

# General Electric Switzerland Pension Fund

## Short Report 2020

	2020	2019
<b>Key figures</b>		
Capital investments in CHF	1 666 645 155	1 657 755 001
Expenditure/income surplus in CHF	28 171 091	69 127 975
Employer contributions in CHF	22 879 486	26 806 522
Employee contributions in CHF	17 388 662	20 086 043
Pension benefits in CHF	50 663 421	49 705 685
Lump-sum benefits in CHF	12 800 485	14 501 989
Net result from cash flow contributions/benefits in CHF	-23 195 758	-17 315 109
Net result from insurance benefits in CHF <sup>1)</sup>	16 232 508	48 366 129
Administrative expenses in CHF (total)	706 813	763 943
Administrative expenses in CHF (per beneficiary; average portfolio at the beginning/end of the year)	191	186
Return on capital investments in %	5.20	10.94
Coverage ratio in %	119.30	117.00
Value fluctuation reserve in % <sup>2)</sup>	19.30	17.00
Target value fluctuation reserve in % <sup>2)</sup>	20.00	20.00

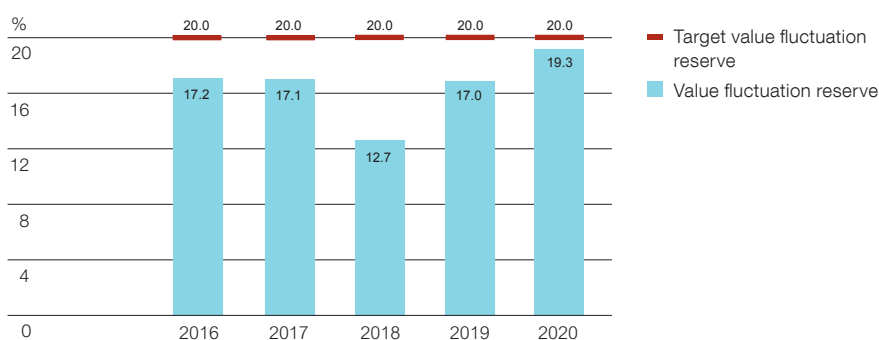
<sup>1)</sup> This amount consists mainly of the following components: difference between risk premium and actual costs for death and disability benefits, difference between actual mortality rate during year under review and statistical long-term reading.

<sup>2)</sup> As % of pension plan capital (savings and coverage capital) and actuarial reserves

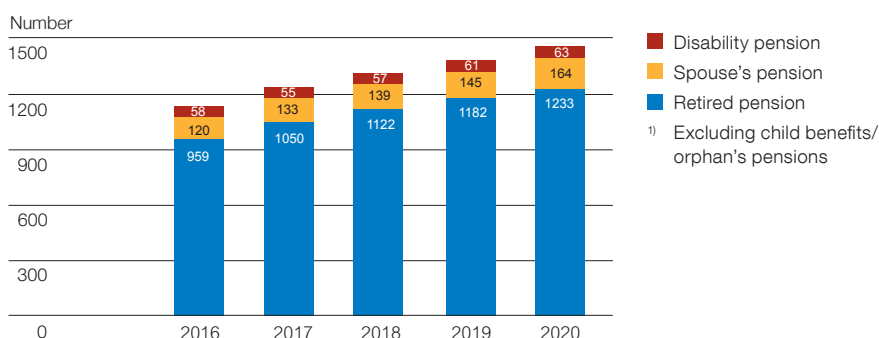
Member portfolio	2020	in %	2019	in %
Active members	1 999	56	2 377	62
Pensioners <sup>1)</sup>	1 550	44	1 485	38
Total	3 549		3 862	

Benefits	2020	2019
Pension increase in CHF	0	0
One-time bonus for retirement pensioners in CHF	0	0
Conversion rate at 65 in %	5.45	5.65
Interest on savings capital in %	6.50	7.00
Average interest on savings capital over the last ten years in %	3.95	3.50
Actuarial interest rate in %	1.00	1.00

### Value fluctuation reserve



### Breakdown by pensioner category <sup>1)</sup>



<sup>1)</sup> Excluding child benefits/orphan's pensions

## Remarkable investment result allows the Pension Fund to pay an extraordinary interest

In 2020, the COVID-19 pandemic had a thorough grip on the economy and the financial markets. In view of the severity of the global economic slump, central banks and governments around the world launched unprecedented aid programmes. Following the swift intervention of the central banks, the stock markets rebounded from their lows in the first quarter and embarked on an impressive recovery. During the last few months of the year, the rally was boosted by promising news of progress made in the development of COVID-19 vaccines. On balance, despite record volatility, the majority of the investment segments closed the year 2020 in the black. Real estate and bond markets served as diversifying investment elements which made a solid contribution to the excellent result.

In 2020, the General Electric Switzerland Pension Fund generated an impressive total return of 5.20%. As a result, the Pension Fund's financial situation improved, which in turn allowed the Pension Fund to pay an extraordinary interest of 6.50%. In addition, the Board of Trustees has decided to continue its prudent policy of previous years and has set a 1.00% interest rate – the minimum interest rate specified by the Federal Council – on savings capitals in 2021.

