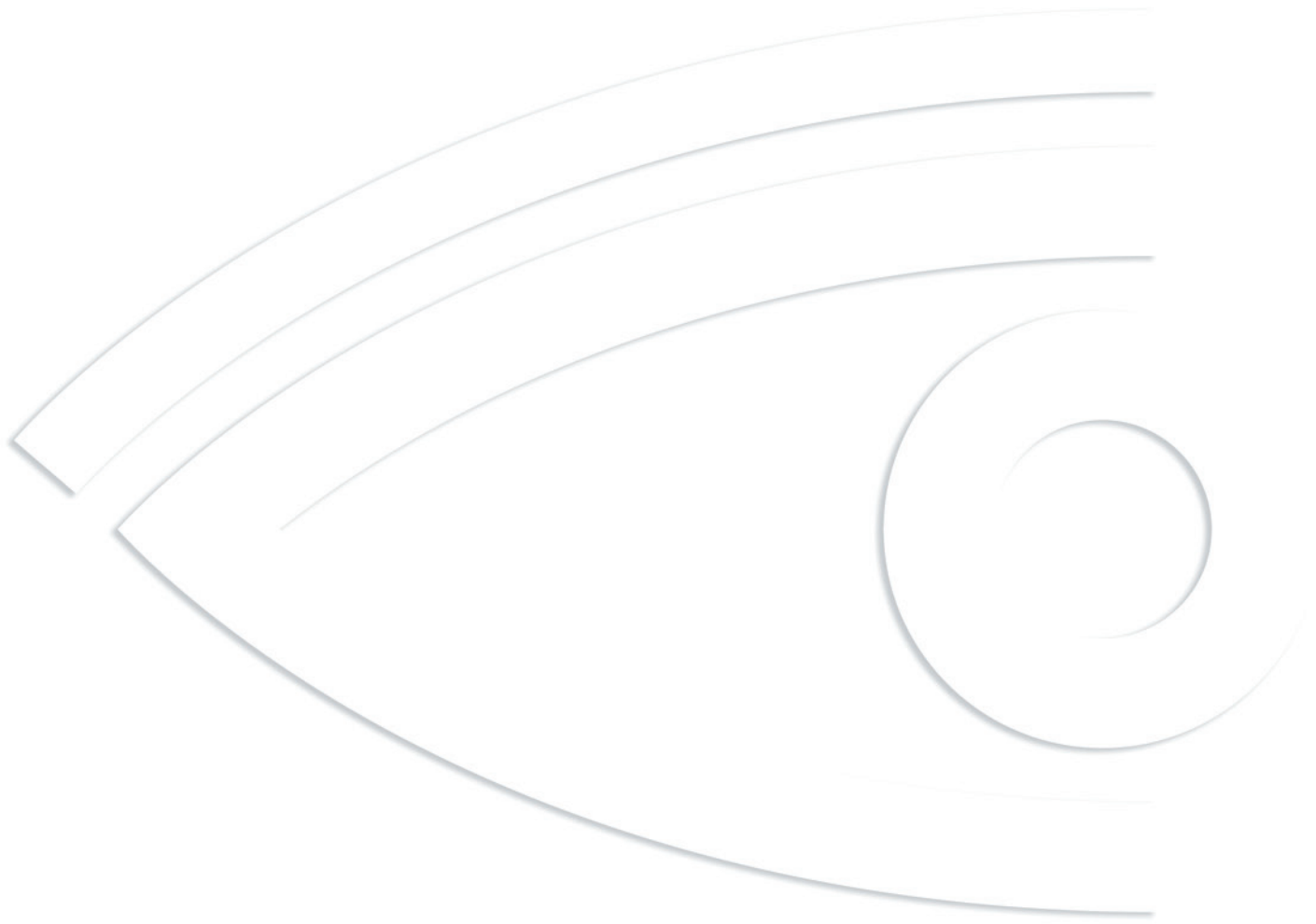


# Financial Statements 2010





Look further ahead, towards tomorrow

# ***Financial Statements 2010***

Auditors' report for the financial year ended 31.12.2010 _____	2
Balance sheet as of 31.12.2010 _____	3
Operating account as of 31.12.2010 _____	4
Attachment 31.12.2010 _____	6

To the Board of Trustees of  
**La Collective de Prévoyance - Copré, Genève**

Petit-Lancy, May 2, 2011

## Translation of the French statutory auditors report

As statutory auditors, we have audited for compliance with the legal provision the financial statements (balance sheet, operative account and notes), the management, the investments as well as the retirement accounts of La Collective de Prévoyance - Copré for the year ending December 31, 2010.

The financial statements, the management, the investments as well as the retirement accounts are the responsibility of the board of trustees. Our responsibility is to express an opinion on these matters based on our audit. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis, evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting processes and principles applied, the adherence to the investment rules, significant estimates made and the overall financial statement presentation. The audit of the management of the pension fund consists of an assessment of the adherence to the legal requirements and to the pension fund's own regulations regarding its organisation and administration, the contributions received and benefits paid and as well as the provisions concerning loyalty of the assets management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, the management and the investments as well as the retirement accounts comply with Swiss law, the charter of foundation and regulations.

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

Ernst & Young Ltd



Florian Magnollay  
Licensed audit expert  
(Auditor in charge)



Blaise Wägli  
Licensed audit expert

### Enclosure

- Financial statements (balance sheet, operative account and notes)

