

General Electric Switzerland Pension Fund

Short Report 2022

Key figures	2022	2021
Capital investments in CHF	1 495 438 588	1 736 341 707
Expenditure/income surplus in CHF	-168 242 329	44 295 113
Employer contributions in CHF	18 384 014	19 822 199
Employee contributions in CHF	14 268 699	15 249 260
Pension benefits in CHF	52 227 970	51 548 226
Lump-sum benefits in CHF	12 028 877	18 110 227
Net result from cash flow contributions/benefits in CHF	-31 604 134	-34 586 994
Administrative expenses in CHF (total)	653 123	696 481
Administrative expenses in CHF (per beneficiary; average portfolio at the beginning/end of the year)	196	202
Return on capital investments in %	-10.53	8.95
Coverage ratio in %	110.80	122.00
Value fluctuation reserve in % ¹⁾	10.80	22.00
Target value fluctuation reserve in % ¹⁾	22.00	22.00

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

Member portfolio	2022	in %	2021	in %
Active members	1 633	50	1 806	53
Pensioners ¹⁾	1 632	50	1 591	47
Total	3 265		3 397	

¹⁾ Including children and orphans

Benefits	2022	2021
Pension increase in CHF	0	0
One-time bonus payment for pensioners ¹⁾	0	6 583 873
Conversion rate at 65 in %	5.00	5.25
Interest on savings capital in %	1.00	15.75
Average interest on savings capital over the last ten years in %	5.22	5.25
Actuarial interest rate in %	1.00	1.00

Disappointing year on the financial markets

In the year under review, the financial markets were affected by a series of global events: The Corona pandemic led to some severe restrictions on economic activity, especially in China. Moreover, the Russian invasion of Ukraine, soaring energy prices due to Russian blockades, ongoing supply chain issues, spiralling global inflation and higher key interest rates all contributed to a loss of purchasing power and a slowdown in global demand and economic growth.

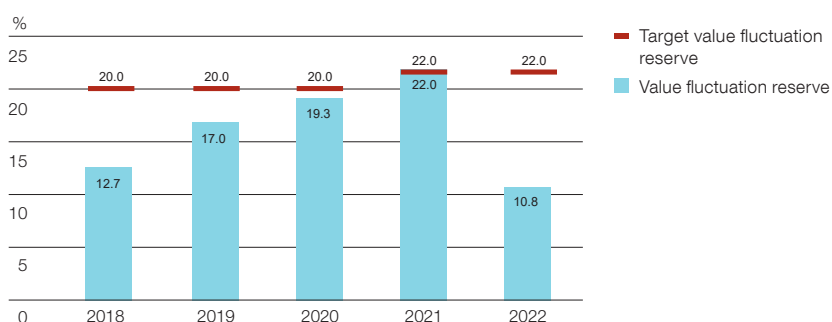
As a consequence, equity valuations went down, primarily due to valuation models discounting future cash flows with a higher interest rate. In addition, interest rate increases led to lower valuations of fixed-income securities.

In this environment, the Pension Fund posted a negative overall return of -10.53%. This loss had a significant impact on the coverage ratio, which dropped to 110.8% (previous year: 122.0%).

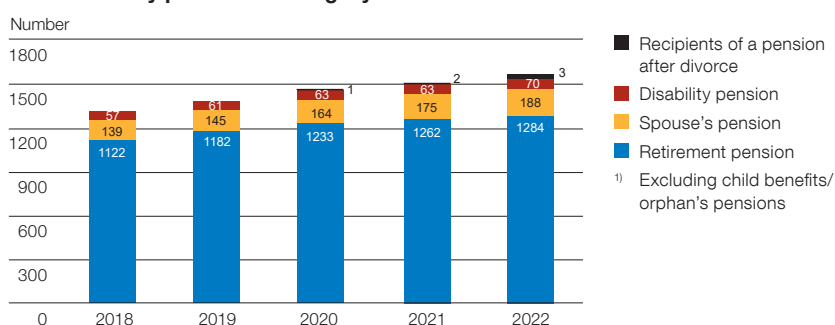
In response to the negative performance, the Board of Trustees resolved to apply an interest rate of 1.0% to the savings capital for the year 2022. This rate is in line with the minimum interest rate set by the Federal Council. The Board of Trustees furthermore resolved to apply an interest rate of 1.0% to the savings capital in 2023, as in previous years.

