

General Electric Switzerland Pension Fund

Short Report 2018

Key figures	2018	2017
Capital investments in CHF	1,522,647,191	1,659,769,784
Expenditure/income surplus in CHF	-69,647,326	10,951,198
Employer contributions in CHF	32,499,925	37,738,441
Employee contributions in CHF	24,165,540	27,840,087
Pension benefits in CHF	42,849,969	40,063,667
Capital benefits in CHF	13,721,349	13,324,282
Net cash flow contributions/benefits in CHF	94,147	12,190,580
Net result insurance benefits in CHF ¹⁾	15,701,636	10,591,151
Administrative expenses in CHF (total)	814,599	886,338
Administrative expenses in CHF (per beneficiary; average volume at the beginning/end of the year)	175	172
Return on capital investments in %	-2.90	7.77
Coverage ratio in %	112.70	117.10
Value fluctuation reserve in % ²⁾	12.70	17.10
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.

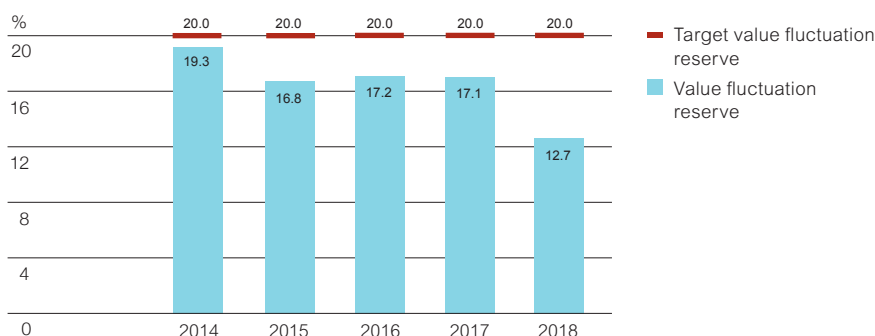
²⁾ As % of pension capital (savings and covering capital) and actuarial reserves

Population	2018	in %	2017	in %
Active members	2,937	68	3,621	73
Pensioners ¹⁾	1,409	32	1,327	27
Total	4,346		4,948	

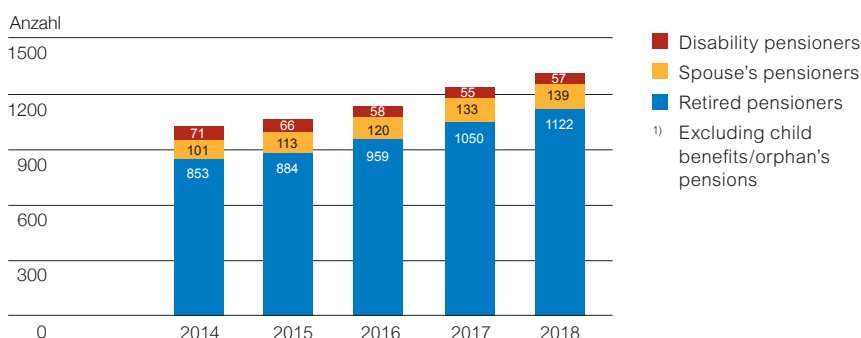
¹⁾ Including children and orphans

Benefits	2018	2017
Pension increase in CHF	–	–
One-time bonus for retired pensioners in CHF	–	–
Conversion rate at 65 in %	5.85	6.10
Interest on savings capital in %	1.00	11.50
Average interest on savings capital over the last ten years in %	2.96	3.13
Actuarial interest rate in %	1.50	1.50

Value fluctuation reserve



Breakdown by pensioner category ¹⁾



¹⁾ Excluding child benefits/orphan's pensions

Challenging development on the financial markets

In the reporting year, the big economies continued to enjoy a robust economic environment, despite the uncertainty created by political issues. Investors focussed specifically on the mid-term elections in the USA and protectionist US trade policies, as well as the outcome of the Brexit negotiations and the Italian budget. As a result, volatility on the financial markets rose substantially. While the bond markets failed to make a positive contribution in the financial year, both Swiss real estate and private equity investments contributed positively to the overall result.

