

General Electric Switzerland Pension Fund

Short Report 2017

Key figures	2017	2016
Capital investments in CHF	1,659,769,784	1,621,075,013
Income/expenditure surplus in CHF	10,951,198	148,770
Employer contributions in CHF	37,738,441	45,568,363
Employee contributions in CHF	27,840,087	33,396,602
Pension benefits in CHF	40,063,667	36,371,854
Capital benefits in CHF	13,324,282	10,629,088
Net cash flow contributions/benefits in CHF	12,190,580	31,964,023
Net result insurance benefits in CHF ¹⁾	10,591,151	6,852,240
Return on capital investments in %	7.77	3.99
Coverage ratio in %	117.10	117.20
Value fluctuation reserve in % ²⁾	17.10	17.20
Target value fluctuation reserve in % ²⁾	20.00	20.00

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.

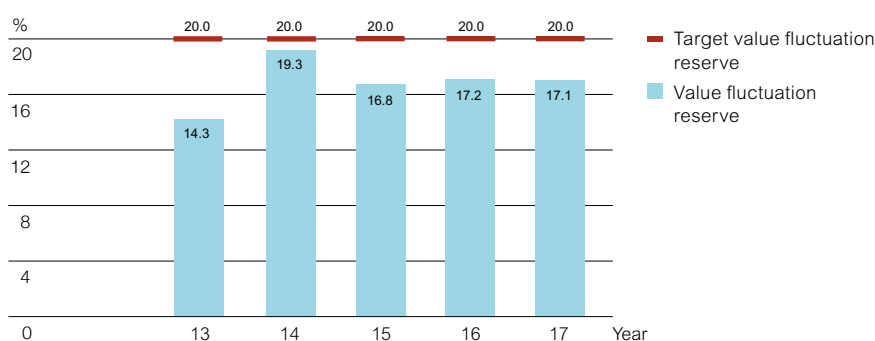
²⁾ As % of pension capital (savings and covering capital) and actuarial reserves

Population	2017	in %	2016	in %
Active members	3,621	73	4,105	77
Pensioners ¹⁾	1,327	27	1,229	23
Total	4,948		5,334	

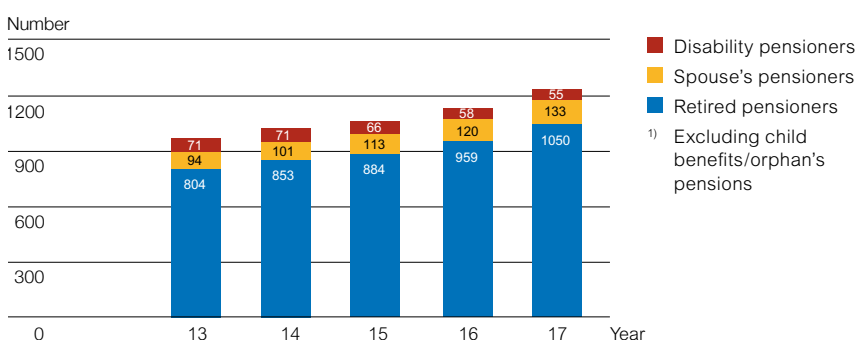
¹⁾ Including children and orphans

Benefits	2017	2016
Pension increase in CHF	–	–
One-time bonus for retired pensioners in CHF	–	–
Conversion rate at 65 in %	6.10	6.20
Interest on savings capital in %	11.50	1.25
Average interest on savings capital over the last ten years in %	3.13	2.27
Actuarial interest rate in %	1.50	2.00

Value fluctuation reserve



Breakdown by pensioner category ¹⁾



¹⁾ Excluding child benefits/orphan's pensions

Excellent investment result makes special one-time benefit payment possible

The reporting year was an outstanding year for stock markets. Thanks to the robust economic recovery as well as the continued loose monetary policy of many central banks, a number of key indices reached new record highs. Real estate investments in Switzerland continued to make a solid contribution to the annual return. Bond markets varied: While corporate bonds, especially those from emerging countries, generated above-average returns, there were hardly any returns on government bonds which are considered safe investments.

