



Management Report for the year 2019

Version EN - 1.0

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Comments on the period 2019

A pension fund is not only a social insurance, but also a service, support and competent contacts for our members and the promise for the insurees that beyond working life, there is life itself and that we are there to assist them throughout their lives, in good times and in difficult circumstances alike.

As I write these introductory lines to the 2019 Annual Report, it is difficult to disregard the situation we have been experiencing since the beginning of 2020 and the series of problems it has brought with it. We will have the opportunity to come back to this as soon as the consequences of the crisis are better understood and less volatile. It should be noted, however, that to date, both for our insurees and our affiliates and with regard to asset management, the situation is well under control and does not present any particular risk.

Returning to 2019, a few elements are worth highlighting - and have contributed to the good resistance shown in the first months of 2020. These are essentially the strong increase in the headcount (affiliates +21%, insurees +32%), the decrease of the proportion of pensioners (from 8.6% to 7.6%), the strong financial performance (+11.16%) and the significant increase in the investment fluctuation reserve (+90.4 million), which enabled a coverage rate of 107.7% to be achieved. In addition, a new management structure has been set up in order and the managerial team has been strengthened, as has the governance of the Foundation.

The Foundation Board commissioned an ALM (Asset-Liability Matching) study in 2019 and decided to adapt the asset allocation, in particular by introducing a (new) "Infrastructure" class, eliminating the "Raw materials" pocket and increasing the "Swiss Real Estate" share at the expense of "Government Bonds in Foreign Currency". The Foundation Board also decided to set up a reserve for lowering the technical rate to 2% (generational) by 2024 and to continue lowering the conversion rate by 0.1% per annum until 2023. These various measures were mapped out to strengthen the Foundation's ability to meet the challenges of occupational benefits (financial markets, demographics, regulation and, as we can see today, exogenous shocks).

Prudence and entrepreneurship are, as in previous years, the hallmark of our approach. To do this, we have acquired high-performance management tools and innovative communication means at your service and have always favoured the fundamental balances of the Foundation over the maximization of random profits.

You can now find us in Lausanne and Geneva, with a reinforced and enthusiastic team, ready to respond to your requests!

In these difficult times for companies and, of course, for their employees, dialogue is more necessary than ever. We are here for you!

We are honored by your trust!

Key figures 2019

	2019	2018
Total assets of the Foundation	CHF 1'425 mio	CHF 1'004 mio
Interest rate credited to affiliated members's accounts	2,50 %	1,00 %
Net performance on investments	11,16 %	-2.88 %
Funding ratio	107,73 %	100.71 %
Number of affiliated employers	877	724
Number of active insured members	11'355	8'540
Number of pension beneficiaries	865	741
Technical provisions	CHF 44.34 mio	CHF 34.04 mio
Benefits paid	CHF 137.80 mio	CHF 100.05 mio
Income collected	CHF 444.73 mio	CHF 218.35 mio

2019 at a glance



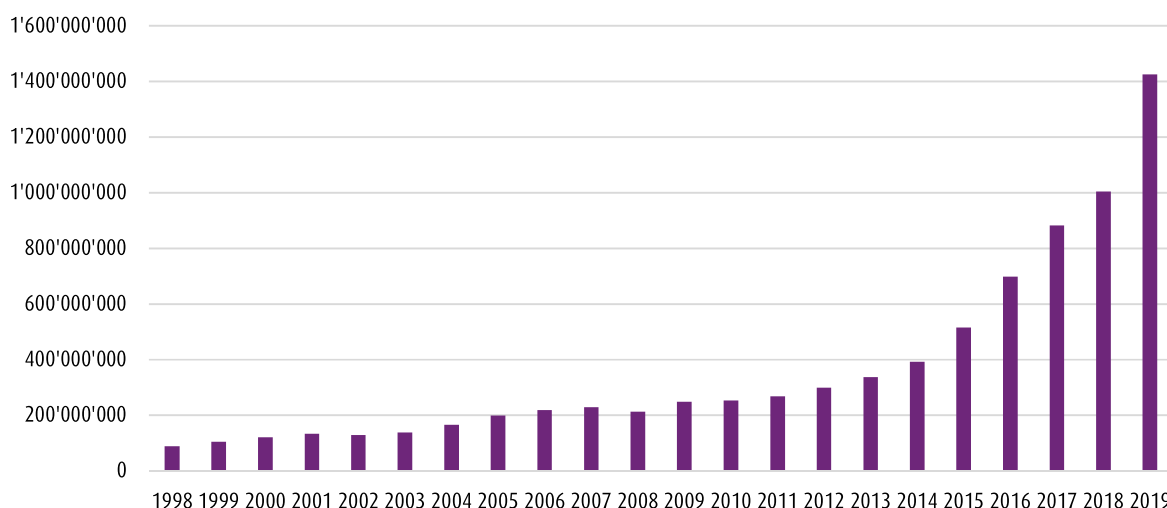
In 2019, in order to improve the quality of our information and service to insureds, we introduced « Live WEB Insured members », which enables them to consult their pension account data online and to make certain types of operations.

