated on a daily basis. The app shows user-specific pension benefits and provides forecasts in regard to retirement benefits in the event of early or deferred retirement, for example. ePlix also supports users in planning their homeownership planning by showing them which amounts can be withdrawn for purchasing residential property. Additional functions are constantly being added to the app, and it will be possible to centrally display all salary, pension, insurance and bank data in the future.

We will continue to implement the dynamic investment strategy and protect assets with the same care and determination in 2023. Despite the turbulent financial markets, we will take action to manage assets dynamically, prudently and in the best interest of our members. We extend our thanks to all our member organisations and affiliated companies. Your trust is the basis for our day-to-day work. We look forward to moving into the future with you.

Yours sincerely



Peter Hofmann
Chairman of the Board of Trustees

Key figures and Balance sheet

Key figures

	2022 CHF 1,000	2021 CHF 1,000	Change in %
Gross contributions charged	417,646	378,284	10.4
> of which savings and unit contributions	334,848	302,170	10.8
> of which risk and administrative cost contributions	82,798	76,114	8.8
Pension capital of active insured persons	2,806,902	2,636,751	6.5
Pension capital for pension beneficiaries	854,427	790,641	8.1
Pension benefits	58,302	54,639	6.7
Technical provisions	86,642	78,527	10.3
> of which provisions for conversion rate	64,211	55,635	15.4
> of which incurred but not reported (IBNR) reserves	32	2,256	- 98.6
> of which provisions for reduction of the technical interest rate	20,708	19,466	6.4
> of which provisions for fluctuations in the mortality risk	1,691	1,170	44.5
Underfunding / surplus cover	32,826	362,040	- 90.9
Balance sheet total	4,261,164	4,292,621	- 0.7
Other information			
Foundation's coverage ratio	100.9 %	110.3%	- 8.5
Average pension providers, coverage ratio	101.7 %	111.2%	- 8.6
Affiliated companies	10,192	9,943	2.5
Insured persons	95,604	88,519	8.0
Pension beneficiaries (number of pensions)	4,634	4,261	8.8
Return on investments	- 5.80 %	7.44 %	- 179.6
Interest on savings capital	1.00 %	2.00 %	
Technical interest rate	1.75 %	1.75 %	

Balance sheet

Assets	Appendix	31.12.2022 CHF	31.12.2021 CHF	Change in %
Investments				
Non-committed funds				
Compartment investments		4,257,691,666	4,288,375,130	- 0.7
PRO assets	6.4	4,125,636,297	4,182,832,686	- 1.4
INDIVIDUA assets	6.4	132,055,369	105,542,444	25.1
Prepaid expenses and accrued income		3,472,147	1,783,519	94.7
Assets from insurance contracts		-	2,462,317	- 100.0
Total assets		4,261,163,813	4,292,620,966	- 0.7

Balance sheet

Liabilities	Appendix	31.12.2022 CHF	31.12.2021 CHF	Change in %
Liabilities		389,030,032	335,766,623	15.9
Vested and pension benefits		304,033,202	253,816,263	19.8
Current accounts of employer firms		19,182	24,408	- 21.4
Lump sums received for pension providers		56,902,734	53,466,520	6.4
Banks / insurances		5,340,310	4,885,838	9.3
Other liabilities		22,734,604	23,573,595	- 3.6
Accruals and deferred income		24,389,176	21,605,437	12.9
Employer contribution reserve	6.8.2	35,260,275	31,890,721	10.6
Non-technical provisions	7.3	2,251,000	2,251,000	-
Pension capital and technical provisions		3,747,971,522	3,508,381,264	6.8
Pension capital of active insured persons	5.3	2,806,901,763	2,636,750,588	6.5
Pension capital for pension beneficiaries	5.5	854,427,424	790,641,173	8.1
Technical provisions	5.6	86,642,335	78,527,187	10.3
Liabilities from insurance contracts	5.2	-	2,462,317	- 100.0
Compartment fluctuation reserves	6.3	43,216,958	372,784,760	- 88.4
Compartment non-committed funds (INDIVIDUA)				
Status at the beginning of the period		-	-	
± Inflow / outflow of non-committed funds of pension providers		-	-	
± Surplus income / expenses		-	-	
Status at the end of the period		-	-	
Non-committed funds of PRO compartment pension providers				
Status at the beginning of the period		19,941,160	12,448,926	60.2
± Inflow / outflow of non-committed funds of pension providers		- 896,310	7,492,234	- 112.0
± Surplus income / expenses		-	-	
Status at the end of the period		19,044,850	19,941,160	- 4.5
Total liabilities		4,261,163,813	4,292,620,966	- 0.7

Operating statement

Operating statement

	Appendix	2022 CHF	2021 CHF	Change in %
Ordinary and other contributions and deposits		446,660,564	399,452,186	11.8
Employee contributions	3.2	199,107,460	179,957,095	10.6
Employer contributions	3.2	218,538,666	198,327,650	10.2
Withdrawal from employer contribution reserves to finance contributions	6.8.2	- 6,487,456	- 9,377,398	- 30.8
One-time deposits and buy-in amounts	5.3	25,400,133	19,523,954	30.1
Deposits into employer contribution reserves	6.8.2	9,940,365	9,018,982	10.2
Deposits in savings capital (from non-committed funds of pension providers)		161,396	2,001,904	- 91.9
Enrolment lump sums		440,299,523	382,439,266	15.1
Vested contributions	5.3	415,038,644	366,377,362	13.9
Deposits upon takeover of insured portfolios in		18,944,843	8,462,563	123.9
> Pension capital of pension beneficiaries	5.5	13,235,449	8,462,563	56.4
> Technical provisions		1,075,593	-	100.0
> Fluctuation reserves		4,633,801	-	100.0
> Non-committed funds		-	-	-
Payment of PHO advance withdrawals / divorce	5.3	6,316,037	7,599,341	- 16.9
Inflow from contributions and enrolment lump sums		886,960,087	781,891,452	13.4
Regulatory benefits		- 126,983,254	- 119,321,878	6.4
Retirement pensions		- 38,932,968	- 36,179,493	7.6
Survivor's pensions		- 6,668,004	- 6,069,372	9.8
Disability pensions		- 12,700,872	- 12,389,865	2.5
Lump sums upon retirement		- 58,858,700	- 51,133,869	15.1
Lump sums in the event of death or disability		- 9,822,710	- 13,549,280	- 27.5
Premium exemption		-	-	-
Termination benefits		- 529,986,708	- 461,366,789	14.8
Vested benefits on departure	5.3	- 520,172,425	- 447,655,949	16.2
Transfer of additional funds in the event of collective exit		- 609,921	- 878,889	- 30.6
> Pension capital of pension beneficiaries	5.5	-	-	-
> Technical provisions		- 194,995	- 622,714	- 68.7
> Employer contribution reserves	6.8.2	- 414,927	- 256,175	61.9
> Provisions for pension providers		-	-	-
Early withdrawals for PHO / divorce	5.3	- 9,204,363	- 12,831,951	- 28.3
Outflow for benefits and early withdrawals		- 656,969,962	- 580,688,667	13.1

