



FINANCIAL STATEMENTS 2019


copré
LA COLLECTIVE
DE PRÉVOYANCE
DEPUIS 1974

LOOK FURTHER AHEAD, TOWARDS TOMORROW

TOTALLY INDEPENDENT, COPRÉ FOCUSES ITS EFFORTS
ON SUSTAINABLE GROWTH ENABLING IT TO **CONTINUE TO STRENGTHEN ITS
POSITION AS A MAJOR PLAYER IN THE PENSIONS INSURANCE MARKET.**

Reflecting its development strategy and forward-thinking approach, all the Foundation's services have been internalised since 1 January 2018. This was an important step for Copré, finalising its process towards independence embarked upon 20 years ago. A new team, composed of qualified professionals highly skilled in pension insurance, finance and investment, pursues the objectives set by the Board of Trustees: on the market, Copré aims to continue consolidating its position in French-speaking Switzerland as well as expanding its foothold in German-speaking Switzerland based on the network of its

brokers and partners who are necessary for its development. This evolution is possible thanks to the confidence of its insured persons and its affiliates. Copré does its best to meet their expectations over the long term, to fulfil its commitments and thus to be a reliable, solid and transparent service-provider placing the interests of those it insures at the centre of its relationships and management.

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REPORT OF THE BOARD OF TRUSTEES AND MANAGEMENT

During 2019 La Collective de Prévoyance – COPRE continued its solid and qualitative growth. 148 new companies joined our Foundation, adding over 2,500 active insured persons, and our total balance sheet increased by 41% to reach CHF 2.73 billion.

With an investment performance of 10.11% in an exceptional environment underpinned by the central banks, the Board of Trustees decided to award for 2019 an interest rate of 3.0% on the retirement savings capital of those insured. At the end of the period the coverage rate amounted to 108.25%, calculated with a technical interest rate of 1.75%.

In commenting on the principal elements of the period, it should first be noted that in 2019 Copré completed its second year with its new organisation. All our activities are now handled internally with a staff of 25, which enables us to underline our four key values:

- Independence
We are not under the influence of any external institution, and devote all our efforts to the interests of our affiliates.
- Transparency
We do our utmost to inform our affiliates in a clear and transparent manner.
- Security
We have a dual objective: enhance the benefits of the Foundation while weighting the risks.
- Flexibility
Our solution is your solution.

We can be happy that our solid and qualitative growth has continued during this preceding period.

148 companies joined us in 2019, bringing the total number to 913. The number of active insured persons increased by over 2,500 to reach a total of 13,190. The total of the balance sheet is CHF 2,728,113,107. Lastly, the number of pensioners is 2,170.

Our growth should be seen over the long term, as it continued into the beginning of 2020.

In 2019 we strengthened the fundamentals of our Foundation (statistical, financial and actuarial bases). The ratio of pensioners to active insured went from 34.5% to 27.8% (16.3% of the total number insured by the Foundation is composed of pensioners). The average age of those insured is 41.9.

In order to maintain full coverage of the biometric risks (disability and death), on January 1 2020 we concluded a congruent and comprehensive reinsurance contract with elipsLife.

Investment performance in 2019 achieved an excellent result of 10.11% thanks to the very positive trend of the share markets. This was an exceptional year, in line with the Credit Suisse index of Swiss pension funds which posted an annual performance of 11.48%, the second best year since the launch of the index in 2000.

In view of these elements, the Board of Trustees decided to award remunerative interest of 3.0% on the whole of the retirement savings capital of our active insured persons, thus bringing the coverage rate to 108.25%, which also reflects the consolidation of our technical provisions (provision for longevity, provision for non-actuarial conversion rate, and other provisions).

During the year under review, we continued to strengthen our governance. The tasks, responsibilities and competences of the Board of Trustees, the Investment Committee and the Management Committee are now clearly defined.

In this respect, the General Assembly of Delegates will have to approve the new version of the Foundation's by-laws.

We have also paid particular attention to our control environment: optimised accounting processes, improved internal control system and enhanced IT security.

None of the mandates of the members of the Board of Trustees expires in 2020.

Ms Christina Rancic, chairman of our Foundation for over ten years and a member of the Board of Trustees since 2003, has decided to step down. We would like to express our sincere thanks to Christina for her active involvement in COPRE's development over the past few years.

A process has been initiated for the election of an 'employers' representative'. This additional election will also take place at the next Assembly.

The Board of Trustees and Management note with pleasure that COPRE's development is most promising and that our attractiveness is recognised. We are thus pursuing our stated intention of becoming a major player in occupational pension insurance in Switzerland.

We are, of course, keeping an attentive eye on the repercussions at different levels within our Foundation (investment performance, effect on the commercial activity, impact on our clientele, new organisation of our structure, etc.) caused by the exceptional circumstances of the COVID-19 (coronavirus) pandemic. We have already reacted and taken new measures, and will also inform our affiliates on a monthly basis through a specific communication.

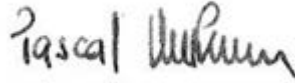
The Board of Trustees and Management would like to sincerely thank member companies and those insured for their confidence, as well as the staff of COPRE for their unfailing commitment which has enabled us to successfully achieve the objectives set.

The Board of Trustees

A handwritten signature in black ink, appearing to be 'Claude Roch', written over a horizontal line.

Claude Roch, Chairman
Geneva, 31 March 2020

Management

A handwritten signature in black ink, appearing to be 'Pascal Kuchen', written in a cursive style.

Pascal Kuchen, CEO



REPORT OF THE INVESTMENT COMMITTEE

Despite geopolitical turbulence and a global economic slowdown, 2019 finally turned out to be an exceptional year, thanks to the 'invisible hand' of the central bankers.

Against a background of trade conflicts between China and the United States, GDP growth worldwide slowed considerably during 2019, falling from 3.6% to 3% by the end of the year. This downturn primarily affected exporting countries such as China and Germany, but also Switzerland, whose economy is largely linked to the health of these two heavyweights. The labour market was not affected and remained very robust, both in the USA and Switzerland, where unemployment figures were at historically low levels. Despite the new geopolitical developments related to the trade conflicts, Brexit and heightened tensions in the Middle East, market volatility remained contained and optimism rapidly returned to the fore after the month of December 2018 which had been catastrophic.

This return of an appetite for risk is explained by the rapid about-face of the central bankers, and the American Federal Reserve (Fed) in particular. It has been clear since the beginning of 2019 that the cycle of interest rate hikes, which were initiated in 2018 and which cost the financial markets dearly, is over. The real fear of a recession in the United States and the American electoral calendar convinced the Fed to pause before again lowering the rates three times starting in July. The Fed also revived its policy of buying assets that had been frozen since 2015 in order to support the financial markets. The European Central Bank (ECB) followed suit, lowering its prime rate to -0.5%. This forthright reopening of the liquidity tap helped restore all the risky assets, which often set new records

The SPI Swiss shares index appreciated by more than 30%, followed closely by the international shares index which gained nearly 25% in CHF. Even bonds and commodities performed positively, in the order of about 2% to 7%, with a special mention for gold which was up by over 16%. Alternative investments also experienced rises of between 3% and 9% for hedge funds and private equity respectively.

This exceptional environment enabled Swiss pension funds to post record returns, the best for over 10 years!

The performance of the Foundation's investments in 2019 was 10.11%, a good result and in line with the pension institutions average of 1 billion which stood at 10.45%, according to the 'Performance of pension funds' index published by UBS.

It should be noted that with the inflow of significant liquidities coming from our new affiliates,

it is practically impossible for us to be above the average in a context in which the financial markets progressed to such an extent and the holding of liquidities was penalised by negative interest rates. Our significant allocation in direct real estate and alternative investments, which represents over 40% of the assets and enabled us to outperform most of our peers in 2018, continued to do well in 2019 but with much less spectacular results than listed shares in particular.