Balance sheet as of 31 December 2019

Assets

		31.12.2019 CHF	31.12.2018 CHF
	Appendix index		
Investments		1'421'150'247	1'000'802'608
Cash	63	20'308'663	59'654'492
Bonds and equivalents	63	543'587'516	380'891'590
Equities	63	389'506'558	211'919'845
Alternative Investments	63	61'987'499	49'234'535
Real estate	63	380'446'306	283'080'493
Investments with employers	67	25'313'705	16'021'653
Expenses prepaid	71	4'161'281	3'625'903
Total assets		1'425'311'528	1'004'428'511

Balance sheet evolution (in CHF)



Liabilities

		31.12.2019 CHF	31.12.2018 CHF
	Appendix index		
Amounts payable		49'543'800	28'247'772
Vested benefits and pensions		42'253'586	21'054'941
Investment in the employers (c/a affiliates)	67	490'214	392'831
Mortgage's debts	63	6'800'000	6'800'000
Expenses accrued	72	10'618'030	37'623'176
Employer's contribution reserve	67	9'378'475	4'809'661
Non actuarial provision	75	253'137	200'000
Free assets of affiliates	58	3'908'340	3'655'739
Occupational benefit capital and actuarial provisions		1'254'607'333	923'317'321
Occupational benefit of active insurees	53	922'041'716	627'907'068
Occupational benefits of pension beneficiaries	55	288'222'617	261'367'253
Actuarial provisions	57	44'343'000	34'043'000
Value fluctuation reserve	62	97'002'413	6'574'842
Foundation capital, free assets		-	-
Situation at the beginning of period		-	-
Excess of incomes / expenses		-	-
Total liabilities		1'425'311'528	1'004'428'511

Operating account as of 31 December 2019

		31.12.2019	31.12.2018
		CHF	CHF
Appendix index			
Contributions and other amounts received		113'694'415	73'668'286
Employee contributions	77	41'163'636	28'922'513
Employer contributions	77	53'189'913	36'019'147
Withdrawal of free assets		-410'745	-677'551
Withdrawal of employer contribution reserve		-811'090	-1'070'105
Single premium and purchases	53	13'952'229	6'973'701
Inflows of free assets in case of acquisition of new insurees		624'262	720'370
Inflows to the employer contribution reserve		5'301'469	1'214'386
Subsidies from Guarantee Fund		563'314	436'520
Additional allocation	53	121'427	1'129'305
Cash inflows		331'035'627	144'678'798
Inflows of vested benefits	73	328'947'078	143'666'995
Reimbursement of withdrawal for home ownership / divorce	53	2'088'549	1'011'803
Inflows from contributions and entry benefits		444'730'042	218'347'084
Regulatory benefits		-27'574'400	-24'736'667
Lump Sum disability benefits		-409'700	-
Supplementary death capital		-85'890	-
Capital benefits at retirement	53	-8'588'259	-7'787'485
Lump-sum benefits in case of death	53	-210'384	-382'797
Retirement pensions	55	-15'436'422	-13'350'783
Pensioners' child pensions	55	-225'744	-100'710
Survivor's pensions	55	-929'917	-1'494'904
Orphan's pensions	55	-86'469	-100'455
Disability pensions	55	-1'456'197	-1'443'203
Disabled member's child pensions	55	-145'418	-76'330
Cash outflows		-110'225'437	-75'311'195
Vested benefits in case of exit	74	-104'926'402	-70'001'413
Withdrawal for home ownership	53	-4'048'163	-4'921'906
Withdrawal for divorce	53	-1'250'872	-387'876
Expenses related to benefits and advance payments		-137'799'837	-100'047'862

