



The most important points in brief

	31.12.2021	31.12.2020
Total of balance sheet (million CHF)	1249	1231
Performance	6.19%	3.36%
Performance benchmark	5.99%	4.39%
Coverage ratio	114.33%	111.42%
Technical basics	BVG 2020, GT, 1.25%	BVG 2015, GT, 1.50%
Annual interest of savings capital	5.50%	2.00%
Minimal rate of interest according to BVG	1.00%	1.00%
Total affiliation contracts	83	77
Total actively insured persons	1612	1606
Total pension recipients	2261	2358
Cost transparency ratio	100.00%	100.00%
Administration expenses in % of the transparent asset investments	0.32%	0.35%
Administrative expenses per member (in CHF)	206.00	241.00

Excerpt from the 2020 annual report

Political and economic environment

Towards the end of the previous year, the stock markets had celebrated the breakthroughs in the development of vaccines with skyrocketing prices. Despite many risk factors, this positive basic mood on the markets was maintained for the whole of 2021. Many share indices reached all-time highs over the course of the year. While the virus once again really dampened the mood at the end of the year, at the same time the economy is booming as it rarely has before.

However, this positive development was only possible because the global economy has been and is still being supported by fiscal stimulus packages and massive intervention by central banks. The side effects of these measures are the continuing low interest rates and the return of inflation.

The latter, in particular, made an impressive comeback! After years of low or no inflation, it returned with unexpected intensity in many industrialised countries. For instance, inflation in the USA rose to 6.8 per cent, the highest level in almost 40 years. But the euro area also recorded a price increase of around 5 per cent. Although part of the rise can be explained by the recovery following the price cuts due to the pandemic in the previous year, it remains uncertain how much of the price adjustment will be temporary and how much permanent. In the USA and the UK, there are now signs that they are about

to turn away from expansionary monetary policy. The European Central Bank (ECB) still has its foot on the accelerator. As long as the ECB does not make a move, the Swiss National Bank (SNB) is also likely to continue its current policy. The markets are still responding calmly. If that changes, volatility on the markets will rise sharply.

The Swiss real estate market is hardly suffering from the coronavirus pandemic. Residential properties are still the preferred real estate investments. With the positive economic outlook, price rises are also expected in the future. Office buildings, on the other hand, are experiencing negative trends. Ascaro is not very allocated and well-allocated respectively in this respect.

Investment activities

The new investment strategy was put into effect at the start of 2021. The new strategy is slightly less risky and provides for allocations of 5 per cent to liquidity, 31 per cent to bonds, 21 per cent to equities, 40 per cent to real estate and 3 per cent to alternative investments. The resulting return and risk expectations thus perfectly match the long-term liability structure and are geared towards financial stability. This was implemented over the course of the year.

The assets invested by Ascaro Vorsorgestiftung amount to 1.249 billion francs as of year-end.

Thanks to the burgeoning real assets (equities and real estate), the 2021 investment year went down in history as a successful one. Despite many risk factors and after already strong previous years, the equity markets gained around 20 per cent. Directly held properties also continue to generate an attractive net yield.

With an annual return of 6.19 per cent, Ascaro also benefited from the market environment. Due to the structurally more conservative approach, it was less than the general market but slightly more than the internal benchmark and the “Pictet BVG 2015-25” index (4.42 per cent), which is close to our positioning.

Technical interest rate, coverage ratio and interest on savings capital

The new basic technical principles for “BVG 2020” were published in mid-December 2020. The biometric information contained therein is needed to calculate pension obligations in pension funds. The currently used basic principles “BVG 2015” therefore no longer take into account the latest observation periods and trends, and must therefore be replaced by the new principles. The Board of Trustees has consulted on this matter and decided to switch to the new principles. This change will result in an unforeseen positive valuation difference for Ascaro.

This led the Board of Trustees to strengthen the balance sheet in the form of, among other things, a further reduction in the technical interest rate to 1.25 per cent and to provide for the partial creation of a provision for a further

reduction step to 1 per cent in the future. This provision will be built up over three years.