Activities of the Investment Committee

The Investment Committee met eight times in 2019.

The main decisions taken concerned two main strategic focuses: on the one hand the continued implementation of the core/satellite concept, which makes it possible to improve the coverage of the markets and diversification, and on the other hand the inclusion of new investments that meet the sustainability criteria.

Among these responsible new investments, the Committee chose a fund active in micro-finance, a mechanism enabling the granting of loans to private individuals, artisans or micro-entrepreneurs in emerging countries, thus participating in the fight against poverty and in the creation of small enterprises and a sustainable local economic structure.

Another sector chosen is that of green bonds, which are debenture loans issued by states, supranational entities or companies with the aim of financing projects that contribute to ecological transition.

The compartment of 'satellite' shares was strengthened by the inclusion of two new funds investing in Swiss and foreign companies on the basis of risk factors other than weighting in the stock exchange indexes. The criteria used include the quality of the balance sheet, volatility, valuation and market dynamics.

Using these criteria makes it possible to optimise the risk/return ratio and improve the diversification of the investments in shares.

The infrastructures compartment has also been strengthened. This is a sector with a future, as the investment needs are colossal and states are often over-indebted. Financing by private investors has thus become indispensable, whether in the form of equity capital or debts. These long-term investments are interesting for pension funds because of their reduced volatility, the stability of their returns and the low correlation with traditional markets. They also offer an effective means of participating in the transition towards renewable energies, as they often concern projects of this type. We are convinced that this asset class is destined to develop in the future and will constitute an interesting alternative to real estate investments, for example.

Precisely with respect to the real estate portfolio, the volume of acquisitions amounted to over 100 million in 2019, and it was primarily the part in German-speaking Switzerland that was strengthened, through the purchase of first-class properties, so as to enhance the global quality of the real estate portfolio.

In the Zurich region this concerned a purely commercial property located in Thalwil, as well as four well-situated residential properties in downtown Zurich, all offering significant rental income potential which will be easy to exploit.

In Wil, in eastern Switzerland, we acquired a portfolio of seven properties in very good micro-locations. These buildings are relatively new or have been renovated recently. Another transaction in Wil concerns a development project for a residential property.

And lastly, the Committee approved the purchase of a very fine residential property to be developed in the Commune of Gland, in the immediate vicinity of the railway station. It should be noted that most of these transactions, over 70%, were made outside the market. This enabled us to obtain rather favourable conditions compared to a traditional two-stage auction process which would inevitably have led to considerably higher prices.

Prospects for 2020

The year 2020 began under much less favourable auspices. The fight against the Covid-19 pandemic will lead to a global recession of which it is impossible to predict the gravity and duration. The drop in stock market prices in March was extremely rapid and brutal. It must be said that the price level attained by certain risky assets at the end of 2019 was worrying, and that only a spark was needed to light the fire. This time has come. We therefore expect a very difficult 2020 in terms of investment performance, but we remain confident in our Foundation's capacity to bear the brunt due to our diversified and solid allocation of assets.

The Investment Committee

A handwritten signature in black ink, appearing to be 'JB Georges', written over a horizontal line.

Jean-Bernard Georges, Chairman
Geneva, 31 March 2020



BALANCE SHEET AND OPERATING ACCOUNT

BALANCE SHEET

ASSETS	index	31.12.19 CHF	31.12.18 CHF
Investments		2 724 740 368	1 923 434 953
Liquidities	6.4	150 639 554	60 840 757
Exchange operations	6.4	1 744 492	621 626
Debtors	7.2	2 051 927	1 454 356
Bonds	6.4	407 205 016	251 921 605
Shares	6.4	871 333 689	519 533 327
Non-traditional investments	6.4	453 589 454	387 901 017
Real estate	6.4	822 956 291	693 172 999
Employer contribution claims	6.14	15 219 944	7 989 267
Accruals and deferrals, assets	7.3	3 372 739	8 855 931
Total assets		2 728 113 107	1 932 290 885

LIABILITIES	index	31.12.19 CHF	31.12.18 CHF
Commitments		82 023 313	70 148 553
Vested benefits and pensions		59 066 190	40 903 748
Mortgage debts	7.5	10 000 000	20 000 000
Debts - Life annuity commitments	6.4	12 796 300	9 243 532
Other debts		160 823	1 273
Accruals and deferrals, liabilities	7.4	22 570 187	42 138 412
Employers' contribution reserve without waiver	6.14	6 129 951	4 025 067
Disposable funds of affiliates	5.9	0	1 863 477
Non-technical provisions	7.6	506 000	552 000
Pension insurance capital and technical provisions		2 417 379 897	1 723 279 990
Pension insurance capital, active insured	5.3	1 565 498 623	1 022 752 008
Pension insurance capital, pensioners	5.5	775 386 586	667 426 712
Technical provisions	5.6	76 494 688	33 101 270
Value fluctuation reserve	6.3	199 503 759	90 283 386
Foundation capital / disposable funds / overdraft		0	0
Situation at start of period		0	0
Surplus revenues / Surplus charges (-)		0	0
Total liabilities		2 728 113 107	1 932 290 885

OPERATING ACCOUNT

	index	2019 CHF	2018 CHF
Contributions, ordinary outflows and others		179 636 958	112 904 469
Employee contributions	7.1	54 364 289	39 014 127
Employer contributions	7.1	87 040 730	59 673 503
Taken from the employers' contribution reserve to finance contributions	6.14	-515 529	-1 078 535
Single premiums and buybacks		36 078 002	14 918 260
Inflows in the employers' contribution reserve	6.14	2 620 413	355 169
Subsidies of the guarantee fund		49 053	21 945
Entry benefits		648 749 308	170 615 065
Vested benefits lump sums		595 789 437	151 259 305
Allocations in event of taking over a group of insured			
- to the mathematical reserves and technical provisions		50 027 148	14 577 187
- to affiliates' disposable funds	5.9	384 719	1 771 102
- to the employers' contribution reserve	6.14	0	200 953
- to affiliates' special technical provision	5.6	0	16 213
Reimbursement of advance payments for home ownership / divorce		2 548 005	2 790 306
Inflows coming from contributions and entry benefits		828 386 266	283 519 534

	index	2019 CHF	2018 CHF
Regulatory benefits		-77 018 088	-58 542 607
Old-age pensions		-39 976 816	-33 681 100
Survivors' pensions		-6 089 010	-5 897 017
Disability pensions		-5 538 661	-4 248 583
Release from contribution obligations		-2 743 706	-2 418 144
Capital benefits at retirement		-18 237 617	-11 246 220
Capital benefits in event of death or disability		-4 432 278	-1 051 543
Exit benefits		-161 967 690	-103 524 762
Vested benefits in event of exit		-152 977 189	-97 310 101
Advance payments for home ownership / divorce		-8 990 501	-6 214 661
Expenses related to benefits and advance payments		-238 985 778	-162 067 369
Constitution/Dissolution of pension insurance capital, technical provisions, affiliates' disposable funds, contribution reserves		-695 048 944	-141 239 355
Constitution of retirement capital, active insured	5.3	-503 213 660	-98 272 993
Constitution of retirement capital, pensioners	5.5	-107 959 873	-28 972 062
Constitution of technical provisions	5.6	-42 163 935	-359 910
Remuneration of savings capital of active insured	5.3	-39 532 955	-14 167 684
Constitution/dissolution of affiliates' disposable funds	5.9	-73 637	10 881
Constitution/dissolution of contribution reserves	6.14	-2 104 883	522 413

