

TOGETHER AND INFORMED 01/2024

Dear insured persons, affiliated companies and partners,

We hope this message finds you in good form and that you made a good start to the year 2024.

Around a fortnight ago we turned the page on a year which was both demanding and rich in events.

Here is a review of 2023 in a jumble of a few memories:

The takeover of Credit Suisse by UBS with a UBS share that appreciated by 52% during 2023, the stock markets in the United States which are again flourishing, the conflict in Ukraine which unfortunately is getting bogged down in both a literal and figurative sense, the war in the Near East, the arrival of artificial intelligence in nearly all households (hello ChatGpt!) the departure 'into retirement' of Alain Berset, as 'fast as possible but as slowly as necessary', the magic formula of the Federal Council which stuck to its position, the Greens which lost ground, the reform of the AVS which went through without difficulty, and, on a different and lighter note, the new album of Asterix and Obelix.

The year 2023 was also marked by numerous turbulences on the financial markets, which finally 'woke up' in November and December to achieve a performance in the form of an end-of-year rally.

For our Foundation, 2023 was a memorable year: we continued our sustainable growth and again reached several major new performance levels: the mark of CHF 5 billion in January 2023, then the mark of 30,000 active insured and pensioners in October 2023. Furthermore, we made great progress in the digitalisation of our activities (a good number of processes are now automatised), and our organisation has continued to grow and become even more professional.

Our Foundation begins its 50th year of activity in robust financial health, and remains a reference in the field of Swiss pension funds.

Key figures as at 31 December 2023 (after distribution of interest and full constitution of the provisions and reserves)



103.70%
NON-AUDITED
COVERAGE RATE



3.48%
NON-AUDITED NET
PERFORMANCE

Our Foundation has total assets of CHF 5.719 billion.
27,256 persons are affiliated and 3,212 pensioners are insured.



SITUATION ON THE FINANCIAL MARKETS As seen by our CIO, Jean-Bernard Georges

The month of December was a reflection of the year 2023 as a whole, posting a good performance for listed shares and bonds, with long-term interest rates declining and the dollar continuing to depreciate against the Swiss franc. After a very good month of November, the year thus closed on a positive note, with investors still favouring the ideal scenario of a soft landing.

Inflation appears to be temporarily under control in Switzerland at less than 2% since June, and posts 1.7% in December. It is still too high in Europe and the United States, which should dissuade the central banks from lowering their prime rate before the 2nd or 3rd quarter of 2024, and these decreases in interest rates to come have already been largely anticipated by the financial markets.

Tensions continue to grow in the Red Sea, with ongoing disruption of maritime trade, and real risks of an extension of the conflict, of which the worst scenario would consist of direct implication of Iran.

The year 2024 will be a busy one in terms of elections, which begin in January with the presidential election in Taiwan. But it is rather the American presidential election which will be the focus of attention throughout the year, as a potential return of Donald Trump would have significant political and economic implications.



PERFORMANCE

The indicative performance of the Foundation's assets amounts to 3.48% for the year 2023.

The principal reference indexes post the following performances:

UBS index of all pension funds	4.92%
UBS index of pension funds of over 1 billion	5.01%
Credit Suisse index of pension funds	5.44%
Pictet LPP25 index	6.71%
Pictet LPP40 index	7.09%
COPRÉ	3.48%

It is primarily our significant underexposure to bonds in Swiss francs which explains this difference, but also the weak performance of illiquid and alternative investments, in infrastructures, foreign real estate and private equity in particular. These illiquid investments had enabled us to considerably cushion the decline in the markets in 2022. Taking the years 2022 and 2023 together, from the angle of a cycle of interest rates, our Foundation's result is still clearly better than that of the reference indexes.



DECISIONS OF THE BOARD OF TRUSTEES

Technical bases

The Board of Trustees has decided to adjust the Foundation's technical interest rate to 2.25% and to maintain the LPP 2020 mortality tables.

In line with these criteria, the whole of the technical provisions have been fully constituted on the liability side of the balance sheet as at 31 December 2023, which represents very good financial health.

Remuneration of savings

An interest rate of 2.25% is granted on the retirement savings of active insured persons as at 31 December 2023.

Thus the average rate distributed by Copré is 2.525% over 10 years, which represents more than double the minimum legal rate over the same period (1.175%).

For 2024, the rate of remuneration on retirement savings has been provisionally set at 1.25%.

The definitive interest rate for 2024 will, as each year, be decided in January 2025 after review of the determining criteria.

Coverage rate

The Foundation's non-audited coverage rate improved during last year and will be around 103.7% as at 31 December 2023 (the revised annual accounts will be available in April 2024).

All these decisions, the result of solid experience over the past nearly five decades, strengthen the security of the Foundation, which is a fundamental value for COPRÉ.



ASSEMBLY OF DELEGATES

It has been decided that the Assembly of Delegates, planned for Thursday 6 June 2024, will be held, like last year, by video-conference but also in person at the Hotel Royal Savoy in Lausanne. On this occasion we will also celebrate the 50th anniversary of our Foundation.

Voting will again take place electronically.

Further information will be sent to you at the beginning of April.

Before concluding, we can note that our Foundation continued its sustainable growth in 2023.

Our values, our technical parameters, our investment strategy and our financial health enable us to be positive about the future and to look forward to a bright outlook. We therefore begin the year with a high degree of confidence for 2024.

Dear insured persons, affiliated companies and partners, we send you our cordial greetings and hope you have very good year 2024.

Thank you for your trust, and take good care of yourselves.

Claude Roch
Chairman of the Board of Trustees

Pascal Kuchen
Managing Director