The return achieved enabled the coverage ratio to be further strengthened, as well as improved balance sheet stability. It rose to 114.3 per cent compared to 111.4 per cent in the previous year.

The solid financial situation of Ascaro Vorsorgestiftung and the exceptionally successful 2021 investment year encouraged the Board of Trustees to grant additional benefits: the active insured persons who were already members of Ascaro on 31 December 2020 benefited from additional interest of 3.5 per cent, while pensioners received an additional CHF 1,000 which was paid out with their October pension. We were very pleased with the numerous positive reactions to these so-called benefit improvements - we see them as a sign of our solidarity with our beneficiaries. For 2021, the pension capital of the active insured persons thus earned total interest of 5.5 per cent (previous year: 2 per cent). The Board of Trustees has set the interest rate at 2 per cent for 2022, taking into account the statutory framework conditions. The interest rate for Ascaro is therefore twice the minimum interest rate under the Occupational Pensions Act, which was set by the Federal Council at the unchanged rate of 1 per cent. This higher interest rate applies to both compulsory and voluntary retirement assets. Ascaro is therefore sticking to its consistently high interest rate on savings capital, as confirmed by the five-year average of 3.1 per cent per year.

Board of Trustees, committees, Executive Board

There were no changes to the composition of the Board of Trustees in 2021. As planned, it was able to address the pending issues at four ordinary meetings. At a workshop, it dealt with the aforementioned changes to the "technical principles". The individual agenda items were discussed in advance by the relevant committees and prepared in such a way that the Board of Trustees just needed to vote on the resolutions.

In the reporting year, Ascaro succeeded in getting a number of smaller businesses to join them following a lively tendering phase. Following low demand in the first year of the coronavirus pandemic, demand rose markedly in 2021, although primarily via the broker channel. Our chances of concluding contracts are minimal here, as we do not pay brokerage fees to the detriment of employees in line with our policy. Our strength lies in directly addressing company owners. Compared to the previous year, the policyholder structure remained almost unchanged.

Outlook

The market environment remains challenging. Particular attention continues to be paid to containing the coronavirus pandemic around the world. The economic damage appears to be limited, especially as the growth momentum

in the USA and China remains high. Nevertheless, persistent concerns about inflation, the likely diminishing monetary tailwind and geopolitical tensions (USA/China, Ukraine/Russia and others) could lead to more unrest on the capital markets.

Despite increasing uncertainties, the financial situation of our pension foundation is solid and we have done our homework to date. The exceptionally good investment result for 2021 allowed the key financial figures to be further strengthened. The technical parameters are in line with the market, the fluctuation reserves have almost been fully created and we are able and intend to continue the policy of paying attractive interest on retirement assets.

We would like to thank you very much for the trust you have placed in Ascaro and its exponents and look forward to supporting you in the new year too.

Bern, January 2022

Ascaro Vorsorgestiftung

Balance sheets

Assets

(in CHF)	31.12.2021	31.12.2020
Investments	1 248 389 653.42	1 231 133 327.08
Cash	152 615 382.01	168 081 621.10
Receivables	2 559 693.29	3 594 720.35
Receivables from employers	1 414 256.50	1 121 895.70
Bonds (incl. mortgages)	314 653 578.24	256 442 294.60
Equities	261 241 088.76	304 291 568.92
Alternative investments	45 529 670.84	76 008 950.16
Real estate	470 375 983.78	421 592 276.25
Prepayments and accrued income	252 606.72	18 535.13
Total assets	1 248 642 260.14	1 231 151 862.21

