

FINANCIAL STATEMENTS
2018



PATRIMONIA
PREVOYANCE
MODERNE

Warning

People who wish to have the complete annual report of the Patrimonia Foundation, prepared in accordance with the SWISS GAAP RPC 26 accounting standard, may obtain a copy by calling +41 58 806 08 00, or emailing info@patrimonia.ch or on our home page www.patrimonia.ch.

Comment on the financial year 2018

A VERY PROMISING FINANCIAL YEAR

When commenting on the performance of financial year 2018 it may be useful to recall what we wrote a year ago. We are consequently pleased with our solid, quality growth. As was evident in 2018, this growth is sustainable – we will come back to this Financial performance lagged slightly behind the indices of the major banks and we discovered that it was due to our cautious asset allocation, in particular our underweighting of risky assets (equities and alternatives). Even there, 2018 revealed the appropriateness of our approach: our portfolio held up better than the average portfolio of the 2nd pillar Swiss institutions.

A year ago we were still emphasising the need for caution and the equally necessary entrepreneurial spirit which were inevitably a hallmark of our activity. We have not changed our minds, nor our way of working! As stated above, we have continued to grow: +14% for the balance sheet total, the affiliations and the insured persons as at 31 December. In terms of performance, -2.88% (UBS performance index -3.28%) was recorded, which was disappointing overall – although our relative performance is encouraging – albeit tempered by the excellent performance in the 1st quarter 2019, which more than compensated for the performance in 2018.

Administrative costs 100% covered

Some more observations about 2018: the net insurance income is a significant improvement over the previous financial year. With regard to the administrative costs incurred by the Foundation, they are 100% covered by the fees charged and consequently do not affect the financial performance. This is our guarantee that these administrative costs are controlled and transparent. The past year also induced us to expand the team that manages Patrimonia to enable us to assure that the quality of our services will by no means suffer as a result of the growth that we are experiencing.

Lastly, we note the external factors which have had a profound impact this year, apart from the financial markets about which everything has already been said. The discontinuance by AXA of comprehensive group life insurance solutions has had a significant effect on the 2nd pillar market. It initially resulted in a huge influx of invitations to tender, as the affiliates of this insurer were seeking an alternative; and subsequently, a record number of affiliations, requiring a substantial investment by our management teams. The effect was mainly felt at the beginning of 2019.

rungen mit voller Deckung durch die Versicherungsgesellschaft AXA hat sich spürbar auf den Schweizer Vorsorgemarkt ausgewirkt. Dies führte zunächst zu einer massiven Zunahme der Angebotseinholungen, da die Versicherten dieser Gesellschaft nach einer Alternative suchten. In der Folge erforderte die Rekordanzahl der Neuversicherten einen grossen Einsatz unserer Führungsteams. Die Auswirkungen waren hauptsächlich Anfang 2019 spürbar.

Einhaltung der ESG-Kriterien

Auf politischer Ebene hat sich nichts ereignet, nachdem die Reform der Altersvorsorge 2017 an der Urne gescheitert war. Leider ist davon auszugehen, dass das Jahr 2019, in dem die eidgenössischen Wahlen der Volks- und Kantonsvertreter stattfinden, zumindest was die berufliche Vorsorge anbelangt, ähnlich wie 2018 verlaufen wird. Im Bereich Governance wird die Revisionsstelle der Stiftung äusserst positiv bewertet und sie erhält die Note B+ für die Einhaltung der ESG-Kriterien (Environment, Social, Governance), welche anhand einer einheitlichen Methode der wichtigsten Rating-Agenturen gemessen wird. Schliesslich wurde in technischer Hinsicht der Deckungsgrad auf 101% gesenkt, was die Verzinsung der Sparguthaben und die finanzielle Performance im 2018 widerspiegelt, sowie die weitere Bildung einer Rückstellung für die Senkung des technischen Zinssatzes. Die Qualität der Fundamente der Stiftung hat sich unterdessen weiter verstärkt durch die relative Abnahme der Rentenbezüger und des Durchschnittsalters der Versicherten.