<b>BALANCE SHEET</b>	Index on attachment	<b>31.12.2010</b> CHF	<b>31.12.2009</b> CHF
<b>ASSETS</b>			
<b>Investments</b>		<b>484'558'460.22</b>	<b>453'777'322.38</b>
Liquidities	64	44'729'689.32	52'208'017.51
Forward exchange	65	1'111'315.00	369'626.00
Debitors	75	228'486.20	882'635.95
Bonds	64	110'788'372.18	106'315'007.19
Shares	64	99'876'820.17	76'562'500.13
Real estate	64	224'348'943.00	215'216'502.00
Claims of employer contributions	67	3'474'834.35	2'223'033.60
<b>Accruals and deferrals, assets</b>	76	<b>1'905'305.60</b>	<b>1'833'737.40</b>
<b>Total assets</b>		<b><u>486'463'765.82</u></b>	<b><u>455'611'059.78</u></b>
<b>LIABILITIES</b>			
<b>Debts</b>		<b>115'180'449.39</b>	<b>108'628'420.27</b>
Vested benefits and pensions		27'963'224.65	21'989'080.75
Banks / Insurances	78	487.45	78'280.27
Mortgage debts	79	86'000'000.00	86'000'000.00
Other debts		1'216'737.29	561'059.25
<b>Accruals and deferrals, liabilities</b>	77	<b>1'943'396.84</b>	<b>1'920'190.72</b>
<b>Reserve of employer contributions without renunciation</b>	67	<b>3'866'230.10</b>	<b>4'516'265.90</b>
<b>Non-technical provisions</b>		<b>0.00</b>	<b>0.00</b>
<b>Disposable funds of affiliates</b>	57	<b>634'090.51</b>	<b>2'124'656.56</b>
<b>Pension insurance capital and technical provisions</b>		<b>362'316'817.85</b>	<b>338'396'773.65</b>
Pension insurance capital active insured	52	303'283'118.25	291'628'099.45
Pension insurance capital pensioners	54	50'844'649.60	42'248'599.20
Technical provisions	56	8'189'050.00	4'520'075.00
<b>Reserve for fluctuations in securities</b>	63	<b>2'522'781.13</b>	<b>24'752.68</b>
<b>Capital of the Foundation / Disposable funds / Overdraft</b>		<b>0.00</b>	<b>0.00</b>
Situation at start of period		0.00	-17'378'823.26
Surplus revenues / Surplus charges (-)		0.00	17'378'823.26
<b>Total liabilities</b>		<b><u>486'463'765.82</u></b>	<b><u>455'611'059.78</u></b>

<b>Contributions, ordinary inflows and other</b>		<b>50'722'135.85</b>	<b>48'557'623.85</b>
Contributions of employees	74	16'850'401.30	16'617'371.60
Contributions of employers	74	26'773'281.80	26'493'172.00
Single premiums and buybacks		6'633'301.80	4'580'697.45
Contributions to disposable funds in event of takeover of insured		0.00	2'000.00
Contributions in the reserve of employer contributions		384'175.80	794'695.75
Subsidies of the guarantee fund		80'975.15	69'687.05
<b>Entry benefits</b>		<b>33'151'709.75</b>	<b>47'846'091.95</b>
Vested benefit contributions	73	31'983'660.30	46'423'614.30
Reimbursement of advance payments for EPL / divorce		1'168'049.45	1'422'477.65
<b><i>Inflows coming from contributions and entry benefits</i></b>		<b>83'873'845.60</b>	<b>96'403'715.80</b>
<b>Regulatory benefits</b>		<b>-7'713'334.00</b>	<b>-9'571'340.05</b>
Old-age pensions		-3'159'621.65	-2'332'777.35
Survivors' pensions		-261'924.85	-222'776.75
Disability pensions		-1'252'168.70	-1'302'229.55
Liberation service contributions		-839'338.00	-817'044.60
Capital benefits at retirement		-2'197'661.80	-3'447'924.20
Capital benefits in event of death and disability		-2'619.00	-1'448'587.60
<b>Exit benefits</b>		<b>-57'714'619.70</b>	<b>-63'472'433.60</b>
Vested benefits in event of exit		-53'945'698.90	-57'753'643.00
Advance payments for EPL / divorce		-3'768'920.80	-5'718'790.60
<b><i>Expenses relating to benefits and advance payments</i></b>		<b>-65'427'953.70</b>	<b>-73'043'773.65</b>
<b>Dissolution / Constitution of pension insurance capital, technical provisions, disposable funds of the funds, reserves of contributions</b>		<b>-21'759'590.55</b>	<b>-25'589'049.80</b>
Dissolution / Constitution of pension insurance capital active insured	52	-5'186'743.35	-3'145'204.70
Dissolution / Constitution of pension insurance capital pensioners	54	-8'596'050.40	-14'685'907.95
Dissolution / Constitution of technical provisions	56	-3'668'975.00	-2'702'581.20
Remuneration of savings capital		-6'468'275.45	-6'139'873.30
Dissolution / Constitution of disposable funds of affiliates	57	1'490'566.05	1'057'338.95
Dissolution / Constitution of reserves of contributions	67	669'887.60	27'178.40
<b>Revenue from insurance benefits</b>		<b>2'545'976.65</b>	<b>2'843'808.95</b>
Insurance benefits		2'545'976.65	2'843'808.95
<b>Insurance charges</b>		<b>-644'741.85</b>	<b>-1'033'101.95</b>
Insurance premiums		-458'548.60	-854'529.25
Contributions to the guarantee fund		-186'193.25	-178'572.70

<b>Net result of the insurance activity</b>		<b>-1'412'463.85</b>	<b>-418'400.65</b>
<b>Net result of investments</b>		<b>7'750'371.93</b>	<b>20'850'794.80</b>
Result liquidities	661	24'586.66	792.01
Result forward exchange	662	3'965'548.04	147'869.34
Result bonds	663	-2'140'228.76	6'917'465.41
Result shares	664	2'195'396.36	19'046'518.82
Result real estate	665	5'484'958.29	-3'593'618.99
Administration costs of investments	666	-1'517'843.18	-1'415'510.24
Interest on exit benefits		-239'835.08	-225'789.65
Interest on the reserve of employer contributions	67	-19'851.80	-21'097.50
Interest premiums paid in advance		-2'358.60	-5'834.40
<b>Other revenues</b>		<b>7'708.46</b>	<b>188'108.39</b>
<b>Other costs</b>		<b>-25'715.49</b>	<b>-8'015.93</b>
<b>Administration costs</b>		<b>-3'821'872.60</b>	<b>-3'208'910.67</b>
Administration costs	71	-2'326'323.30	-1'786'253.45
Marketing and advertising costs	72	-1'495'549.30	-1'422'657.22
<b>Surplus of revenues / charges (-) before constitution of the reserve for securities fluctuations</b>		<b>2'498'028.45</b>	<b>17'403'575.94</b>
<b>Constitution / Dissolution of the reserve for securities fluctuations</b>	63	<b>-2'498'028.45</b>	<b>-24'752.68</b>
<b>Surplus of revenues / Surplus of charges (-)</b>		<b>0.00</b>	<b>17'378'823.26</b>

## Attachment

### 1 Bases and organisation

#### 11 Legal form and purpose

La Collective de Pr voyance - Copr  (hereinafter the Foundation), formally Columna Fondation communautaire for occupational pension insurance, 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 ff of the Swiss Civil Code, by article 331 to 331e of the Code of Obligations (CO), by the Federal Law on the 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 provide for the staff of all affiliated bodies against the economic consequences of old age, disability and death by guaranteeing benefits determined in accordance with the provisions of the pension regulations and plan.