Operating statement

	Appendix	31.12.2022 CHF	31.12.2021 CHF	Change in %
Release / creation of pension capital, technical provisions and contribution reserves		- 254,059,604	- 226,680,074	12.1
Release / creation of pension capital for active insured persons	5.3	- 145,123,451	- 143,921,477	0.8
Expense / income from partial liquidation		- 3,916,794	- 3,564,638	9.9
Release / creation of pension capital for pension beneficiaris	5.5	- 69,495,645	- 34,019,923	104.3
Release / creation of technical provisions	5.2	- 7,361,609	- 1,184,125	521.7
Interest on savings capital	5.3	- 25,124,121	- 44,604,502	- 43.6
Release / creation of employer contribution reserves	6.8.2	- 3,037,983	614,591	- 594.3
Income from insurance benefits		27,890,577	44,528,641	- 37.3
Insurance benefits	5.2	27,890,577	38,071,349	- 26.7
Surplus participation from insurance	5.1	-	6,457,292	- 100.0
Insurance expense		- 38,131,182	- 37,316,361	2.2
Insurance premiums	3.2	- 29,505,693	- 30,440,328	- 3.0
> Risk premiums		- 28,296,570	- 28,771,201	- 1.6
> Cost premiums		- 1,209,123	- 1,669,127	- 27.5
Absence and Case Management	3.2	- 5,761,570	- 4,121,787	39.8
Contributions to Guarantee Fund	3.2	- 2,863,919	- 2,754,247	4.0
Net result from the insurance part		- 34,310,083	- 18,265,009	87.8

Operating statement

	Appendix	31.12.2022 CHF	31.12.2021 CHF	Change in %
Net investment result		- 263,220,651	278,002,307	- 194.7
Gross investment income of the individual compartments		- 223,770,493	320,302,509	
Interest income of Foundation		-	-	-
PRO	6.7	- 215,324,651	312,988,802	- 168.8
INDIVIDUA	6.7	- 8,445,842	7,313,708	- 215.5
Administrative costs for investments	6.7.1	- 39,450,157	- 42,300,202	- 6.7
Reversal / creation of non-technical provisions		-	-	
Other income		906,880	1,140,791	- 20.5
Income from services rendered		-	-	-
Interest income on payments from ceding insurers		65,801	18,695	251.9
Interest on receivables / liabilities to employers		100,530	276,282	- 63.6
Other income		740,549	845,814	- 12.4
Other expenses		- 7,972,722	- 6,483,160	22.9
Release / creation of contingency premium accounts		- 3,081,000	- 2,007,000	53.5
Interest expense on vested benefits		- 4,294,853	- 3,925,159	9.4
Interest expense on termination benefits		- 18,154	- 15,016	20.9
Interest on amounts due from / liabilities to third parties		- 17,897	- 1,729	934.8
Interest on employer contribution reserves		- 331,571	- 311,618	6.4
Interest on non-committed funds of pension providers		- 186,381	- 222,344	- 16.1
Other expenses		- 42,868	- 295	14,448.6
Administrative costs		- 29,605,028	- 28,878,125	2.5
General administration		- 13,206,532	- 10,567,124	24.9
Marketing and advertising		- 8,677,213	- 8,332,884	4.1
Brokering activities		- 7,438,656	- 9,637,293	- 22.8
Auditor and pension actuary		- 240,526	- 269,443	- 10.7
Supervisory authorities		- 42,101	- 71,383	- 41.0
Revenue surplus before creation / release of fluctuation reserves / non committed funds of the Foundation and compartments		- 334,201,604	225,516,803	- 248.2
Creation / release of non-committed funds of the compartments		-	-	
Creation / release of fluctuation reserve for Foundation		-	-	
Creation / release of fluctuation reserve for compartments		334,201,604	- 225,516,803	- 248.2
PRO	6.3	323,055,139	- 223,673,988	- 244.4
INDIVIDUA	6.3	11,146,465	- 1,842,815	- 704.8
Surplus income / expenses		0	0	

1 Basics and organisation

1.1 Legal form and purpose

Tellco pk is a foundation under private law within the meaning of Article 80 et seqq. of the Swiss Civil Code (CC), Article 331 of the Swiss Code of Obligations (CO) and Article 48(2) of the Swiss Occupational Pensions Act (OPA) with its own legal personhood registered in the Commercial Register under number CH-109.924.595. It insures employees and employers of its affiliated companies against the economic consequences of old age, death and disability within the framework of the OPA and its implementing provisions in accordance with the law and relevant regulations.

1.2 Registration and Guarantee Fund

In particular, Tellco pk is subject to the provisions of the Federal Act of 25 June 1982 on Occupational Old Age, Survivors, and Invalidity Pension Provision (OPA; Bundesgesetz vom 25. Juni 1982 über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge – BVG) and the Federal Act of 17 December 1993 on the Vesting of Occupational Old Age, Survivors, and Invalidity Benefits (VBA; Bundesgesetz vom 17. Dezember 1993 über die Freizügigkeit in der beruflichen Alters-, Hinterlassenen- und Invalidenvorsorge – FZG). It is entered in the register for occupational pensions under number SZ 69. Tellco pk is affiliated with the OPA Guarantee Fund pursuant to Article 57 of the OPA and pays contributions to it in accordance with the terms and conditions of the Ordinance of 22 June 1998 on the OPA Guarantee Fund (GFO; Verordnung vom 22. Juni 1998 über den Sicherheitsfonds BVG – SFV).

1.3 Specification of the deed and regulations

The following deed and regulations govern the activities of Tellco pk in the reporting year:

Designation	Date of last amendment	In force since
Foundation Deed	28.03.2022	28.03.2022
Terms and Conditions	05.07.2018	15.11.2018
Pension fund regulations for the occupational pension	10.12.2021	01.01.2022
Supplementary regulations on continued insurance	10.12.2021	01.01.2022
Fees and Charges Policy	21.09.2021	01.01.2021
Reserve Regulations	02.12.2022	31.12.2022
Investment Regulations	10.12.2021	01.01.2021
Regulations on partial liquidation of the Foundation or pension funds	08.08.2018	15.11.2018
Organisational Regulations	21.09.2021	01.10.2021

1.4 Joint management body / signatory powers, Board of Trustees

The jointly composed governing bodies of the Foundation are the Board of Trustees and the pension fund commissions of the affiliated pension funds.

Board of Trustees

The Board of Trustees of Tellco pk consists of six members (three representatives each of the employees and of the employers) and forms the strategic management body of Tellco pk. It exercises the ultimate management authority, supervision and control over the management of Tellco pk. The members of the Board of Trustees are to sign jointly, two at a time.

The term of office of the members of the Board of Trustees is fixed at five years. Re-election is permitted. The Board of Trustees is composed of the following members:

First, surname, place	Term of office
Peter Hofmann, Geneva (President / EE representative)	01.06.2005 – 31.12.2024
Leonie Winter, Unterägeri (ER representative)	26.05.2022 – 31.12.2024
Daniel Andermatt, Holzhäusern (EE representative)	01.01.2016 – 31.12.2024
Roland Walker, Weggis (EE representative)	01.07.2020 – 31.12.2024
Pierre Christen, Veyrier (ER representative)	01.01.2016 – 31.12.2024
Florence Biner, Rüschlikon (ER representative)	01.01.2021 – 31.12.2024

ER = employer representative
EE = employee representative

Pension fund commission

Management bodies for the affiliated pension funds, composed jointly of an equal number of employer and employee representatives. All pension funds are independent from one another organisationally and economically.

1.5 Management

Management has been delegated to eCare Ltd., Schwyz. The employees of the commissioned companies sign jointly, two at a time, by proxy or power of attorney.

1.6 Experts, auditor, advisers, supervisory authority Pension actuary

Within the meaning of Article 53(2) of the OPA, the recognised pension actuary is DIPEKA AG, Zurich. It periodically reviews whether Tellco pk provides assurance at all times that it can meet its obligations and whether its actuarial provisions comply with the legal requirements. The Board of Trustees appointed DIPEKA AG, Zurich, as the pension actuary for the 2022 financial year. Urs Burch is in charge of the mandate.