	index	2019 CHF	2018 CHF
Revenues from insurance benefits		8 351 201	4 846 616
Insurance benefits		8 351 201	4 846 616
Insurance charges		-10 171 689	-9 606 380
Insurance premiums:		-8 668 036	-7 112 220
- including risk premiums		-7 687 286	-6 310 408
- including premiums for management costs		-980 750	-801 812
Single inflows to the insurances		-816 715	-2 049 314
Contributions to the guarantee fund		-686 937	-444 846
Net result of insurance activity		-107 468 944	-24 546 954
Net result of investments		225 105 950	-10 846 258
Result liquidities	6.9	-610 093	-314 603
Result money market	6.9	-579 734	0
Result forward exchange	6.9	-4 470 479	-7 226 682
Result bonds	6.9	11 959 816	-137 444
Result shares	6.9	166 606 759	-42 864 968
Result mortgage investment funds	6.9	0	209 278
Result non-traditional investments	6.9	44 719 576	28 002 287
Result real estate	6.9	26 076 265	26 098 252
Administrative costs of investments	6.12	-18 132 339	-14 370 293
Retrocessions	6.8	101 143	150 515
Interest on exit benefits	6.9	-564 964	-392 600

	index	2019 CHF	2018 CHF
Constitution /Dissolution of non-technical provisions		46 000	46 000
Other revenues		788 841	107 466
Other costs		-383 179	-238 290
Administrative costs	7.7	-8 868 295	-8 212 582
General administration		-4 909 024	-4 381 776
Marketing and advertising		-324 731	-356 921
Brokerage		-3 347 574	-3 213 581
Auditing body and expert in occupational pension insurance		-260 030	-243 739
Supervisory authority		-26 937	-16 565
Internalisation costs		0	-749 266
Surplus of revenues (+) / charges (-) before constitution of the value fluctuation reserve		109 220 373	-44 439 884
Constitution / Dissolution of the value fluctuation reserve	6.3	-109 220 373	44 439 884
Surplus of revenues (+) / charges (-)		0	0



ANNEXES

1

BASES AND ORGANISATION

1.1 LEGAL FORM AND PURPOSE

La Collective de Prévoyance - Copré (hereinafter the Foundation), formerly Columna Fondation communautaire de prévoyance professionnelle, was founded by the ex-Banque Populaire Suisse. Its registered office is in Geneva. It is a semi-autonomous collective foundation, governed by articles 80 and following of the Swiss Civil Code (CC), by article 331 to 331e of the Code of Obligations (CO), by the Federal Law on Occupational Old-age, Survivors' and Disability Benefit Plan (LOB), by the relative Federal ordinances, by the Federal and Cantonal directives on pensions, and by its own by-laws and regulations.

The purpose of the Foundation is to protect the staff of each affiliate from the economic consequences of old age, disability and death by guaranteeing defined benefits in compliance with the provisions of the pension regulations and the pension plan.

1.2 LOB REGISTRATION AND GUARANTEE FUND

The Foundation meets the LOB requirements and is inscribed in the register of occupational pension insurance. It contributes to the LOB guarantee fund.

1.3 INDICATION OF DEEDS AND REGULATIONS

Foundation deed

06.12.2012

Pension insurance regulations

Came into force on 01.01.2019

Organisation regulations

Came into force on 01.10.2018

Investment regulations

Came into force on 01.12.2019

Internal regulations for affiliates

Came into force on 05.12.2017

Regulations on actuarial liabilities

Came into force on 31.12.2019

Regulations for partial liquidation

Applicable to partial liquidations as from 01.01.2018

1.4 SUPREME ORGAN, MANAGEMENT AND RIGHT TO SIGNATURE

The organs of the Foundation are the Board of Trustees, the Assembly of Delegates and the auditing body.

The Board of Trustees is composed as follows:

	Function	End of mandate	Representation	Signature
Claude Roch	Member, Chairman (from 24 May 2019)	2022	Insured	Jointly of 2
Robin Gordon	Member, Chairman (until 24 May 2019)	2019	Insured	Jointly of 2
Robert Fiechter	Member, Vice-Chairman	2023	Employer	Jointly of 2
Christina Rancic	Member	2021	Employer	Jointly of 2
Mario Izzo	Member	2023	Insured	Jointly of 2
Daniel Hofstetter	Member	2022	Employer	Jointly of 2
Kathlen Overeem	Member (from 24 May 2019)	2023	Insured	Jointly of 2

Mr. Pascal Kuchen is responsible as CEO for the general management of the Foundation.

Management is composed of the Managing Director and the heads of department.

All have joint signature of 2.

1.5 EXPERTS, AUDITING BODY, ADVISORS AND SUPERVISORY AUTHORITY

Expert in occupational pension insurance:	Mr. Stéphane Riesen, executive expert Pittet & Associés SA, Lausanne, co-contractor (from the 2019 Annual Report)
Management of the real estate portfolio:	CBRE (Geneva) SA
Auditing body:	PricewaterhouseCoopers SA, Geneva (from the 2019 Annual Report)
Supervisory authority:	ASFIP Geneva, register number GE 1118

1.6 AFFILIATED EMPLOYERS

	2019	2018
Number at 31 December of previous period	765	683
Entries	160	88
Exits	-12	-6
Number at 31 December	913	765



ANNEXES

2

ACTIVE MEMBERS AND PENSION BENEFICIARIES

2.1 ACTIVE MEMBERS

	2019	2018
Number at 31 December of previous period	10 661	10 039
Entries	5 488	3 180
Exits	-2 790	-2 429
Retirements	-159	-124
Disabilities	-2	-1
Deaths	-8	-4
Number at 31 December	13 190	10 661

2.2 PENSION BENEFICIARIES

	31.12.19	31.12.18
Retired	1 422	1 281
Children of retired	37	29
Disabled	269	230
Children of disabled	93	77
Spouses	311	316
Orphans	38	29
Total	2 170	1 962

The number of pension beneficiaries changed as follows in the course of 2019:

	Number at 31.12.18	New cases	Transfers to another PF	Deaths	End of right	Number at 31.12.19*
Retired persons	1 281	169	0	-23	-5	1 422
Children of retired	29	13	0	0	-5	37
Disabled	230	55	0	-3	-13	269
Children of disabled	77	33	0	0	-17	93
Spouses	316	17	0	-22	0	311
Orphans	29	13	0	0	-4	38
Total	1 962	300	0	-48	-44	2 170

* including 198 beneficiaries whose pensions were reinsured at 31.12.2019 (31.12.2018: 199)



ANNEXES

3

NATURE OF THE APPLICATION OF THE OBJECTIVE

3.1 EXPLANATION OF PENSION PLANS

In order to achieve its objectives, the Foundation has devised pension regulations that are common to all affiliates.

The pension plan specific to each affiliate describes the insured benefits chosen by the affiliate.

3.2 FINANCING, METHODS OF FINANCING

The financing of the contributions varies from one affiliate to another and is defined in the pension plan specific to each affiliate.

3.3 OTHER INFORMATION ON PENSION PLANS

At its meeting of 27 January 2020, the Board of Trustees decided to waive an adjustment of pensions to inflation for 1 January 2020.



ANNEXES

4

PRINCIPLES FOR VALUATION
AND PRESENTATION OF THE
ACCOUNTS, PERMANENCE

4.1 CONFIRMATION ON THE PRESENTATION OF THE ACCOUNTS AS PER THE SWISS GAAP RPC 26

The Foundation's accounts have been drawn up and presented in compliance with the standard Swiss GAAP RPC 26.

