



FINANCIAL STATEMENTS 2017

  
**copré**  
LA COLLECTIVE  
DE PRÉVOYANCE  
SINCE 1974



**LOOK FURTHER AHEAD, TOWARDS TOMORROW**





# FINANCIAL STATEMENTS

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To the Foundation Board of

**La Collective de Prévoyance – COPRE, Carouge**

Lancy, 23 April 2018

## **Translation of the French report of the statutory auditor on the financial statements**

As statutory auditor, we have audited the accompanying financial statements of La Collective de Prévoyance – COPRE, which comprise the balance sheet, operating account and notes, for the year ended 31 December 2017.

### **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 an internal control 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 control system.

An audit also includes evaluating the appropriateness of the 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 2017 comply with Swiss law and with the foundation's deed of formation and the regulations.

## 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 organization, management and investments are applied.

We have assessed whether:

- ▶ organization and management comply with the legal and regulatory requirements and whether an internal control exists 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 fulfill 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 requirements have been met.

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

Ernst & Young Ltd



Blaise Wägli  
Licensed audit expert  
(Auditor in charge)



Stefanie Ajilian  
Licensed audit expert

## Enclosure

- ▶ Financial statements (balance sheet, operating account and notes)





<b>BALANCE SHEET</b>	Index	<b>31.12.2017</b> CHF	<b>31.12.2016</b> CHF
<b>ASSETS</b>			
<b>Investments</b>		<b>1'803'088'071</b>	<b>1'622'395'406</b>
Liquidities	6.4	51'816'002	88'925'673
Money market investment funds	6.4	0	54'657'331
Debtors	7.4	2'576'051	28'046'990
Bonds	6.4	244'379'692	234'358'124
Shares	6.4	563'807'286	447'603'962
Mortgage investment funds	6.4	19'941'104	0
Non-traditional investments	6.4	312'635'721	195'966'848
Real estate	6.4	603'563'648	568'513'713
Claims of employer contributions	6.4/6.10	4'368'569	4'322'765
<b>Accruals and referrals, assets</b>	7.5	<b>7'594'435</b>	<b>6'222'919</b>
<b>Total assets</b>		<b>1'810'682'507</b>	<b>1'628'618'326</b>
<b>Liabilities</b>			
<b>Commitments</b>		<b>69'531'423</b>	<b>83'030'752</b>
Vested benefits and pensions		31'864'715	43'275'789
Mortgage debts	7.7	30'000'000	34'000'000
Debts - Life annuity commitments	6.4.2	7'472'089	5'618'500
Other debts		194'619	136'463
<b>Accruals and deferrals, liabilities</b>	7.6	<b>17'900'633</b>	<b>3'429'391</b>
<b>Reserve of employer contributions without renunciation</b>	6.10	<b>4'547'480</b>	<b>4'558'726</b>
<b>Disposable funds of affiliates</b>	5.9	<b>1'874'359</b>	<b>1'635'950</b>
<b>Non-technical provisions</b>	7.8	<b>598'000</b>	<b>645'000</b>
<b>Pension insurance capital and technical provisions</b>		<b>1'581'507'341</b>	<b>1'468'571'646</b>
Pension insurance capital, active insured	5.3	910'311'330	793'748'720
Pension insurance capital, pensioners	5.5	638'454'650	642'754'458
Technical provisions	5.6	32'741'360	32'068'469
<b>Reserve for fluctuation in securities</b>	6.3	<b>134'723'271</b>	<b>66'746'860</b>
<b>Capital of the Foundation / disposable funds / overdraft</b>		<b>0</b>	<b>0</b>
Situation at start of period		0	0
Surplus revenues / Surplus charges (-)		0	0
<b>Total liabilities</b>		<b>1'810'682'507</b>	<b>1'628'618'326</b>

<b>OPERATING ACCOUNT</b>	Index	<b>2017</b> CHF	<b>2016</b> CHF
<b>Contributions, ordinary inflows and others</b>		<b>103'028'469</b>	<b>93'917'011</b>
Employee contributions	7.3	36'198'576	33'352'596
Employer contributions	7.3	53'124'652	49'607'636
Taken from the employer contributions reserve to finance contributions	6.10	-1'250'232	-625'090
Single premiums and buybacks		13'723'883	10'628'624
Inflows in the employer contributions reserve	6.10	1'178'660	884'618
Subsidies of the guarantee fund		52'931	68'627
<b>Entry benefits</b>		<b>136'670'212</b>	<b>403'843'104</b>
Vested benefits lump sums	7.1	134'022'491	199'703'508
Allocations in event of taking over a group of insured			
- to the mathematical reserves and technical provisions		846'832	194'399'200
- to the disposable funds of the affiliates		551'739	4'430'229
- to the employer contributions reserve	6.10	60'326	425'992
Reimbursement of advance payments for home ownership / divorce		1'188'823	4'884'176
<b>Inflows coming from contributions and entry benefits</b>		<b>239'698'682</b>	<b>497'760'116</b>
<b>Regulatory benefits</b>		<b>-52'176'617</b>	<b>-42'934'706</b>
Old-age pensions		-31'974'869	-24'532'352
Survivors' pensions		-5'838'608	-4'219'393
Disability pensions		-4'046'062	-3'673'575
Liberation from contribution obligations		-1'954'709	-1'935'966
Capital benefits at retirement		-7'733'060	-7'008'557
Capital benefits in event of death or disability		-629'309	-1'564'863
<b>Exit benefits</b>		<b>-81'801'442</b>	<b>-92'820'037</b>
Vested benefits in event of exit	7.2	-74'443'153	-82'400'359
Transfer of additional funds in event of collective exit			
- mathematical reserves and technical provisions		0	-4'270'574
Advance payments for home ownership / divorce		-7'358'290	-6'149'104
<b>Expenses related to benefits and advance payments</b>		<b>-133'978'060</b>	<b>-135'754'743</b>
<b>Dissolution / Constitution of pension insurance capital, technical provisions, disposable funds of affiliates, contribution reserves</b>		<b>-113'162'858</b>	<b>-397'087'876</b>
Constitution of retirement capital, active insured	5.3	-99'955'620	-164'306'740
Dissolution / Constitution of retirement capital, pensioners	5.5	4'299'807	-223'017'793
Constitution / Dissolution of technical provisions	5.6	-672'891	3'258'531
Remuneration of savings capital of active insured	5.3	-16'606'991	-13'001'948
Constitution / Dissolution of disposable funds of affiliates	5.9	-238'409	665'594
Dissolution / Constitution of contribution reserves	6.10	11'246	-685'520
<b>Revenues from insurance benefits</b>		<b>3'054'983</b>	<b>3'010'753</b>
Insurance benefits		3'054'983	3'010'753
<b>Insurance charges</b>		<b>-6'197'815</b>	<b>-9'522'694</b>
Insurance premiums :			
- including risk premiums		-5'449'529	-5'090'328
- including premiums for management costs		-4'835'242	-4'516'785
Single inflows to the insurances		-614'287	-573'543
Contributions to the guarantee fund		-343'529	-4'125'050
		-404'756	-307'316
<b>Net result of the insurance activity</b>		<b>-10'585'067</b>	<b>-41'594'445</b>