Operating account as of 31 December 2019 (follow up)

Accumulation (-) / dissolution of pension capital, technical provisions and contribution reserve	-335'993'908	-134'824'213
Accumulation(-) of pension capital for active insurees	-274'444'046	-105'310'883
Accumulation(-) of pension capital for pensioners	-26'519'894	-20'057'914
Accumulation (-) of technical provisions	-10'300'000	-3'627'000
Income from savings capital of active insurees	-19'690'602	-5'517'385
Income from savings capital of disabled insurees	-335'470	-123'932
Accumulation (-) of affiliates' free assets 58	-213'517	-42'819
Accumulation (-) of the employer contribution reserve 67	-4'490'379	-144'280
Proceeds of insurance benefits	288'655	175'567
Disability pensions received from the reinsurer	196'894	129'501
Disabled member's child pensions received from the reinsurer	22'629	2'958
Premium waivers received from reinsurer	69'132	43'108
Insurance costs	-796'158	-583'825
Insurance risk premium	-230'841	-240'772
Insurance cost premium	-8'421	-16'842
Guarantee fund contribution	-556'896	-326'211
Net result of the insurance activity	-29'571'206	-16'933'249

Operating account as of 31 December 2019 (follow-up)

		31.12.2019 CHF	31.12.2018 CHF
	Appendix index		
Net result of investments and other paid interests		125'713'018	-27'804'737
Result of liquidity	66	-129'183	-146'394
Result of bonds and similar	66	23'366'302	-6'062'335
Result of Equities and similar	66	73'287'420	-21'089'684
Result of alternative investments	66	504'685	-1'200'957
Result of real estate	66	33'937'343	4'749'203
Assets management fees	66	-4'939'050	-3'719'359
Interests on affiliates' free assets	58	-39'083	-36'369
Interests on the employer contribution reserve	67	-78'435	-52'489
Interests on the termination vested benefit		-196'981	-246'353
Liquidation of non-actuarial provisions	75	-53'137	-150'000
Other proceeds	78	38'578	17'101
Administration and other costs		-5'699'682	-3'927'027
Administration costs	76	-2'756'867	-1'934'994
Regulatory authority costs		-18'202	-16'733
Auditors costs		-59'747	-60'675
Expert in occupational pension funds costs		-53'888	-45'263
Brokerage costs		-2'052'925	-1'314'306
Marketing and advertising costs		-165'367	-133'356
Selling costs		-592'668	-413'764
Other costs		-18	-7'936
Excess of expenses (-) / income before creation of the fluctuation reserve		90'427'571	-48'797'912
Accumulation (-) / liquidation investment fluctuation reserve	62	-90'427'571	48'797'912
Surplus incomes/charges (-)		-	-

Notes on the Accounts

1. Bases and organisation

11. Legal form and purpose

A Foundation in the sense of Art. 89 bis et seq of the Swiss Code of Obligations exists under the name "Fondation Patrimonia"[in English: Patrimonia Foundation]. The Foundation is governed by Art. 80 et seq of the Swiss Civil Code, Art. 331 and 331a-c of the Swiss Code of Obligations, the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP), the Federal Law on Vesting in Occupational Retirement Plans, implementation ordinances, the present statutory provisions, the general conditions, retirement plans and the affiliation contracts.

The purpose of the Patrimonia Foundation is to provide occupational pensions for retirement, disability and death to employers (hereafter "the Affiliates"), who have one or more employees in their service (hereafter "the persons insured"), or any person who is not mandatorily subject to the LPP, but may choose to be insured.