Given the difficult financial market environment throughout 2018, the General Electric Switzerland Pension Fund generated a negative overall return of -2.90%. In comparison, the Pictet BVG Indices (2015) 25 and 40 reported an annual 2018 performance of -3.05% and -4.47% respectively. Compared to the 25 and 40 equity quotas, the quota of the General Electric Switzerland Pension Fund was approx. 28% at the end of 2018. The negative return had a significant effect on the coverage ratio, which declined to 112.7% (previous year: 117.1%). In response, the Board of Trustees resolved to leave the annual interest rate for 2018 at 1.00% (previous year: 11.50%, non-recurrent special benefit).

Owing to consistently low interest rates on the capital markets, the Board of Trustees has resolved to apply a 1.00% interest rate (the minimum rate set by the Federal Council) to savings capitals as a precautionary measure.

In the past financial year, the Board of Trustees held four ordinary meetings and one advanced training workshop.

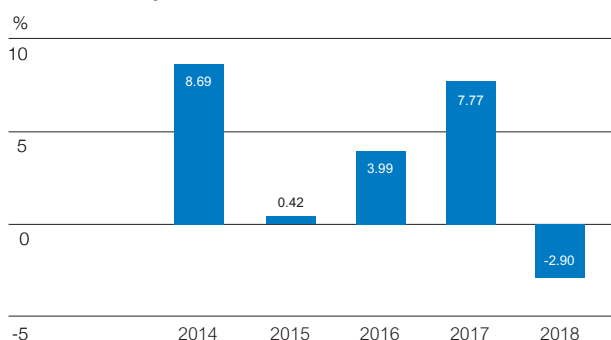
The partial liquidations following the departure of Ansaldo Energia Switzerland AG and the restructuring of General Electric Switzerland were completed at the same time as per 31 December 2016 via the transfer of the respective shares of the technical provisions and the value fluctuation reserve to the new employee benefits institution of Ansaldo Energia Switzerland AG.

Balance sheet	31.12.2018 CHF	31.12.2017 CHF
Assets		
Capital investments	1,522,647,191	1,659,769,784
Employer receivables	5,286,086	6,143,857
Cash and other assets	21,783,807	22,029,981
Total assets	1,549,717,084	1,687,943,621
Liabilities		
Liabilities and accruals	24,297,486	34,611,387
Active members' liabilities (savings capital)	638,051,290	722,776,002
Pensioners' liabilities (covering capital)	661,973,095	633,126,693
Actuarial reserves	53,489,000	55,876,000
Value fluctuation reserve	171,906,213	241,553,539
Total liabilities	1,549,717,084	1,687,943,621
Operating account		
	2018 CHF	2017 CHF
Regulatory contributions	56,665,465	65,610,692
Vested benefits, purchase amounts and one-time payments	16,976,998	21,150,644
Inflow from contributions and entry lump sum benefits	73,642,463	86,761,337
Retirement, survivors' and disability pensions	-56,571,318	-53,387,949
Termination benefits	-93,819,764	-66,966,907
Withdrawals for home ownership/divorce	-3,798,991	-3,950,359
Outflow for benefits and withdrawals	-154,190,073	-124,305,215
Decrease/increase in pension liability and actuarial reserves	58,265,310	-70,563,631
Contribution to security fund	-254,612	-267,639
Net result of insurance activities	-22,536,912	-108,375,148
Net return on investments	-46,337,674	120,248,938
Other income	46,891	37,363
Other expenses	-5,033	-73,616
Administration expenses	-814,599	-886,338
Decrease/increase in value fluctuation reserve	69,647,326	-10,951,198
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)
Martin Boller (from 11.6.2018)
Dana Kiefer
Marcel Müller (until 13.4.2018)
Michael Rechsteiner
Peter Rosa

Employee representatives

Hans-Jürg Harder (Vice Chair)
Martin Aronsky (until 13.4.2018)
Jerome Harden (from 14.9.2018)
Christoph Hasler
Roland Hug
Peter Renz

Administrative commission

(term of office 2017–2020)
Hans-Jürg Harder (Chair)
Martin Aronsky (from 13.4.2018)
Jerome Harden (ab 14.9.2018)
Christoph Hasler
Roland Hug
Peter Renz

Audit committee

Martin Aronsky (until 13.4.2018)
Roland Hug (from 13.4.2018)
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)
Albert Steiner (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.

General Electric Switzerland Pension Fund

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