	Index	2017 CHF	2016 CHF
<b>Net result of investments</b>		<b>86'668'646</b>	<b>60'903'989</b>
Result liquidities	6.8.1	-587'035	-477'241
Result money market	6.8.2	-57'862	-133'095
Result forward exchange	6.8.3	-3'945'327	-93'972
Result bonds	6.8.4	2'952'869	3'882'790
Result shares	6.8.5	68'364'973	18'848'047
Result mortgage investment funds	6.8.6	-58'877	0
Result non-traditional investments	6.8.7	23'274'404	15'284'864
Result real estate	6.8.8	11'380'172	32'924'229
Administrative costs of investments	6.8.9	-14'652'098	-9'202'793
Retrocessions	6.7	194'455	97'107
Interest on exit benefits		-197'028	-225'947
<b>Dissolution / Constitution of non-technical provisions</b>		<b>47'000</b>	<b>-645'000</b>
<b>Other revenues</b>		<b>882'130</b>	<b>1'256'693</b>
<b>Other costs</b>		<b>-137'205</b>	<b>-331'933</b>
<b>Administration costs</b>		<b>-6'594'341</b>	<b>-6'187'001</b>
General administration	7.9	-2'781'416	-2'552'409
Marketing and advertising	7.9	-344'181	-290'751
Brokerage	7.9	-3'181'233	-3'090'523
Auditing body and expert in occupational pension insurance	7.9	-267'716	-232'609
Surveillance authorities	7.9	-19'797	-20'709
<b>Internalisation costs</b>	9.7.1	<b>-2'304'752</b>	<b>-461'004</b>
<b>Surplus of revenues (+) / charges (-) before constitution of the reserve for securities fluctuations</b>		<b>67'976'410</b>	<b>12'941'300</b>
<b>Constitution / Dissolution of the reserve for securities fluctuations</b>	6.3	<b>-67'976'410</b>	<b>-12'941'300</b>
<b>Surplus of revenues (+) / charges (-)</b>		<b>0</b>	<b>0</b>

## Appendix

### 1 Bases and organisation

#### 1.1 Legal form and purpose

La Collective de Prévoyance - Copré (hereinafter the Foundation), formerly Columna Fondation communautaire for occupational pension insurance, was founded by the ex-Banque Populaire Suisse.

Its registered office is in Geneva. It is a collective semi-autonomous collective foundation, governed by articles 80 et seq of the Swiss Civil Code, by article 331 to 331<sup>e</sup> 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 protect the staff of each affiliate from the economic consequences of old age, disability and death by guaranteeing determined benefits in compliance with the provisions of the occupational pension regulations and the pension plan.

#### 1.2 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.

#### 1.3 Indication of acts and regulations

Act of foundation	06.12.2012 Approved by the ASFIP Geneva, 07.03.2013
Pension insurance regulations	Came into force 01.01.2017 Approved 03.02.2017
Organisation regulations	Came into force 01.01.2016 Approved 03.12.2015
Investment regulations	Came into force 01.01.2016. (with latest update 31.12.2017) Approved 11.12.2017
Internal regulations for affiliated companies	Approved 05.07.2005
Regulations on actuarial liabilities	Came into force 31.12.2016. Approved 03.02.2017
Regulations for partial liquidation	Came into force 01.01.2016 Approved by the ASFIP Geneva 13.01.2017

#### 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 the supreme organ under the terms of article 51a LOB. It is composed jointly, in principle, of representatives of affiliated companies and representatives of the insured. It meets when circumstances require it, but at least four times a year.

The Board of Trustees is responsible for the general management of the pension institution, ensures the accomplishment of the tasks defined by the law, establishes the strategic objectives and the principles of the pension institution, as well as the means to implement them.

It determines the organisation of the pension institution, ensures its financial stability and monitors the management, in conformity with the legal provisions and the directives of the Surveillance Authority. It is responsible for the application of the regulatory provisions, and performs all the tasks that are not explicitly those of another body.

The Assembly of Delegates meets when circumstances require it, but at least once a year. The Assembly of Delegates appoints the members of the Board of Trustees. It takes note of the balance sheet, operating account and attachment, and takes cognizance of the auditors' report. It gives discharge to the Board of Trustees. It approves modifications of the by-laws and takes note of modifications to the pension regulations.

The Board of Trustees is currently composed of the following members:  
:

	<u>Function</u>	<u>End of mandate</u>	<u>Representation</u>	<u>Signature</u>
Gordon Robin	Member, Chairman since 01.06.2017	2019	insured	jointly of 2
Fiechter Robert	Member, Vice-Chairman	2019	employer	jointly of 2
Grivel Jacques	Member	19.12.2017	employer	jointly of 2
Gerbail Christian	Member	17.10.2017	insured	jointly of 2
Izzo Mario	Member	2019	Insured	jointly of 2
Rancic Christina	Member, Chairman until 31.05.2017	2021	employer	jointly of 2

Management was assumed by Mr Marçal Decoppet until 31.07.2017, then taken over temporarily by Mr. Robin Gordon, Chairman of the Board of Trustees, until 31.01.2018. Since 01.02.2018, it has been assumed by Mr. Pascal Kuchen.

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 surveillance authority

Expert in occupational pension insurance	Ms Ileana Christodorescu, Mercer (Switzerland) SA, Nyon
Auditing body	Ernst & Young SA, Lancy
Technical and accounting administration	Swiss Risk & Care SA, Vevey
Development of offering and others	Dionysos Consulting SA, Nyon, until 30.09.2017
Consultant on real estate investment	CBRE (Geneva) SA.
Surveillance authority	ASFIP Geneva, register number GE 1118

### 1.6 Affiliated employers

	<b>2017</b>	<b>2016</b>
Number at 31 December of previous period	644	614
Entries	88	81
Exits	-49	-51
<b>Number at 31 December</b>	<b>683</b>	<b>644</b>

## 2 Active members and pensioners

### 2.1 Active insured

	2017	2016
Number at 31 December of previous period	8'972	8'118
Entries	3'111	3'140
Exits	-1'924	-2'182
Retirements	-110	-90
Disabilities	-4	-4
Deaths	-6	-10
<b>Number at 31 December</b>	<b>10'039</b>	<b>8'972</b>

### 2.2 Beneficiaries of pensions

	31.12.2017	31.12.2016
Retired persons	1'194	1'127
Children of retired persons	24	27
Disabled	238	245
Children of disabled	75	87
Spouses	326	317
Orphans	34	36
<b>Total</b>	<b>1'891</b>	<b>1'839</b>

The number of pension beneficiaries evolved as follows in the course of 2017:

	Number at 31.12.2016	New cases **	Transfers to another PF	Deaths	End of entitlement	Number at 31.12.2017 *
Retired persons	1'127	96	-1	-28	0	1'194
Children of retired persons	27	10	0	0	-13	24
Disabled	245	14	0	-5	-16	238
Children of disabled	87	6	0	-1	-17	75
Spouses	317	20	0	-11	0	326
Orphans	36	5	0	0	-7	34
<b>Total</b>	<b>1'839</b>	<b>151</b>	<b>-1</b>	<b>-45</b>	<b>-53</b>	<b>1'891</b>

\* including 202 beneficiaries whose pension is reinsured at 31.12.2017 (31.12.2016: 221)

\*\* including 21 take-overs of pensions in 2017 (2016: 533)

## 3 Application of the purpose

### Explanation of the 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 company describes the insured benefits chosen by the company.

### 3.1 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.

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

In its meeting of 17 January 2018, the Board of Trustees decided to refrain from adjusting pensions to inflation for 1 January 2018.

## 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 established 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 the market value 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 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 0.974, EUR 1.170 and GBP 1.138. Resulting losses or gains are posted on the profit and loss account.
Direct properties in Switzerland	These have been valued at their yield value, which is based on the capitalisation that are realisable on a sustainable basis, more precisely the dynamic rental status. 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 the vacancy rate. The discount rate at 31.12.2017 is between 5.17% and 8.5%.
Real estate acquired in lifetime annuity commitment:	The value on the balance sheet corresponds to the cost of acquisition, 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.
Advance on foreign real estate investment:	The valuation of the advance on foreign real estate investment 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:	This concerns IT material, office furniture and IT licence, posted at their current value then amortised in linear fashion over a period of 3.5 respectively 3 years. These assets are included in accruals and deferrals, assets.

### 4.3 Modification of the principles for accounting, valuation and presentation of the accounts

In 2017, the yield value for each building was calculated with an individualised capitalisation rate in function of the criteria of location, level of maintenance and vacancy rate, whereas in 2016, it had been calculated with a capitalisation rate of 5.75% on the rental status value.

In 2017 the decision was taken to reclassify a heading « bonds in CHF » to « bonds in FC ». Consequently, the 2016 figures have been reprocessed for an amount of CHF 34'740'167 on the balance sheet (cf. 6.4.1), and CHF 364'718 on the operating account (cf. 6.8.4).

Similarly, a placement non-traditional investment in CHF has been reclassified from « Private Equity » to « Hedge Fund », Consequently the 2016 figures have been modified by CHF 10'101'218 (cf. 6.4.1).