2018 war ein schwieriges, wengleich auch vielversprechendes Jahr, in dem wir unserer Rolle als Konsolidierer in einem sich grundlegend wandelnden Markt erneut gerecht werden konnten.

KEY FIGURES

	2018	2017
Total assets of the Foundation (balance sheet)	CHF 1'004 mio.	CHF 883 mio.
Interest rate credited to affiliated members' accounts	1,00 %	2,50 %
Net performance on investments	-2,88 %	6,77 %
Funding ratio	101 %	107 %
Number of affiliated employers	724	636
Number of active insured members	8'540	7'537
Number of pension beneficiaries	741	689
Technical provisions	CHF 34.04 mio.	CHF 30.41 mio.
Benefits paid	CHF 100.05 mio.	CHF 97.29 mio.
Income collected	CHF 218.35 mio.	CHF 243.84 mio.

BOARD OF DIRECTORS OF THE FOUNDATION

	Position (4 year term of office)	Representation
Bardet Guy	Member until 31.07.2020	Affiliated employer
Curzon Jacqueline	Vice Chairman until 01.12.2021	Affiliated employer
Giavera Andrea	Member until 01.08.2019	Affiliated employer
Cuendet Yves	Chairman until 01.12.2021	Employee
Moscheni Fabrice	Member until 01.08.2019	Employee
Chassot Eric	Member until 01.12.2021	Employee

ORGANIZATION AND EXTERNAL SERVICE PROVIDERS

	Company
Occupational benefits expert	Christophe Steiger, allea
Auditor	Berney Associés Audit
Technical and administrative management	Internal management
Supervisory authority	ASFIP Genève
Asset managers	Babson / BCV / Credit Suisse / GAM / IST / Mirabaud / Patrimonium / Picard Angst / Pictet / Schroders / UBS / Vontobel
Property management	Bory & Cie / Wincasa / Broillet
Property expert	I Consulting / Helvetadvisors
Global Custody	UBS
Investment Controller	PPCmetrics
ISO 9001 quality certification	SQS
Internal quality auditor	Challenge Optimum / Nicolas Schwab

GOVERNANCE

Patrimonia highly values the compliance to legal requirements, loyalty and integrity. We have signed the ASIP Charter and put in place our own governance rules covering the aspects of organisation, behaviour, transparency and communication. Patrimonia is also a member of Ethos, the Swiss foundation for sustainable development, and of inter-pension, an association which defends the interests of joint and collective independent schemes.

An independent foundation

The management of Patrimonia is totally independent from any third party: no interest-bearing shareholders, no dependence on intermediaries and a team that is specifically dedicated to the administration of the foundation. In this way, Patrimonia works in the interest of its affiliates and insured members.

BALANCE SHEET AS OF 31.12.2018

(in CHF thousand)

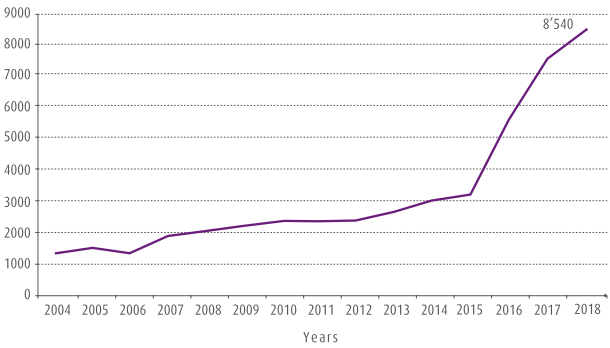
ASSETS	2018	2017
Cash and cash equivalents	59'654	14'268
Bonds	380'892	349'101
Equities	211'920	231'027
Alternative investments	49'235	40'272
Real estate	283'080	238'088
Investments with employers	16'022	6'251
Expenses prepaid	3'626	3'559
Total assets	1'004'429	882'566
LIABILITIES		
Amounts payable	28'248	25'035
Expenses accrued	37'623	5'238
Employer's contribution reserve	4'810	4'613
Non-actuarial provision	200	50
Vested benefits of affiliates	3'656	3'577
Occupational benefit capital and actuarial provisions	923'317	788'680
Value fluctuation reserve	6'575	55'373
Total liabilities	1'004'429	882'566