#### 12 LOB registration and guarantee fund

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

#### 13 Indication of acts and rules

Act of foundation	15.12.1987
Rules of pension insurance	01.01.2007
Rules of organisation	01.01.2007
By-laws for affiliated enterprises	05.07.2005
Regulation on actuarial liabilities	01.01.2006
Regulation for investments	01.01.2009
Regulation for partial liquidation	01.01.2005

#### 14 (Joint) organ of management / Right to signature

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

The Assembly of Delegates is the supreme organ with equal representation under the terms of article 51 LOB. It is composed jointly of representatives of affiliated enterprises and representatives of the insured.

It meets when circumstances require it, but at a minimum once a year. The Assembly of Delegates appoints the members of the Board of Trustees the organ auditing body. It votes approval of the accounts and the annual report, as well as the discharge to the Board of Trustees. It approves modifications of the by-laws and the pension regulations.



The Board of Trustees is composed of 6 members. As of 31 December 2010, it had the following composition:

	<u>Function</u>	<u>Duration of mandate/end</u>	<u>Representation</u>	<u>Authorisation signature</u>
Rancic Christina	Member, Chairperson	4 years, 02.06.2013	affiliated enterprises	joint at 2
Fiechter Robert	Member, Vice-Chairman	4 years, 02.06.2013	affiliated enterprises	joint at 2
Grivel Jacques	Member	4 years, 02.06.2013	affiliated enterprises	joint at 2
Izzo Mario	Member	4 years, 02.06.2013	insured	joint at 2
Michel Pierre	Member, Director	4 years, 02.06.2013	insured	joint at 2
Perroud Michèle	Member	4 years, 21.06.2011	insured	joint at 2

Management is composed of the Chairperson, Vice-Chairman and the Managing Director of the Foundation. It manages day-to-day business. Until 30 June 2010 the position of Director of the Foundation was filled through an external mandate by Mr Pierre Michel; from 1 July 2010, Mr Marcel Decoppet has been employed by the Foundation and occupies the post of Director.

## 15 Experts, auditing bodies, advisors and surveillance authority

Expert in occupational pension insurance: M. Christophe Steiger, Fractals SA, Lausanne

Auditors: Ernst & Young SA, Genève

Technical and accounting administration: Hpr SA, Vevey

Depository of securities: Credit Suisse

Asset managers: GFI, Gestion de fortunes immobilières SA, Geneva  
IAM Independent Asset Management SA  
Axa Investment Managers SA  
Swiss & Global Asset Management AG  
Aforge Capital Management  
E.I.M. Long Only SA

Administration of properties: Régie du Rhône SA, Geneva  
Furer SA, Vevey

Surveillance authorities: Surveillance Authority of the Canton of Geneva, register number GE 1118

## 16 Affiliated employers

Number at 31 December 2009:	296
Entries :	71
Exits :	-24
Number at 31 December 2010 :	<u>343</u>

## 2 Active members and pensioners

### 21 Active insured

	31.12.2010	31.12.2009
Total active insured	5'511	5'227

### 22 Beneficiaries of pensions

#### 23

	31.12.2010	31.12.2009
Retired persons	141	120
Children of retired persons	1	0
Disabled	117	106
Children of disabled	55	56
Widows and widowers	17	15
Orphans	9	9
Total	340	306

## 3 Application of the purpose

### 31 Explanation of pension plans

In order to achieve its objectives, the Foundation has established pension regulations common to all those affiliated. The pension plan proper to each affiliated enterprise describes the insured benefits chosen by the affiliated enterprise.

### 32 Financing, methods of financing

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

### 33 Other information on the activity of pension plan insurance

At its meeting of 24 January 2011, the Board of Trustees decided to refrain from adjusting pensions to inflation for 1 January 2011.

The Foundation modified its method of reinsurance of the risks related to disability and death as of 1<sup>st</sup> January 2009, in opting for a reinsurance contract of the [stop-loss] type concluded with the Zurich Life Insurance Company. This reinsurance is completed by an [excess of loss] contract with Elips Life AG.

From this date the Foundation has thus constituted the mathematical reserves and provision for fluctuation of risks required for this new situation.

Until 31 December 2008 the risks relating to disability and death were entirely reinsured with the BILoise Life Insurance Company.

Until 31 March 2003, the longevity risk was also fully reinsured. Since 1st April 2003, the Foundation has itself insured this risk and to this end constitutes mathematical reserves for retired pensioners.

#### **4 Principles of evaluation and presentation of the accounts, permanence**

##### **41 Confirmation on the presentation of the accounts according to the Swiss GAAP RPC 26**

The accounts of the Foundation have been established and presented in compliance with the standard Swiss GAAP RPC 26.

##### **42 Accounting and valuation principles**

**Investments:** The valuation of securities is based on the market values at the date of the balance sheet or at the last known VNI. 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, operations requiring a 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 at the end-of-year exchange rate (bank rate): USD 0.9321, EUR 1.250459, GBP 1.459324, JPY 1.149236, CAD 0.938057, AUD 0.955437, HKD 0.119905. Resulting exchange rate losses or gains are posted on the profit and loss account.

**Properties:** These have been valued at their yield value (dynamic rental status at 01.01.2011 capitalised at a rate of 6.5%).

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

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

##### **43 Modification of principles for accounting, valuation and presentation of accounts**

No modification of the principles for accounting, valuation and presentation of accounts has occurred in 2010.

## 5 Cover of risks / Technical rules / Degree of cover

### 51 Nature of the cover of risks, reinsurance

Up to 31 December 2008, the risks related to death and disability are covered by a reinsurance contract with the Biloise Life Insurance Company. The indexation of current pensions decided by the Board of Trustees is at the charge of the Foundation, which constitutes mathematical reserves to this end.

Since 1<sup>st</sup> January 2009 the Foundation has opted for a reinsurance contract of the "stop-loss" type concluded with the Zurich Life Insurance Company. This reinsurance is completed by an "excess of loss" contract with Elips Life AG. From this date the Foundation has therefore constituted the mathematical reserves and provision for risk fluctuations required for this new situation.