Liabilities

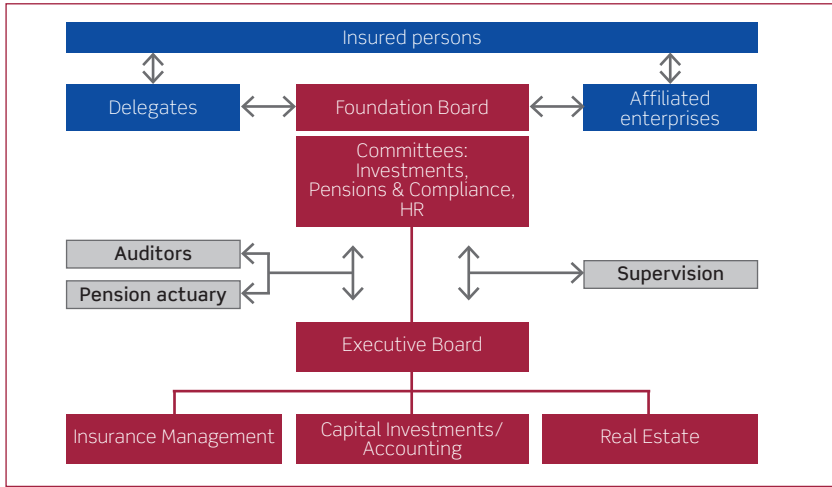
(in CHF)	31.12.2021	31.12.2020
Liabilities	4 632 353.30	4 253 431.54
- Termination benefits and pensions	2 205 251.20	1 744 518.25
- Other liabilities	2 427 102.10	2 508 913.29
Accrued liabilities and differed income	466 320.40	496 593.30
Contribution reserve employers	4 404 298.35	5 964 333.15
Pensions liabilities and actuarial reserves	1 083 826 304.75	1 095 328 806.35
- Savings capital from actively insured persons	296 428 698.75	298 210 151.35
- Savings capital from pension recipients	674 306 824.00	725 698 968.00
- Actuarial reserves	113 090 782.00	71 419 687.00
Reserve for fluctuation in asset value	155 312 983.34	125 108 697.87
Foundation capital, non-committed funds / shortfall in cover		
Status as per 1 January	0.00	0.00
+/- Income surplus /expense surplus	0.00	0.00
Status as per 31 December	0.00	0.00
Total liabilities	1 248 642 260.14	1 231 151 862.21

Income statement

(in CHF)	2021	2020
Ordinary and other contributions and transfers-in	21 765 171.45	22 760 383.53
Employee contributions		
- Savings contributions	8 342 139.05	8 341 163.45
- Risk contributions	1 159 643.00	1 177 126.15
Employer contributions		
- Savings contributions	9 299 132.80	9 201 445.85
- Risk contributions	1 370 012.25	1 370 393.00
Withdrawal from provisions for financing of contributions	-634 248.55	-1 751 633.15
One-time payments and purchase amounts	2 970 647.75	3 319 890.90
Payments into the employer contribution reserves	-925 786.25	911 185.83
Grants from the LOB Guarantee Fund	183 631.40	190 811.50
Entry lump sum transfers	18 113 603.25	18 749 963.70
Entry lump sum transfers	16 861 540.65	18 107 619.05
Deposits by takeover of insured persons into:		
- Reserves for fluctuation of asset value	3 710.40	0.00
- Savings capital from pension recipients	788 400.00	98 600.00
Reimbursement of withdrawals for home ownership/ divorce	459 952.20	543 744.65
Total inflow from contributions and entry lump sum transfers	39 878 774.70	41 510 347.23
Regulatory benefits	-66 356 984.70	-66 782 318.50
Retirement pensions	-43 341 911.20	-45 708 988.85
Survivor's pensions	-12 130 604.75	-11 935 710.25
Disability pensions	-1 351 264.00	-1 465 818.00
Divorce pensions	-41 508.00	-41 508.00
Other regulatory benefits	-52 999.25	-59 979.10
Lump-sum payments on retirement	-8 536 616.25	-7 223 352.70
Lump-sum payments on death and disability	-902 081.25	-346 961.60
Non-regulatory benefits	-2 294 414.00	-200 337.00
Voluntary benefits of the fund	-2 294 414.00	-200 337.00
Termination benefits	-25 743 578.60	-19 838 596.15
Termination benefits for leavers	-24 400 365.05	-17 806 426.60
Transfer of additional funds in the event of collective withdrawal	-954 901.00	0.00
Withdrawals for home ownership / divorce	-388 312.55	-1 863 046.55
Lump-sum payments on divorce	0.00	169 123.00
Total outflow for benefits and withdrawals	-94 394 977.30	-86 821 251.65