The General Electric Switzerland Pension Fund achieved an excellent result with a performance of 7.77%. The already positive financial situation of the Pension Fund showed a further improvement. The resulting above-average increase in the coverage ratio made it possible to pay a special one-time benefit in the form of an extraordinary interest of 11.50%. The Pension Fund's coverage ratio remained stable at 117.1%. However, 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 2018.

In the past financial year, the Board held four regular meetings and one extraordinary meeting. Aside from recurrent annual agenda items, the Board once again reviewed the level of benefits; it lowered the actuarial interest rate to 1.50% and confirmed the conversion rate of 5.00% for 2023.

The partial liquidations due to the departure of Ansaldo Energia Switzerland AG and the restructuring of General Electric Switzerland were carried out simultaneously as per reference date 31 December 2016. The formal notification process has been completed and the portion of actuarial reserves and value fluctuation reserves which corresponds to Ansaldo Energia Switzerland AG will be transferred to the company's new employee benefits institution.

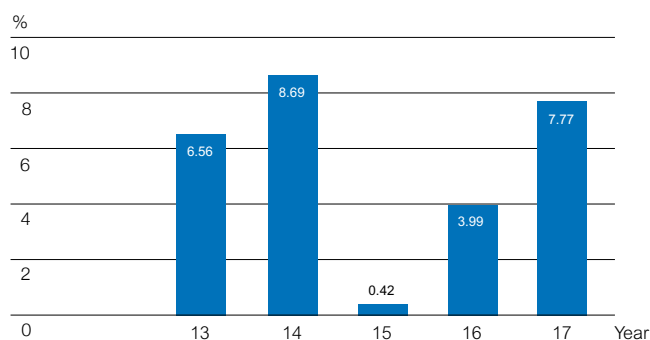
Balance sheet	31.12.2017 CHF	31.12.2016 CHF
Assets		
Capital investments	1,659,769,784	1,621,075,013
Employer receivables	6,143,857	7,004,934
Cash and other assets	22,029,981	46,096,602
Total assets	1,687,943,621	1,674,176,549
Liabilities		
Liabilities and accruals	34,611,387	102,359,144
Active members' liabilities (savings capital)	722,776,002	710,651,226
Pensioners' liabilities (covering capital)	633,126,693	561,558,728
Actuarial reserves	55,876,000	69,005,110
Value fluctuation reserve	241,553,539	230,602,341
Total liabilities	1,687,943,621	1,674,176,549

Operating account	2017 CHF	2016 CHF
Regulatory benefits	65,610,692	78,967,362
Vested benefits, purchase amounts and one-time payments	21,150,644	14,406,024
Inflow from contributions and entry lump sum benefits	86,761,337	93,373,386
Retirement, survivors' and disability pensions	-53,387,949	-47,000,942
Termination benefits	-66,966,907	-131,537,975
Withdrawals for home ownership/divorce	-3,950,359	-2,767,315
Outflow for benefits and withdrawals	-124,305,215	-181,306,232
Increase/decrease in pension liability and actuarial reserves	-70,563,631	26,453,287
Contribution to security fund	-267,639	-251,379
Net result of insurance activities	-108,375,148	-61,730,938
Net return on investments	120,248,938	62,577,378
Other income	37,363	287,161
Other expenses	-73,616	0
Administration expenses	-886,338	-984,831
Increase/decrease in value fluctuation reserve	-10,951,198	-148,770
Income surplus	0	0

Investment strategy in %



Return on capital investments



Official bodies

Board of Trustees

(term of office 2017–2020)

Employer representatives

Alexander Mihajlovic (Chair)
Dana Kiefer
Marcel Müller
Michael Rechsteiner
Peter Rosa

Employee representatives

Hans-Jürg Harder (Vice Chair)
Martin Aronsky
Christoph Hasler
Roland Hug
Peter Renz

Administrative commission

(term of office 2017–2020)

Hans-Jürg Harder (Chair)
Martin Aronsky
Christoph Hasler
Roland Hug
Peter Renz

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
Christoph Hasler
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

KPMG AG, Zurich

Investment consultant

Hansruedi Scherer, PPCmetrics AG, Zurich

Supervisory authority

BVSA, Bureau of Occupational Benefits and Foundation Supervision Aargau, 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 Pension Fund. The full annual report is legally binding.

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