The Foundation itself insures the risk of longevity and to this end constitutes mathematical reserves for pensioners, a provision for longevity and a provision for improvement of the conversion rate.

The calculation of the mathematical reserves for pensioners is made on the basis of the EVK 2000 table, with a technical interest rate of 4%.

### 52 Evolution and remuneration of savings assets

	<b>31.12.2010</b>	<b>31.12.2009</b>
	CHF	CHF
Balance at 1st January of retirement insurance capital for active insured	291'628'099.45	282'317'360.00
Retroactive allocations/dissolutions	-54'641.75	16'864.20
Savings contributions	33'254'824.30	32'471'092.90
Other contributions and participations	6'633'301.80	4'580'697.45
Vested benefits	31'270'276.45	44'531'677.20
Distribution of disposable funds	1'113'091.55	342'222.95
Reimbursement of payments for EPL / divorce	1'168'049.45	1'422'477.65
Vested benefits in event of exit	-53'292'245.45	-57'196'652.95
Payments for EPL / divorce	-3'768'920.80	-5'718'790.60
Dissolution due to retirements, death and disability	-11'179'208.70	-17'294'563.55
Remuneration of pension insurance capital	6'468'275.45	6'139'873.30
Allocation to exit benefits	42'216.50	15'840.90
<b>Total pension insurance capital of active insured</b>	<b>303'283'118.25</b>	<b>291'628'099.45</b>

### Technical rules

For insured who are still active on 31.12.2010 and for the reference period from 01.01 to 31.12.2010, the interest allocated on the savings accounts of the active insured, of the insured unable to work and of the disabled have been calculated on the prescribed assets at a rate of 2.25 % (as in 2009).

For the insured who exited during the year 2010, the interest allocated until the exit date have been calculated at a rate of 2%.

**53 Total of old-age assets as per the LOB**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	CHF	CHF
<b>Old-age assets as per LOB (pilot accounts)</b>	<b>141'207'062.85</b>	<b>135'732'599.10</b>
LOB minimum interest rate set by the Federal Council	2,00 %	2,00 %

**53 Evolution and remuneration of pension insurance capital of pensioners****A - Evolution and remuneration of pension insurance capital of the disabled**

Balance at 1st January of pension insurance capital	8'897'478.45	8'461'771.40
Transfer of freed-up capital	1'258'045.90	776'393.50
Savings contributions	480'344.30	526'142.15
Vested benefits	114'885.50	1'194'123.65
Distribution of disposable funds	20'158.20	141'639.10
Remuneration of pension insurance capital	214'705.60	222'109.70
Dissolution savings capital	-573'628.35	-2'424'701.05
<b>Total pension insurance capital of disabled insured</b>	<b>10'411'989.60</b>	<b>8'897'478.45</b>

**B - Evolution of cover capital for pensioners**

Balance of cover capital at 1st January	33'351'120.75	19'100'919.85
Capital contributions	598'498.35	697'813.45
Modification related to changes in calculation bases	0.00	0.00
Modification related to new status of insured at 31 December	6'483'040.90	13'552'387.45
<b>Total cover capital for pensioners</b>	<b>40'432'660.00</b>	<b>33'351'120.75</b>

<b>Total pension insurance capital pensioners (A+B)</b>	<b>50'844'649.60</b>	<b>42'248'599.20</b>
---	----------------------	----------------------

Number of beneficiaries of pensions (details under point 22)	340	306
--	-----	-----

**54 Results of the last actuarial evaluation**

An actuarial evaluation was carried out on the basis of the financial statements as of 31 December 2010. The conclusions are as follows:

- at 31.12.2010, there is no overdraft in the sense of the legal provisions. The Foundation's commitments are fully covered;
- the reserve for securities fluctuations, of which the target is Fr. 43'008'261, amounts to Fr. 2'522'781;
- additional interest of 0.25% has been decided for the financial year 2010, bringing the total interest paid for 2010 to 2.25%.

Given this situation, it is recommended:

- to continue in 2011 to credit the minimum legal interest of 2% to insured who are exiting;
- not to adjust the current pensions beyond the adaptations required by the LOB.

**55 Technical bases and other significant assumptions on the actuarial level**

	<b>31.12.2010</b>	<b>31.12.2009</b>
<b>A - Provision for longevity</b>		
	CHF	CHF
Balance of the longevity provision at 1st January	1'485'875.00	763'593.80
Modification related to the new status of the insured at 31 December	463'475.00	722'281.20
Total of the provision for longevity	<u>1'949'350.00</u>	<u>1'485'875.00</u>
<b>B - Provision for improvement of the conversion rate</b>		
Balance provision for improvement of the conversion rate at 1 <sup>st</sup> January	1'534'200.00	1'053'900.00
Modification related to the new status of the insured at 31 December	421'500.00	480'300.00
Total provision for improvement of conversion rate	<u>1'955'700.00</u>	<u>1'534'200.00</u>
<b>C - Provision for fluctuation of risks</b>		
Balance provision for risk fluctuation at 1st January	1'500'000.00	0.00
Modification related to the new status of the insured at 31 December	2'784'000.00	1'500'000.00
Total provision for fluctuation of risks	<u>4'284'000.00</u>	<u>1'500'000.00</u>
<b>Total technical provisions (A+B+C)</b>	<u>8'189'050.00</u>	<u>4'520'075.00</u>

The provision for longevity serves to finance the increase in the pension insurance capital of pension beneficiaries due to a change of the actuarial tables. It corresponds to a rate of 0.5% per annum since the establishment of the technical bases used, i.e. 5% accumulated up to now. This rate is applied on the pension obligations of the pension beneficiaries, less the obligations for child and orphan pensions.

The provision for improvement of the conversion rate is constituted in order to maintain the conversion rate as stable as possible over time. It is fixed on the basis of an evaluation of the possible retirement cases covering the following five years, considering 75% of the additional pension insurance capital required to guarantee the difference between the pension effectively provided and the pension that would be paid if the conversion rate applied were determined actuarially. This approach is based on the estimation that 25% of retirement benefits are taken in the form of capital.

The provision for fluctuation of risks has been constituted in order to enable the Foundation to deal with insurance cases not covered by the [stop loss] and [excess of loss] insurances, so as to cover two consecutive years of high claim levels with a probability of 97.5%. The amount of the provision is at least equal to a fifth of the sums of the potential claims related to earning incapacities of more than 90 consecutive days. [Stop loss] reinsurance has replaced full reinsurance since 01.01.2009.