4.2 ACCOUNTING AND VALUATION PRINCIPLES

Investments: The valuation of securities is based on market values at the date of the balance sheet or the last known NAV. Due to the accounting principle adopted (market value), the gains/losses resulting from the annual valuations to draw up the balance sheet are posted separately to avoid confusing them with the gains/losses on securities sold during the accounting period, which are operations involving cash flow.

Foreign currencies: Revenues and charges in foreign currencies are converted at the exchange rate of the day. Assets and liabilities in foreign currencies appear on the balance sheet and the end-of-year exchange rate (bank rate): USD 0.9683, EUR 1.0871 and GBP 1.2829. Resulting losses or gains are posted on the profit and loss account.

Direct real estate in Switzerland: These have been valued at their yield value, which is based on the capitalisation of rents that are realisable on a sustainable basis, more precisely the rental status at the closing date. The discount rate of each property is set in function of factors recognised by qualified assessors and real estate experts, namely the location, level of maintenance and vacancy rate. The discount rates at 31.12.2019 were between 5.0% et 8.5%.

Direct real estate abroad: Direct properties abroad are valued on the balance sheet at their acquisition cost.

Real estate acquired in lifetime annuity: The value on the balance sheet corresponds to the acquisition cost, taking into account the current value of the lifetime annuity and the right of occupation, but at most at the market value for a comparable property.

Mortgage loan: The valuation of the mortgage loan is made at nominal value.

Other assets: The valuation of other assets is made at nominal value.

Other liabilities: The valuation of other liabilities is made at nominal value.

Tangible and intangible assets: These concern IT material, office furniture and IT licences posted at their current value then amortised in linear fashion over a period of 3, 5 and 10 years. These assets are included in accruals and deferrals, assets.

4.3 MODIFICATION OF ACCOUNTING, VALUATION AND ACCOUNTS PRESENTATION PRINCIPLES

At 31 December 2019, the item 'affiliates' disposable funds' was reclassified under 'technical provisions' in line with our regulations on the valuation of liabilities of an actuarial nature.



ANNEXES

5

COVER OF RISKS / TECHNICAL
RULES / COVERAGE RATE

5.1 NATURE OF THE COVER OF RISKS, REINSURANCE

In 2019, the Foundation was fully reinsured through a comprehensive reinsurance contract covering death and disability risks with the company Zurich Life Insurance for a period of 5 years, starting on 1 January 2015. The risk premium is based on a flat rate.

This contract is concluded with a participation in the risk-related surpluses, which are calculated every 5 years.

5.2 EXPLANATIONS OF ASSETS AND LIABILITIES ON INSURANCE CONTRACTS

The Foundation owns assets and liabilities with 3 insurance companies (Bâloise for CHF 17'255'971, Zürich Life for CHF 21'774'962 and Swiss Life for CHF 174'630), amounting to a total of CHF 39'205'563 (at 31.12.2018: 31'324'754). Bâloise and Swiss Life result from former insurance contracts.

5.3 DEVELOPMENT OF THE COVER CAPITAL FOR ACTIVE INSURED WITH DEFINED CONTRIBUTIONS

	2019 CHF	2018 CHF
Balance on 1 January of pension insurance capital of active insured	1 022 752 008	910 311 332
Retroactive dissolutions or art. 17 FLV	-368 294	-1 631 087
Savings contributions	119 689 075	81 685 843
Other contributions and buyback contributions	36 078 002	15 105 347
Vested benefits paid in	590 877 997	152 515 179
Distribution of disposal funds	0	1 551 659
Reimbursement of payments for home ownership / divorce	2 548 005	2 790 306
Vested benefits in event of exit	-152 393 285	-99 556 971
Payments for home ownership / divorce	-8 990 501	-6 180 721
Transfer of savings capital of disabled	-2 250 580	-674 896
Dissolution due to retirement, death and disability	-82 755 224	-47 401 661
Remuneration of pension insurance capital	39 532 955	14 167 684
Attributions of exit benefits (art. 17 FLV)	778 465	69 994
Total pension insurance capital of active insured	1 565 498 623	1 022 752 008

For insured persons still active on 1 January 2020 and for the reference period from 1 January 2019 to 31 December 2019, the interest allocated to the savings accounts of the active insured, insured with incapacity to earn, disabled and insured persons who exited at 31.12.2019 has been calculated on the regulatory capital at a rate of 3.00% (1.50% in 2018).

For insured persons who exited during 2019, the interest allocated up to the exit date has been calculated at the minimum interest rate as per the OBB2 on the whole of the retirement capital.

5.4 TOTAL RETIREMENT CAPITAL AS PER LOB

	31.12.19	31.12.18
	CHF	CHF
Retirement capital as per LOB (pilot accounts)	632 676 200	471 591 096
Minimum LOB rate set by the Federal Council	1%	1%

5.5 DEVELOPMENT OF THE COVER CAPITAL FOR PENSIONERS

A - Evolution and remuneration of savings capital of disabled	2019	2018
	CHF	CHF
Balance at 1 January of savings capital	28 083 271	24 993 116
Attribution provision for art. 17 FLV	-136 952	4 269
Transfer of active capital	2 250 580	674 896
Savings contributions	1 797 216	1 273 546
Vested benefits paid in	4 951 020	3 122 548
Distribution of disposable funds	0	98 236
Remuneration of pension insurance capital	965 379	402 028
Dissolution savings capital	-2 795 004	-2 485 368
Savings capital of disabled at 31.12	35 115 509	28 083 271

B - Mathematical reserves of pensioners	2019	2018
	CHF	CHF
Balance of pension insurance capital at 1 January	518 015 245	498 964 008
Transfer of savings capital to pensioners	21 049 838	35 928 009
Inflow of retirement MR from new affiliated companies	41 416 350	12 741 534
Modification due to new insured numbers at 31.12	54 447 095	-29 618 307
Mathematical reserves of pensioners at 31.12	634 928 528	518 015 245

C - Mathematical reserves for pensions AVS bridge	2019	2018
	CHF	CHF
Balance of pension insurance capital at 1 January	447 401	535 116
Modification due to new insured numbers at 31.12	490 355	-87 715
Mathematical reserves for pensions AVS bridge at 31.12	937 756	447 401

D - Mathematical reserves of disabled	2019	2018
	CHF	CHF
Balance of pension insurance capital at 1 January	53 360 875	43 698 122
Inflow of MR disabled from new affiliated companies	5 712 661	1 396 849
Modification due to new insured numbers at 31.12	-21 971 602	8 265 904
Mathematical reserves of disabled at 31.12	37 101 934	53 360 875

E - Mathematical reserves for survivors	2019	2018
	CHF	CHF
Balance of pension insurance capital at 1 January	67 519 920	70 264 288
Modification due to new insured numbers at 31.12	-217 061	-2 744 368
Mathematical reserves for survivors at 31.12	67 302 859	67 519 920
Mathematical reserves of pensioners (A+B+C+D+E) at 31.12	775 386 586	667 426 712

5.6 RECAPITULATION, DEVELOPMENT AND EXPLANATION OF TECHNICAL PROVISIONS

A - Provision for longevity	2019	2018
	CHF	CHF
Balance provision for longevity at 1 January	2 766 000	1 173 000
Modification due to new insured numbers at 31.12	8 279 000	1 593 000
Provision for longevity at 31.12	11 045 000	2 766 000
B - Provision for non-actuarial conversion rate	2019	2018
	CHF	CHF
Balance provision for non-actuarial conversion rate at 1 January	28 643 000	29 681 000
Modification due to regulatory changes	0	-2 005 000
Modification due to new insured numbers at 31.12	33 888 000	967 000
Provision for non-actuarial conversion rate at 31.12	62 531 000	28 643 000
C - Provision for fluctuation of risks	2019	2018
	CHF	CHF
Balance provision for fluctuation of risks at 1 January	979 000	1 235 000
Modification due to new insured numbers at 31.12	- 279 000	- 256 000
Provision for fluctuation of risks at 31.12	700 000	979 000
D - Special technical provision for affiliates	2019	2018
	CHF	CHF
Balance special technical provisions for affiliates at 1 January	713 270	652 360
Increase related to 'special risks' contributions	- 697 057	44 697
Inflow of special technical provisions for affiliates	0	16 213
Special technical provision for affiliates at 31.12	16 213	713 270