(in CHF)	2021	2020
Decrease (+)/increase (-) in insurance capital, actuarial reserves and contribution reserves	13 062 536.40	26 459 173.87
Dissolution (+)/formation (-) of insurance capital of active insured	11 272 007.65	6 521 176.45
Dissolution (+)/formation (-) of pensioners' insurance capital	51 392 144.00	26 696 934.00
Decrease (+)/increase (-) in actuarial reserves	-41 671 095.00	-1 992 759.00
Interest on retirement savings capital	-9 490 555.05	-5 606 624.90
Dissolution (+)/formation (-) of employer contribution reserves	1 560 034.80	840 447.32
Insurance expenses	-132 981.85	-133 862.35
Contributions to the LOB Guarantee Fund	-132 981.85	-133 862.35
Net result from insurance activities	-41 586 648.05	-18 985 592.90
Net return	76 664 529.87	42 825 032.15
Net return on liquid assets and money market demands	-2 953 062.35	13 203 422.86
Net return on bonds (incl. mortgages)	1 636 699.51	-2 970 573.36
Net return on equities	49 210 945.91	12 771 536.20
Net return on alternative investments	3 424 842.45	-3 439 357.99
Net return on real estate	25 345 104.35	23 260 004.44
Interest expenses	-20 646.98	-20 254.95
Administration expenses for investments	-4 056 353.00	-4 302 366.26
Total net return on investments	72 587 529.89	38 502 410.94
General administration	-796 596.37	-955 103.60
General administration expenses	-716 664.62	-856 346.10
Marketing and advertising	-2 918.15	-3 861.05
Auditors and pension actuary	-61 550.55	-78 984.45
Supervisory authorities	-15 463.05	-15 912.00
Income surplus / expenses surplus before releasing from /adding to fluctuations reserves	30 204 285.47	18 561 714.44
Decrease (+)/increase (-) in value fluctuation reserves	-30 204 285.47	-18 561 714.44
Income surplus / expenses surplus	0.00	0.00

Organisation



Governing body

Foundation Board Employer representatives	Function	Mandate as of	Elected until
Frey Roland	Chairman	01.03.2015	30.06.2024
Diener Felix	Member	23.08.2017	30.06.2024
Lack Daniel	Member	31.10.2011	30.06.2024
Perinpanathan Sarushan	Member	01.05.2019	30.06.2024
Rufi Harald	Member	01.07.2019	30.06.2024
Zaugg René	Member	01.01.2021	30.06.2024

Foundation Board Employee representatives	Function	Mandate as of	Elected until
Rüegsegger Markus	Vice-chairman	22.10.2013	30.06.2024
Lehmann Doris	Member	01.07.2020	30.06.2024
Müller-Hausherr Renee	Member	04.05.2017	30.06.2024
Odermatt Christoph	Member	09.05.2019	30.06.2024
Schweizer Jonathan	Member	03.05.2018	30.06.2024
Wellenreiter Jörg	Member	01.07.2020	30.06.2024

Executive Board	Function
Guntern Willy	Managing Director, Capital Investments/Accounting
Zingg Marlene	Deputy Managing Director, Head of Real Estate
Külhan Amse Tobias	Member, Head of Insurance management

Assembly of Delegates

The Assembly of Delegates is responsible for fostering close ties between the Foundation Board and the insured members. The delegates are elected by and from among the insured members for a period of four years (current term of office 2020–2024). The Assembly of Delegates is responsible for the election of the employee representatives on the Foundation Board and may submit proposals to the Foundation Board and seek information from the Foundation Board about general questions pertaining to the Foundation.