As the waiting period for the right to a disability pension is two years and the Federal Disability Insurance is sometimes slow in reaching its decisions, it takes two to three years for the number of earning incapacities giving rise to a claim to reach their maximum. Consequently as at 31.12.2009, after one year, this provision amounted to CHF 1'500'000.-, and at 31.12.2010 it progressed to CHF 4'284'000.-.

**56 Affiliates' disposable funds**

	<b>31.12.2010</b>	<b>31.12.2009</b>
Balance of affiliates' disposable funds at 1st January	2'124'656.56	3'181'995.51
Constitution of affiliates' disposable funds	80'975.15	814'861.25
Dissolution of affiliates' disposable funds	-1'571'541.20	-1'872'200.20
Total disposable funds of affiliates	<u>634'090.51</u>	<u>2'124'656.56</u>

**57 Degree of cover as per article 44 OPP2**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	CHF	CHF
Pension insurance capital and technical provisions required	<u>362'316'817.85</u>	<u>338'396'773.65</u>
Pension insurance capital and technical provisions	362'316'817.85	338'396'773.65
Reserve for fluctuation of securities	2'522'781.13	24'752.68
Foundation capital, disposable funds	0.00	0.00
Assets available to cover statutory obligations	<u>364'839'598.98</u>	<u>338'421'526.33</u>
<b>Degree of cover</b> (Assets available in relation to capital committed)	<u><b>100.70%</b></u>	<u><b>100.01%</b></u>

This degree of cover is applicable to all affiliates, with the exception of affiliates benefiting from disposable funds, for whom the degree of cover is higher.

**6 Explanations relating to investments and net income from investments****61 Organisation of the investment activities, investment regulations**

The assets of the Foundation are placed with Credit Suisse. The mandates for managing the securities portfolio are entrusted to IAM Independent Asset Management SA, Swiss & Global Asset Management AG (formerly Julius Baer), Aforge Capital Management and E.I.M. Long Only SA.

The investment regulations of the Foundation have been updated on 10.05.10 and are available for consultation on the web site

**62 Utilisation of extensions (art. 50, para. 4 OPP2)**

In the context of the updating 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 attachment 2 of the investment regulations. The necessary measures have been taken to ensure that the proper attention is paid to the choice, management and control of 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. A congruence analysis of assets and liabilities was carried out in 2009. (see also under point 641).

**63 Objectives and calculation of the reserve for fluctuations in securities**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	CHF	CHF
Balance at 1st January of the securities fluctuation reserve	24'752.68	0.00
Increase/decrease due to the operating result	2'498'028.45	24'752.68
<b>Reserve for securities fluctuations on balance sheet</b>	<b><u>2'522'781.13</u></b>	<b><u>24'752.68</u></b>
<b>Target value of the reserve for securities fluctuations (absolute value)</b>	<b><u>43'008'261.00</u></b>	<b><u>43'008'261.00</u></b>
Insufficiency of the reserve for securities fluctuations	<u>-40'485'479.87</u>	<u>-42'983'508.32</u>

In the investment regulations, to calculate its reserve for fluctuations of securities, the Board of Trustees has opted for a mixed technique consisting of simulating jointly and over the long term the evolution of the assets held by the Foundation. This multiple simulation makes it possible to highlight a large number of possible evolutions of the Foundation's assets. The most unfavourable scenarios are discarded, in view of their high degree of improbability. From the remaining subset the scenario involving the broadest loss is extracted. The amount corresponding to this loss is the Value-at Risk (VaR).

The theoretical predictive validity of this amount is a function of the number of simulated scenarios discarded [0.5%]. This size is expressed as its complement to one [100%], in this case 99.5% [100%-0.5%].

As an additional precaution, the Board of Trustees has taken care to consider a scenario even more risky than that highlighted by VaR at 99.5%, by resorting to the correlative metric designated in the literature under the terms of Expected Shortfall (ES) or, alternatively, of Expected Tail Loss (ETL). This latter number is obtained by applying the average of the extreme values previously discarded as highly improbable.

On 11 March 2011 the Board of Trustees decided, in the interests of economy and in view of the fact that the strategy has not changed, not to recalculate the target value of the reserve for securities fluctuations, as the reserve constituted on 31.12.2010 is still a long way short of its objective.



## 64 Presentation of investments by category

### 641 Structure of investments

Presentation of investments by category, as per investment regulations:

	31.12.2010	Effective split in %	31.12.2009	Effective split in %	Strategy	Margins
	CHF		CHF			
<b>Liquidities (CC / CT / Pl. fid.)</b>	<b>44'729'689</b>	<b>9.19%</b>	<b>52'208'017</b>	<b>11.46%</b>	<b>0%</b>	<b>0%-40%</b>
Bonds in CHF	65'695'353	13.50%	64'672'814	14.19%	31.5%	18.9%-44.1%
Bonds in foreign currencies	45'093'019	9.27%	41'642'193	9.14%	10.5%	6.3%-14.7%
<b>Total fixed revenue (ex cash)</b>	<b>110'788'372</b>	<b>22.77%</b>	<b>106'315'007</b>	<b>23.33%</b>	<b>42%</b>	<b>25.2%-58.8%</b>
Shares and mutual funds in shares in CHF	76'433'143	15.71%	64'647'849	14.19%	10.5%	6.3%-14.7%
Shares and mutual funds in shares in foreign currencies	23'443'678	4.82%	11'914'651	2.62%	17.5%	10.5%-24.5%
<b>Total shares</b>	<b>99'876'821</b>	<b>20.53%</b>	<b>76'562'500</b>	<b>16.80%</b>	<b>28%</b>	<b>16.8%-39.2%</b>
<b>Real estate</b>	<b>224'348'943</b>	<b>46.13%</b>	<b>215'216'502</b>	<b>47.24%</b>	<b>30%</b>	<b>18%-50%</b>
<b>Investments with the employer</b>	<b>3'474'834</b>	<b>0.71%</b>	<b>2'223'034</b>	<b>0.49%</b>		
<b>Other claims CHF</b>	<b>3'245'107</b>	<b>0.67%</b>	<b>3'086'000</b>	<b>0.68%</b>		
<b>Total assets</b>	<b>486'463'766</b>	<b>100.00%</b>	<b>455'611'060</b>	<b>100.00%</b>		

Global limits, as per investment regulations:

	31.12.2010	Effective split in %	31.12.2009	Effective split in %	Strategy	Margins
	CHF		CHF			
Company securities or mutual funds invested in commodities (shares)	8'915'349	1.83%	6'571'913	1.44%	5%	0%-5%
Company securities or mutual funds invested on emerging markets	14'628'514	3.00%	6'851'519	1.50%	5%	0%-7.5%
Total exposure in foreign currency, net of exchange cover	37'952'240	7.80%	32'993'415	7.24%		0%-40%

The Board of Trustees is aware that the minimum margins of bonds in CHF and shares in foreign currencies have not been respected for the second year running, and considers that this temporary situation is due to the economic conditions of the markets.