E - Disposable funds of affiliates	2019	2018
	CHF	CHF
Balance of disposable funds of affiliates at 1 January	0	0
Transfer from affiliates' disposable funds (see note 5.9)	1 863 477	0
Constitution of affiliates' disposable funds	650 081	0
Dissolution of affiliates' disposable funds	- 311 082	0
Disposable funds of affiliates at 31 December	2 202 476	0
Total technical provisions (A+B+C+D+E) at 31.12	76 494 689	33 101 270

The provision for longevity serves to finance the increase on the pension insurance capital of pension beneficiaries due to a change in the actuarial tables. At 31 December 2019, the amount of the provision for longevity corresponded to 1.5% of the above-mentioned pension insurance capital, the year of projections of the tables applied being 2016.

The provision for the non-actuarial conversion rate is intended to cover the cost when opening a pension upon retirement. This cost corresponds to the part of the mathematical reserve that is not financed by the accumulated retirement savings. The objective of this provision has been determined on the basis of active and temporarily disabled persons reaching the statutory retirement age in the course of the next five years, and taking into account a proportion of 25% of retirements being taken in the form of capital.

The provision for fluctuation of risks is constituted to meet costs not covered by the congruent insurance contracted by the Foundation as from 1 January 2015. At 31 December 2019, the provision for fluctuation of risks was composed of an amount of CHF 405'000 related to taking over from Lloyds in 2014 and for which a special premium had been billed at the time, and an amount of CHF 295'000 for potential non-reinsured costs related to ongoing disability pensions at the end of 2019.

The special technical provision for affiliates concerns the taking over of a disabled person whose case is not yet settled.

The disposable funds of the affiliates correspond to the total amount of disposable funds of the member companies which have not yet been allocated.

5.7 RESULTS OF THE LAST ACTUARIAL APPRAISAL

The expert in occupational pension insurance carried out an actuarial appraisal on 31.12. 2019 with the following conclusions:

In our capacity as the Foundation's expert in occupational pension insurance as per article 52e LOB, we attest that:

- The regulatory provisions of an actuarial nature relating to the benefits and financing comply with the legal provisions at the date of certification.
- With a coverage rate of 108.3 %, the Foundation is in a position to guarantee its commitments at the date of the appraisal.
- The technical bases applied by the Foundation are deemed to be adequate. We recommend applying the LOB 2020 tables as soon as they are published. Furthermore, we recommend maintaining the technical interest rate at 1.75 %.
- The technical provisions constituted at the end of 2019 comply with the regulatory requirements. The measures taken by the Foundation (conclusion of a comprehensive reinsurance contract with Zurich Life covering disability and death risks) are sufficient.
- The structural financial balance of the Foundation is ensured, taking into account its current financing, the contribution rate, the performance level necessary, the technical interest rate applied and the pension plan in force. However, the contributions received do not make it possible to finance the losses on retirement which must be charged to the performance.

5.8 TECHNICAL BASES AND OTHER SIGNIFICANT ASSUMPTIONS ON THE ACTUARIAL LEVEL

At its meeting of 27 January 2020, the Board of Trustees decided to use, for calculating the retirement capital of pensioners (with and without employer) and the technical provisions, the LOB 2015 (periodic) actuarial tables with a technical rate of 1.75%. In 2018, the technical bases used were the LOB 2015 (periodic) actuarial tables with a technical rate of 2.5%. For pension beneficiaries who were not attached to an affiliated employer, the LOB 2015 (generational) actuarial tables with a technical rate of 1.6 % were used.

5.9 DISPOSABLE FUNDS OF AFFILIATES

	2019	2018
	CHF	CHF
Balance of affiliates disposable funds at 1 January	1 863 477	1 874 359
Reclassification in technical provisions (see note 5.6)	-1 863 477	0
Constitution of disposable funds of affiliates	0	1 771 102
Dissolution of disposable funds of affiliates	0	-1 781 984
Disposable funds of affiliates at 31 December	0	1 863 477

5.10 COVER RATE AS PER ART. 44 OBB2

	31.12.19	31.12.18
	CHF	CHF
Pension capital of active insured	1 565 498 623	1 022 752 008
Pension capital of pensioners	775 386 586	667 426 712
Technical provisions	76 494 688	33 101 270
Pension capital required as per art. 44 OBB2 (Cp)	2 417 379 897	1 723 279 990
Total assets on balance sheet	2 728 113 107	1 932 290 885
./. Debts and deferred liabilities	-104 593 500	-112 286 965
./. Reserve of employers' contributions without waiver	-6 129 951	-4 025 067
./. Disposable funds of affiliates	0	-1 863 477
./. Non-technical provisions	- 506 000	- 552 000
Pension insurance capital available as per art. 44 OBB2 (Fp)	2 616 883 656	1 813 563 376
Coverage rate (Fp/Cp)	108.25%	105.24%



ANNEXES

6

EXPLANATIONS RELATING TO INVESTMENTS AND NET RESULT OF INVESTMENTS

6.1 ORGANISATION OF THE INVESTMENT ACTIVITY, INVESTMENT CONSULTANTS AND MANAGERS, INVESTMENT REGULATIONS

Securities depositaries:

The Foundation's investments are placed with Credit Suisse, with the exception of a few investments placed with Alinda Capital Partners Ltd USA, Caisse d'Épargne de Nyon, Swiss Collective Pensions CY, Supre Real Estate Ltd CY.

Securities depositaries	Credit Suisse AG, Zürich (subject to the FINMA)
Management of the real estate portfolio	CBRE (Geneva) SA
Administration of properties	Régie du Rhône SA, Lancy and Privera SA, Geneva
Investment Committee	Jean-Bernard Georges, Chairman and member Mario Izzo, member Pascal Kuchen, member Claude Roch, member
Investment Regulations	Came into force on 01.12.2019
Management mandate (Private Equity)	Portolio Advisors, LLC, Zürich

6.2 UTILISATION OF EXTENSIONS (ART. 50 PARA 4 OBB2)

Within the framework of the Investment Regulations, the Foundation has made use of the freedom afforded by the law to extend the possibilities for investment. The investment areas concerned are detailed in Annex 2 of the Investment Regulations. The necessary measures have been taken to ensure that the required attention is paid to the choice, management and control of the investments. The Board of Trustees has made certain in particular that the objectives of the pension insurance are attained, especially by adopting a management strategy that takes into account the assets and liabilities as well as the structure and foreseeable future evolution of the number of insured.

6.3 OBJECTIVES AND CALCULATION OF THE VALUE FLUCTUATION RESERVE

The new target level of the value fluctuation reserve (SFR) corresponds to the provision that would be necessary for the probability of the Foundation going into an under-coverage position within one year to be less than 3.5%. This implies a Value-at-Risk (VaR) with a security level of 96.5% and a time frame of one year.

The target value of the value fluctuation reserve has been recalculated and amounted on 31.12.2019 to CHF 299'755'107. It is reconstituted at 66.55%.