12. Registration LPP and Guarantee Fund

The Foundation fulfils the LPP requirements and is duly registered with:

- The Register for Occupational Pension Funds with ASFIP Geneva, under the reference number CH-660-0752984-8;
- The Guarantee Fund, under the number GE 337.

13. Indications of Proceedings and Regulations

Deed of Foundation	12.12.1984
Latest modification, approved by ASFIP Geneva	06.04.2009
Affiliation contract and addenda	01.01.2005
Management Committee Rules and Regulations	01.01.2005
Investment Rules and Regulations	31.12.2019
Partial liquidation Rules and Regulations	01.06.2009
Approved by ASFIP Geneva	23.10.2017
Rules and Regulations for actuarial Liabilities	31.12.2019
Rules and Regulations for Organisation	01.01.2019
General Conditions	01.01.2019

14. Management Authority / Rights to Signature

The members of the Foundation Board, the Management and other persons authorised to sign jointly.

Foundation Board

	Function	Representing
Bardet Guy	Member until 31.07.2020 (4 year mandate)	Affiliated Employer
Curzon Jacqueline	Vice-Président until 01.12.2021 (4 year mandate)	Affiliated Employer
Giavera Andrea	Member until 31.08.2024 (4 year mandate)	Affiliated Employer
Cuendet Yves	President until 01.12.2021 (4 year mandate)	Employee
Moscheni Fabrice	Member until 31.08.2024 (4 year mandate)	Employee
Chassot Eric	Member until 01.12.2021 (4 year mandate)	Employee

Direction

Jaton Sylvie	Director
Benvegner Eddy	Deputy Director

Other persons with authorised signature

Pahud Cédric	Technical Manager
Vuagniaux Thomas	Head Accountant
Gentina Catherine	Manager Offers
Eicher André	Commercial Manager
Ottiger Madison	Technical Specialist
Toffoletto Pascale	Technical Specialist
Romo José	Technical Specialist
Hernandez Juan Carlos	Technical Specialist
Cocelli Guven	Technical Specialist
Wendenburg Anne-Catherine	Technical Specialist

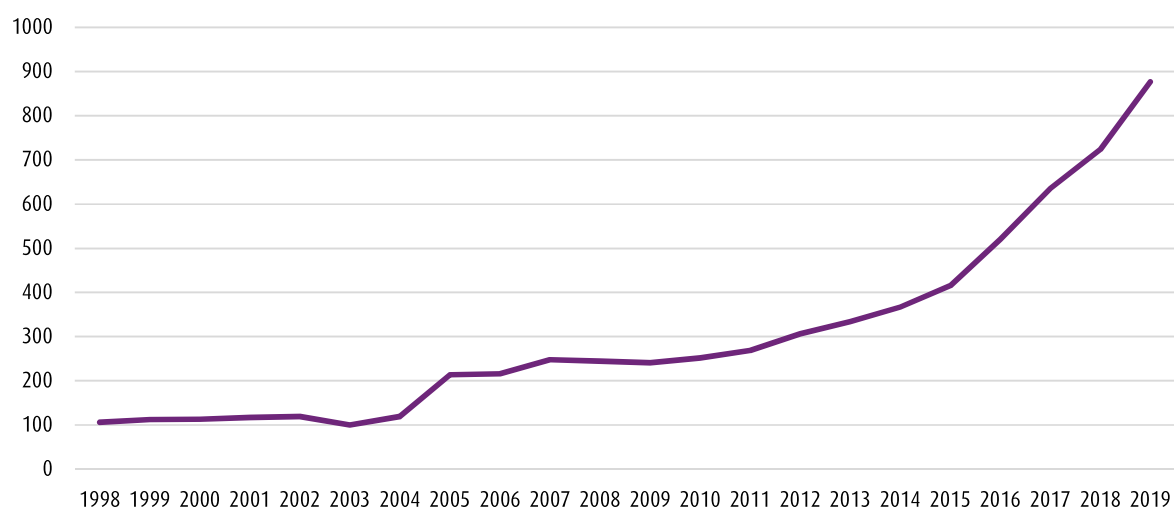
15. Expert, Supervisory Body, Counsellors and Regulatory Body