Auditor

The Federal Act on Occupational Old Age, Survivors, and Invalidity Pension Provision (OPA) requires an independent auditor to audit the annual financial statements and reporting annually based on additional legal provisions and other regulations. The Board of Trustees has appointed Ernst & Young Ltd, Basle, as the auditor for the 2022 financial year. Patrik Schaller serves as lead auditor.

Supervisory authority

Tellco pk is subject to supervision by the Central Switzerland OPA and Foundation Supervisory Authority (Zentralschweizer BVG- und Stiftungsaufsicht – ZBSA), which evaluates matters including whether the pension fund's regulatory provisions comply with the legal requirements.

Marketing and sales

Tellco Ltd, Schwyz, has been commissioned with marketing and sales of Tellco pk's services.

Administration and management

eCare Ltd, Schwyz, has been commissioned with administration and management.

1.7 Affiliated companies

The number of affiliated companies developed as follows:

	2022		2021	Change
	PRO	INDIVIDUA	Total	in %
As of 1 January	9,930	13	9,943	6.5
Newly affiliated companies	1,150	2	1,152	- 14.4
Terminated affiliation agreements	- 903	-	- 903	22.7
> of which due to discontinuation of business	- 139	-	- 139	189.6
> of which terminations due to arrears in payment of premiums	- 287	-	- 287	36.7
> of which due to bankruptcy or liquidation	- 22	-	- 22	- 26.7
> of which due to change of pension institution	- 106	-	- 106	- 14.5
> of which due to lack of employees to be insured	- 343	-	- 343	7.9
> of which due to other reasons	- 6	-	- 6	0.0
As of 31 December	10,177	15	10,192	2.5

2 Active members and pension beneficiaries

2.1 Active insured persons

These are the trends in the number of insured persons:

	2022		2021	Change
	PRO	INDIVIDUA	Total	in %
As of 1 January	88,043	476	88,519	14.8
Not counted in previous years	-	-	-	259
Enrolments	102,661	378	103,039	90,233
Exits	- 94,510	- 223	- 94,733	- 77,956
Retirements	- 804	- 5	- 809	- 812
Transfer of disability cases	- 330	- 1	- 331	- 277
Deaths	- 79	- 2	- 81	- 49
As of 31 December	94,981	623	95,604	88,519

The high rate of change in enrolments and exits in relation to the overall portfolio can be traced back to staff turnover for business reasons in the companies affiliated with Tellco pk in the area of personnel procurement.

Age structure	Men	Women	Total
Under 25 years of age	6,289	2,535	8,824
25 to 34 years	17,608	8,010	25,618
35 to 44 years	17,302	7,782	25,084
45 to 54 years	14,313	7,175	21,488
55 to 65 years (women up to 64)	9,166	4,714	13,880
Over 65 years (women over 64)	61	26	87
Total	64,739	30,242	94,981

The average age of insured persons is:	31.12.2022	31.12.2021
Men	40.0	40.3
Women	40.7	40.9

2.2 Pension beneficiaries

	Disability pensions	Retirement pensions	Partner's pensions	Child's pensions	Divorce pensions	Total
As of 1 January 2022	978	2,280	441	558	4	4,261
New pensions	173	304	61	161	1	700
> of which takeovers or from insurance contract	31	39	11	11	-	92
Retirement of disability pension beneficiaries	- 70	-	-	-	-	- 70
Reactivation / expiry / deaths	- 46	- 61	- 28	- 122	-	- 257
Pension beneficiary handover	-	-	-	-	-	0
As of 31 December 2022	1,035	2,523	474	597	5	4,634

2.3 Pension beneficiaries under insurance contracts

	31.12.2022	31.12.2021
Disability pensions	3	3
Partner's pensions	4	4
Total	7	7

3 Fulfilment of the pension objective

3.1 Explanation of pension plans

The pension funds have one or more individual pension plans that are OPA-compliant defined contribution plans. The risk benefits are either dependent on the predicted retirement savings or defined as a percentage of the insured salary (with or without coordination).

3.2 Financing, financing methods

The contributions to financing of the pension plans are defined either as a percentage of the insured salary in the pension plan or by a percentage allocation of the effective costs. The risk premiums are determined by the risk reinsurance rate. The risk and administrative cost contributions finance the insurance premiums, the Guarantee Fund, the reserves and the administrative costs. At least 50 % of the total contributions are financed by the employer.

Revenue (contributions)	2022 CHF 1,000	2021 CHF 1,000	Change in %
Employee contributions	199,107	179,957	10.6
Employer contributions	218,539	198,328	10.2
Release / transfers to contingency premium accounts	- 3,081	- 2,007	53.5
Total revenue	414,565	376,278	10.2
Expenditures (use)			
Retirement credits	340,757	307,455	10.8
Expenses for insurance and Case Management	35,477	34,562	2.6
Contributions to Guarantee Fund	2,864	2,754	4.0
Administrative costs	29,607	28,878	2.5
Total expenditures	408,705	373,649	9.4
Balance	5,860	4,636	26.4

3.3 Pension adjustment

At the meeting on 2 December 2022, the Board of Trustees decided not to increase the current pensions.

4 Valuation and accounting principles, consistency

4.1 Confirmation of accounting according to Swiss GAAP FER 26

The presentation and valuation of the annual financial statements comply with directive No. 26 issued by the Swiss Commission for Financial Reporting Standards (Swiss GAAP FER) and are in accordance with the provisions of special occupational pension laws. In the 2022 business year, the assets and liabilities from insurance contracts will only be shown in the appendix.

4.2 Accounting and valuation principles

Bookkeeping, accounting and valuation are carried out in accordance with the provisions of the OPA, including the relevant ordinances (in particular the OPO 2 and Swiss GAAP FER 26).

- Securities and currencies: market value
- Medium-term notes, mortgages, loans: nominal value
- Directly held real estate: discounted cash flow (DCF) method (annual valuation) or, in exceptional cases, at cost less identifiable value adjustments
- Alternative investments: last available market price
- Currency conversion: rates on the reporting sheet date (assets and liabilities), daily rate (expenses and income)

4.3 Change in valuation, accounting and financial reporting principles

Compared to the 2021 annual financial statements, there is no change in the valuation, accounting or financial reporting principles.

5 Underwriting risks, risk coverage, coverage ratio

5.1 Type of risk coverage, reinsurance

Tellco pk is a semi-autonomous pension fund. The risks of disability and death are reinsured with Swiss Mobiliar Life Insurance Company (Mobiliar). Since 1 January 2005, the reserves raised by Mobiliar for definitive benefit claims have been assigned to and subsequently managed by Tellco pk. Since 1 January 2010, a net contract has been in place with Mobiliar. In 2021, Tellco pk received a surplus participation of CHF 6.4 million from insurance contracts.

5.2 Explanation of assets and liabilities from insurance contracts

This is coverage capital for pension beneficiaries with the ZURICH / MOBILIAR insurance company.