The same applies to the minimum margin of the total fixed revenue (bonds) and for the maximum margin of shares and mutual funds in shares in CHF.

Control of limits as per art. 55 OPP2:

	31.12.2010	Effective split in %	31.12.2009	Effective split in %	Limits OPP2
	CHF		CHF		
Swiss property deeds and liens	9'564'836	1.97%	6'807'450	1.49%	50%
Shares	99'876'821	20.53%	74'323'743	16.31%	50%
Real estate	224'348'943	46.13%	215'216'502	47.24%	30%
Total exposure in foreign currency, net of exchange cover	37'952'240	7.80%	32'993'415	7.24%	30%

Art. 54 al. 1 OPP2 authorises the investment of 10% of the assets with one debtor. Based on the experience gained in 2007-8, a period during which one noted the possible rapid degradation of the quality of debtors reputed to be very solvent, the Foundation decided to be more restrictive and only authorise such investments up to a limit of 5%. The situation with respect to the liquidities placed with Credit Suisse, and representing 9.2% of assets at the end of December, was only very temporary. It is a consequence of the liquidation of the portfolio of E.I.M Long Only SA (CHF 21 million), whose management mandate had been terminated, and of the collection of sizeable premiums. The situation reverted to normal at the beginning of February 2011.

The decision taken in 2008 by the Board of Trustees to increase the tactical allocation of real estate assets to about 47% had the following objectives: to increase the investments in a category of assets that is stable compared to the volatility of the financial markets at the time to ensure recurring revenue higher than that of traditional fixed income securities; and to optimize the amount of the reserve for securities fluctuations thanks to a lower average volatility of the global assets. This tactical allocation is intended to diminish progressively, in line with the inflow of premiums and contributions from vested benefits triggered potentially by new affiliations.

Although it constitutes a homogenous whole, La Levratte is composed of seven individually assignable plots. The investment regulations specify that investment in a single real estate object may not exceed 10% of assets less loans. All the objects in the portfolio respect this limit.

The mortgage debt of CHF 86 million represents about 38% of the real estate assets (statutory authorisation: 50%) and 17.7% of total assets. The average interest paid is 2.96% for an average period of 6.21 years. The spread of due dates is presented under point 79.

**642 List of properties held**

<b>Property</b>	<b>Estimation at 31.12.2010</b>	<b>Estimation at 31.12.2009</b>
Bussigny, Lausanne 8	4'535'077	4'453'477
Corsier, Ch. Neuf 1-3	3'942'886	3'595'071
Crans, Pas de l'Ours 4	2'552'677	2'552'677
Genève, Cavour 17	6'685'108	5'511'323
Genève, Contamines 1	10'636'043	10'577'215
Genève, Palettes 23	9'173'538	8'806'154
Lausanne, Ale 8	4'601'169	4'611'803
Lausanne, Echallens 80	2'806'708	2'806'708
Le Mont, Lausanne 33	7'131'258	7'105'226
Meyrin, Livron 21	7'021'662	7'012'431
Meyrin, Livron 23	5'980'185	5'809'662
Montreux, Alpes 38-58	22'194'462	21'681'786
Neuchâtel, Grand-Rue 1a	3'345'600	3'334'154
Nyon, Levratte 8-38	90'093'601	89'006'400
Paudex, Bernadaz 3	2'875'385	2'892'369
Penthaz, Cossonay 1-7	6'635'815	6'440'677
Petit-Saconnex, Lamartine 22	6'446'446	6'391'800
Petit-Saconnex, Lamartine 24	11'061'969	10'936'615
Petit-Saconnex, Lamartine 24 ter	4'442'769	0
Yverdon, Cheminet 31-39	12'186'585	11'690'954
<b>Total</b>	<b>224'348'943</b>	<b>215'216'502</b>

**643 Explanations on the management of the properties**

Due to the size of the real estate holdings, the Board of Trustees has adopted a policy for real estate management and a system of control of real estate activities. The system of control guarantees respect of the prudential rules and, in particular, of the rules applicable to conflicts of interest.

In the context of their audit, our auditors Ernst & Young verify the respect of the system of control of real estate activities delegated to GFI Gestion de Fortune Immobilière SA.

**65 Derivative financial instruments current (open)**

At 31 December 2010, several forward exchange operations are open, the details of which appear below.

Currency	Nominal	Average buying rate	Rate at 31.12.2010	Gain/loss (-) at 31.12.2010
USD	6'025'000	0.986575	0.93137	332'609
EUR	14'575'000	1.302698	1.24927	778'706
				1'111'315

**66 Explanations on the net result of investments**

	<b>2010</b>	<b>2009</b>
	CHF	CHF
<b>661 Liquidities</b>	<b>24'586.66</b>	<b>792.01</b>
- Interest on various current accounts	24'562.66	-81'451.61
- Revenues money market investments	0.00	2'860.00
- Profits on sales of money market investments	24.00	14'688.56
- Exchange differences realised on money market investments	0.00	48'606.46
- Losses on money market investments	0.00	-2'724.00
- Gains on money market investments	0.00	18'812.60
<b>662 Forward exchange</b>	<b>3'965'548.04</b>	<b>147'869.34</b>
- Exchange differences realised	3'223'859.04	-221'756.66
- Losses on forward exchange operations	0.00	-15'506.00
- Gains on forward exchange operations	741'689.00	385'132.00
<b>663 Total bonds</b>	<b>-2'140'228.76</b>	<b>6'917'465.41</b>
<b>6630 Bonds</b>	<b>-2'063'895.98</b>	<b>6'917'465.41</b>
- Income from interest on Swiss bonds	1'289'416.02	1'380'691.80
- Income from interest on foreign bonds in CHF	702'786.61	692'815.31
- Income from interest on foreign bonds in foreign currencies	1'087'885.47	1'081'513.82
- Income from Swiss bond mutual funds	183'157.60	18'036.20
- Losses on sales	-412'468.43	-191'355.14
- Profits on sales	442'883.27	498'199.27
- Exchange differences realised	-7'196'049.02	774'936.30
- Losses	-1'632'228.28	-995'724.50
- Gains	3'470'720.78	3'658'352.35
<b>6631 Company securities/mutual funds emerging markets</b>	<b>-76'332.78</b>	<b>0.00</b>
- Exchange differences realised	-105'988.22	0.00
- Losses	-2'636.13	0.00
- Gains	32'291.57	0.00
<b>664 Total shares</b>	<b>2'195'396.36</b>	<b>19'046'518.82</b>