	2019 CHF	2018 CHF
Balance at 1 January of the value fluctuation reserve	90 283 386	134 723 270
Increase/decrease due to the operating result	109 220 373	-44 439 884
Value fluctuation reserve at 31 December	199 503 759	90 283 386
Target value of the value fluctuation reserve	299 755 107	246 000 000
Insufficiency of the value fluctuation reserve	-100 251 349	-155 716 614

6.4 PRESENTATION OF INVESTMENTS BY CATEGORY

	31.12.19 CHF	31.12.18 CHF
Liquidities	150 639 554	60 840 757
Total liquidities	150 639 554	60 840 757
Exchange operations	1 744 492	621 626
Total exchange operations	1 744 492	621 626
Bonds in CHF (incl. investment funds)	256 343 243	169 164 240
Bonds in FC (incl. investment funds)*	150 861 774	82 757 365
Total bonds	407 205 016	251 921 605
Shares in CHF (incl. investment funds)	444 087 357	265 187 667
Shares in FC (incl. investment funds)	427 246 332	254 345 660
Total shares	871 333 689	519 533 327

*Bonds in FC include a hedged investment fund in CHF for an amount of CHF 131'039'420 at 31.12.2019 (at 31.12.2018 : 39'881'875).

**Concerning properties acquired in lifetime annuity, Copré invested in 6 objects in French-speaking Switzerland during 2019 for an amount (cash out, costs included) of CHF 13'164'321. Unlike other real estate properties, the value on the balance sheet of an object acquired in lifetime annuity is equivalent to the acquisition cost in the assets, taking into consideration the current value of the life annuity and the right of occupation (respectively CHF 2'634'948 and CHF 10'161'352 at 31.12.2019) for a total of CHF 12'796'300, considered on the balance sheet as debts. Among the 24 properties in lifetime annuity, 12 were the object of a monthly lifetime annuity at the closing date.

	31.12.19 CHF	31.12.18 CHF
Alternative investments CHF	144 863 667	133 539 765
- incl. Hedge Fund	43 587 012	40 268 823
- incl. Private Equity	101 276 655	93 270 942
Alternative investments FC	308 725 787	254 361 252
- incl. Private Equity	87 899 330	61 449 940
- incl. Senior Loan Funds	60 620 456	50 196 998
- incl. Trade Finance	50 051 745	107 401 795
- incl. Infrastructure	5 850 994	5 423 813
- incl. mortgage loan	5 664 848	5 766 930
- incl. raw materials	94 129 875	19 613 738
- incl. others	4 508 539	4 508 038
Total Alternative investments	453 589 454	387 901 017
Swiss real estate	692 622 957	571 192 432
- incl. direct	646 877 999	531 534 468
- incl. in construction	2 132 910	19 183 874
- incl. lifetime annuity**	35 984 090	20 474 090
- incl. on sale	7 627 958	0
Foreign real estate	130 333 334	121 980 567
- incl. direct	11 512 338	11 719 794
- incl. indirect	118 820 996	110 260 773
Total Real Estate	822 956 291	693 173 000
Employer contribution claims	15 219 944	7 989 267
Other claims CHF	5 424 666	10 310 286
Total assets	2 728 113 107	1 932 290 885

6.5 PRESENTATION OF INVESTMENTS ACCORDING TO STRATEGIC ALLOCATION AND CONTROL OF OBB LIMITS

		31.12.19		31.12.18
	effective %	strategic allocation	Adjustment marges	effective %
Liquidities	5.5%	2.0%	0% - 40%	3.2%
Exchange operations	0.1%			0.0%
Bonds in CHF	9.4%	12.0%	6.5% - 19%	8.7%
Bonds in FC (incl. hedge fund)	5.5%	4.0%	2% - 6%	4.3%
Bonds	14.9%	16.0%	8.5% - 25%	12.9%
Shares in CHF	16.2%	16.0%	7% - 20%	13.7%
Shares in FC	15.7%	16.0%	7% - 20%	13.2%
Shares	31.9%	32.0%	14% - 40%	26.9%
Mortgage investments	0.0%	0.0%	0% - 0%	0.0%
Alternative investments	16.6%	15.0%	7.5% - 21%	20.1%
Swiss real estate	25.4%	30.0%	17.5% - 49%	29.6%
Foreign real estate	4.8%	5.0%	2.5% - 7%	6.3%
Real estate	30.2%	35.0%	20% - 55%	35.9%
Other claims	0.8%			0.9%
	100.0%	100.0%		100.0%

Global limits, as per the investment regulations:	2019 CHF	2019 effective	Global limits	2018 effective
Company shares or investment funds invested in commodities (shares)	94 129 875	3.5%	5.0%	1.0%
Company shares or investment funds invested in commodities (shares)	39 301 330	1.4%	15.0%	1.2%
Total exposure in foreign currency, net of exchange cover	812 228 876	29.8%	40.0%	27.2%

Control of limits as per art. 55 OBB 2:

	31.12.19	31.12.18	OBB limits
Mortgage securities	0.0%	0.0%	50.0%
Shares	31.9%	26.9%	50.0%
Real estate	30.2%	35.9%	30.0%
Alternative investments	16.6%	20.1%	15.0%
Total exposure in FC, net of exchange cover	29.8%	27.2%	30.0%

The individual investment limits as per articles 54, 54a and 54b OBB2 are respected.

The mortgage debt of CHF 10 million represents about 1.22% of the real estate assets and about 0.37% of total assets. The average interest paid on 31.12.2019 was 3.49 %. The spread of due dates is presented under point 7.5. At 31 December 2018, mortgage debt was CHF 20 million and represented about 2.89% of real estate assets, with an average interest of 3.34% paid on 31.12.2018.

6.6 ONGOING DERIVATIVE FINANCIAL INSTRUMENTS (OPEN)

At 31 December 2019, the ongoing derivative operations were as follows:

Product	Term	Rate at term	Value at 31.12.19	Valuation at term of contract	Result non realised at 31.12.19
Swaps USD/CHF - USD 50'000'000	08.01.20	0.968215	49 412 100	48 410 754	1 001 346
Swaps USD/CHF - USD 25'000'000	03.03.20	0.966475	24 905 025	24 161 879	743 146
			74 317 125	72 572 633	1 744 492

At 31 December 2018, the open derivative products (swaps on currencies) amounted to CHF 621'626.

The provisions of article 56a OBB2 are respected.

6.7 OPEN COMMITMENTS OF CAPITAL

At 31 December 2019, the open commitments of capital amounted to:

Private Equity :	USD	57 412 580	CHF	55 495 000
	EUR	55 993 515	CHF	60 786 000
	GBP	243 212	CHF	312 000
	CHF	6 800 000	CHF	6 800 000
Infrastructure :	USD	4 573 243	CHF	4 420 497
	CHF	30 000 000	CHF	30 000 000
Foreign real estate:	EUR	15 000 000	CHF	16 283 850
			Total	174 097 347

At 31 December 2018, the open commitments of capital amounted to CHF 115'540'813.

6.8 RETROCESSIONS

A total of CHF 101'143 of retrocessions were noted for the 2019 period (2018: CHF 150'515).