The advances on real estate operations have been reclassified from the heading « Accruals and deferrals, assets » to « real estate investments » (*Swiss real estate direct*). Thus the 2016 figures have been modified by 2'906'231 (cf. 6.4.1 and 7.5).

As at 31.12.2017, expenses relating to IT material, office furniture and licences following the internalisation of the management have been activated.

The realised and non-realised results of options on shares have been reclassified to point 6.8.5.2 of results on shares (cf. 6.8.5.1) for the years 2017 and 2016.

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

### 5.1 Nature of the cover of risks, reinsurances

In 2017, the Foundation has been fully reinsured through a complete reinsurance contract covering death and disability risks, with the company Zurich Life Insurances, for a period of 5 years. The risk premium is based on a flat-rate premium rate.

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

### 5.2 Explanations of assets and liabilities on insurance contracts

The Foundation possesses assets and liabilities with 3 insurance companies (Bâloise for CHF 20'332'149, Zurich for CHF 9'890'603 and SwissLife for CHF 166'413), for a total amount of CHF 30'389'165 (at 31.12.2016: 28'173'750). Bâloise and SwissLife result from previous insurance contracts.

### 5.3 Development of the cover capital for active insured with defined contribution plans

	2017	2016
	CHF	CHF
Balance on 1 January of pension insurance capital of active insured	793'748'720	616'440'032
Retroactive dissolutions or art. 17 FLV	-3'549'114	-2'806'429
Savings contributions	73'538'686	66'766'737
Other contributions and buyback contributions	13'311'523	10'315'624
Vested benefits paid in	132'506'370	196'086'329
Distribution of disposable funds	261'529	5'060'602
Reimbursement of payments for home ownership / divorce	813'978	4'884'176
Vested benefits in event of exit	-68'825'539	-78'509'399
Payments for home ownership / divorce	-7'358'290	-6'149'104
Dissolution due to retirements, deaths and disabilities	-40'833'723	-31'374'819
Remuneration of pension insurance capital	16'606'991	13'001'948
Attributions of exit benefits (art. 17 FLV)	90'201	33'022
<b>Total pension insurance capital of active insured</b>	<b>910'311'330</b>	<b>793'748'720</b>



For insured persons still active on 1 January 2018 and for the reference period from 1 January 2017 to 31 December 2017, the interest granted on the savings accounts of the active insured, the insured with incapacity to earn and the disabled exited on 31.12.17 has been calculated on the regulatory retirement assets at a rate of 2.0 % (1.75% in 2016).

For insured persons who exited during 2017, the interest granted until the exit date has been calculated at the LOB rate on the whole of the retirement capital.

#### 5.4 Total retirement capital as per LOB

	31.12.2017	31.12.2016
	CHF	CHF
<b>Retirement capital as per LOB (pilot accounts)</b>	<b>419'260'941</b>	<b>372'161'517</b>
Minimum LOB interest rate set by the Federal Council	1.00%	1.25%

#### 5.5 Development of the cover capital for pensioners

	2017	2016
	CHF	CHF
<b>A - Evolution and remuneration of savings capital of disabled</b>		
Balance at 1 January of savings capital	24'818'686	20'905'551
Attribution provision for art.17 FLV	24'581	0
Transfer of freed-up capital	268'286	485'534
Savings contributions	1'083'683	1'259'943
Vested benefits paid in	1'355'476	3'204'568
Distribution of disposable funds	39'830	0
Remuneration of pension insurance capital	475'200	413'915
Dissolution savings capital	-3'072'626	-1'450'824
<b>Savings capital of disabled at 31.12</b>	<b>24'993'116</b>	<b>24'818'686</b>
<b>B - Mathematical reserves of pensioners</b>		
Balance of pension insurance capital at 1 January	485'847'542	325'238'672
Transfer of savings capital to pensioners	34'187'838	23'909'255
Inflow of pension insurance capital from new affiliated companies	257'822	150'321'341
Modification related to change of technical base	0	9'433'574
Modification related to new number of insured at 31.12	-21'329'194	-23'055'301
<b>Mathematical reserves of pensioners at 31.12</b>	<b>498'964'008</b>	<b>485'847'542</b>
<b>C - Mathematical reserves for pensions AVS bridge</b>		
Balance of pension insurance capital at 1 January	650'556	1'040'238
Modification related to change of technical base	0	225
Modification related to new insured numbers status at 31.12	-115'440	-389'907
<b>Mathematical reserves for pensions AVS bridge at 31.12</b>	<b>535'116</b>	<b>650'556</b>
<b>D - Mathematical reserves of disabled</b>		
Balance of pension insurance capital at 1 January	58'222'961	27'650'115
Inflow of RM disabled of new affiliated companies	589'010	16'221'697
Modification related to change of technical base	0	-923'046
Modification related to new insured numbers status at 31.12	-15'113'849	15'274'195
<b>Mathematical reserves of disabled at 31.12</b>	<b>43'698'122</b>	<b>58'222'961</b>
<b>E - Mathematical reserves for survivors</b>		
Balance of pension insurance capital at 1 January	73'214'713	44'902'089
Inflow RM for survivors from new affiliated companies	0	23'903'021
Modification related to change of technical base	0	789'401
Modification related to new insured numbers status at 31.12	-2'950'425	3'620'202
<b>Mathematical reserves for survivors at 31.12</b>	<b>70'264'288</b>	<b>73'214'713</b>
<b>Mathematical reserves of pensioners (A+B+C+D+E) at 31.12</b>	<b>638'454'650</b>	<b>642'754'458</b>

## 5.6 Recapitulation, evolution and explanation of technical provisions

	2017	2016
	CHF	CHF
<b>A - Provision for longevity</b>		
Balance of the provision for longevity at 01.01	0	4'332'000
Modification related to change of technical bases	0	-5'338'000
Modification related to new insured numbers status at 31.12	1'173'000	1'006'000
Provision for longevity at 31.12	<u>1'173'000</u>	<u>0</u>
<b>B - Provision for non-actuarial conversion rate</b>		
Balance provision for non-actuarial conversion rate at 01.01	27'054'000	22'663'000
Modification related to change of technical bases	0	-1'146'000
Modification related to new insured numbers status at 31.12	2'627'000	5'537'000
Provision for non-actuarial conversion rate at 31.12	<u>29'681'000</u>	<u>27'054'000</u>
<b>C - Provision for fluctuation of risks</b>		
Balance provision for fluctuation of risks at 01.01	4'406'000	8'332'000
Modification related to change of technical bases	0	-71'000
Modification related to new insured numbers status at 31.12	-3'171'000	-3'855'000
Provision for fluctuation of risks at 31.12	<u>1'235'000</u>	<u>4'406'000</u>
<b>D - Special technical provision for affiliates</b>		
Balance special technical provision for affiliates at 01.01	608'469	0
Increase related to contributions "special risks"	43'891	47'760
Increase related to transfer of non-allocated disposable funds	0	35'220
Retroactive inflow of special technical provision for affiliates	0	546'639
Modification related to new insured numbers status at 31.12	0	-21'150
Special technical provision for affiliates at 31.12	<u>652'360</u>	<u>608'469</u>
<b>Total of technical provisions (A+B+C+D) at 31.12</b>	<u>32'741'360</u>	<u>32'068'469</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. This provision was fully dissolved on 31.12.16 following a change of table (from LOB 2010 to LOB 2015). It has again been funded since 2017.

The provision for non-actuarial 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 estimation of the possible retirement cases during the following five years, considering 75% of the additional pension insurance capital required to cover the difference between the pension effectively provided at the conversion rate determined by the Foundation and a pension based on the conversion rate in line with the technical bases used. 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 is intended to mitigate in the short term the unfavourable fluctuations of disability and death risks for the active insured, by taking into consideration, as appropriate, the existing reinsurance cover. In view of the reinsurance contract concluded with Zurich Assurances as of 01.01.2015, the provision for fluctuation of risks is constituted for incapacities to earn that occurred before 01.01.2015. To this is added the amount necessary to cover the possible costs as a result of unknown cases taken over by Lloyds in 2014 and for which a special premium had been billed at the time. The significant reduction of this provision since 31.12.2016 is explained by the signature of an endorsement to the contract with Zurich Assurances, which provides for the total cover of the exemption from contributions, including when the case does not result in a disability, as well as by the reduction of the cost of latent claims of Lloyds due to the passing of time leading to reaching retirement age for some of the insured persons concerned, respectively the reduction of the probability that these cases arise for the other insured persons.