Expert in Occupational Pension Funds	Christophe Steiger (expert exécutant), allea, Lausanne (titulaire du mandat)
Supervisory Body	Berney Associés Audit SA, Genève
Technical and Administrative Management	Gestion interne
Regulatory Body	ASFIP Genève
Foundation Asset Managers FINMA approved	UBS / Vontobel / Barings / Crédit Suisse / Pictet / Mirabaud / Patrimonium / GAM / Picard Angst / IST / Schroders / BCV / Wellington / JP Morgan
Real Estate Agents	Bory & Cie Agence immobilière SA / Wincasa / Broillet SA
Real Estate Consultant	Helvetadvisors SA, Genève
Real Estate Expert	CBRE Geneva SA, anciennement I Consulting SA, Vernier
Global Custody	UBS
Investment Controller	PPCmetrics, Zurich
Quality Certification ISO 9001: 2015	SQS, Zollikofen
Internal Quality Auditor	Nicolas Schwab, responsable qualité SIG, Vernier

16. Affiliated employers

	31.12.2019	31.12.2018
Affiliated employers as on 01.01	724	636
Entries	232	144
Exits	79	56
Affiliated employers as on 31.12	877	724

Historical development of employers headcount

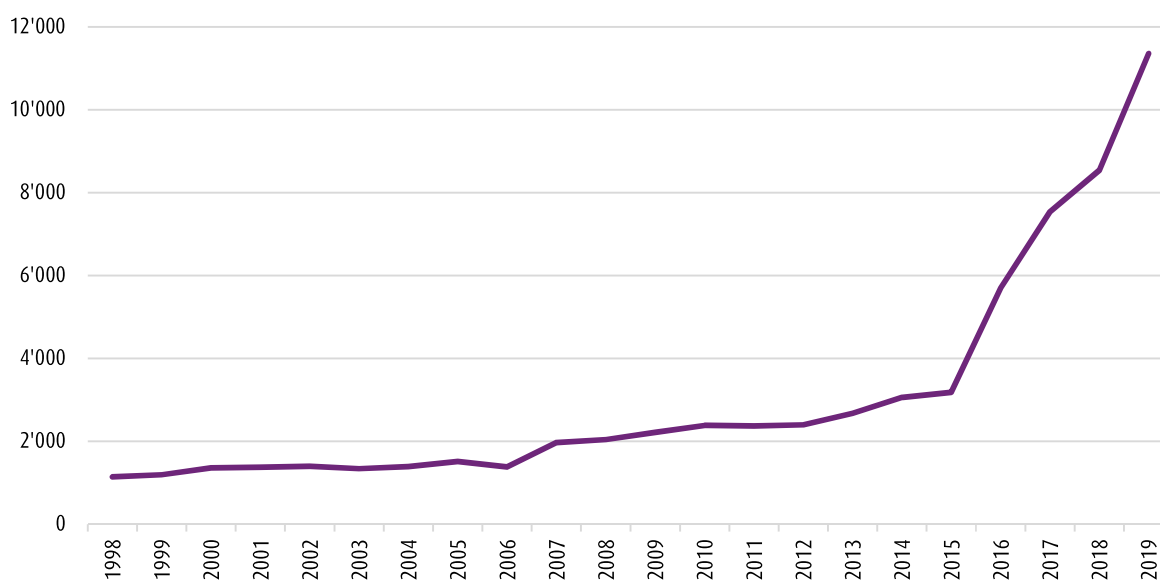


2. Active members and pensioners

21. Active insurees

	31.12.2019	31.12.2018
Active insurees as on 01.01	8'540	7'537
Entries	5'960	3'460
Exits	3'053	2'402
Retirement	88	53
Decease	4	2
Active insurees as on 31.12	11'355	8'540