In the past financial year, the Board of Trustees held four ordinary meetings and one extraordinary meeting and attended a specialised professional development workshop.

Value fluctuation reserve



Breakdown by pensioner category ¹⁾



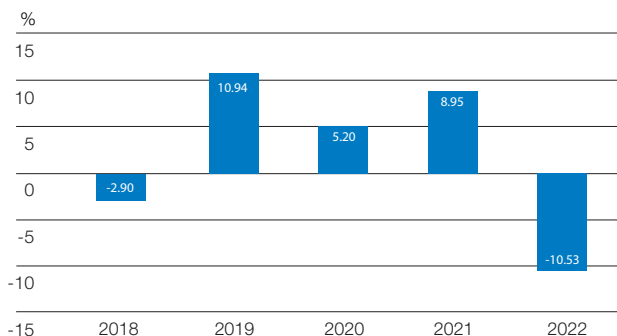
Balance sheet	31.12.2022	31.12.2021
	CHF	CHF
Assets		
Capital investments	1 495 438 588	1 736 341 707
Employer receivables	490 440	340 287
Cash and cash equivalents, other assets	11 728 331	27 598 233
Total assets	1 507 657 359	1 764 280 227
Liabilities		
Liabilities and passive accruals and deferrals	15 032 236	25 778 054
Active members' pension plan capital (savings capital)	541 197 084	581 827 898
Pensioners' pension plan capital (coverage capital)	774 767 977	777 553 379
Actuarial reserves	31 402 000	65 620 504
Value fluctuation reserve	145 258 062	313 500 392
Total liabilities	1 507 657 359	1 764 280 227

Income statement	2022	2021
	CHF	CHF
Regulatory contributions	32 652 713	35 071 459
Vested benefits, buy-in amounts and one-time payments	13 683 465	17 367 681
Inflow from contributions and entry benefits	46 336 178	52 439 140
Retirement, survivors' and disability benefits	-65 059 648	-77 430 786
Termination benefits	-41 648 238	-45 003 291
Advance withdrawals for home ownership/divorce	-2 855 294	-2 605 835
Outflow for benefits and advance withdrawals	-109 563 180	-125 039 912
Decrease/increase in pension plan capital and actuarial reserves	77 634 720	-27 893 881
Contribution to guarantee fund	-130 577	-202 424
Income from insurance activities	79 151	25 155
Net result from insurance activities	14 356 292	-100 671 922
Net return on investments	-181 947 513	145 545 146
Other income	2 014	118 369
Administrative expenses	-653 123	-696 481
Accrual value fluctuation reserve	168 242 329	-44 295 113
Income surplus	0	0

Investment strategy in %



Return on capital investments



Official bodies

Board of Trustees

(Term of office 2021–2024)

Employer representatives

Alexander Mihajlovic (Chair)
Robin Indermaur
Dana Kiefer
Tharsilla Laier (from 1.4.2022)
Michael Rechsteiner (until 31.3.2022)

Since 8 June 2020, the Board of Trustees has had only four employer representatives. As of 1 May 2022, the Board of Trustees was reduced from ten to eight members.

Employee representatives

Hans-Jürg Harder (Vice Chair)
Jerome Harden
Christoph Hasler (until 11.4.2022)
Roland Hug
Peter Renz

Administrative commission

(term of office 2021–2024)
Hans-Jürg Harder (Chair)
Jerome Harden
Christoph Hasler (until 11.4.2022)
Roland Hug
Peter Renz

Audit committee

Roland Hug
Alexander Mihajlovic

General management (Avadis Vorsorge AG)

Marion Fischer (General Manager)
Tobias Abstreiter (Deputy General Manager, until 13.6.2022)
Alexander Wyss (Deputy General Manager, from 13.6.2022)

Authorised signatories

Alexander Mihajlovic
Hans-Jürg Harder
Christoph Hasler (until 11.4.2022)
Robin Indermaur
Tobias Abstreiter (Avadis Vorsorge AG, until 13.6.2022)
Marion Fischer (Avadis Vorsorge AG)
Lars Kleuke (Avadis Vorsorge AG)
Albert Steiner (Avadis Vorsorge AG)
Alexander Wyss (Avadis Vorsorge AG, from 13.6.2022)

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, BVG- und Stiftungsaufsicht 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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