The special technical provision for affiliates is destined to finance special benefits offered by the pension plans of certain affiliates. At 31.12.2017, this provision is constituted for the financing of the AVS bridge pensions of a pension fund and is fed by the contribution for special risks paid by the employer.

## 5.7 Results of the last actuarial appraisal

The expert on occupational pension insurance carried out an actuarial appraisal on 31.12.2017, the conclusions of which are as follows:

« In our capacity as approved expert of La Collective de Prévoyance Copré (hereinafter: the Foundation) in the sense of article 52e LOB, we attest that:

- The degree of cover as per article 44 OPP2 amounts to 108.5% at 31.12.2017, an increase compared to 31.12.2016. The Foundation offers at this date the guarantee that it can meet its financial commitments.
- The regulatory provisions of an actuarial nature and relating to the benefits and financing comply with the legal provisions. We consider that the level of financing is sufficient.
- The technical interest rates used are within the limits permitted by the DTA 4 of the Swiss Chamber of Pension Fund Experts CSEP at 31.12.2017.
- The technical provisions are constituted in line with their purpose. Nevertheless the Foundation has a limited capacity for risk, as long as the reserve for securities fluctuations is not fully reconstituted.
- The target level of the reserve for securities fluctuations is adequate. On 31.12.2017, the reserve for securities fluctuations reached 54.5% of its target level.

We recommend that the Board of Trustees:

- Continue the policy of limiting the take-over of pensioner numbers as long as the weighting of pension beneficiaries in the whole of the Foundation's commitments is higher than 35%;
- Review the regulatory conversion rate so as to better manage the increase in longevity and the lower returns on the financial markets;
- Align the effective allocation of investments closer to the defined strategic allocation or raise the target level of the reserve for securities fluctuations »

## 5.8 Technical bases and other significant assumptions on the actuarial level

The technical bases used to calculate the pension insurance capital of pensioners and the technical provisions are the (periodical) LOB 2015 actuarial tables with a technical rate of 2.5%. For beneficiaries of pensions who are not attached to an affiliated employer it is the (generational) LOB 2015 actuarial tables with a technical rate of 1.6 % at 31.12.2017 that are used (as at 31.12.2016).

## 5.9 Disposable funds of affiliates

	<b>2017</b>	<b>2016</b>
	CHF	CHF
Balance of disposable funds of affiliates at 1 January	1'635'950	2'301'544
Constitution of disposable funds of affiliates	551'740	4'430'229
Dissolution of disposable funds of affiliates	<u>-313'331</u>	<u>-5'095'823</u>
<b>Disposable funds of affiliates at 31 December</b>	<b><u>1'874'359</u></b>	<b><u>1'635'950</u></b>

### 5.10 Degree of cover as per article 44 OBB2

	<b>31.12.2017</b>	<b>31.12.2016</b>
	CHF	CHF
Pension insurance capital of active insured	910'311'330	793'748'720
Pension insurance capital of pensioners	638'454'650	642'754'458
Technical provisions	32'741'360	32'068'469
<b>Pension insurance capital necessary in the sense of art. 44 OBB2 (Cp)</b>	<b>1'581'507'341</b>	<b>1'468'571'646</b>
<b>Total assets on balance sheet</b>	<b>1'810'682'507</b>	<b>1'628'618'326</b>
./. Debts and deferred liabilities	-87'432'056	-86'460'143
./. Reserve of employer contributions without renunciation	-4'547'480	-4'558'726
./. Disposable funds of affiliates	-1'874'359	-1'635'950
./. Non-technical provisions	-598'000	-645'000
<b>Pension insurance capital available in the sense of art. 44 OBB2 (Fp)</b>	<b>1'716'230'612</b>	<b>1'535'318'507</b>
<b>Degree of cover (Fp/Cp)</b>	<b>108.52%</b>	<b>104.54%</b>

## 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 Fund Partner Solutions (Europe) SA Luxembourg, Livingbridge EP LLP Scotland, Montana Capital Partners Jersey OSP, Northern Trust Luxembourg, Investindustrial GB, Willowridge Partners, Inc. (fond Amberbrook VII) USA, Linden Capital Partners USA, Alinda Capital Partners Ltd USA, Astorg Partners SAS Luxembourg, Platinum Equity, LLC USA, G Square Healthcare Private Equity LLP Guernsey, Ufenau Capital Partners AG Luxembourg, Caisse d'Épargne de Nyon, Swiss Collective Pensions CY, Supre Real Estate Ltd CY, AGER Bermuda Holding Ltd and Brentwood Associates USA. At 31 December 2017, the management mandates for the securities portfolio are entrusted to Credit Suisse AG and UBS AG. These banks are subject to the FINMA

Asset managers	Credit Suisse AG, Zürich UBS AG, Zürich
Management of the real estate portfolio	CBRE (Geneva) SA
Administration of properties	Régie du Rhône SA, Lancy and Privera SA, Geneva
Investment Committee	Grivel Jacques, Chairman and member, until 19.12.2017 Dunning Martin, member, until 22.12.2017 Georges Jean-Bernard, member, since 02.08.2017 Izzo Mario, member
Investment regulations	Entered into force 01.01.2016 Approved 07.03.2017
Investment consultant	Portfolio Advisors, LLC, Zürich (Private Equity)

## 6.2 Utilisation of extensions (art. 50, para. 4 OBB2)

In the context 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 2.2 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

.At 31.12.2017, we note an overrun of the OBB2 limits for real estate by 3.3%. This overrun is authorised by the Investment Regulations which define a strategy at 40% and a maximum weighting of 56%.

The Board of Trustees took this decision with the following objectives

- Increase real estate investments in an asset class that is stable in comparison with the volatility of the financial markets at the time;
- Ensure recurrent revenue higher than that of traditional fixed income securities;
- Opt for real estate diversification abroad; and
- Optimise the amount of the securities fluctuation reserve thanks to a lower average volatility in function of the global wealth.

Alternative investments present an overrun of 2.3% of the OBB2 limits, and the total investments in foreign currencies an overrun of 0.7%. The overruns are authorised by the Investment Regulations which provide for a maximum weighting of 40% in foreign currencies and 21% for alternative investments.

One real estate asset « Nyon, La Levratte 8-40 » presents an overrun of the OPP2 limits by 1.03%. While constituting a homogeneous ensemble, this building is composed of seven plots individually assignable. The Investment Regulations stipulate that a single property may not exceed 10% of the total fortune less the borrowings. All the objects in the portfolio respect this limit.

These decisions by the Board of Trustees have been taken on the one hand to improve the diversification of the portfolio and the return expected in the long term, and on the other to avoid paying negative interest rates.

## 6.3 Objectives and calculation of the reserve for securities fluctuations

The new target level of the RSF corresponds to the provision that would be necessary for the probability of the Foundation going into an under-coverage position in the next three years to be lower than 2.5%. This implies a Value-at-Risk (VaR) with a security level of 97.5% and a time horizon of three years

The target value of the securities fluctuation reserve has been recalculated and amounts on 31.12.2017 to CHF 247.2 million. It is reconstituted at 54.5%.