<b>6640 Shares</b>	<b>354'277.76</b>	<b>14'428'474.83</b>
- Dividends from Swiss shares	395'213.70	353'953.75
- Dividends from foreign shares in foreign currencies	68'108.99	0.00
- Dividends from mutual funds in Swiss shares	379'682.07	184'413.35
- Dividends from mutual funds in Swiss shares inn CHF	643'626.95	542'049.45
- Losses on sales	-222'454.21	-533'344.31
- Profits on sales	1'034'942.75	3'322'753.23
- Exchange differences realised	-1'780'201.31	-257'314.74
- Losses	-5'516'356.15	-1'107'255.60
- Gains	5'351'714.97	11'923'219.70
<b>6641 Company securities/mutual funds commodities</b>	<b>1'320'714.25</b>	<b>2'732'238.08</b>
- Revenues	3'313.50	24'759.28
- Profits on sales	230'052.55	0.00
- Losses	-975'720.20	0.00
- Gains	2'063'068.40	2'707'478.80
<b>6642 Company securities/mutual funds emerging markets</b>	<b>520'404.35</b>	<b>1'885'805.91</b>
- Revenues	37'393.03	15'582.00
- Losses on sales	-37'305.70	0.00
- Profits on sales	118'014.79	0.00
- Exchange differences realised	-688'600.48	0.00
- Losses	-382'063.01	0.00
- Gains	1'472'965.72	1'870'223.91
<b>665 Real estate</b>	<b>5'484'958.29</b>	<b>-3'593'618.99</b>
- Real estate charges	-3'722'738.57	-3'874'333.76
- Real estate revenues	14'223'683.00	13'489'408.70
- Losses	-2'533'289.48	-11'373'931.10
- Gains	1'085'625.45	1'206'427.12
- Mortgage interest	-2'548'000.00	-2'011'378.80
- Administration costs of properties	-1'020'322.11	-1'029'811.15
<b>666 Administration costs for investments</b>	<b>-1'517'843.18</b>	<b>-1'415'510.24</b>
Costs on securities transactions	-339'816.31	-394'121.42
Costs on current accounts	-42'708.76	-48'154.10
Costs for asset management by IAM Independent Asset Management SA	-551'473.25	-464'746.90
Costs for asset management by Axa Investment Managers SA	0.00	-91'033.46
Costs for asset management by Swiss&Global Asset Management AG	-278'614.20	-171'460.40
Costs for asset management by Aforge Capital Management	-166'485.52	-112'068.75
Costs for asset management by E.I.M. SA	-116'073.84	-109'666.81
Costs for bookkeeping of Credit Suisse securities	-22'671.30	-24'258.40

**67 Explanation of investments with employers and of reserves of employer contributions**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	CHF	CHF
Claims of employer contributions, gross	3'490'084.35	2'236'433.60
Provision for losses on employer claims	-15'250.00	-13'400.00
Claims of employer contributions, net	<b>3'474'834.35</b>	<b>2'223'033.60</b>
Balance of the reserve of employer contributions at 1st January	4'516'265.90	4'522'346.80
Increase	384'175.80	794'695.75
Decrease	-1'054'063.40	-821'874.15
Interest	19'851.80	21'097.50
<b>Total reserve of employer contributions</b>	<b>3'866'230.10</b>	<b>4'516'265.90</b>

The term "claims of employer contributions" is understood as the current account of each enterprise affiliated to the Foundation. It is to be noted that 90% of these contributions were paid during the first quarter of 2011. Contributions still outstanding are the object of regular follow-up.

**7 Explanations relating to other items on the balance sheet and operating statement****71 Explanation of the item "administration costs"**

	<b>2010</b>	<b>2009</b>
	CHF	CHF
Miscellaneous general costs	-385'784.25	-230'990.95
Fees for management administration	-1'495'467.35	-1'402'243.20
Auditing fees	-102'022.00	-99'530.00
Fees for various mandates	-343'049.70	-389'714.40
Retrocession of the commission of the reinsurer by the administrative manager	0.00	336'225.10
<b>Total administration costs</b>	<b>-2'326'323.30</b>	<b>-1'786'253.45</b>

**Management costs invoiced to affiliates**

Management costs invoiced to affiliates	<b>1'334'828.30</b>	<b>1'295'145.10</b>
---	---------------------	---------------------

Since 1<sup>st</sup> January 2009, the Foundation has no longer reinsured itself fully. The retrocession paid in 2009 concerns the year 2008.

**72 Explanation of the item "marketing and advertising costs"**

	<b>2010</b>	<b>2009</b>
	CHF	CHF
Miscellaneous advertising expenses	-377'237.45	-298'850.42
Commissioning expenses	-580'348.25	-569'625.80
Commercialisation expenses	-537'963.60	-554'181.00
<b>Total marketing and advertising costs</b>	<b>-1'495'549.30</b>	<b>-1'422'657.22</b>

Containing expenses for advertising/marketing, commissioning and commercialisation, this heading covers in fact the costs for "client acquisition".

