

To whom it may concern

Lausanne, 10th March 2021

TOGETHER AND INFORMED 2/2021

Dear insured persons, affiliated companies and partners,

We hope our message finds you in good health.

Our teams are pursuing their daily tasks, working today for the most part from home office. Of course, we are hoping for a return to 'normal service' within the next few weeks.

Situation on the financial markets

The euphoria on the stock markets at the beginning of the year has faded somewhat. The prime factor encouraging a more cautious approach is the very marked increase in the interest rates on US 10-year bonds.

In breaking through the psychological barrier of 1.5%, these appear to be anticipating the return of a certain measure of inflation. This scenario is reinforced by the evolution of raw material prices, led by the oil price, which has practically doubled since Joe Biden was elected President of the United States. However oil is not the only element in question. Prices of agricultural products such as wheat, soya and maize have risen alarmingly over recent months, and certain industrial metals have followed the same curve.

The factors behind this generalised increase are multiple: the strength of the global economic indicators, Chinese in particular, as well as the stimulus packages amounting to thousands of billions of dollars. To which must be added the strategic stocks that China is building up to avoid being taken by surprise by the interruption of its supply chain, as it was the case in March 2020, in the midst of the pandemic. Let us not forget that China's new 5-year plan is based on two main focuses: the internal market and technological self-sufficiency.

The change of paradigm in interest rate levels has accelerated the process of sector-based rotation in shares. The most over-valued stocks in technology and green energies have been sold massively in favour of more traditional or cyclical companies. The US Dollar has also emerged stronger.

In Europe, the appointment of Mario Draghi as head of the Italian government has provided substantial relief to political and financial circles and led to a rebound in the exchange rate of the Euro against the Swiss Franc.

Despite a rather high volatility, the month of February posted a result that was generally positive, knowing that a large part of this performance, when converted into Swiss Francs, comes from currency gains.

Performance

Our Foundation's non-audited indicative performance as at 28th February 2021 was at +0.51%. By way of comparison, the UBS index for pension funds with assets over 1 billion was at +0.40%.

On 8th March 2021, the performance was at +1.20%.

Our 2020 financial statements will be revised at the end of March 2021. We will then be able to inform you of our Foundation's coverage rate.

Reform of the LPP21

In the framework of the draft reform of occupational pension plans, Copré – La Collective de Prévoyance, which is part of the Association interpension (Community of interests of collective and common autonomous pension funds), supports the ASIP/middle way which presents obvious advantages, as it:

- immediately extends pension insurance for the low-salary sector, but remains moderate in order to stay financially viable, because an excessively marked strengthening would harm insured persons due to the increase in salary costs through higher deductions.
- supports a compensation model that is easy to implement and makes it possible to absorb the provisions already constituted in a decentralised manner.
- compensates the period of pension payment by a longer contributions period. The lower age for beginning contributions has a targeted effect on insured persons in low-salary sectors who are concerned by the mandatory pension scheme system of the LPP.
- includes an immediate and one-time adaptation of the LPP conversion rate to a maximum of 6%.
- maintains the entry threshold.

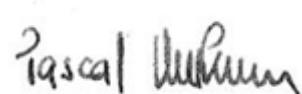
The compensatory pension must be funded exclusively in the framework of the 2nd pillar: we reject the introduction of elements linking the AVS to occupational pension plans.

Dear insured persons, affiliated companies and partners, we send you our warm greetings and thank you for your confidence.

Take good care of yourselves!



Claude Roch
Chairman of the Board of Trustees



Pascal Kuchen
Managing Director