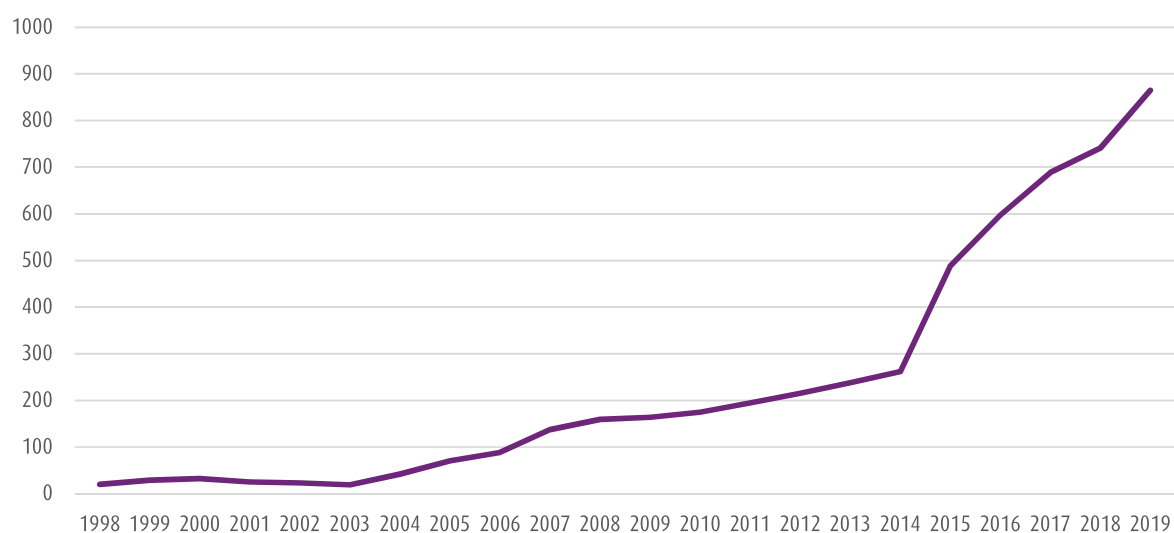
Historical development of active insurees headcount



22. Pensioners

	31.12.2018	Entries	Exits	31.12.2019
Retirees	520	76	7	589
Retirees' child	18	10	1	27
Disabled insurees	84	26	12	98
Disabled insurees' child	26	19	2	43
Widows/widowers	74	8	2	80
Orphans	17	10	2	25
Bridge pension	2	2	1	3
Total as on 31.12	741	151	27	865

Historical development of pensioners headcount



3. Nature of application of objectives

31. Explanation of occupational pension plans

The affiliated companies have one or more compulsory and/or above-compulsory individual pension plans at their disposal. These plans are in conformity with occupational pension plans according to the “primacy of contributions” principle.

By virtue of meeting the Pension Plan Foundation’s objectives, the Patrimonia Foundation has established:

- General Conditions that are common to all the affiliated companies;
- Management Committee Rules and Regulations common to all the affiliated companies;
- An affiliation contract and a pension plan specific to each of the affiliated companies which include the description of all the insured benefits chosen by the company.

32. Financing, methods of financing

In order to achieve the objectives, the Foundation applies a financing system based on the primacy of contributions.

The financing of contributions is defined in each affiliated company’s pension plan.

The contributions are defined as a percentage of the insured person’s salary (with or without a coordination deduction) and, in addition to savings, they finance the risk premiums, the guarantee fund and the administrative costs.

The Foundation is financed through:

- a. Contributions by the insured persons;
- b. Contributions by the employer;
- c. Vested benefits brought in by the insured persons and repurchases;
- d. Benefits and allocations from the employer;
- e. Income from assets;
- f. Donations and legacies.

4. Valuation and accounting principles, continuity of operations

41. Confirmation of the presentation of accounts as per the Swiss GAAP RPC 26

The Foundation's accounts have been established and presented in conformity with the Swiss GAAP RPC 26 standard.

42. Accounting and valuation principles

Investments

The evaluation of stock is based on market value on 31.12.2019.

Foreign currency

The income and liabilities in foreign currencies are converted at the daily exchange rate. The assets and liabilities in foreign currencies are shown on the balance sheet at the exchange rate on 31.12.2019. The gains or losses on exchange rates arising therefrom are shown in the income statement.

Basis: UBS exchange rates.

Real estate

Real estate is evaluated on 31.12.2019 on the basis of an independent appraisal by our real estate expert according to the DCF (Discounted Cash-Flow) method, the cash flow relating to it is updated on the basis of the WACC rate which takes into consideration the risk linked to the typology and situation of the building over a period of 10 years.