OPERATING ACCOUNT AS OF 31.12.2018

(in CHF thousand)

	2018	2017
Contributions and other amounts received	73'668	62'998
Payments upon joining	144'679	180'842
Transfer-in at entry	-24'737	-24'117
Termination payments	-75'311	-73'179
Accumulation/liquidation of actuarial capital, technical provisions and reserve	-134'824	-168'381
Proceeds of insurance benefits	176	189
Insurance costs	-584	-583
Net result of the insurance activity	-16'933	-22'231
Net result of investments	-27'805	51'988
Allocation of non-actuarial provisions	-150	-
Other proceeds	17	56
Administration costs	-1'935	-1'704
Brokerage costs	-1'314	-1'049
Marketing and publicity costs	-133	-129
Marketing cost	-414	-290
Other expenses	-131	-115
Surplus income/charges before setting up the value fluctuation reserve	-48'798	26'526
Liquidation/accumulation value fluctuation reserve	48'798	-26'526
Surplus income/charges	-	-

ACTIVE INSURED MEMBERS

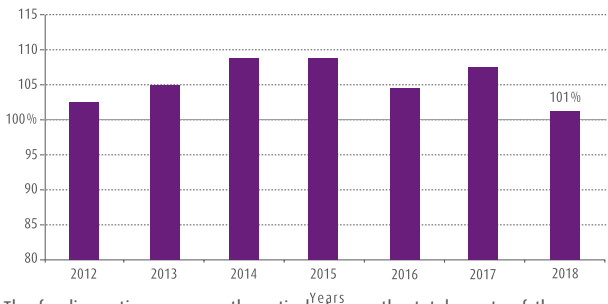


AFFILIATED MEMBERS



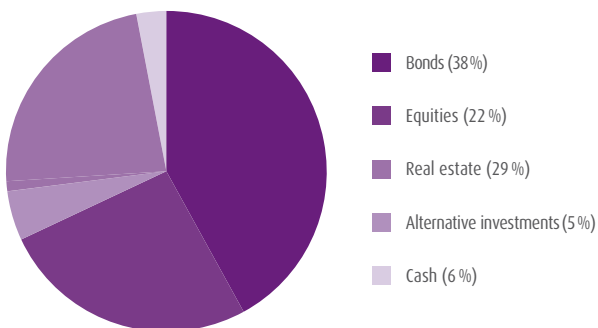
FUNDING RATIO

(actuarial rate of 2.5%, generational tables LPP 2015 as at 31.12.2018)



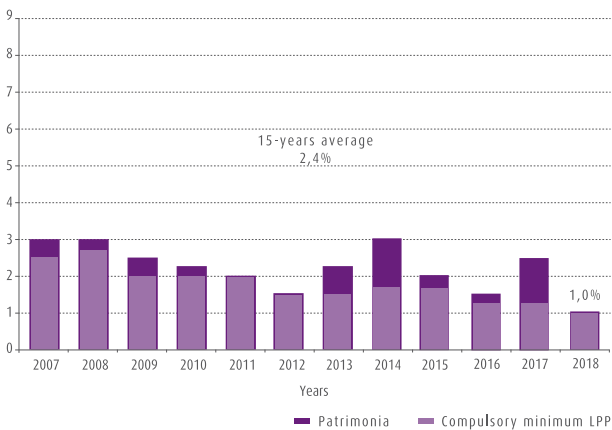
The funding ratio expresses the ratio between the total assets of the occupational benefits scheme and the total commitments in favour of insured members. A funding ratio equal to or greater than 100% means that the institution fully covers its commitments.