	<b>2017</b>	<b>2016</b>
	CHF	CHF
Balance at 1 January of the securities fluctuation reserve	66'746'860	53'805'561
Increase/decrease due to the operating result	67'976'410	12'941'300
<b>Reserve for securities fluctuations at 31 December</b>	<b>134'723'271</b>	<b>66'746'860</b>
<b>Target value of the securities fluctuation reserve</b>	<b>247'200'000</b>	<b>230'700'000</b>
Insufficiency of the securities fluctuation reserve	-112'476'729	-163'953'140

## 6.4 Presentation of investments per category

### 6.4.1 Structure of investments

	31.12.2017		31.12.2016		Strategy from 2016	Margin	
	CHF	Effective split	CHF	Effective split		inf	sup
Liquidities	51'816'002	2.9%	88'925'673	5.5%			
Money market investments	0	0.0%	54'657'331	3.4%			
<b>Total liquidities and money market investments</b>	<b>51'816'002</b>	<b>2.9%</b>	<b>143'583'004</b>	<b>8.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>40.0%</b>
Bonds in CHF (incl. investment funds (IFs))	163'899'411	9.1%	159'133'728	9.8%	13.0%	6.5%	19.0%
*Bonds in foreign currencies (FC) (incl. IFs)	80'480'281	4.4%	75'224'396	4.6%	4.0%	2.0%	6.0%
<b>Total bonds</b>	<b>244'379'692</b>	<b>13.5%</b>	<b>234'358'124</b>	<b>14.4%</b>	<b>17.0%</b>	<b>8.5%</b>	<b>25.0%</b>
Shares in CHF (incl. IFs)	286'084'365	15.8%	224'690'575	13.8%	14.0%	7.0%	20.0%
Shares in FC (incl. IFs)	277'722'921	15.3%	222'913'387	13.7%	14.0%	7.0%	20.0%
<b>Total shares</b>	<b>563'807'286</b>	<b>31.1%</b>	<b>447'603'962</b>	<b>27.5%</b>	<b>28.0%</b>	<b>14.0%</b>	<b>40.0%</b>
<b>Total mortgage investment funds</b>	<b>19'941'104</b>	<b>1.1%</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Non-traditional investments CHF	110'277'376	6.1%	86'873'450	5.3%			
- incl. Hedge Fund	21'099'273	1.2%	10'101'218	0.6%			
- incl. Private Equity	89'178'103	4.9%	76'772'232	4.7%			
Non-traditional investments FC	202'358'345	11.2%	109'093'398	6.7%			
- incl. Private Equity	28'743'019	1.6%	11'473'576	0.7%			
- incl. Senior Loan Funds	49'860'209	2.8%	0	0.0%			
- incl. Trade Finance	99'972'722	5.5%	78'729'846	4.8%			
- incl. Infrastructure	2'777'206	0.2%	1'902'055	0.1%			
- incl. mortgage loan	5'700'825	0.3%	5'945'648	0.4%			
- incl. advance on real estate investment abroad	11'585'453	0.6%	7'825'895	0.5%			
- incl. others	3'718'911	0.2%	3'216'378	0.2%			
<b>Total non-traditional investments</b>	<b>312'635'721</b>	<b>17.3%</b>	<b>195'966'848</b>	<b>12.0%</b>	<b>15.0%</b>	<b>7.5%</b>	<b>21.0%</b>
Swiss real estate	517'905'120	28.6%	495'712'722	30.4%	35.0%	17.5%	49.0%
- incl. direct (see figure 6.4.2)	517'905'120	28.6%	495'712'722	30.4%			
Foreign real estate	85'658'527	4.7%	72'800'991	4.5%	5.0%	2.5%	7.0%
- incl. indirect	85'658'527	4.7%	72'800'991	4.5%			
<b>Total real estate</b>	<b>603'563'648</b>	<b>33.3%</b>	<b>568'513'713</b>	<b>34.9%</b>	<b>40.0%</b>	<b>20.0%</b>	<b>56.0%</b>
<b>Claims of employers' contributions</b>	<b>4'368'569</b>	<b>0.2%</b>	<b>4'322'765</b>	<b>0.3%</b>			
<b>Other claims CHF</b>	<b>10'170'486</b>	<b>0.6%</b>	<b>34'269'909</b>	<b>2.1%</b>			
<b>Total assets</b>	<b>1'810'682'507</b>	<b>100.0%</b>	<b>1'628'618'326</b>	<b>100.0%</b>	<b>100.0%</b>		

\*bonds in foreign currencies include an investment fund in FC hedged in CHF for an amount of CHF 37'420'350 at 31.12.2017 (at 31.12.2016: 34'740'167).

**Global limits, as per Investment Regulations:**

	31.12.2017	Effective split	31.12.2016	Effective split	Maximum global limits
	CHF		CHF		
Company shares or investment funds invested in commodities (shares)	0	0.0%	0	0.0%	5.0%
Company shares or investment funds invested in emerging markets	26'388'831	1.5%	19'334'243	1.2%	7.5%
Total exposure in foreign currency, net of exchange cover	555'236'797	30.7%	401'265'734	24.6%	40.0%

**Control of limits as per art. 55 OBB2:**

	31.12.2017	Effective split	31.12.2016	Effective split	Art. OBB2	Limits OBB2
	CHF		CHF			
Property deeds and liens	19'941'104	1.1%	0	0.0%	55 a)	50.0%
Shares	563'807'286	31.1%	447'603'962	27.5%	55 b)	50.0%
Real estate	603'563'648	33.3%	568'513'713	34.9%	55 c)	30.0%
Non-traditional investments	312'635'721	17.3%	195'966'848	12.0%	55 d)	15.0%
Total exposure in foreign currency, net of exchange cover	555'236'797	30.7%	401'265'734	24.6%	55 e)	30.0%

The mortgage debt of CHF 30 million represents about 4.97% of the real estate assets and about 1.66% of total assets. The average interest paid on 31.12.2017 is 3.283%. The spread of due dates is presented under point 7.7. On 31 December 2016, the mortgage debt was CHF 34 million and represented about 5.98% of the real estate assets, with an average interest paid on 31.12.2016 of 3.309%.

**6.4.2 List of properties held directly**

Properties	Estimation at 31.12.2017	Estimation at 31.12.2016
	CHF	CHF
Aarburg, Strickereistrasse 4A	26'084'966	31'867'351
Altdorf, Gründligasse 2	1'769'989	1'590'470
Bad Zursach, Hauptstrasse 55	5'503'987	8'104'696
Buchs, Amsleracherweg 16	2'115'192	2'012'661
Bussigny, Lausanne 8	7'389'615	6'884'661
Corsier, Ch. Neuf 1-3	5'039'452	5'063'583
Crans, Pas de l'Ours 4	4'575'046	2'885'635
Diessenhofen, Kapfstrasse 6	3'766'095	3'490'017
Embrach, Bergstrasse 2-4	3'414'795	3'064'278
Ennetaach, Aachweg 1-3	2'651'530	3'189'742
Erlen, Auwiesen 2-12	12'732'965	15'341'626
Erlen, Bachstrasse 4	1'396'465	1'675'865
Geneva, XXXI décembre	9'604'002	14'120'743
Geneva, Cavour 17	9'536'824	8'543'583
Geneva, Contamines 1	13'959'652	12'730'661
Geneva, Gaspard Vallette 10	9'410'343	7'873'670
Gerlafingen, Langfeldstrasse 1 à 3	3'382'327	3'039'277
Gerlafingen, Mittelfeldstrasse 2-4	3'270'335	2'941'774
Glarus, Hauptstrasse 53	1'704'959	1'532'035
Goldach, Wiesenstrasse 3	1'053'958	947'061