	31.12.2022	31.12.2021
Assets from insurance contracts	2,316,491	2,462,317
Liabilities from insurance contracts	2,316,491	2,462,317

5.3 Development and interest rate of the pension capital of insured persons

The following table shows the development of the pension capital of insured persons:

	2022 CHF 1,000	2021 CHF 1,000	Change in %
As of 1 January	2,636,751	2,400,776	9.8
Asset transfer on 1 January 2021	-	47,333	- 100.0
Retirement credits	340,758	307,455	10.8
Premium-free retirement credits	10,753	9,763	10.1
Buy-in amounts and one-time deposits	24,736	19,524	26.7
Vested contributions	561,182	366,377	53.2
Deposits of non-committed funds and employer contribution reserves	161	2,002	- 91.9
Payment of PHO advance withdrawals / divorce	6,980	7,599	-8.2
Vested benefits / contract terminations	- 659,755	- 447,645	47.4
Expense due to partial liquidation	- 15	182	- 108.4
Lump sums upon retirement	- 57,806	- 51,134	13.0
Transfer to pension capital for pension beneficiaries (retirements)	- 63,237	- 47,593	32.9
Transfer to pension capital of pension beneficiaries (deaths)	- 9,454	- 10,014	-5.6
Early withdrawals for PHO / withdrawals for divorce	- 9,204	- 12,832	- 28.3
Interest on savings capital	25,124	44,605	- 43.7
Miscellaneous (VBA 17 / provision OPA minimum termination benefits)	- 72	353	- 120.4
As of 31 December	2,806,902	2,636,751	6.5
Number of savings accounts for active insured persons	87,974	80,878	8.8
Number of savings accounts for disability cases and disability pension beneficiaries	1,917	1,790	7.1

For the compartment PRO, the Board of Trustees sets the interest rate for savings capital. For the pension funds in the compartment INDIVIDUA, the joint pension fund commission decides on the interest rate.

For the affiliated insured persons in the compartment PRO, interest of 1 % was provisionally paid on savings assets in 2022. At its meeting on 2 December 2022, the Board of Trustees decided to set the definitive interest rate at 1 %. The pension fund commissions of the affiliated pension funds in the compartment INDIVIDUA also set the definitive interest rates at 1 % to 2.2 %.

5.4 Total retirement savings according to the OPA (shadow account)

Tellco pk maintains the legally required retirement savings as a shadow account in accordance with the provisions of the OPA, ensuring that the minimum benefits under the OPA will be fulfilled. The OPA retirement savings are included in the following items:

	31.12.2022 CHF 1,000	31.12.2021 CHF 1,000	Change in %
Pension capital of active insured persons	1,808,717	1,706,529	6.0
	1,808,717	1,706,529	6.0

The interest rate on the OPA assets in the shadow account was calculated using the OPA minimum interest rate of 1 %.

5.5 Trends in pension capital of pension beneficiaries

Since 31 December 2021, Tellco pk has recognised its pension obligations on actuarial assumptions in accordance with the OPA 2020 with a technical interest rate of 1.75 %. The Foundation created a provision for the reduction of the technical interest rate to 1.5 %.

Pension capital of pension beneficiaries	2022 CHF 1,000	2021 CHF 1,000	Change in %
As of 1 January	790,641	753,280	5.0
Asset transfer on 1 January 2021	-	3,342	-
Takeover of pension beneficiaries	13,235	8,463	56.4
Pension beneficiary handover	-	-	-
Insurance benefits	21,670	32,641	- 33.6
Transfer from pension capital of active insured persons (retirements)	60,036	47,593	26.1
Transfer from pension capital of active insured persons (deaths)	11,601	10,014	15.8
Lump sums	- 9,823	- 13,549	- 27.5
Pension payments	- 57,631	- 54,118	6.5
Savings credits premium waiver	- 5,262	- 4,908	7.2
From provisions for conversion rate	-	9,405	- 100.0
Creation (actuarial adjustment)	29,959	- 1,521	- 2,070.1
As of 31 December	854,427	790,641	8.1

During the reporting year, one pension beneficiary (previous year: one) was transferred to another foundation.

5.6 Composition, trends and explanation of the technical provisions

	Appendix	31.12.2022 CHF 1,000	31.12.2021 CHF 1,000	Change in %
Composition of technical provisions				
Compartment PRO				
Provisions for conversion rate	5.6.1	60,510	52,096	16.2
Other incurred but not reported (IBNR) reserves	5.6.3	-	2,256	- 100.0
Provisions for reduction of technical interest rate	5.6.4	20,708	19,466	6.4
Provision for fluctuations in the mortality risk of pension beneficiaries	5.6.5	-	-	-
Total technical provisions compartment PRO		81,218	73,818	10.0
Compartment INDIVIDUA				
Provisions for conversion rate	5.6.1	3,701	3,539	4.6
Other incurred but not reported (IBNR) reserves	5.6.2	32	-	100.0
Provisions for reduction of technical interest rate	5.6.3	-	-	-
Provision for fluctuations in the mortality risk of pension beneficiaries	5.6.4	1,691	1,170	44.5
Total technical provisions compartment INDIVIDUA		5,424	4,709	15.2
Total Tellco pk				
Provisions for conversion rate	5.6.1	64,211	55,635	15.4
Other incurred but not reported (IBNR) reserves	5.6.2	32	2,256	- 98.6
Provisions for reduction of technical interest rate	5.6.3	20,708	19,466	6.4
Provision for fluctuations in the mortality risk of pension beneficiaries	5.6.4	1,691	1,170	44.5
Overall total		86,642	78,527	10.3

The actuarial provisions are created in accordance with the Reserve Regulations. The following list is in line with the structure specified in the regulations. Each compartment creates its own provisions. The provisions consist of the following:

5.6.1 Provisions for conversion rate

This reserve is intended to ensure that the envisaged conversion rate, which is periodically set by the Board of Trustees, can continue to be applied in the medium term even if the technical conversion rate is lower.

5.6.2 Other incurred but not reported (IBNR) reserves

The incurred but not reported reserves include the necessary reserves that result from the takeover of affiliations.

5.6.3 Provisions for reduction of the technical interest rate

Due to the fact that the applied actuarial interest rate may differ from the pension actuary's recommendation, an appropriate technical provision is built up to account for the cost of increasing the pension capital with application of the recommended interest rate.

5.6.4 Provision for fluctuations in the mortality risk of pension beneficiaries

In the case of relatively small pension beneficiaries portfolios, life expectancy of pension beneficiaries normally varies from the statistical average life expectancy as a result of insufficient risk equalisation and the impossibility of applying the law of large numbers at the moment. The purpose of the provision is to equalise risk fluctuations in the case of pension beneficiary deaths.

5.7 Actuarial opinion

A selected pension actuary periodically performs an actuarial review of Tellco pk. The last review took place on 31 December 2021. It determined that there is an actuarial coverage ratio as per Article 4 of the OPO 2 of 110.3 %.

In their report, the pension actuary confirmed that

- the technical interest rate and the actuarial assumptions used were appropriate as of the cut-off date;
- the Foundation offered security as of the cut-off date to ensure that it can meet its obligations;
- the regulations on actuarial provisions governing payments and financing meet the statutory requirements; and
- the measures taken to cover actuarial risks are sufficient.

The expert recommends monitoring a reduction of the technical interest rate annually. Otherwise, no further recommendations are necessary.

The next actuarial opinion as of 31 December 2022 is currently being prepared and will be discussed at the Board of Trustees meeting in June 2023.

5.8 Technical assumptions and other actuarially relevant assumptions

The obligations of Tellco pk have been calculated in accordance with the principles and professional guidelines for pension insurance experts of the Swiss Association of Actuaries and the Chamber of Pension Fund Experts. The following bases for calculation are used: OPA 2020, period life table (PLT) 2021, at the rate of 1.75 %, increased by 0.5 % annually.

5.9 Coverage ratio according to Article 44 of the OPO 2

Tellco pk maintains a separate coverage ratio for the compartment PRO as well as for each individual pension fund in the compartment INDIVIDUA. This means that a uniform coverage ratio is used for each pension fund that is affiliated through the compartment PRO. An individual coverage ratio is calculated for each pension fund that is affiliated through the compartment INDIVIDUA.

The funding ratio according to Article 44 of the OPO 2 is the ratio between the available pension assets and the actuarially required pension capital (including technical provisions).