ASSET ALLOCATION AS OF 31.12.2018



CREDITED INTEREST RATE

on the whole insured members' savings capital



The interest rate is the amount credited each year to the insured members' account. Its minimum is set each year by the Federal Council on the basis of the forecast return on investments. Since its creation in 1984, the Patrimonia Foundation has regularly been able to pay a higher rate of interest than the legal minimum to its insured members.

PATRIMONIA, MODERN OCCUPATIONAL BENEFITS

Patrimonia is an independent occupational benefits foundation as per the Federal law on occupational retirement, survivors and disability benefits (LPP). Our mission is to be the reference partner for companies that opt for active management of their second pillar.

Personalisation

By joining Patrimonia, you benefit from a tailored 2nd pillar solution for your employees and executives. Close contacts with our affiliated members and professionalism enable us to satisfy the most specific requests. So much so that at Patrimonia there are more pension plans than affiliated companies!

Optimisation

Our total independence and continuous improvement dynamic enable us to give priority to our affiliated companies, free from any conflict of interest. The 724 businesses in French-speaking Switzerland which place their confidence in us benefit from perfect transparency and from our constant endeavour to optimise our performance, keep our risks under control and limit our costs.

Contact us to find out more.

PATRIMONIA
PREVOYANCE
MODERNE

Ihre Kontaktperson / Person to contact

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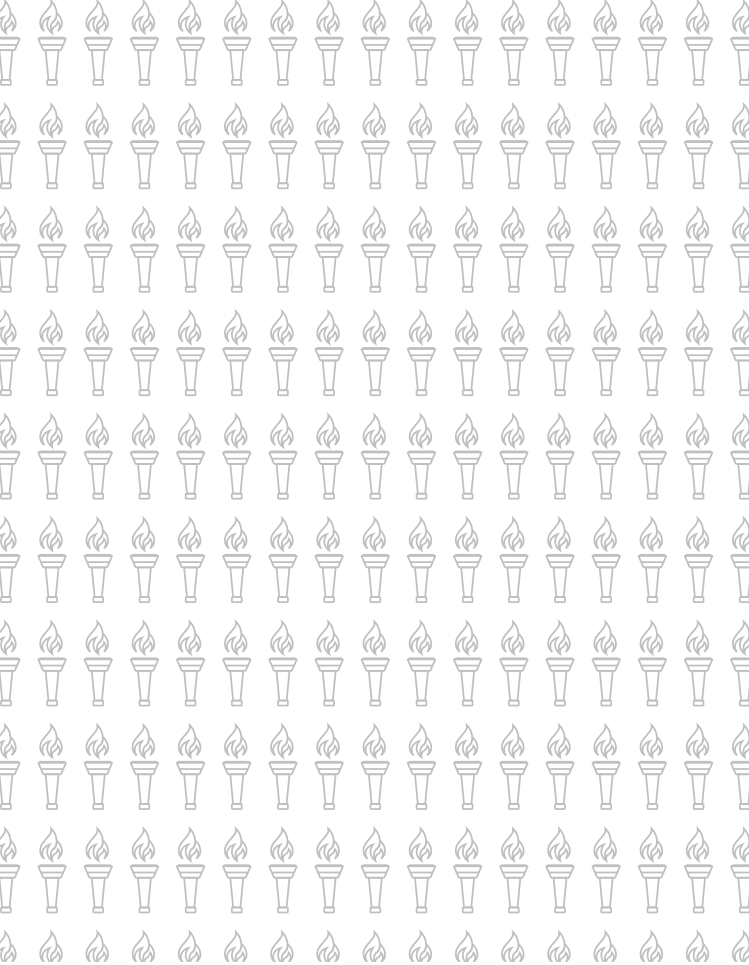
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**IN 2018, PATRIMONIA REACHED THE SYMBOLIC MILESTONE
OF ONE BILLION UNDER ASSETS,
AND ORGANIZED THE OPENING OF A BRANCH
IN THE OLYMPIC CAPITAL, LAUSANNE.**