Properties	Estimation at 31.12.2017	Estimation at 31.12.2016
	CHF	CHF
Grand-Lancy, Palettes 23	11'027'095	10'899'130
Herisau, Bruggereggstrasse	8'711'815	10'334'161
Herzogenbuchsee, Lanzenbühlweg 1-7	6'179'750	5'553'809
Lausanne, Echallens 80	3'784'050	3'789'983
Lausanne, Tour 1 / Ale 6	3'055'415	2'702'052
Lausanne, Tour 3 / Ale 8	5'787'770	5'568'757
Lucens, Chemin des Bergères 2-16	25'970'186	26'949'704
Martigny, Promotion "Vivaldi" (in course of construction)	4'229'803	2'255'000
Meyrin, Livron 21	11'054'078	8'586'574
Meyrin, Livron 23	9'733'511	7'118'400
Mont-s/-Lausanne, Lausanne 33	8'700'556	8'417'252
Neuchâtel, Grand-Rue 1a	3'406'507	4'053'078
Neuenegg, Grabmattweg 2-4	4'790'886	5'934'630
Nyon, Levratte 8-40	109'263'803	107'691'548
Opfikon, Mühlegasse 7/9	4'912'577	4'679'165
Paudex, Bernadaz 3	3'891'797	3'636'730
Penthaz, Cossonay 1-7	8'141'293	7'830'887
Petit-Saconnex, Lamartine 22bis	10'787'795	9'582'104
Petit-Saconnex, Lamartine 24	19'076'427	17'061'287
Petit-Saconnex, Lamartine 24 ter	5'968'478	5'360'348
Prilly, Flumeaux 41	28'181'475	33'443'020
Rickenbach, Haldenstrasse 10	6'632'085	6'022'539
Schaffhausen, Schützengraben 28	1'496'818	1'434'157
Sierre, Promotion "Avenue des Platanes" (in course of construction)	9'118'864	2'449'115
Sulgen, Bühlstrasse 5	1'710'058	1'638'470
Sulgen, Winkelstrasse 2-4	3'991'496	3'773'009
Vevey, Gutenberg 18	18'392'418	18'306'678
Yverdon, Cheminet 31-39	16'149'276	16'495'513
*Bütschwil, Innerfeld 44a	4'244'952	0
*Marly, Nord 04	5'423'996	0
*Viège, Jasminweg B	3'898'472	0
**Conches, ex-life annuity	2'820'000	0
	<b>498'896'000</b>	<b>478'466'491</b>
*Neuchâtel, PPE Firestone (deposit paid, in course of acquisition)	3'440'030	0
*Crans, Pas de l'Ours 4 (in course of construction)	0	2'906'231
	<b>3'440'030</b>	<b>2'906'231</b>
**property acquired in lifetime annuity commitment	<b>15'569'090</b>	<b>14'340'000</b>
<b>Total real estate held directly</b>	<b>517'905'120</b>	<b>495'712'722</b>

\* In 2017, Copré acquired 3 new properties. It also undertook to purchase over time a property for an amount of 17 million, of which 3.44 million have already been paid.

\*\* Concerning property in life annuity commitment, Copré acquired during 2017 three objects in French-speaking Switzerland for an amount (cash out, costs included) of CHF 2'161'350.-. Unlike the other properties, the balance sheet value of an object acquired in life annuity commitment is equivalent to the acquisition cost (in total CHF 15'569'090.- on 31.12.2017), taking into consideration the current value of the life annuity and the right to occupation (respectively CHF 1'901'119.- and CHF 5'570'970.- on 31.12.2017) for a total of CHF 7'472'089.-, considered on the balance sheet as debts (at 31.12.2016: CHF 5'618'500).

Of the 14 properties acquired in life annuity commitment since 2016, 8 are the object of a monthly life annuity pension. Furthermore, following a death during 2017, a property acquired in life annuity commitment was attributed to the property portfolio (31.12.2017: 2'820'000)

Out of CHF 203'008'800.- of mortgage notes, CHF 123'592'800.- are pledged as per figure 9.1, the balance of CHF 79'416'000.- being free.



### 6.4.3 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 property 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 auditing mandate, our auditors Ernst & Young audit the real estate activities delegated to CBRE (Geneva) SA.

### 6.5 Derivative financial instruments (open)

Product	Term	Qty	Price	Value on 31.12.2017 in CHF
Sale of call options SMI, exercise price 8'400	17.03.2018	-400	CHF 905.40	-3'621'600
Sale of call options SMI, exercise price 7'900	22.12.2018	-700	CHF 1353.20	-9'472'400
Sale of call options Euro Stoxx 50, exercise price 3'200	17.03.2018	-150	EUR 315.50	-553'820
Sale of call options Euro Stoxx 50, exercise price 2'800	16.06.2018	-230	EUR 633.70	-1'705'649
Sale of call options S&P 500, exercise price 2'025	15.06.2018	-160	USD 654.65	-10'207'303
Sale of call options S&P 500, exercise price 2'200	16.03.2018	-160	USD 477.55	-7'445'960
				<b>-33'006'731</b>

At 31 December 2016, there were sales of call options SMI for a value of - CHF 5'669'450, of call options Euro Stoxx 50 for - CHF 1'827'390 and of call options S&P 500 for - CHF 9'134'873.

### 6.6 Open commitments of capital

Product	Devise	Initial commitment	Commitment remaining on 31.12.2016	Capital paid in 2017	Commitment remaining on 31.12.2017
Accel-KKr Capital Partners V LP (Supré Ltd.)	USD	5'000'000	5'000'000	950'820	4'049'180
AFIAA	CHF	50'000'000	5'400'000	5'400'000	0
Alinda Infrastructure Fund III	USD	10'000'000	8'128'543	978'421	7'150'122
Amberbrook VII(Supré Ltd.)	USD	6'000'000	4'963'716	971'913	3'991'803
Astorg VI	EUR	4'500'000	3'645'000	921'923	2'723'077
G Square Capital II	EUR	5'500'000	5'356'621	2'538'672	2'817'949
Investindustrial VI	EUR	5'000'000	4'347'053	54'745	4'292'308
Linden Capital Partners III-A LP	USD	4'000'000	2'531'238	1'600'910	930'328
Livingbridge Enterprise 2 LP	GBP	2'500'000	1'905'535	753'031	1'152'504
Margaritaville Beach resort	USD	11'000'000	3'300'000	3'300'000	0
MCP Opportunity Secondary Programm III	EUR	4'200'000	2'983'068	760'846	2'222'222
Platinum Equity IV (Supré Ltd.)	USD	7'000'000	6'296'275	923'324	5'372'951
Ufenau V	EUR	3'000'000	2'774'565	448'924	2'325'641
AGER Athora	EUR	42'000'000	New in 2017	2'127'170	39'872'830
Brentwood Associates PE VI-A LP	USD	6'000'000	New in 2017	117'828	5'882'172
Insight Venture Partners X LP	USD	6'000'000	New in 2017	0	6'000'000
Linden Capital Partners IV-A LP	USD	7'000'000	New in 2017	0	7'000'000
MCP Opportunity Secondary Programm IV (Supré Ltd.)	EUR	6'000'000	New in 2017	0	6'000'000
Olympus Growth Fund Parallel, LP (Supré Ltd.)	USD	7'000'000	New in 2017	0	7'000'000
Summit Partners Europe Growth Equity Fund II	EUR	5'600'000	New in 2017	0	5'600'000
Trivest Fund VI LP	USD	6'000'000	New in 2017	0	6'000'000

The counterpart in CHF amounts to 130'663'730.

## 6.7 Retrocessions

A total of CHF 194'455 of retrocessions has been noted for the 2017 period (2016: CHF 97'107).

## 6.8 Explanations of the net result of investments

	2017	2016
	CHF	CHF
<b>6.8.1 Liquidities</b>	<b>-587'035</b>	<b>-477'241</b>
- Interest on various current accounts	-242'383	-267'497
- Exchange differences not realised	-344'652	-209'745
<b>6.8.2 Money market</b>	<b>-57'862</b>	<b>-133'095</b>
- Revenues	16'855	798'511
- Losses on sales	-74'717	-289'073
- Losses	0	-642'533
<b>6.8.3 Forward exchange</b>	<b>-3'945'327</b>	<b>-93'972</b>
- Result realised	-5'258'689	0
- Result not realised	1'313'362	-93'972
<b>6.8.4 Bonds</b>	<b>2'952'869</b>	<b>3'882'790</b>
- Income from interest on foreign bonds in CHF	304'174	302'106
- Income from IFs in Swiss bonds	1'951'076	2'978'700
- Income from IFs in foreign bonds in CHF	491'150	560'144
- Income from IFs foreign bonds in foreign currencies	1'671'388	1'393'589
- Losses on sales	0	-1'479'761
- Profits on sales	3'309'210	61'894
- Losses	-5'586'157	-6'735'957
- Gains	812'028	6'802'075
<b>6.8.5 Total shares</b>	<b>68'364'973</b>	<b>18'848'047</b>
<b>6.8.5.1 Shares</b>	<b>92'782'342</b>	<b>20'564'066</b>
- Dividends from IFs Swiss shares	4'791'262	4'788'262
- Dividends from IFs foreign shares in foreign currencies	5'358'743	4'188'135
- Losses on sales	0	-3'779
- Profits on sales	3'163'644	719'027
- Losses	0	-18'614'130
- gains	79'468'692	29'486'552
- Exchange differences not realised	0	0
<b>6.8.5.2 Options on shares</b>	<b>-30'689'495</b>	<b>-3'939'176</b>
- Result realised	-16'556'060	-558'760
- Result not realised	-14'133'435	-3'380'416
<b>6.8.5.3 Company shares/investment funds emerging markets</b>	<b>6'272'125</b>	<b>2'223'157</b>
- Revenues	443'939	478'762
- Losses on sales	0	-630'855
- Gains	5'828'186	2'375'250
<b>6.8.6 Mortgage investment funds</b>	<b>-58'877</b>	<b>0</b>
- Losses	-58'877	0