Composition of all
INDIVIDUA pension funds

Coverage ratio, including reserve of employer's contributions without renunciation of use, in %	Number of pension providers	Pension funds %	Savings / coverage capital in TCHF	Underfunding / surplus cover, TCHF	Underfunding / surplus cover %	Total assets, TCHF	Balance sheet total %	Number of active insured	Number of old-age pension	Total number of insured persons
99.49 or less	-	0.00	-	-	-	-	0	-	-	-
99.50 – 99.99	1	25.00	29,094	- 55	- 0.18	32,169	24.26	130	14	144
100 – 104.99	3	75.00	90,329	2,407	2.40	100,428	75.74	493	46	539
105 – 109.99	-	0.00	-	-	-	-	0	-	-	-
110 – 114.99	-	0.00	-	-	-	-	0	-	-	-
115 – 119.99	-	0.00	-	-	-	-	0	-	-	-
120 or more	-	0.00	-	-	-	-	0	-	-	-
Total	4	100.00	119,423	2,352	1.77	132,597	100.00	623	60	683

5.9.1 Funding ratio of compartment PRO
according to Article 44 of the OPO 2

	31.12.2022 CHF 1,000	31.12.2021 CHF 1,000	Change in %
Available pension assets			
Balance sheet assets	4,128,566	4,184,874	- 1.3
Balance sheet liabilities	- 384,792	- 332,046	15.9
Accruals and deferred income	- 23,229	- 21,250	9.3
Employer contribution reserves	- 35,260	- 31,891	10.6
Non-technical provisions	- 2,251	- 2,251	-
Value fluctuation reserves of pension funds	- 10,390	- 10,744	- 3.3
Non-committed funds of pension funds	- 19,045	- 19,941	- 4.5
Total available pension assets	3,653,599	3,766,751	- 3.0
Pension capital and technical provisions			
Pension capital of active insured persons	2,713,592	2,560,745	6.0
Pension capital of pension beneficiaries	828,315	778,660	6.4
Liabilities from insurance contracts	-	353	- 100.0
Technical provisions	81,218	73,818	10.0
Pension capital and technical provisions	3,623,125	3,413,576	6.1
Actuarial surplus cover / underfunding	30,474	353,175	- 91.4
Coverage ratio of the compartment (= minimum coverage ratio of the pension funds)	100.8 %	110.3 %	
Average coverage ratio of the pension funds	101.7 %	111.2 %	

Coverage ratio of the pension funds	Number	Pension obligations CHF 1,000
101.70 %	7,686	2,079,068
CR 101.8 – 104.9	2,282	1,372,369
CR 105 – 109.9	122	120,960
CR 110 – 114.9	38	21,789
CR 115 – 119.9	20	26,619
CR 120 – 124.9	4	46
CR from 125	25	2,274
Total	10,177	3,623,125

The coverage ratio across all compartments (Foundation level) is 101.7 %.

6 Explanation of investments and net investments result

6.1 Organisation of investment activities, investment regulations

Investment commission

In collaboration with the independent investment controller Santro Invest AG, the investment committee selected by the Board of Trustees monitors the asset managers. The Board of Trustees is informed on a regular basis about overall performance of the investments, compliance with objectives and technical investment aspects.

Pension funds with customised investments form their own investment commissions, which submit their applications for asset managers to the investment commission of the Foundation.

Members of the Tellco pk investment commission

	Term of office
Yves Bugmann (Chairman), independent	01.01.2021 – 31.12.2024
Peter Hofmann, Chairman of the Board of Trustees	01.01.2021 – 31.12.2024
Pierre Christen, employer representative on the Board of Trustees	01.01.2021 – 31.12.2024

Investment controlling

Santro Invest AG

The Investment Regulations are dated 1 January 2021. The Foundation offers pension funds two compartments to choose from for the investment of pension assets:

PRO

- Collective investment for all affiliated pension funds
- The investment strategy is based on an equity component of 25 %
- The affiliated pension funds do not make independent investment decisions
- Provisions are formed and the coverage ratio determined at compartment level. The coverage ratio is generally the same for all pension funds. Pension funds may however have non-committed funds or their own fluctuation reserves.

Tellco Ltd, Schwyz, is in charge of asset and real estate management. The custodian of the securities investments is also Tellco Ltd, Schwyz. In terms of investments, and alternative investments in particular, Tellco Ltd has structured monitoring processes that regulate potential conflicts of interest and legal transactions with associates; these are presented to the Board of Trustees of Tellco pk on an annual basis.

In the agreement of 25 October 2007, Tellco Ltd provided an undertaking that it has not accepted any pecuniary benefits in the course of its asset management since September 2006 and agreed to automatically transfer any such pecuniary benefits to Tellco pk in the future. No such pecuniary benefits were received in 2022 (previous year: also none).

INDIVIDUA

- Where size and risk capacity are sufficient, one individual pension fund may create its own investment strategy with individual investments
- The affiliated pension fund makes its own investment decisions (within the framework of the investment options defined by the Board of Trustees) and forms its own investment commission to this end
- Provisions are formed and the coverage ratio determined at pension fund level

Each pension fund sets its own investment strategy and selects asset managers itself.

Disclosure of voting behaviour

Since 1 January 2015, all pension funds are obligated to meet certain voting and disclosure duties in the case of directly held equities in listed Swiss public limited companies. In that case, they are also required to disclose voting behaviour (agendas and allocation of votes) to their insured persons.

Tellco pk does not possess any directly held equities and accordingly has no ability to vote. However, they hereby fulfil the voting and disclosure duty pursuant to Article 23 of the Ordinance of 20 November 2013 against Excessive Remuneration in Listed Companies Limited by Shares (ERCO; Verordnung vom 20. November 2013 gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften – VegüV). One INDIVIDUA compartment (previous year: none) has directly held equities. The voting rights were exercised by the asset manager on the basis of the instructions drawn up and disclosed to the insured persons of the compartment.

6.2 Utilisation of the extended investment possibilities (Article 50(4) of the OPO 2) with conclusive proof of compliance with security and risk diversification provisions (Article 50(1) to (3) of the OPO 2)

Investment in the compartment PRO

No extensions were utilised.

Investment in the compartment INDIVIDUA

Extension utilisation

In the case of three pension funds, the pension fund commissions expand the statutory investment options in the area of real estate investments and alternative investments. Between 32.55 % and 36.66 % (three pension funds) of the investments are invested in real estate and between 16.74 % and 17.94 % (two pension funds) in alternative investments.

Violation of the ranges:

In addition, the pension fund commissions extend the regulatory ranges for two pension funds, which were set out in the appendix to the affiliation contract. The ranges are exceeded as follows:

- In the case of one pension fund in the areas of money market (17.40 % instead of max. 10.00 %) and CHF bonds (12.70 % instead of max. 10.00 %)
- In the case of one pension fund in the areas of world equities (8.10 % instead of at least 10.00 %), CHF bonds (15.10 % instead of at least 20.00 %) and alternative investments (2.40 % instead of at least 2.50 %).

Despite exceeding the statutory limits in the areas of real estate and alternative investments as well as the violation of the regulatory ranges in the areas of money market and CHF bonds (overshoot) and world equities, CHF bonds and alternative investments (overshoot), the Board of Trustees and the pension fund commissions believe that fulfilment of the objective of pension provision is ensured. Range violations will be closely monitored, and appropriate action will be taken should they continue in 2023.

6.3 Target value and calculation of the fluctuation reserve

The fluctuation reserve is created or released in order to offset (short-term) fluctuations in the value of investments. The independent investment controller calculates the target value of the fluctuation reserve using risk-oriented estimations of the assets.