6.9 EXPLANATIONS OF THE NET RESULT OF INVESTMENTS

	2019		2018			2019	2018
	Yields CHF	Yields CHF	Total CHF	Total CHF		Total CHF	Total CHF
Liquidities	- 610 093	0	- 610 093	- 314 603			
Money market	1 987 876	-2 567 610	- 579 734	0	Asset management charges directly billed to the PF (point 6.11)	-6 209 633	-5 006 090
Swiss bonds	1 696 156	4 481 499	6 177 655	305 251			
Foreign bonds in CHF	3 719 183	1 956 701	5 675 885	- 612 370	Cost calculated for collective investments (TER)	-11 922 706	-9 364 203
Foreign bonds in FC	0	106 276	106 276	169 675			
Swiss shares	8 488 485	86 847 894	95 336 379	-25 657 369	Asset management charges	-18 132 339	-14 370 293
Foreign shares	3 507 184	67 763 197	71 270 381	-22 069 426	Retrocessions	101 143	150 515
Options on shares	0	0	0	4 861 827	Default interest on benefits paid	- 564 964	- 392 600
Mortgage investments	0	0	0	209 278			
Alternative investments	12 923 581	31 795 994	44 719 575	28 002 287	Net result of investments	225 105 950	-10 846 258
Exchange cover	0	-4 470 479	-4 470 479	-7 226 682			
Securities	31 712 372	185 913 472	217 625 845	-22 332 132			
Real estate investments							
Foreign real estate investment funds	2 485 459	2 124 098	4 609 557	1 757 832			
Properties acquired in life							
Acquisition charges	-474 321	0	-474 321	- 187 365			
Result on life annuities	0	340 232	340 232	-65 823			
PPE properties on sale							
Result on PPE sales	0	197 677	197 677	0			
Direct real estate							
Operating revenues	27 236 792	0	27 236 792	25 428 236			
Operating charges	-4 706 297	0	-4 706 297	-5 690 494			
Mortgage interest	-446 778	0	-446 778	-779 125			
Revaluation	0	-661 598	-601 598	-5 634 991			
Real estate investments	24 075 855	2 000 409	26 076 265	26 098 252			

6.10 PERFORMANCE OF INVESTMENTS

According to the depository of the securities, the performance realised on the whole of the investments during the 2019 period was 10.11 %, as against -0.55 % for the 2018 period.

6.11 PRESENTATION OF THE TRANSPARENCY RATE OF INVESTMENTS WITH REGARD TO COSTS

	31.12.19	31.12.18
	CHF	CHF
Total investments	2 724 740 368	1 923 434 953
Non-transparent investments (as per detail below)	43 385 034	67 025 055
Transparent investments	2 681 355 334	1 856 409 898

Collective investments where costs are not known (non-transparent investments as per art. 48a para 3 OBB2):

ISIN	Supplier	Name of product	Quantity	Market Value CHF
IE00BJVQFM67	Bain Capital	Parts Bain Capital I ICAV	54 031.39	5 246 727
LU0284878518	Partners Group	Parts Partners Group	1 894.30	266 243
LU0306177030	Unigestion	Parts Unicapital Inv. V GI PE	6 607.11	1 691 826
XF0040825386	Crédit Suisse	Parts Segregated PortfCell 05	400.00	4 508 539
XF0040864799	American	Parts American	106 523.00	103 152
XF0040865549	Astorg	Parts Astorg VII	700 876.00	761 973
XF0040866240	Olympus	Parts Olympus	2 584 881.00	2 433 930
XF0040866349	Trivest	Parts Trivest Fund VI LP	1 336 260.00	1 639 449
XF0040927463	Platinum Equity	Parts Platinum Equity	42 863.00	41 506
XF0040927489	Investindustrial	Parts Investindustrial VII	47 546.14	122 523
XF0040953972	Amberbrook	Parts Amberbrook VIII LP	200 000.00	193 670
CH0463463171	Crédit Suisse	Parts Swiss Entrepreneurs	1 160 800.00	1 102 831
XF0040864757	Athora Holding Ltd	Parts Athora Holdings Ltd	12 859 820.00	14 540 068
XF0040865564	Brentwood Associates	Parts Brentwood Associates	1 422 290.23	1 299 846
INT2533	Athora Holding Ltd	Parts Apollo AGER	3 144 296.65	3 581 756
INT2126	Alinda	Parts Alinda III	5 579 503.00	5 850 994
				43 385 034

	2019	2018
Transparency rate on costs	98.4%	96.5%

6.12 EXPLANATIONS OF ASSET MANAGEMENT COSTS

	31.12.19	31.12.18
	CHF	CHF
Administration costs of investments	-6 209 633	-5 006 090
Consultancy fees	0	- 13 682
Asset management fees	-2 998 594	-2 240 626
Transaction costs	-1 086 384	- 596 389
Cost of bookkeeping by Credit Suisse	- 23 963	- 23 963
Property management fees	-1 314 827	- 985 208
Fees for property management and consultancy	- 656 796	-1 034 390
Management and consultancy fees for properties acquired in life annuity	- 72 314	- 57 963
Other financial costs	- 56 753	- 53 869
Sums of costs calculated on the basis of the TER	-11 922 706	-9 364 203
Sum of TER costs (communicated by Credit Suisse)	-11 922 707	-9 364 203
Total asset management costs booked	-18 132 338	-14 370 293
Total transparent investments (point 6.11)	2 681 355 334	1 856 409 898
Percentage of asset management costs compared to total of transparent investments with regard to costs	0.68%	0.77%

6.13 MARKET VALUES AND CO-CONTRACTING PARTIES IN SECURITIES LENDING

Nil

6.14 EXPLANATIONS OF INVESTMENTS WITH EMPLOYERS AND OF EMPLOYERS' CONTRIBUTION RESERVES

	31.12.19	31.12.18
	CHF	CHF
Employers' contribution claims, gross	15 790 944	8 308 467
Provision for losses on employers' claims	- 571 000	- 319 200
Employer contribution claims, net	15 219 944	7 989 267
Balance of the employers' contribution reserve at 1 January	4 025 067	4 547 480
Inflows in the employers' contribution reserve	2 620 413	556 122
Use of the employers' contribution reserve	- 515 529	-1 078 535
Total employers' contribution reserve	6 129 951	4 025 067

The term 'employers' contribution claims' is understood as the current account of each company affiliated to the Foundation. Most of these contributions were paid up during the first quarter of 2020. Contributions still outstanding are the object of regular follow-up. At 31.03.2020, the amount of contributions still due was CHF 609'330 and has been reported to the ASFIP.

6.15 EXERCISE OF VOTING RIGHTS

Copré does not hold shares directly, so no exercise of voting rights is necessary.



ANNEXES

7

EXPLANATIONS RELATING
TO OTHER ITEMS ON THE
BALANCE SHEET AND
OPERATING ACCOUNT

7.1 EXPLANATION OF THE ITEM “CONTRIBUTIONS”

	31.12.19	31.12.18
	CHF	CHF
Savings bonuses	121 486 291	82 710 346
Contributions to cover disability and death risks	15 394 729	12 011 359
Contributions to the guarantee fund	504 534	376 211
Contributions for administrative costs	3 150 529	2 654 793
Contributions for adaptation of pensions to inflation	868 936	934 921
Total contributions	141 405 019	98 687 630
i.e.:		
Contributions of employees	54 364 289	39 014 127
Contributions of employers	87 040 730	59 673 503

7.2 EXPLANATION OF THE ITEM “DEBTORS”

	31.12.19	31.12.18
	CHF	CHF
Current account withholding tax	1 721 927	1 454 356
Various debtors	330 000	0
Total of the item “debtors”	2 051 927	1 454 356

7.3 EXPLANATION OF THE ITEM “ACCRUALS AND DEFERRALS, ASSETS”

	31.12.19	31.12.18
	CHF	CHF
Accrued interest	83 110	89 249
Properties - rents to be received	929 763	565 131
Benefits to be received from the reinsurer	231 476	119 988
Vested benefits and pensions to be received	205 427	256 547
Retrocessions brokerage reinsurance contract	310 552	0
Risk premium paid in advance	0	6 828 547
Retrocessions	0	41 065
Revenues on securities investments to be received	594 366	223 469
Tangible assets	301 774	312 677
Intangible assets	400 009	372 901
Miscellaneous	316 262	46 357
Total of the item “accruals and deferrals, assets”	3 372 739	8 855 931