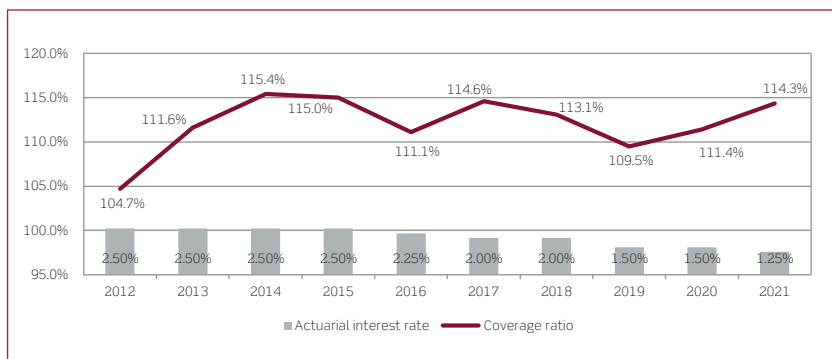
Pension actuary, auditors and supervision

Function	Mandatory
Pension actuary	Swiss Life Pension Services AG, Zurich, contractual partner Elena Fehr, executive expert
Auditors	PricewaterhouseCoopers AG, Bern Johann Sommer, lead auditor
Supervision	Bernische BVG- und Stiftungsaufsicht (BBSA), Bern (Ordnungs-Nr. BE.0221)

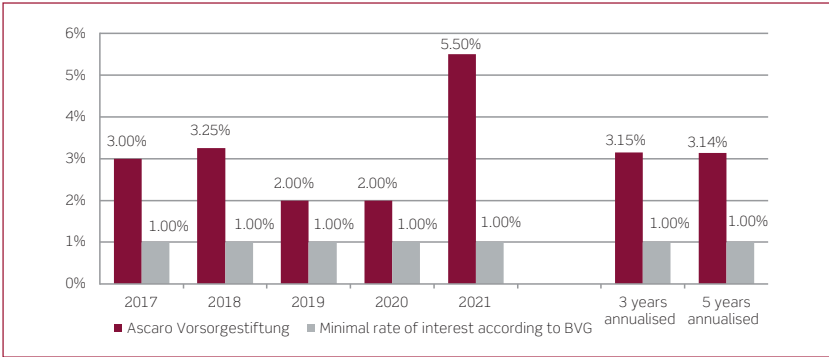
Actively insured persons and pensioners



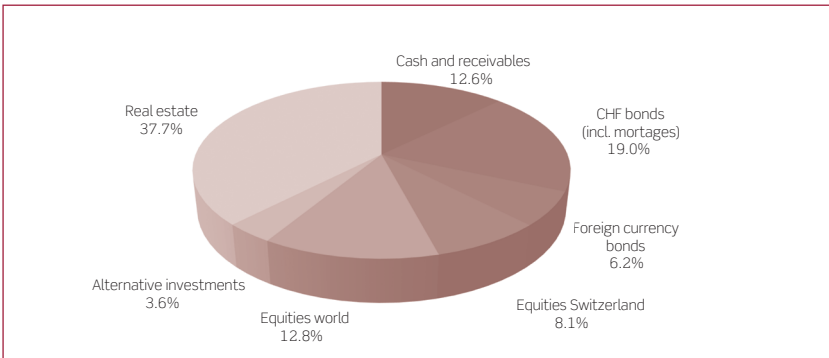
Development of the coverage ratio since 2012



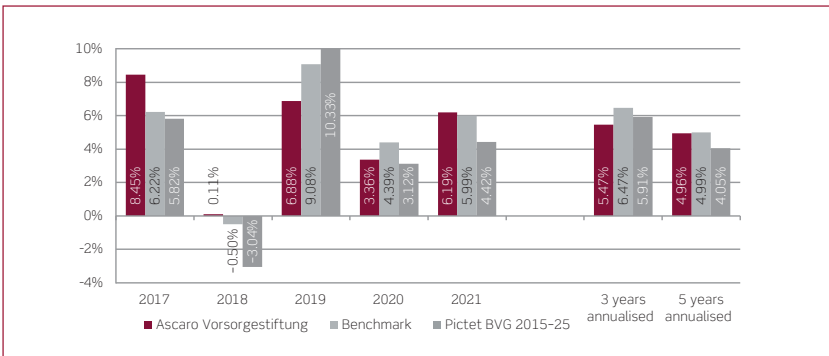
Interest rate for actively insured persons



Asset structure



Development of performance



The complete Annual Report (available in German only) can be downloaded from www.ascaro.ch