The fluctuation reserves are calculated per compartment (PRO) and, for the INDIVIDUA compartments, per pension fund. They are created from the surplus income / expenses as of 31 December 2022.

	2022 CHF 1,000		
Total fluctuation reserves	43,217		
Compartment PRO	2022 CHF 1,000	2021 CHF 1,000	Change in %
As of 1 January	353,176	128,801	174.2
Allocations (+) / withdrawals (–) operating statement	- 322,701	224,375	- 243.8
As of 31 December	30,475	353,176	- 91.4
Target value of the fluctuation reserve	582,128	590,067	- 1.3
Target figure in % of investments	14.1%	14.1%	-
Existing fluctuation reserve	30,475	353,176	- 91.4
Reserve deficit	551,653	236,891	132.9
Value fluctuation reserves of pension funds			
As of 1 January	10,744	11,445	- 6.1
Deposits / withdrawals	- 354	- 701	- 49.5
Allocation from operating statement	-	-	-
As of 31 December	10,390	10,744	- 3.3
Compartment INDIVIDUA (consolidated)	2022 CHF 1,000		
As of 1 January	8,865	7,022	
Target figure in % of investments (custom)	4,634	-	
Allocations (+) / withdrawals (–) operating statement	- 11,146	1,843	
As of 31 December	2,352	8,865	
Target value of the fluctuation reserve	21,003	16,126	
Target figure in % of investments (custom)	-	-	
Existing fluctuation reserve	2,352	8,865	
Reserve deficit	18,651	7,261	

In the compartment INDIVIDUA, the fluctuation reserves are calculated for each pension fund individually. In 2022 the target values ranged from 14.82 % 15.89 %. They are created from the surplus income / expenses as of the end of the year.

The Foundation itself does not possess any fluctuation reserves.

6.4 Presentation of the investments
according to investment categories
Risk distribution of the investments

Compartment PRO	31.12.2022			31.12.2021		
	CHF 1,000	in %	Strategy in %	CHF 1,000	in %	Strategy in %
Money market	433,824	10.7	5	207,795	5.0	5
Loans and mortgage loans	313,310	7.7	3	173,632	4.2	3
Domestic and foreign bonds in CHF	280,311	6.9	5	121,305	2.9	5
Global bonds in foreign currencies	240,307	5.9	5	197,463	4.8	5
Global bonds in foreign currencies, (hedged)	282,156	7.0	7	322,209	7.8	7
Swiss equities	340,427	8.4	10	471,110	11.4	10
Global equities	338,891	8.4	16	737,564	17.9	16
Alternative investments	583,618	14.4	15	631,977	15.4	15
Infrastructure investments (unleveraged)	95,583	2.4	2	61,613	1.5	2
Swiss real estate	1,149,999	28.3	32	1,191,331	29.0	32
Intermediate total	4,058,426	100.0	100.0	4,115,999	100.0	100.0
Amounts due from employers	62,606			56,900		
Other Swiss amounts due	4,604			9,934		
Assets held in transit	2,930			1,688		
Assets from insurance contracts	-			353		
Total assets	4,128,566			4,184,874		
	CHF 1,000	in %	OPO 2 in %	CHF 1,000	in %	OPO 2 in %
Total restrictions pursuant to the OPO 2						
Investments in claims secured by real estate liens pursuant to Article 55a of the OPO 2	313,310	7.6 %	50	173,632	4.1	50
Investments in shares pursuant to Article 55b of the OPO 2	679,318	16.5 %	50	1,208,674	28.9	50
Investments in real estate pursuant to Article 55c of the OPO 2	1,149,999	27.9 %	30	1,191,331	28.5	30
> of which abroad	-	-	10	-	-	10
Alternative investments pursuant to Article 55d of the OPO 2	583,618	14.1 %	15	631,977	15.1	15
Investments in foreign currencies without hedging pursuant to Article 55e of the OPO 2	579,198	14.0 %	30	954,445	22.8	30

Asset allocation of alternative investments	31.12.2022 Collectively CHF 1,000	31.12.2022 Direct CHF 1,000	31.12.2022 Total CHF 1,000	31.12.2021 Total CHF 1,000
Hedge funds	230,285	-	230,285	234,373
Insurance-linked securities	4,386	-	4,386	36,102
Private equities	119,948	-	119,948	144,261
Private debts	223,668	-	223,668	209,008
Infrastructure investments	95,583	-	95,583	61,613
Foreign exchange hedge transactions	5,331	-	5,331	8,233
Total	679,201	-	679,201	693,590

Compartment INDIVIDUA (consolidated)	31.12.2022			31.12.2021		
	CHF 1,000	in %	Strategy in %	CHF 1,000	in %	Strategy in %
Money market	13,456	10.1	3	6,369	6.0	3
Loans and mortgage loans	2,800	2.1	2	1,500	1.4	3
Domestic and foreign bonds in CHF	10,938	8.3	9	7,097	6.6	10
Global bonds in foreign currencies,	4,421	3.4	5	5,167	4.8	6
Global bonds in foreign currencies, hedged	3,464	2.6	3	3,202	3.0	3
Swiss equities	21,497	16.3	17	13,734	12.8	14
Global equities	13,513	10.3	13	14,299	13.4	14
Alternative investments	13,129	10.0	14	14,226	13.3	13
Infrastructure investments (unleveraged)	1,738	1.3	2	1,086	1.0	3
Mixed investment form	3,540	2.7	0	4,203	3.9	0
Direct real estate investments	8,847	6.7	0	12,186	11.4	0
Real estate funds	34,471	26.2	33	23,854	22.4	31
Intermediate total	131,814	100.0	100.0	106,923	100.0	100.0

Amounts due from employers			
Other Swiss amounts due	241	- 1'540	
Assets held in transit	542	95	
Assets from insurance contracts	-	2'109	
Total assets	132,597	107,746	

	CHF 1,000	in %	OPO 2 in %
Total restrictions pursuant to the OPO 2			
Investments in claims secured by real estate liens pursuant to Article 55a of the OPO 2	2,800	2.12	50
Investments in shares pursuant to Article 55b of the OPO 2	35,010	26.56	50
Investments in real estate pursuant to Article 55c of the OPO 2	43,318	32.86	30
> of which abroad	-	-	10
Alternative investments pursuant to Article 55d of the OPO 2	13,129	9.96	15
Investments in foreign currencies without hedging pursuant to Article 55e of the OPO 2	17,934	13.61	30

Asset allocation of alternative investments	31.12.2022 Collectively CHF 1,000	31.12.2022 Direct CHF 1,000	31.12.2022 Total CHF 1,000
Hedge funds	4,740	-	4,740
Insurance-linked securities	79	-	79
Private equities	1,619	-	1,619
Private debts	6,172	-	6,172
Infrastructure investments	1,738	-	1,738
Foreign exchange hedge transactions	42	-	42
Other investments	477	-	477
Total	14,867	-	14,867

6.5 Current (open) derivative financial instruments

The following open derivative positions existed as of 31 December 2022:

	Market value 31.12.2022 CHF 1,000	Contract volumes CHF 1,000	Commitment increasing CHF 1,000	Commitment decreasing CHF 1,000
Forward exchange transactions in EUR, USD, GBP				
> Positive replacement value	5,744	611,577	-	611,577
> Negative replacement value	- 195	40,286	-	40,286
Total forward foreign exchange transactions	5,549	651,863	-	651,863

Derivative financial instruments are covered by the existing investments.