The latest independent appraisals were made in November 2018 and in December 2019 for buildings acquired in 2018.

New real estate acquisitions made during the current year will be valued at their purchase price.

Other assets and participations

Other assets are assessed at their nominal value.

Other liabilities

Other liabilities are assessed at their nominal value.

Pension commitments

This is the pension capital of active insured persons and pension beneficiaries.

The mathematical reserves needed to finance current pensions are recalculated annually by the Expert in Occupational Pension Funds.

5. Risk coverage / technical rules / degree of coverage

51. Nature of risk coverage, reinsurance

The Foundation assumes the longevity risk.

As of 1 January 2013, death and disability risks are partially reinsured by the reinsurance contract Stop Loss N° 85 258/000 with the Zurich Life Insurance Company Ltd. A provision for death and disability risks has been set up by the Foundation at its own expense.

52. Explanations of insurance contract assets and liabilities

The Foundation does not book any surrender values from collective insurance contracts in the balance sheet.

	31.12.2019	31.12.2018
	CHF	CHF
Amount of mathematical reserves held by insurers	937'328	1'065'290

53. Evolution and remuneration of defined contribution savings assets

	31.12.2019	31.12.2018
	CHF	CHF
Balance of pension capital as on 01.01	627'907'068	517'078'800
Employers and employees savings contributions	81'698'842	55'958'704
Single premiums and purchases	13'952'229	6'973'701
Additional allocations	121'427	1'128'867
Vested benefits received	318'965'113	140'211'498
Vested benefits in case of exit	-104'695'139	-70'001'413
Art. 17 LFLP	15'785	0
Reimbursement and payment for home ownership / divorce	-3'210'486	-4'297'979
Dissolution due of retirement, decease and disability	-32'403'725	-24'662'495
Return on savings capital	19'690'602	5'517'385
Total of the savings capital of active insurees as on 31.12	922'041'716	627'907'068
Interest rate allocated on mandatory and extra-mandatory parts of the accounts	2.50%*	1.00%*

* The insurees who left the Foundation before 31.12.2019 were credited with 1% interest on the mandatory and extra-mandatory parts of the vested benefit

54. Total of the LOB retirement savings capital

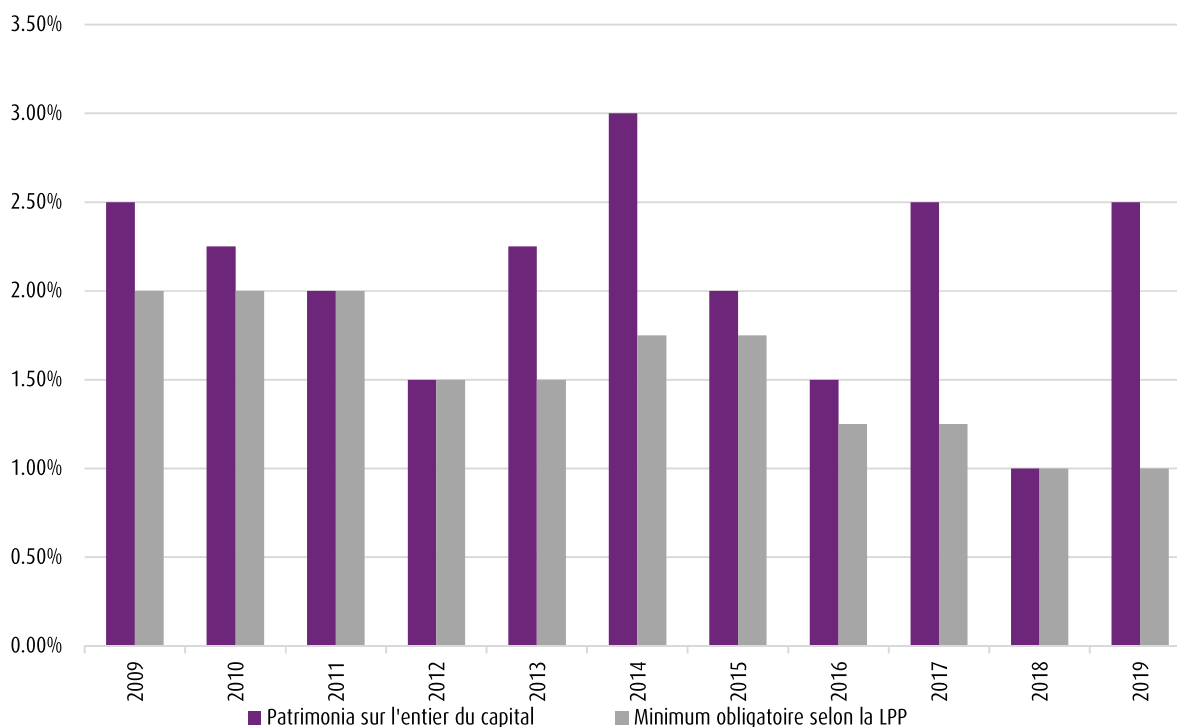
	31.12.2019 CHF	31.12.2018 CHF
LOB retirement savings capital (shadow accounting)	429'084'432	298'657'943
LOB minimum interest rate decided by the Federal Council	1.00%	1.00%

