

General Electric Switzerland Supplementary Insurance Plan

Short Report 2016

Key figures	2016	2015
Capital investments in CHF	184,284,436	174,980,352
Expenditure/income surplus in CHF	-919,640	-2,546,969
Employer contributions in CHF	12,725,282	13,499,066
Employee contributions in CHF	3,696,815	3,848,242
Pension benefits in CHF	3,099,495	2,772,873
Capital benefits in CHF	2,890,246	4,948,024
Net cash flow contributions/benefits in CHF	10,432,356	9,626,411
Net result insurance benefits in CHF ¹⁾	372,401	1,131,615
Return on capital investments in %	3.75	0.49
Coverage ratio in %	112.1	112.9
Value fluctuation reserve in % ²⁾	12.1	12.9
Target value fluctuation reserve in % ²⁾	22.0	19.0

¹⁾ This amount consists mainly of the following components: difference between risk premium and actual costs for death and disability benefits, difference between actual mortality rate during year under review and statistical long-term reading.

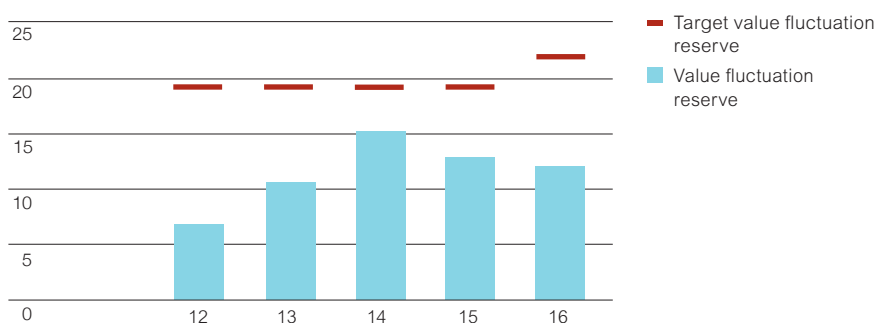
²⁾ As % of pension capital (savings and covering capital) and actuarial reserves

Population	2016	in %	2015	in %
Members	1,308	83	1,410	85
Pensioners ¹⁾	273	17	252	15
Total	1,581		1,662	

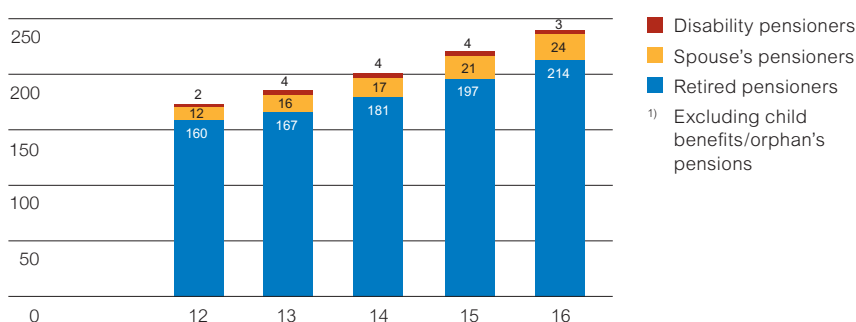
¹⁾ Including children and orphans

Benefits	2016	2015
Pension increase in CHF	–	–
One-time bonus for retired pensioners in CHF	–	–
Conversion rate at 65 in %	6.20	6.30
Interest on savings capital in %	1.25	1.75
Average interest on savings capital over the last ten years in %	1.60	1.73
Actuarial interest rate in %	1.75	2.25

Value fluctuation reserve in %



Breakdown by pensioner category ¹⁾



¹⁾ Excluding child benefits/orphan's pensions

Positive result despite the difficult environment

The stock markets started 2016 in a volatile state. In June, the British Brexit vote created turbulence on the markets which, however, recovered surprisingly quickly and recouped the losses across the board. Improved economic prospects and rising interest expectations in the USA following the US presidential elections put pressure on the bond markets, although bonds generally delivered a positive performance over the full year.

At 3.75%, the General Electric Switzerland Supplementary Insurance Plan generated a positive result. The coverage ratio declined slightly to 112.1%. Due to the persistently low interest rates on the capital markets, the Board of Trustees has resolved to continue its prudent policy and has set a 1.00% interest rate – the minimum interest rate specified by the Federal Council – for savings capital in 2017.

In the past financial year, the Board held four regular meetings. Aside from recurrent annual agenda items, in the second half of the year, the Board once again reviewed the investment strategy in the context of an ALM study. Since new retirees may no longer draw a pension as of 1 January 2019, the foundation's risk capacity has generally gone up. The bond share has been reduced in favour of the equity share.

Ansaldo Energia Switzerland AG left the Fund as per 31 December 2016. This departure triggered a partial liquidation of the Supplementary Insurance Plan.