6.6 Open capital commitments

	31.12.2022 CHF 1,000	31.12.2021 CHF 1,000
As of 31 December, the following open capital commitments exist:		
> Infrastructure	68,140	53,320
> Private equity	46,520	10,011
> Private debt	89,919	62,550
> Hedge funds	8,653	-
Total	213,232	125,881

6.7 Explanation of net investment result

	31.12.2022
Compartment PRO	- 5.92 %
	CHF 1,000
Net result liquid assets and forward foreign exchange transaction	- 1,600,094
Interest on loans and mortgages	1,019,276
Net result from equities	- 194,600,009
Net result from bonds	- 87,631,472
Net result from real estate (direct investments)	60,216,598
Net result alternative investments	7,271,050
Expenses for asset management	- 38,362,036
Net investment result	- 253,686,687

	31.12.2022
Compartment INDIVIDUA (consolidated)	- 8.22 %
	CHF 1,000
Net result liquid assets and forward foreign exchange transaction	- 91,548
Interest on loans and mortgages	- 2,491
Net result from equities	- 6,552,064
Net result from bonds	- 2,523,468
Net result from real estate (direct investments)	712,946
Net result real estate funds	1,317,698
Net result alternative investments	- 666,477
Net income from mixed investments	- 640,437
Expenses for asset management	- 1,088,121
Net investment result	- 9,533,962

6.7.1 Administrative costs for investments

	Total Tellco pk 2022 CHF 1,000	in %	Total Tellco pk 2021 CHF 1,000	in %
Asset management fees on the institution level (TER costs)	8,556	0.20	8,328	0.19
Tax transaction costs (TTC)	1,207	0.03	895	0.02
Other costs (SC costs)	150	0.00	169	0.00
TER costs of cost-transparent collective investments	29,537	0.69	32,908	0.77
> of which TER costs for cost-transparent collective investments in alternative investments	10,560	0.25	10,929	0.25
> of which TER costs from performance fees for cost-transparent collective investments in alternative investments	6,089	0.14	5,153	0.12
> of which TER costs for cost-transparent collective investments in real estate	5,309	0.12	5,243	0.12
> of which TER costs of other cost-transparent collective investments	7,455	0.18	11,583	0.27
Total	39,450	0.93	42,300	0.99
Total investments	4,257,691	100.00	4,288,375	100.00
Cost-non-transparent investments	-	-	-	-
Cost-transparent investments – cost transparency ratio	4,257,691	100.00	4,288,375	100.00

In accordance with the directive of the Occupational Pension Supervisory Commission (OPSC) of 23 April 2013, as of the 2013 financial year all pension funds must also recognise the costs incurred within their investments, that is, the transaction costs and taxes as well as the TER costs of the cost-transparent collective investments, as an expense on their operating statement.

TTER costs:	Namely management fees, custody fees, fund administration fees and performance fees
TTC costs:	Transaction costs such as brokerage fees and issuing and redemption commissions as well as taxes (stamp duties)
SC costs:	Costs for external investment controlling, among others

6.7.2 Non-transparent investments

None.

6.8 Explanation of the investments with the employer and the employer contribution reserves

6.8.1 Explanation of the investments with the employer

On the one hand, there were premium account amounts due from affiliated companies totalling CHF 69,244,044.35 (4,014 employers) as of 31 December 2022. A total of 712 companies with arrears of CHF 14,342,705.54 are in a terminated relationship. Premium payments are past due in these cases. On the other hand, there are allowances for amounts due that are in doubt of CHF 3,557,528. In the narrow sense, these current account amounts due are not considered to be investments with the employer.

6.8.2 Explanation of the investments with the employer

In addition to premium account obligations to affiliated companies of CHF 20,970,335.96 as of 31 December 2022, there are employer contribution reserves of 456 employers. The contribution reserves trended as follows:

	2022 CHF 1,000	2021 CHF 1,000
Without renunciation of use		
As of 1 January	31,891	32,194
Deposits	9,940	9,019
Transfers to supplementary insurer	- 415	- 256
Use for employer contribution payments	- 6,487	- 9,377
Use for deposits in savings capital	-	-
Interest 1 % (previous year: 1 %)	332	311
As of 31 December	35,261	31,891

7 Explanation of additional items on the balance sheet and operating statement

7.1 Composition of the contributions

	31.12.2022 CHF 1,000	31.12.2021 CHF 1,000	Change in %
Savings contributions	334,848	302,170	10.8
Risk contributions	62,799	58,160	8.0
Administrative cost contributions	11,995	10,838	10.7
Uniform contributions	8,004	7,116	12.5
Total contributions	417,646	378,284	10.4

7.2 General administrative costs

7.2.1 General administrative costs

	31.12.2022 CHF	31.12.2021 CHF	Change in %
General administrative costs	13,206,532	10,567,124	25.0
Auditor and pension actuary	240,526	269,443	- 10.7
Supervisory authority	42,101	71,383	- 41.0
Marketing and advertising costs	8,677,213	8,332,884	4.1
Broker and brokerage expenses	7,438,656	9,637,293	- 22.8
Total	29,605,028	28,878,125	2.5

As a result of a system conversion, certain payments in 2020 and 2021 for broker and brokerage expenses were taken into consideration in the 2021 financial year.

7.2.2 General administrative costs per change

	31.12.2022	31.12.2021	Change in %
Number of active insured persons as of 1 January including enrolments and exits	286,291	245,310	16.7
Number of pension beneficiaries as of 31 December (excluding child,s pensions).	4,037	3,703	9.0
Total beneficiaries	290,328	249,013	16.6
General administrative costs per capita in CHF	102	116	- 12.1

7.3 Non-technical provisions

	31.12.2022 CHF 1,000	31.12.2021 CHF 1,000	Change in %
As of 1 January	2,251	2,700	- 16.6
Allocations (+) / withdrawals (–) taxes on property gains	-	- 449	- 100.0
As of 31 December	2,251	2,251	-

8 Conditions of the supervisory authority

By ruling of 25 April 2022, the OPA and foundation supervisory authority for Central Switzerland (Zentralschweizer BVG- und Stiftungsaufsicht – ZBSA) nullified the transfer by Telco pk to a pension foundation of a portfolio of pensioner beneficiaries drawing old age, survivors, and invalidity benefits. The Foundation was ordered to reverse the transfers to pension beneficiaries.

The case is currently under review.

9 Further information relating to the financial situation

9.1 Measures to remedy underfunding

As of 31 December 2022, one (previous year: 0) INDIVIDUA pension fund had a funding ratio of less than 100 %. However, as the coverage ratio is above 99 %, it can be assumed that the coverage ratio will recover to 100 % due to the investment results. The pension fund is therefore refraining from taking further measures.

9.2 Pledge of assets

The following custody account was pledged as collateral for derivative financial instruments:

	31.12.2022 CHF 1,000	31.12.2021 CHF 1,000
Telco Ltd	112,570	83,744

9.3 Ongoing legal proceedings

There are no pending legal proceedings relating to the financial situation.

9.4 Contingent liabilities for the benefit of third parties

None.

10 Events after the balance sheet date

There were no material events after the reporting date that would require a correction to the 2022 annual financial statement (previous year: none).