7.4 EXPLANATION OF THE ITEM “ACCRUALS AND DEFERRALS, LIABILITIES”

	31.12.19	31.12.18
	CHF	CHF
Pension insurance capital received in advance	14 374 000	35 845 904
Vested benefits received in return	1 347 751	1 199 376
Vested benefits received in advance	504 336	949 756
Buybacks to return and divorces to be paid	115 416	0
Various fees to be paid	34 920	100 200
Balance commission costs to be paid	1 815 982	996 573
Properties - rents received in advance	245 625	164 274
Benefits received in advance from the reinsurer	1 467 631	1 157 470
Various invoices to be paid	407 842	304 104
Securities management costs to be paid	318 184	160 235
Disposable funds to be returned	227 863	227 862
Properties - various charges to be paid	595 760	29 309
Mathematical reserve received for a pending disability case	351 868	351 868
Death capital, reserve and benefits to be paid to the reinsurance	691 110	646 861
Miscellaneous	71 900	4 620
Total of the item “accruals and deferrals, liabilities”	22 570 187	42 138 412

7.5 EXPLANATION OF THE ITEM “MORTGAGE DEBT”

The breakdown of the mortgage debts with Credit Suisse at 31 December 2019 was as follows:

	Amount in CHF	Interest rate	Start of contract	Due
Fixed-rate	10 000 000	3.60%	31.03.07	30.03.22
Total mortgages	10 000 000			

7.6 NON-TECHNICAL PROVISIONS

This concerns one-time administration costs that were invoiced in 2016 as a result of taking over the management of a portfolio of pensioners not attached to an employer. They are amortised over a total period of 14 years.

7.7 BREAKDOWN OF ADMINISTRATIVE COSTS

	2019	2018
	CHF	CHF
General administration	-4 909 024	-4 381 776
- Salaries and social charges	-3 362 675	-2 903 090
- Running costs	-1 312 972	-1 215 913
- Attendance fees of the Board and Committees	- 231 888	- 209 543
- Fees for various mandates	- 1 489	- 53 230
Marketing and advertising	- 324 731	- 356 921
- Various advertising and marketing costs	- 324 731	- 356 921
Brokerage	-3 347 574	-3 213 581
- Brokerage costs	-3 347 574	-2 136 765
- Commercialisation costs, Swiss Risk & Care SA	0	-1 076 816
Auditing body and occupational pensions expert	- 260 030	- 243 739
- Fees of the occupational pensions expert	- 161 881	- 143 006
- Fees of the auditing body	- 98 149	- 100 733
Supervisory authority	- 26 937	- 16 565
- Cantonal supervisory authority	- 20 800	- 11 365
- High supervisory commission for occupational pension insurance	- 6 137	- 5 200
Total of the item "administrative costs"	-8 868 295	-8 212 582



ANNEXES

8

REQUESTS FROM THE SUPERVISORY AUTHORITY / HIGH SUPERVISORY COMMISSION

8. REQUESTS FROM THE SUPERVISORY AUTHORITY / HIGH SUPERVISORY COMMISSION

In its communication of 5 November 2019, the ASFIP made some remarks on the financial statements of 31 December 2018. The remarks were taken into consideration for the 2019 period.

Furthermore, the ASFIP has requested various documents relating to the 2018 and 2019 periods, as well as the updating of regulations.



ANNEXES

9

OTHER INFORMATION RELATING TO THE FINANCIAL SITUATION

9.1 PLEDGING OF ASSETS

The mortgage notes pledged for the mortgage loans amounted to CHF 60'000'000 at 31 December 2019 (amount used CHF 10'000'000).

A limit of CHF 200 million, guaranteed by a part of the securities on deposit, has been opened and allocated for bank guarantees, exchange cover and option operations.

9.2 OVERDRAFT / EXPLANATION OF MEASURES TAKEN (ART. 44 OBB2)

Nil

9.3 WAIVER OF USE BY THE EMPLOYER OF THE EMPLOYERS' CONTRIBUTION RESERVE

Nil

9.4 PARTIAL LIQUIDATIONS

Nil

9.5 LEGAL PROCEDURES UNDERWAY

Nil

9.6 OTHER INFORMATION

Internalisation

In line with the decision of the Board of Trustees communicated at the General Assembly of 31 May 2016, Copré decided to internalise the administration and technical management, effective 1 January 2018. All costs inherent in this internalisation project are mentioned under a specific heading «Internalisation costs». This covers running costs, infrastructure, licences and customising, development and consulting.

Creation of companies

The company Supre Ltd, Cayman Islands, was created in 2015 as a «tax blocker» for investments, principally in Private Equity, carried out in the United States. It is wholly owned by Copré.

The company Swiss Collective Pension Ltd, Cayman Islands, was created in 2016 for the purpose of granting a mortgage loan of USD 5'850'000 to the company HHG PX Cayman LTD. A mortgage note of the same amount guarantees the loan. This company is wholly owned by Copré.

The company Supre Real Estate Ltd, Cayman Islands, was created in 2016 for the purpose of acquiring 50 lots of the Margarita Ville Beach Resort, Grand Cayman. It is wholly owned by 100% - à Copré.



ANNEXES

10

EVENTS SUBSEQUENT TO THE
BALANCE SHEET DATE

10. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

We are not aware of any event that has occurred after the balance sheet closing date and that has a significant impact on the 2019 annual accounts.



TRANSLATION OF THE FRENCH REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

Report of the statutory auditor

to the Foundation Board of La Collective de Prévoyance - COPRE

Geneva

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of La Collective de Prévoyance - COPRE, which comprise the balance sheet, operating accounts and notes (pages 13 to 51), for the year ended 31 December 2019.

Foundation Board's responsibility

The Foundation Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and with the foundation's deed of formation and the regulations. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Foundation Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibility of the expert in occupational benefits

In addition to the auditor, the Foundation Board appoints an expert in occupational benefits to conduct the audit. The expert regularly checks whether the occupational benefit scheme can provide assurance that it can fulfil its obligations and that all statutory insurance-related provisions regarding benefits and funding comply with the legal requirements. The reserves necessary for underwriting insurance-related risks should be based on the latest report provided by the expert in occupational benefits in accordance with article 52e paragraph 1 of the Occupational Pensions Act (OPA) and article 48 of the Occupational Pensions Ordinance 2 (OPO 2).

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2019 comply with Swiss law and with the foundation's deed of formation and the regulations.

Other Matter

The financial statements of La Collective de Prévoyance - COPRE for the year ended 31 December 2018 were audited by another firm of auditors whose report, dated 12 April 2019, expressed an unmodified opinion on those statements.

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Report on additional legal and other requirements

We confirm that we meet the legal requirements on licensing (article 52b OPA) and independence (article 34 OPO 2) and that there are no circumstances incompatible with our independence.

Furthermore, we have carried out the audits required by article 52c paragraph 1 OPA and article 35 OPO 2. The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organisation, management and investments are applied.

We have assessed whether

- organisation and management comply with the legal and regulatory requirements and whether internal controls exist that is appropriate to the size and complexity of the foundation;
- funds are invested in accordance with legal and regulatory requirements;
- the occupational pension accounts comply with legal requirements;
- measures have been taken to ensure loyalty in fund management and whether the Governing Body has ensured to a sufficient degree that fund managers fulfil their duties of loyalty and disclosure of interests;
- the available funds or discretionary dividends from insurance contracts have been used in compliance with the legal and regulatory provisions;
- the legally required information and reports have been given to the supervisory authority;
- the pension fund's interests are safeguarded in disclosed transactions with related entities.

We confirm that the applicable legal and statutory and regulatory requirements have been met.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA



Philippe Lienhard
Audit expert
Auditor in charge



Ludovic Derenner
Audit expert

Lausanne, 28 April 2020





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