

Pension Fund of SR Technics Switzerland

Short Annual Report 2023

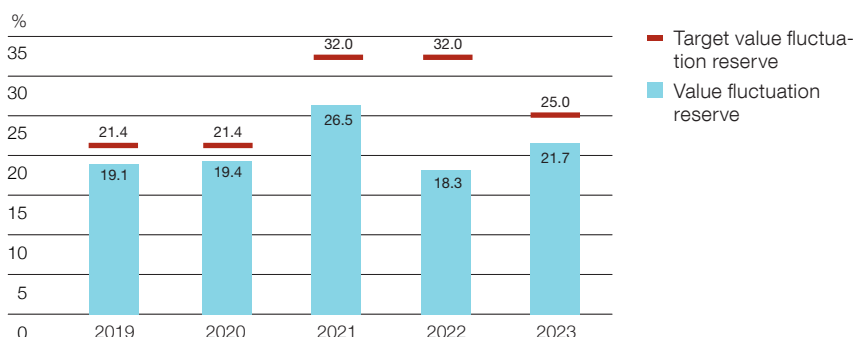
Key figures	2023	2022
Capital investments in CHF	751 845 890	712 783 571
Income (+) / expenditure (-) surplus before release/ formation of value fluctuation reserve in CHF	25 334 786	-55 986 120
Employer contributions in CHF	8 769 087	6 674 483
Employee contributions in CHF	5 881 319	4 835 551
Pension benefits in CHF	27 936 000	25 185 805
Lump-sum benefits in CHF	10 549 998	8 123 829
Return on capital investments in %	1.3	-6.0
Coverage ratio in %	121.7	118.3
Value fluctuation reserve in % ¹⁾	21.7	18.3
Target value fluctuation reserve in % ¹⁾	25.0	32.0

¹⁾ As % of pension plan capital (savings and coverage capital) and actuarial reserves

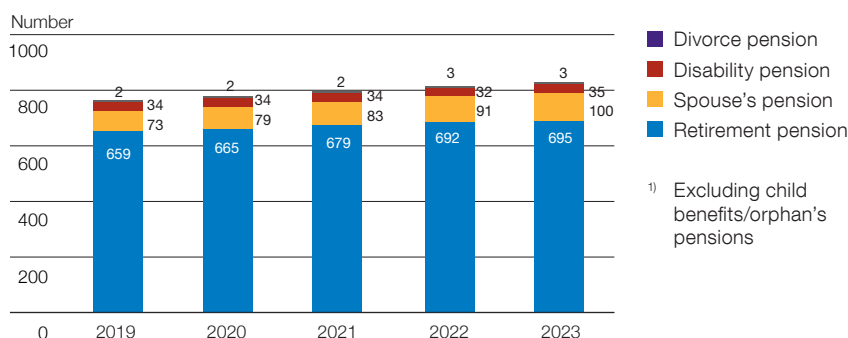
Member portfolio	2023	%	2022	%
Active members	1 077	55	1 000	54
Pensioners	868	45	856	46
Total	1 945		1 856	

Benefits	2023	2022
Pension increase in CHF	-	-
One-time bonus for recipients of a retirement pension in CHF	-	-
Interest on savings capital in %	2.50	2.50
Actuarial interest rate in %	1.75	1.50

Value fluctuation reserve



Breakdown by pensioner category ¹⁾



¹⁾ Excluding child benefits/orphan's pensions

Solid overall performance defies the odds

On the whole, this was a positive year for investments. From a geopolitical perspective, the situation took a significant turn for the worse in the reporting year. The Gaza war has created another flashpoint in the Middle East while the war in Ukraine is still ongoing. Central banks tackled the subsequent rise in inflation until the end of Q3 with a steep hike in key interest rates. With lower inflation figures published in late October, market participants' expectations shifted, triggering a surge in the performance of bonds and equities. Stock markets benefiting from the expected potential of artificial intelligence massively outperformed the rest of the market. Real estate investments in international markets, on the other hand, were hit hard by valuation discounts and currency losses.

Despite significant headwinds, a positive overall return of 1.3% was posted at the end of the year. The coverage ratio rose from 118.3% to 121.7%, primarily due to the increase in the actuarial interest rate from 1.5% to 1.75%.

Thanks to the high coverage ratio, the Board of Trustees has resolved to pay 2.5% interest on the savings capital of all members and all recipients of temporary pension benefits in financial year 2023. This interest rate applies to all members insured with the Pension Fund as at 31 December 2023, including departures and retirements as at 31 December 2023.

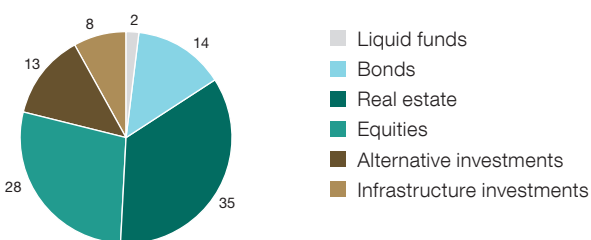
As of 1 January 2024, the savings capital of all members and all recipients of temporary pension benefits will be subject to an interest rate of 1.25% until further notice. This interest rate is in line with the BVG interest rate set by the Federal Council for 2024. The Board of Trustees will review the interest rate at the end of 2024 and adjust it for the year if necessary, depending on the Pension Fund's financial situation.