Report of the statutory auditor

To the Foundation Board of
Telco pk, Schwyz

Basle, 16 May 2023

Report on the audit of the financial statements Opinion

We have audited the financial statements of Telco pk (the Occupational pension scheme), which comprise the balance sheet as at 31 December 2022, the operating accounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law, the foundation deed and the scheme regulations.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report. We are independent of the Occupational pension scheme in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Foundation Board’s responsibilities for the financial statements

The Foundation Board is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law, the foundation deed and the scheme regulations, and for such internal control as the Foundation Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the expert in occupational benefits for the audit of the financial statements

The Foundation Board appoints a statutory auditor as well as an expert in occupational benefits for the audit. The expert in occupational benefits is responsible for evaluating the necessary reserves for underwriting insurance-related risk, consisting of pension liabilities and actuarial reserves. Assessing the evaluation of the pension liabilities and actuarial reserves is not a task of the statutory auditor pursuant to Art. 52c para. 1 let. a of the Swiss Occupational Pensions Act (OPA). In accordance with Art. 52e para. 1 OPA, the expert in occupational benefits also evaluates whether the occupational pension scheme provides assurance that it can meet its obligations and whether all insurance-related provisions regarding benefits and funding in the scheme regulations comply with the legal requirements.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse’s website at: <https://www.expertsuisse.ch/en/audit-report-of-anoccupational-pension-scheme>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organization, management and investments are applied. In accordance with Art. 52c para. 1 OPA and Art. 35 of the Occupational Pensions Ordinance 2 (OPO 2) we have performed the prescribed procedures.

We have assessed whether:

- the organization 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 Occupational pension scheme;
- the investment of assets complies with legal and regulatory requirements;
- the occupational pension accounts OPA 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 duties of loyalty are fulfilled and interests are disclosed;
- the non-committed funds or discretionary dividends from insurance contracts have been used in compliance with the legal and regulatory provisions;
- in the event of an underfunding, the Occupational pension scheme has taken the necessary measures to restore full coverage;
- the legally required information and reports have been issued to the supervisory authority;
- the Occupational pension scheme's interests are safeguarded in disclosed transactions with related parties.

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

The coverage of Telco pk as of 31 December 2022 amounts to 101.7%. Telco pk comprises 10,181 affiliated occupational pension schemes, of which one shows an underfunding. Reference is made to the information in the notes to the financial statements for an overview of the coverage of the respective affiliated occupational pension schemes.

For those affiliated occupational pension schemes with a coverage of less than 100% it is examined on the basis of Art. 35a para. 2 OPO 2 whether the investments are in line with the risk capacity for each affiliated occupational pension scheme.

In our opinion,

- the Foundation Board in consultation with the respective pension commission fulfills its management role in a clear and comprehensible manner in its choice of an investment strategy appropriate to the given risk capacity, as described in the notes to the financial statements under 6.4;
- the Foundation Board in consultation with the respective pension commission complies with the legal requirements when making investments and in particular has determined the risk capacity by assessing all assets and liabilities in accordance with the actual financial situation, as well as the scheme's structure and expected development in the insured population;
- the investments with employers are legally compliant;
- taking the above into consideration, the investments of assets are in compliance with the provisions of Art. 49a and Art. 50 OPO 2;
- the measures to remedy the underfunding were approved by the Foundation Board in consultation with the respective pension commission and the expert in occupational benefits, implemented within the framework of the legal provisions and the action plan and the disclosure requirements were complied with;
- the Foundation Board has confirmed to us that it will monitor the effectiveness of the measures taken to remedy the underfunding and adapt the measures as required.

We note that the possibility of remedying the underfunding and the risk capacity regarding investments may also be subject to unpredictable events, e.g., developments in the investment markets and with employers.

Reference to another matter

Furthermore, we point out that the investment directives in the categories money market, bonds CHF, shares world and alternative investments were not adhered to, either in the reporting year or as of balance sheet date. In this context, we refer to section 6.2. "Extension utilisation" in the notes to the financial statements.

We confirm that the applicable provisions of the law, the foundation deed and the regulations are met, except for the above mentioned matter.

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

Ernst & Young Ltd

Patrick Schaller
Licensed audit expert
(Auditor in charge)

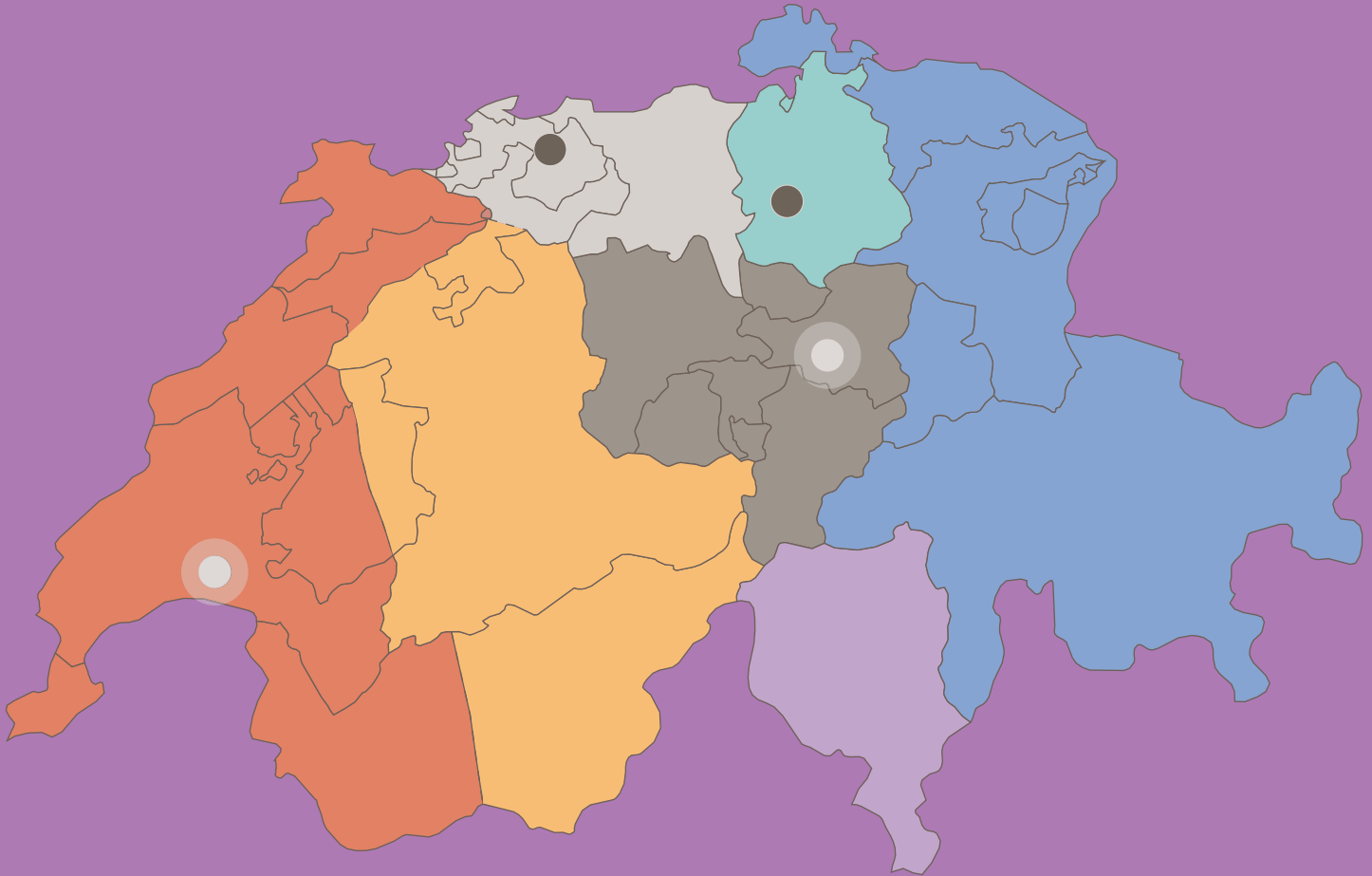
Nicolas Girard
Licensed audit expert

Imprint

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The German text is authoritative.

Schwyz is our home – we are at home in Switzerland



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Regional locations

We have strong

- Romandie Central
- Plateau
- Central Switzerland
- Ticino
- Northwestern Switzerland
- Eastern Switzerland
- Zurich