	<b>2017</b>	<b>2016</b>
	CHF	CHF
<b>6.8.7 Non-traditional investments</b>	<b>23'274'404</b>	<b>15'284'864</b>
- Revenues	9'175'030	4'999'734
- Profits on sales	684'992	291'126
- Losses on sales	-1'367	-40'163
- Exchange differences realised	104'160	23'400
- Losses	-781'469	-656'718
- Gains	18'055'654	8'526'897
- Exchange differences not realised	-3'962'597	2'140'588
<b>6.8.8 Total real estate</b>	<b>11'380'172</b>	<b>32'924'229</b>
<b>6.8.8.1 Investment funds in real estate</b>	<b>8'846'850</b>	<b>2'095'448</b>
- Revenues	2'444'527	1'937'558
- Losses	-106'931	-1'042'438
- gains	3'928'671	1'542'764
- Exchange differences not realised	2'580'582	-342'437
<b>6.8.8.2 Real estate</b>	<b>2'533'322</b>	<b>30'828'781</b>
- Real estate charges transactions and miscellaneous	-20'918	-15'587
- Current real estate charges	-4'615'473	-3'934'728
- Real estate charges - Life annuity acquisition costs	-154'350	-552'980
- Real estate revenues	24'956'631	21'496'857
- Result realised on life annuities	120'000	0
- Result not realised on life annuities	-118'389	0
- Losses *	-31'983'507	-15'547'285
- Gains	0	2'234'185
- Losses related to the change in capitalisation rate	-5'191'703	0
- gains related to the change in capitalisation rate	20'578'531	28'412'256
- Mortgage interest	-1'037'500	-1'263'938

\* This concerns losses related to the changeover to accounting value of buildings acquired in 2016 which were then valued at their acquisition cost.

	<b>2017</b>	<b>2016</b>
	CHF	CHF
<b>6.8.9 Administrative costs of investments</b>		
Transparent investments	1'792'068'115	1'595'450'320
Non-transparent investments (as per detail below)	11'019'957	24'038'855
<b>Total investments</b>	<b>1'803'088'071</b>	<b>1'619'489'175</b>
<b>Transparency rate on costs</b>	<b>99.4%</b>	<b>98.5%</b>

**Collective investments where costs not known (non-transparent investments)**

<b>ISIN</b>	<b>Supplier</b>	<b>Name of product</b>	<b>Quantity</b>	<b>Market value (CHF) at 31.12.2017</b>
IE00BV9G3B70	Akt. -III-:Guggenheim Qualif. Inv.	Guggenheim Qualifying Investor F.	92'516	10'047'926
INT2462	-	Ant Brentwood VI-A	108'516	105'749
INT2280	-	Parts Accel-KKR Capital V LP	944'764	866'282
				<b>11'019'957</b>

These funds were issued in 2017, the TER are not known yet.

**At 31.12.2016, non-transparent investments were as follows:**

ISIN	Supplier	Name of product	Quantity	Market value (CHF) on 31.12.2016
LU1387565564	TSC Fund SICAV-SIF	Eurocare Real Estate Fund	10'000	10'721'259
GG00BZ4BLP53	Parts CS L/S Swiss Franc	Bond Fund Limited : Class-SB-	95'973	10'101'218
XFO040782165	Parts ELEUTHERA SPC		300	3'216'378
				<b>24'038'855</b>
			<b>2017</b>	<b>2016</b>
			<b>CHF</b>	<b>CHF</b>
Asset management costs billed and booked directly			5'972'046	3'697'931
Sum of TER costs for transparent collective investments			8'680'052	5'504'861
<b>Total asset management costs booked</b>			<b>14'652'098</b>	<b>9'202'793</b>
<b>In % of transparent investments</b>			<b>0.82%</b>	<b>0.58%</b>
<b>6.8.9.1 Administrative costs of securities investments</b>			<b>-4'020'504</b>	<b>-2'218'463</b>
Costs on securities transactions			-1'609'541	-553'853
Costs on current accounts			-18'332	-13'012
Asset management costs Credit Suisse			-189'957	-207'165
Asset management costs UBS			-170'104	-199'411
Costs for bookkeeping of securities Credit Suisse			-24'030	-24'030
Asset management costs - Unicapital IV-V			-110'914	-17'756
Asset management costs - Portfolio Advisors			-271'124	-210'191
Asset management costs - Private Equity portfolio via Portfolio Advisors			-1'293'932	-669'596
Asset management costs - Supre Ltd			9.7.2 -2'977	-4'345
Asset management costs - Supre Real Estate			9.7.2 -61'589	-43'034
Asset management costs - Alinda III			-217'128	-90'710
Asset management costs - Swiss Collective Pension			9.7.2 -2'714	-14'735
Asset management costs - Miscellaneous			-13'855	0
Costs for management support Dionysos Consulting SA			-32'076	-122'852
Asset management costs - Investment Committee			-2'230	-47'774
<b>6.8.9.2 Administrative costs of real estate investments</b>			<b>-1'951'541</b>	<b>-1'479'468</b>
Fees for financial, rental and administrative management, property agencies			-903'620	-758'938
Fees for technical management, property agencies			-81'102	-57'316
Fees for dynamic management of the portfolio CBRE			-186'240	-229'996
Fees for evaluation CBRE			-12'097	0
Fees for supervision CBRE			-731'733	-394'468
Management fees for properties in life annuity commitment TOUBATI Sàrl			-36'750	-38'750
<b>6.8.9.3 Sum of costs calculated on the basis of the TER</b>			<b>-8'680'052</b>	<b>-5'504'861</b>
Sum of TER costs (communicated by Credit Suisse)			-8'680'052	-5'504'861
			<b>-14'652'098</b>	<b>-9'202'793</b>

**6.8.9.4 Performance of investments**

According to the depository of the securities, the performance realised on the whole of the investments during the 2017 financial period is 5.26%, as against 4.94% during the 2016 period.

**6.9 Market values and co-contracting parties in securities lending**

Nil

## 6.10 Explanation of investments with employers and of the employers' contribution reserves

	31.12.2017	31.12.2016
	CHF	CHF
Claims of employer contributions, gross	4'460'369	4'544'965
Provision for losses on employer claims	-91'800	-222'200
<b>Claims of employer contributions, net</b>	<b>4'368'569</b>	<b>4'322'765</b>
Balance of the employer contributions reserve at 1 January	4'558'726	3'873'206
Inflows in the employer contributions reserve	1'238'986	1'310'610
Use of the employer contributions reserve	-1'250'232	-625'090
<b>Total employer contributions reserve</b>	<b>4'547'480</b>	<b>4'558'726</b>

The term "claims of employer contributions" 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 2018. Contributions still outstanding are the object of regular follow-up.

