

## TOGETHER AND INFORMED 10/2022

Dear insured persons, affiliated companies and partners,

We hope this message finds you in good health.

**Key figures as at 30 September 2022 (indicative data)**



**101.60%**

NON-AUDITED COVERAGE RATE



**-8.34%**

NON-AUDITED NET  
PERFORMANCE

Our Foundation has total assets of CHF 4.546 billion  
21,805 persons are affiliated and 2,857 pensioners are insured.



### SITUATION ON THE FINANCIAL MARKETS

As seen by our CIO, Jean-Bernard Georges

The month of September was one of the most difficult in recent history on the financial markets.

Despite interest rate hikes unprecedented in scale and speed, the central banks are struggling to reduce inflation.

It is becoming increasingly evident that a recession will be necessary to achieve this objective, as the job market remains very buoyant in the USA, with still a considerable number of job vacancies to fill.

Rates for 10-year Swiss bonds have now reached 1.5% (4% for American bonds), a level not seen for over a decade. The era of negative rates and easy money appears to be well and truly over. Even if this is basically good news, the change of regime is a painful one.

The UK came close to a financial crisis after the announcement by the new government of Liz Truss of a 2023 budget which was completely unbalanced. The pound sterling and British bond market came under massive speculative attacks, prompting the Bank of England to intervene.

The conflict in Ukraine escalated significantly with the annexation of the provinces occupied by the Russian Federation. The risk of further escalation is becoming ever greater.

At its latest meeting our Investment Committee proceeded to a new detailed analysis of the situation. Our philosophy remains unchanged: focusing on a balanced and diversified allocation of assets with a long-term perspective, and refraining from attempts to forecast market movements in the short term. We also consider that it is still too early to rebalance the investments in shares and bonds which have suffered greatly this year. Greater visibility is required. We have decided to increase our allocation in physical gold as a protection against geopolitical risks.



## PERFORMANCE

The indicative performance of the Foundation's assets is estimated at -8.34% as at 30.09.2022.

The UBS and Credit Suisse indexes of all pension funds post results of -11.14% and -11.71% respectively.

Our diversified investment strategy enables us to significantly limit the current non-realised losses, as we are at approximately 70% of the decline registered by the average of the pension funds, and at about 50% of the drop in the Pictet LPP25 and LPP40 indexes. This significantly lower non-realised loss constitutes a validation of our investment philosophy and assets allocation.



## MINIMUM INTEREST RATE

The minimum interest rate applied in occupational pension insurance will remain set at 1% next year.

At its meeting of 12 October 2022, the Federal Council was informed that it was not necessary to review the rate this year.

This rate determines the minimum interest at which retirement assets in the mandatory regime should be remunerated, in line with the Federal Law on Occupational Old Age, Survivors' and Disability Benefit Plans (LPP).

<https://www.admin.ch/gov/fr/accueil/documentation/communiques.msg-id-90652.html>

The Board of Trustees will make a decision in mid-January 2023 on our Foundation's remunerative interest rate for the year 2022, as well as on the rate applied for exits during the 2023 financial year, and this for the whole of the retirement assets (mandatory and extra-mandatory regimes).



## ADJUSTMENTS OF THE KEY FIGURES AS AT 1 JANUARY 2023

AVS/AI pensions will be adjusted to the evolution of salaries and prices at 1 January 2023. The Federal Council took this decision at its meeting of 12 October 2022. Based on a full contribution period the minimum AVS/AI pension will then amount to CHF 1,225 per month (CHF 14,700/year) and the maximum pension to CHF 2,450 (CHF 29,400/year).

This modification of AVS pensions impacts the amounts used in the mandatory occupational pension insurance. Accordingly, the amount of the coordination deduction will be increased from CHF 25,095 to CHF 25,725 and the entry threshold will go from CHF 21,510 to CHF 22,050.

The maximum tax deduction authorised in the framework of a tied private pension plan (pillar 3a) will rise to CHF 7,056 francs (as against CHF 6,883 today) for persons possessing a 2<sup>nd</sup> pillar, and to CHF 35,280 (as against CHF 34,416) for those who do not have one.

These adjustments will come into force on 1 January 2023, according to the Federal Council's communiqué. <https://www.admin.ch/gov/fr/accueil/documentation/communiques.msg-id-90661.html>

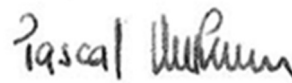
You will find on our website (under the heading 'Forms'), a summary of the new key figures as at 1 January 2023.

Dear insured persons, affiliated companies and partners, we send you our warm greetings.

Take good care of yourselves.



Claude Roch  
Président du Conseil de fondation



Pascal Kuchen  
Directeur général