In 2023, the general conditions did not allow for an increase in pensions to compensate for inflation.

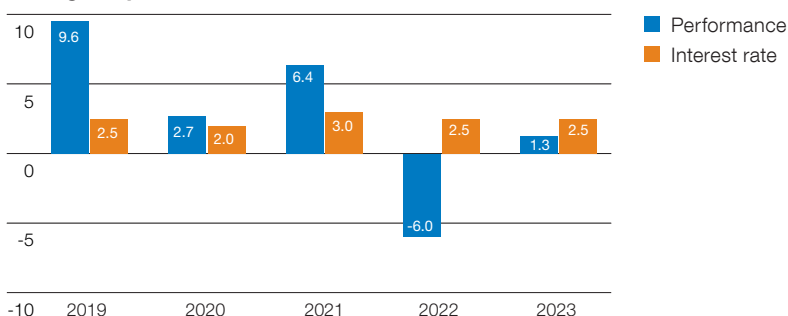
Balance sheet	31.12.2023 CHF	31.12.2022 CHF
Assets		
Capital investments	751 845 890	712 783 571
Employer receivables	2 453 670	0
Cash and cash equivalents, other assets	25 479 832	19 123 490
Total assets	779 779 392	731 907 061
Liabilities		
Liabilities and deferred income	8 671 883	9 613 388
Employer contribution reserve	32 992	177 490
Active members' pension plan capital (savings capital)	224 909 883	213 144 427
Pensioners' pension plan capital (coverage capital)	404 744 743	388 378 915
Actuarial reserves	4 150 264	8 658 000
Value fluctuation reserve	137 269 627	111 934 841
Total liabilities	779 779 392	731 907 061

Income statement	2023 CHF	2022 CHF
Regulatory contributions	14 650 406	11 510 034
Vested benefits, buy-in amounts and one-time payments	74 220 565	6 854 092
Inflow from contributions and entry benefits	88 870 971	18 364 126
Retirement, survivors' and disability benefits	-38 485 998	-33 309 634
Termination benefits	-13 296 049	-15 095 463
Advance withdrawals for home ownership/divorce	-328 118	-1 397 707
Outflow for benefits and advance withdrawals	-52 110 165	-49 802 804
Formation (-) / release (+) of pension plan capital and actuarial reserves as well as interest on savings capital	-23 479 050	22 460 356
Income from insurance benefits	574 673	369 472
Insurance premiums	-657 583	-1 101 820
Contributions to guarantee fund	-79 173	-77 878
Net result from insurance activities	13 119 673	-9 788 548
Net result from investment of assets	12 771 026	-45 783 296
Other income	686	1 950
Other expenses	0	0
Administrative expenses	-556 600	-416 227
Formation (-) / release (+) of value fluctuation reserve	-25 334 786	55 986 122
Income (+)/expenditure (-) surplus	0	0

Investment strategy in %



Return on capital investments / interest on savings capital



Executive bodies

Board of Trustees

(Term of office 2021–2024)

Employer representatives

Knab, Jürg (Chair until 31.12.2023)
Demenga, Arsène (until 30.6.2023)
Düllmann, Matthias
Lenz, Jean-Marc
Dos Santos Silva, Edgar (from 1.9.2023)

Employee representatives

Ritzinger, Johann (Vice Chair until 30.4.2023, until 30.4.2023)
Fischer, Eliane
Gürtler, Robert
Mörikofer, Pascale (from 1.5.2023)
Vitanza, Rita (Vice Chair from 8.6.2023)

Asset & Liability Committee (ALCO)

Demenga, Arsène (Chair until 30.6.2023, until 30.6.2023)
Knab, Jürg (Vice Chair)
Müller, Michael P. (assessor)*
Schmitz-Dräger, Martin (Chair from 1.7.2023)
Dos Santos Silva, Edgar (from 1.9.2023)
Vitanza, Rita
Aon Switzerland SA*
Toth, Arpad (General Manager, Avadis Vorsorge AG)*
Lukong, Jeannette (Deputy General Manager, Avadis Vorsorge AG)*
* No voting right

General management (Avadis Vorsorge AG)

Toth, Arpad (General Manager)
Lukong, Jeannette (Deputy General Manager)

Other authorised signatories

Kleuke, Lars (Avadis Vorsorge AG)
Oeschger, Christoph (Avadis Vorsorge AG)
Steiner, Albert (Avadis Vorsorge AG)
Schmitz-Dräger, Martin

Occupational benefits expert

Vaccaro, Olivier (executive expert),
Aon Switzerland Ltd, Nyon (contractual partner)

Auditors

Steiger, Felix and Djemal, Andres,
PricewaterhouseCoopers SA, Zurich

Global custody/securities accounting

Credit Suisse, Zurich

Investment consultant

Lüthy, Philippe, Aon Switzerland Ltd, Zurich

Investment controller

Hasler, Manuela, Aon Switzerland Ltd, Zurich

Technical administration and financial accounting

Avadis Vorsorge AG, Zurich

Supervisory authority

BVG- und Stiftungsaufsicht des Kantons Zürich (BVS), Zurich

Further information

The full annual report is legally binding. The reports for both the Pension Fund and the Supplementary Insurance Plan are available from:

Pension Fund of SR Technics Switzerland

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