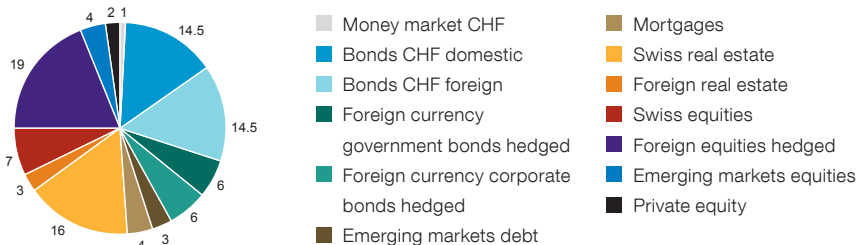
Based on the findings of the asset and liability study conducted in 2019, the investment strategy was slightly adjusted in 2020. The share of emerging market equities and, in particular, bonds was reduced in favour of Swiss real estate. In addition, investments were made in the new mortgages asset class.

During the last financial year, the Board of Trustees held four regular meetings and took part in a workshop for specific further training.

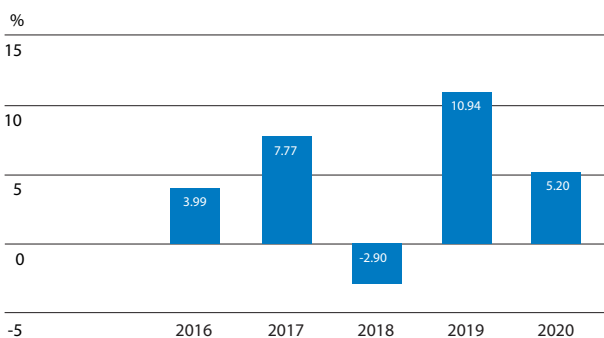
	31.12.2020 CHF	31.12.2019 CHF
<b>Balance sheet</b>		
<b>Assets</b>		
Capital investments	1 666 645 155	1 657 755 001
Employer receivables	0	0
Cash and cash equivalents, other assets	29 687 382	22 041 482
<b>Total assets</b>	<b>1 696 332 537</b>	<b>1 679 796 483</b>
<b>Liabilities</b>		
Liabilities and passive accruals and deferrals	30 019 358	19 235 068
Active members' pension plan capital (savings capital)	549 985 487	583 933 489
Pensioners' pension plan capital (coverage capital)	783 242 902	772 590 738
Actuarial reserves	63 879 511	63 003 000
Value fluctuation reserve	269 205 279	241 034 188
<b>Total liabilities</b>	<b>1 696 332 537</b>	<b>1 679 796 483</b>

	2020 CHF	2019 CHF
<b>Income statement</b>		
Regulatory contributions	40 268 148	46 892 565
Vested benefits, buy-in amounts and one-time payments	17 893 678	20 511 306
Deposits from transfer of pensioners	0	65 207 941
<b>Inflow from contributions and entry benefits</b>	<b>58 161 826</b>	<b>132 611 810</b>
Retirement, survivors' and disability benefits	-64 606 065	-64 207 674
Termination benefits	-68 510 111	-98 117 177
Advance withdrawals for home ownership/divorce	-3 136 766	-1 304 754
<b>Outflow for benefits and advance withdrawals</b>	<b>-136 252 942</b>	<b>-163 629 605</b>
Decrease/increase in pension plan capital and actuarial reserves	22 419 327	-66 013 842
Contribution to guarantee fund	-250 000	-235 485
Income from insurance activities	130 950	0
<b>Net result from insurance activities</b>	<b>-55 790 839</b>	<b>-97 267 122</b>
Net return on investments	81 418 533	167 119 904
Other income	3 266 364	39 136
Other expenses	-16 155	0
Administrative expenses	-706 813	-763 943
Accrual value fluctuation reserve	-28 171 091	-69 127 975
<b>Income surplus</b>	<b>0</b>	<b>0</b>

#### Investment strategy in %



#### Return on capital investments



## Official bodies

### Board of Trustees

(Term of office 2017–2020)

### Employer representatives

Alexander Mihajlovic (Chair)  
 Martin Boller (until 7.9.2020)  
 Robin Indermaur (as of 7.9.2020)  
 Dana Kiefer  
 Michael Rechsteiner  
 Peter Rosa (until 8.6.2020)

### Employee representatives

Hans-Jürg Harder (Vice Chair)  
 Jerome Harden  
 Christoph Hasler  
 Roland Hug  
 Peter Renz

### Administrative commission

(term of office 2017–2020)

Hans-Jürg Harder (Chair)  
 Jerome Harden  
 Christoph Hasler  
 Roland Hug  
 Peter Renz

### Audit committee

Roland Hug  
 Alexander Mihajlovic (as of 8.6.2020)  
 Peter Rosa (until 8.6.2020)

### General management (Avadis Vorsorge AG)

Marion Fischer, General Manager  
 Tobias Abstreiter, Deputy General Manager  
 (as of 1.1.2020)

### Authorised signatories

Alexander Mihajlovic  
 Hans-Jürg Harder  
 Christoph Hasler  
 Robin Indermaur (as of 7.9.2020)  
 Peter Rosa (until 8.6.2020)  
 Tobias Abstreiter (Avadis Vorsorge AG)  
 (as of 1.1.2020)  
 Marion Fischer (Avadis Vorsorge AG)  
 Lars Kleuke (Avadis Vorsorge AG)  
 Albert Steiner (Avadis Vorsorge AG)

### Occupational benefits expert

Olivier Kern (executive expert),  
 Pittet Associates AG, Bern (contractual partner)

### 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](http://www.ge-vorsorge.ch). You may also order it (in German) from the General Electric Switzerland ion Fund. The full annual report is legally binding.

### General Electric Switzerland Pension Fund

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