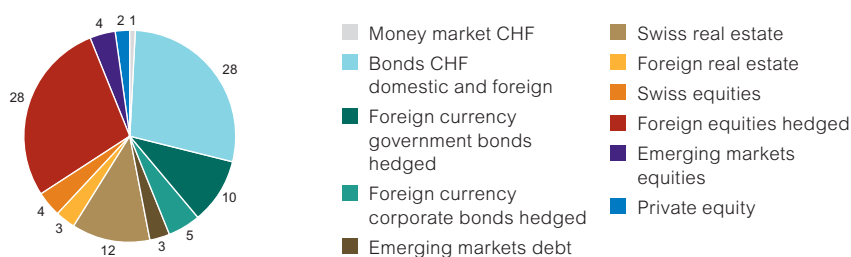
The supervisory authority has enacted the change of name of the ALSTOM Switzerland Supplementary Insurance Plan to the General Electric Switzerland Supplementary Insurance Plan.

All previous members of the Board of Trustees were confirmed in office for the 2017 to 2020 term.

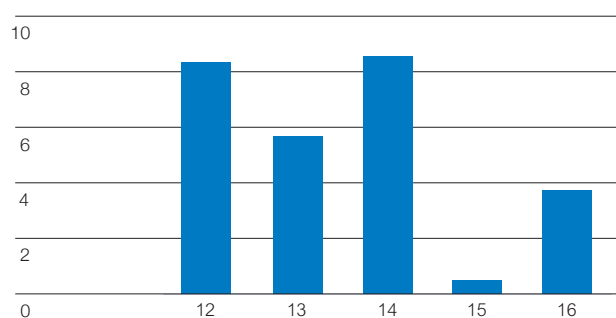
Balance sheet	31.12.2016 CHF	31.12.2015 CHF
Assets		
Capital investments	184,284,436	174,980,352
Employer receivables	1,359,085	1,277,732
Cash and other assets	6,357,712	4,972,284
Total assets	192,001,233	181,230,368
Liabilities		
Liabilities and accruals	13,208,082	4,665,337
Active members' liabilities (savings capital)	99,404,191	104,075,032
Pensioners' liabilities (covering capital)	49,295,999	41,523,707
Actuarial reserves	10,835,565	10,789,256
Value fluctuation reserve	19,257,396	20,177,036
Total liabilities	192,001,233	181,230,368

Operating account	2016 CHF	2015 CHF
Regulatory benefits	16,422,097	17,347,308
Vested benefits, purchase amounts and one-time payments	3,333,394	4,141,966
Inflow from contributions and entry lump sum benefits	19,755,491	21,489,274
Retirement, survivors' and disability pensions	-5,989,741	-7,720,897
Termination benefits	-17,084,187	-8,789,590
Withdrawals for home ownership/divorce	-545,418	-513,143
Outflow for benefits and withdrawals	-23,619,346	-17,023,630
Increase in pension liability and actuarial reserves	-3,147,760	-7,306,125
Surplus share from insurance operations	38,196	38,431
Insurance premiums	-227,862	-208,166
Contribution to security fund	-6,785	-6,468
Net result of insurance activities	-7,208,066	-3,016,684
Net return on investments	6,565,178	765,259
Other income	18,475	0
Administration expenses	-295,227	-295,544
Decrease in value fluctuation reserve	919,640	2,546,969
Income surplus	0	0

Investment strategy in %



Return on capital investments in %



Official bodies

Board of Trustees

(term of office 2013–2016)

Employer representatives

Alexander Mihajlovic (Chair)

Michael Rechsteiner

Peter Rosa

Employee representative

Jürg Baumgartner

(Vice Chair until 31.12.2015)

Hans-Jürg Harder

(Vice Chair from 1.1.2016)

Audit committee

Martin Aronsky

Peter Rosa

General management (Avadis Vorsorge AG)

Jacky Baula, General Manager

Marion Fischer, Deputy General Manager

Authorised signatories

Alexander Mihajlovic

Hans-Jürg Harder

Peter Rosa

Jacky Baula (Avadis Vorsorge AG)

Marion Fischer (Avadis Vorsorge AG)

Lars Kleuke (Avadis Vorsorge AG)

René Siegrist (Avadis Vorsorge AG)

Occupational benefits expert

Olivier Kern, Pittet Associates AG, Bern

Auditors

PricewaterhouseCoopers AG, Zurich

Investment consultant

Hansruedi Scherer, PPCmetrics AG, Zurich

Supervisory authority

Bureau of Occupational Benefits and Foundation Supervision Aargau (BVSA), Aarau

Further information

The full annual report can be accessed at www.ge-vorsorge.ch. You may also order it (in German) from the General Electric Switzerland Supplementary Insurance Plan. The full annual report is legally binding.

General Electric Switzerland Supplementary Insurance Plan

c/o Avadis Vorsorge AG

Zollstrasse 42

P.O. Box 1077

8005 Zurich

T 058 585 54 91

F 058 585 29 00

ge@avadis.ch

www.ge-vorsorge.ch