**73 Explanation of the item "vested benefit contributions"**

	<b>2010</b>	<b>2009</b>
	CHF	CHF
Vested benefit contributions of active insured	31'136'077.65	44'315'423.05
Vested benefit contributions of active insured received after their exit	134'198.80	216'254.15
Vested benefit contributions of disabled insured	114'885.50	1'194'123.65
Contributions pensioners	598'498.35	697'813.45
<b>Total of item "vested benefits contributions"</b>	<b>31'983'660.30</b>	<b>46'423'614.30</b>

**74 Explanation of the item "contributions"**

	<b>2010</b>	<b>2009</b>
	CHF	CHF
Savings bonuses	33'760'743.50	33'240'698.50
Contributions to cover risks of disability and death	8'949'092.20	8'775'478.80
Contributions to the guarantee fund	140'694.45	138'914.60
Contributions for administrative costs	1'334'828.30	1'295'145.10
Contributions for adjustment of pensions to inflation	492'388.05	482'180.75
<b>Total of contributions gross</b>	<b>44'677'746.50</b>	<b>43'932'417.75</b>
<b>Dissolution reserves employer contributions</b>	<b>-1'054'063.40</b>	<b>-821'874.15</b>
<b>Total of contributions net</b>	<b>43'623'683.10</b>	<b>43'110'543.60</b>

**75 Explanation of the item "debtors"**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	CHF	CHF
Current account reinsurance	296.35	322'383.65
Current account withholding tax	228'189.85	277'849.88
Current accounts real estate management	0.00	282'402.42
<b>Total of the item "debtors"</b>	<b>228'486.20</b>	<b>882'635.95</b>

**76 Explanation of the item [accruals and deferrals, assets]**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	CHF	CHF
Accrued interest	1'417'541.65	1'341'576.72
Buildings	101'893.50	75'580.60
Benefits to be received from the reinsurer	276'483.20	220'851.45
Vested benefits to be received	74'027.30	183'585.95
Invoices paid in advance	29'493.75	1'903.05
Miscellaneous	5'866.20	10'239.63
<b>Total of the item [accruals and deferrals, assets]</b>	<b>1'905'305.60</b>	<b>1'833'737.40</b>

**77 Explanation of the item [accruals and deferrals, liabilities]**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	CHF	CHF
Receipt of funds new enterprises	0.00	67'247.20
Vested benefits received but not yet allocated	163'700.06	151'131.95
Various fees 4th quarter to be paid	347'711.03	377'802.52
Balance commissioning costs to be paid	304'653.40	283'042.40
Provisions for various buildings	376'000.00	270'000.00
Benefits received in advance from the reinsurer	736'021.95	732'136.95
Miscellaneous	15'310.40	38'829.70
<b>Total of the item [accruals and deferrals, liabilities]</b>	<b>1'943'396.84</b>	<b>1'920'190.72</b>

**78 Explanation of the item [banks/insurances]**

The amount at 31.12.2010, as with that at 31.12.2009, is composed of current account balances resulting from asset management mandates.

**79 Explanation of the item [mortgage debts]**

The details of the mortgage debts with Credit Suisse are as follows:

	<b>Amount in CHF</b>	<b>Interest rate</b>	<b>Start of contract</b>	<b>Expiry</b>
Fixed mortgage: tranche 1	6'000'000.00	3.60%	10.03.2004	10.03.2014
Fixed mortgage: tranche 2	6'000'000.00	3.20%	10.03.2004	09.03.2011
Fixed mortgage	10'000'000.00	3.60%	31.03.2007	30.03.2022
Fixed mortgage	4'000'000.00	3.50%	15.05.2007	15.05.2017
Fixed mortgage, deferred effects	10'000'000.00	1.90%	28.04.2009	28.04.2012
Fixed mortgage, deferred effects	15'000'000.00	2.65%	28.04.2009	28.04.2015
Fixed mortgage, deferred effects	15'000'000.00	2.85%	28.04.2009	28.04.2016
Fixed mortgage, deferred effects	10'000'000.00	3.05%	28.04.2009	28.04.2018
Fixed mortgage, deferred effects	<u>10'000'000.00</u>	3.20%	28.04.2009	28.04.2019
<b>Total mortgages</b>	<b>86'000'000.00</b>			

This is a global framework-contract, guaranteed by the mortgage notes mentioned under item 91.



## 8 Requests by the surveillance authority

The financial statements at 31 December 2009 did not give rise to any particular remarks. The Foundation has acted on the various additional requests of the surveillance authority.

The Foundation has also sent to it the provisional announcement on the financial situation for the 2010 accounting period, concerning the occupational pension institutions subject to the LFLP.

## 9 Other information relating to the financial situation

### 91 Pledging of assets

The mortgage notes pledged for the mortgage loans are as follows:

Property	Note 1st level	Note 2nd level	Note 3rd level	Total
Bussigny, Lausanne 8	3'000'000			3'000'000
Corsier, Ch. Neuf 1-3	520'000	150'000		670'000
Genève, Cavour 17	3'030'000			3'030'000
Genève, Contamines 1	4'600'000			4'600'000
Genève, Palettes 23	5'600'000			5'600'000
Lausanne, Ale 8	1'900'000	800'000		2'700'000
Lausanne, Echallens 80	2'000'000			2'000'000
Le Mont, Lausanne 33	572'000	3'000'000		3'572'000
Meyrin, Livron 21	4'000'000			4'000'000
Meyrin, Livron 23	1'115'000	235'800		1'350'800
Montreux, Alpes 52	10'420'000			10'420'000
Neuchâtel, Grand-Rue 1a	1'800'000	450'000		2'250'000
Nyon, Levratte 8-38	60'000'000			60'000'000
Paudex, Bernadaz 3	2'000'000			2'000'000
Penthaz, Cossonay 1-7	4'000'000			4'000'000
Pt-Saconnex, Lamartine 22bis	1'800'000	1'500'000	2'500'000	5'800'000
Pt-Saconnex, Lamartine 24	5'350'000	250'000		5'600'000
Yverdon, Cheminet 31-39	3'000'000			3'000'000
<b>Total</b>	<b>114'707'000</b>	<b>6'385'800</b>	<b>2'500'000</b>	<b>123'592'800</b>

A Lombard credit contract of CHF 20'000'000.- has been opened with Crédit Suisse, in case of real estate acquisitions in future.

## 10 Events subsequent to the date of the balance sheet

None.

*The present document is a translation from the French original text. In case of discrepancies between the English and the French versions, the French version shall apply and prevail.*



**Headquarters:**  
8, rue Jacques-Grosselin  
case postale 1956  
CH-1227 Carouge

**Administration:**  
7, Passage St-Antoine  
case postale  
CH-1800 Vevey 1

T 022 308 86 69  
F 022 308 86 06  
[www.copre.ch](http://www.copre.ch)