## 6.11 Exercise of voting rights

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

## 7 Explanations relating to other items on the balance sheet and operating account

### 7.1 Explanation of the item 'vested benefit lump sums'

	31.12.2017	31.12.2016
	CHF	CHF
Vested benefit lump sums, active insured	132'131'524	196'086'329
Vested benefit lump sums, allocated retroactively	27'070	113'980
Vested benefit lump sums, active insured, received after their exit	468'590	298'631
Vested benefit lump sums disabled insured	1'395'306	3'204'568
<b>Total of item 'vested benefit lump sums'</b>	<b>134'022'491</b>	<b>199'703'508</b>

### 7.2 Explanation of the item 'vested benefits in case of exit'

	31.12.2017	31.12.2016
	CHF	CHF
Exit benefits, active insured	-68'811'302	-78'341'108
Exit benefits, active insured, received after their exit	-468'590	-298'631
Retroactive exit benefits, active insured	-4'321'560	-3'680'753
Exit benefits transferred to disabled pensioners	-789'898	-79'867
Disposable funds transferred	-51'802	0
<b>Total of the item 'vested benefits in case of exit'</b>	<b>-74'443'153</b>	<b>-82'400'359</b>

### 7.3 Explanation of the item 'contributions'

	<b>31.12.2017</b>	<b>31.12.2016</b>
	CHF	CHF
Savings bonuses	74'636'235	68'085'696
Contributions to cover risks disability and death	10'963'880	11'363'901
Contributions to the guarantee fund	342'009	290'487
Contributions for administrative costs	2'447'016	2'289'730
Contributions for adaptation of pensions to inflation	934'089	930'417
<b>Total of contributions, gross</b>	<b>89'323'228</b>	<b>82'960'232</b>
i.e:		
Contributions of employees	36'198'576	33'352'596
Contributions of employers	53'124'652	49'607'636

### 7.4 Explanation of the item 'debtors'

	<b>31.12.2017</b>	<b>31.12.2016</b>
	CHF	CHF
Current account withholding tax	2'576'051	3'166'400
Mathematical reserves to be received	0	24'864'164
LOB guarantee fund	0	16'427
<b>Total of item 'debtors'</b>	<b>2'576'051</b>	<b>28'046'990</b>

### 7.5 Explanation of the item 'accruals and deferrals, assets'

	<b>31.12.2017</b>	<b>31.12.2016</b>
	CHF	CHF
Accrued interest	95'840	93'562
Properties rents to be received	413'897	345'383
Available on properties to be received	0	555'380
Benefits to be received from the reinsurer	15'931	38'028
Vested benefit to be received	8'872	0
Employer buybacks to be received	74'366	0
Mathematical reserves for pensioners to be received	0	4'578
Risk premium paid in advance	5'694'963	5'091'000
Invoices paid in advance	63'401	23'605
Retrocessions	180'918	67'271
Revenue on securities investments to be received	217'133	0
Tangible assets	381'584	0
Intangible assets	400'159	0
Miscellaneous	47'370	4'112
<b>Total of item 'accruals and deferrals, assets'</b>	<b>7'594'435</b>	<b>6'222'919</b>

## 7.6 Explanation of the item 'accruals and deferrals, liabilities'

	<b>31.12.2017</b>	<b>31.12.2016</b>
	CHF	CHF
Amounts to be reimbursed	4'620	304'847
Salaries to be paid	894	0
Pension insurance capital received in advance	14'350'000	0
Vested benefit received but not allocated	0	92'770
Buybacks received but not allocated	59'000	412'359
Vested benefits and pensions to be paid	27'277	0
Vested benefits received in advance	863'599	184'566
Contributions cashed in advance	33'169	41'462
Various fees to be paid	65'000	92'324
Interna - Various fees to be paid	35'168	0
Balance commission costs to be paid	1'009'822	986'408
Properties rents received in advance	83'451	99'570
Benefits received in advance from the reinsurer	794'242	797'312
Various invoices to be paid	141'254	34'896
Securities management costs to be paid	226'250	102'270
Properties - various charges to be paid	3'168	6'125
Mathematical reserves to be paid	0	156'829
Interna - various charges to be paid	203'718	117'653
<b>Total of item 'accruals and deferrals, liabilities'</b>	<b>17'900'633</b>	<b>3'429'391</b>

## 7.7 Explanation of the item 'mortgage debts'

The detail of the mortgage debts with Credit Suisse at 31 December 2017 is as follows:

	<b>Amount in CHF</b>	<b>Interest rate</b>	<b>Start of contract</b>	<b>Due</b>
Fixed mortgage	10'000'000	3.60%	31.03.2007	30.03.2022
Fixed mortgage deferred effects	10'000'000	3.05%	28.04.2009	28.04.2018
Fixed mortgage deferred effects	10'000'000	3.20%	28.04.2009	28.04.2019
<b>Total mortgages</b>	<b>30'000'000</b>			

This is a global framework contract, guaranteed by the mortgage notes mentioned under figure 9.1. At 31 December 2016, the total amount of mortgages was CHF 34 million.

## 7.8 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 will be amortized over a total period of 14 years.

## 7.9 Detail of administrative costs

	2017	2016
	CHF	CHF
<b>General administration</b>	<b>-2'781'416</b>	<b>-2'552'409</b>
- Running costs	-766'759	-661'174
- Fees for administrative management, Swiss Risk & Care S.A.	-1'753'691	-1'606'878
- Fees Dionysos Consulting S.A.	-5'832	-7'452
- Attendance fees of the Board and Committees (incl. charges)	-135'419	-159'550
- Fees for various mandates	-119'716	-117'355
<b>Marketing and advertising</b>	<b>-344'181</b>	<b>-290'751</b>
- Various costs for advertising & marketing	-344'181	-290'751
<b>Brokerage</b>	<b>-3'181'233</b>	<b>-3'090'523</b>
- Brokerage costs	-1'981'233	-1'890'523
- Commercialisation costs, Swiss Risk & Care S.A.	-1'200'000	-1'200'000
<b>Auditing body and expert on occupational pension insurance</b>	<b>-267'716</b>	<b>-232'609</b>
- Fees of the expert, Mercer S.A.	-131'544	-138'901
- Auditing fees, Ernst & Young S.A.	-136'172	-93'708
<b>Surveillance authorities</b>	<b>-19'797</b>	<b>-20'709</b>
- Cantonal surveillance authority	-14'300	-15'700
- High surveillance authority of occupational pension insurance	-5'497	-5'009
<b>Total of the item "Administrative costs"</b>	<b>-6'594'341</b>	<b>-6'187'001</b>

## 8 Requests from the surveillance authority

The financial statements at 31 December 2016 have not yet been the object of remarks from the surveillance authority. We have responded to all requests formulated for the 2017 period.



## 9 Other information relating to the financial situation

### 9.1 Pledging of assets

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

Properties	Note 1st level	Note 2nd level	Note 3rd level	Total CHF
Bussigny, Lausanne 8	3'000'000			3'000'000
Corsier, Ch. Neuf 1-3	520'000	150'000		670'000
Geneva, Cavour 17	3'030'000			3'030'000
Geneva, Contamines 1	4'600'000			4'600'000
Geneva, 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
Mont-s/-Lausanne, 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
Neuchâtel, Grand-Rue 1a	1'800'000	450'000		2'250'000
Nyon, Levratte 8-38	60'000'000	5'000'000	420'000	65'420'000
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	5'000'000		8'000'000
<b>Total</b>	<b>104'287'000</b>	<b>16'385'800</b>	<b>2'920'000</b>	<b>123'592'800</b>

A limit of CHF 200 million, according to a framework contract on cover of maintenance margins, is a limit serving to cover the exposure value of the portfolio in options (on deposit 0251-759783-44-4), a surety bond limit in case of acquisition of properties in German-speaking Switzerland, as well as a surety bond for works underway relating to the property in Crans, Pas de l'Ours 4. It is guaranteed by the pledge of a part of the securities on deposit.

### 9.2 Overdraft / Explanation of measures taken (art.44 OBB 2)

None

### 9.3 Renunciation of use by the employer of the employer contributions reserve

None

### 9.4 Partial liquidations

None

### 9.5 Legal proceedings underway

None

## **9.6 Particular operations and transactions on the assets**

None

## **9.7 Other Information**

### **9.7.1 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 administrative and technical management, effective 1 January 2018. All costs inherent in this internalisation project are mentioned under a specific heading « Internalisation costs ». This covers costs of functioning, infrastructure, licences and customizing, development and advice.

### **9.7.2 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 belongs 100% to Copré.

The company Swiss Collective Pension Ltd, Cayman Islands, was created in 2016 to be able to grant 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 belongs 100% to Copré.

The company Supre Real Estate Ltd, Cayman Islands, was created in 2016 to be able to acquire 50 lots of the Margarita Ville Beach Resort, Grand Cayman. It belongs 100% to Copré.

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

None





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