

Report of the Board of Trustees 2012

2012 proved to be an extremely busy year during which your Board of Trustees was very active in many different areas, and with a more than satisfactory result, as you already noted in our March newsletter.

The slogan "**3%, 103%, 3%**" refers to the following key figures:

- the strengthening of the balance sheet by reducing the technical interest rate from 3.5% to **3%**
- the degree of cover at **103%**
- the interest rate distribution of **3%** on the total retirement capital, equivalent to twice the LOB interest rate!

We trust that you are satisfied with such a pleasing performance.

The performance achieved over all the investments during the course of 2012 amounted to 7.19%. This result was positively influenced by the sale of properties located in Montreux, which resulted in a gain of almost CHF 4 million compared to the balance-sheet value of this object, the performance of which, from its purchase in 2007 until its sale, was over 9.84%. We wish here to thank our real estate manager, GFI, who successfully led these negotiations. The arrival of Mr Martin Dunning, SPG Intercity, in the Investment Committee also proved to be very valuable, and his advice was most useful in configuring the real estate activities, thus enabling us to launch a call for tender for our property manager, as previously announced last year.

In June 2012, Copré was rewarded for the second time (after 2009) by the German newspaper "Sonntagszeitung", for having obtained the highest 7 year return amongst Swiss collective pension funds. We are particularly pleased with this award, as it is in line with our stated objective of obtaining "the highest return for our insured, with effective risk management".

At our last Ordinary Annual General Meeting, we took note of the resignation of Mr Pierre Michel, a former Chairman of our Board, after more than 17 years of service on our Board of Trustees. It was on his initiative that Copré became an independent institution in 1998. His courage, common sense and determination certainly had a decisive influence on the development of Copré as a solid and flourishing institution. He was replaced, at the Extraordinary General Meeting held on 6 December 2012, by Mr. Christian Gerbail, who was already a member of our Investment Committee. Trained and highly experienced in the field of finance, Mr Gerbail has been, since 2008, a professional consultant with pension funds as well as an expert in our pension plan system. He took up his duties with energy and determination and we can already salute him for his sense of initiative and his creativity.

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As you know, regulatory restrictions continue to reduce our margin for manoeuvre, slowing down our decision-making process and increasing our administrative costs, with no real benefit for our insured. However, your Board of Trustees does its utmost to remain pragmatic and to operate in a rational way with common sense and efficiency. The presence of Mr Robert Fiechter, a lawyer and Vice-Chairman of our Board, is particularly appreciated in this area.

We are continuing to expand, with +6.2% affiliates, +2.3% insured, +9% in pension capital, and +11.2% in assets. This positive development shows that Copré's advantages are recognized by pension planning professionals and that the institution deserves its position among the front runners of Swiss pension funds. The phenomenon of concentration of small-sized actors continues, and your Board is presently studying a possible new growth opportunity. However, nothing will actually materialize without offering a real advantage for our affiliates.

The Communications Committee, chaired by Mr Robin Gordon, a member of our Board, has made a point of communicating both our results and our strong points. You have no doubt noticed the displays of "post-its" and our "key to an effective professional pension scheme" in specialized press publications. We have also started to plan for the celebration of Copré's 40th anniversary which will take place next year. We would not wish to end this report without mentioning the pleasure we derive from managing our Foundation, despite the increasingly heavy workload. It is gratifying to succeed in steering the ship through rough seas and to end the year with clearly encouraging results. Moreover, our work is carried out in a positive atmosphere in which everyone has his place, is respected and can express himself freely, often relating to his specific field of activity. We are making every effort to ensure that this positive atmosphere continues into the future.

The Board of Trustees

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