55. Evolution and return on actuarial capital of pensioners
Evolution and return on savings capital of disability

	31.12.2019 CHF	31.12.2018 CHF
Balance of the savings capital of disability as on 01.01	10'955'726	9'347'001
Transfer from active insurees and contributions	4'099'531	2'000'720
Additional contributions	149	436
Savings contributions	844'403	549'984
Return on savings capital of disability	335'470	123'932
Vested benefits in case of exit	-231'264	-
Dissolution of savings capital of disability	-2'207'445	-1'066'347
Total of the savings capital of disability as on 31.12	13'796'570	10'955'726
Interest rate allocated on mandatory and extra-mandatory parts of the accounts	2.50%*	1.00%*

* The insurees who left the Foundation before 31.12.2019 were credited with 1% interest on the mandatory and extra-mandatory parts of the vested benefit.

Historical of the interest rate given from 1998



Evolution of the mathematical reserve of the pensioners

	31.12.2019	31.12.2018
	CHF	CHF
Balance of the mathematical reserve of the pensioners as on 01.01	250'411'527	231'838'406
Pension payment	-18'280'167	-16'566'385
Inflows pensioners	31'129'995	19'013'337
Change related to the new status of insurees as on 31.12	11'164'692	16'126'169
Total of the mathematical reserve of the pensioners as on 31.12	274'426'047	250'411'527
Total of the mathematical reserve of the pensioners as on 31.12	288'222'617	261'367'253

56. Results of the last actuarial expertise

Conclusion of the actuarial expertise dated 31.12.2019, performed by the expert:

“The 2019 exercise closed with a profit of CHF 90,427,571. On 31.12.2019, the level of coverage according to Art. 44 OPP 2 amounted to 107.73%. The Foundation therefore has the means to cover its liabilities.

The technical bases of the Foundation, the generational LPP 2015, are current and adequate.

On 31.12.2019, the 2.50% technical rate was adequate in our opinion. Although it is above the maximum rate foreseen by the DTA 4 of the Chambre Suisse des Experts en Caisses de Pensions (CSECP) for the expert’s recommendation, it provides a sufficient security margin taking into account the expected income from assets, the need for income and the capacity for consolidation. Furthermore, the Foundation is progressively financing a reduction to a technical rate of 2.00% between now and 2023.

The regulatory actuarial provisions concerning the benefits and financing are in conformity with the legal provisions.

The measures taken to cover actuarial risk are sufficient.”

57. Technical bases and other significant hypotheses on an actuarial level

The actuarial calculations are based on the following technical bases:

- A technical generational interest rate of 2.50%;
- Technical bases LPP 2015.

Actuarial provisions

	31.12.2019	31.12.2018
	CHF	CHF
Provision for disability and death	4'965'000	4'593'000
Provision for non-actuarial conversion rate	32'727'000	26'712'000
Provision for actuarial rate changes	6'651'000	2'738'000
Total of the actuarial provisions	44'343'000	34'043'000

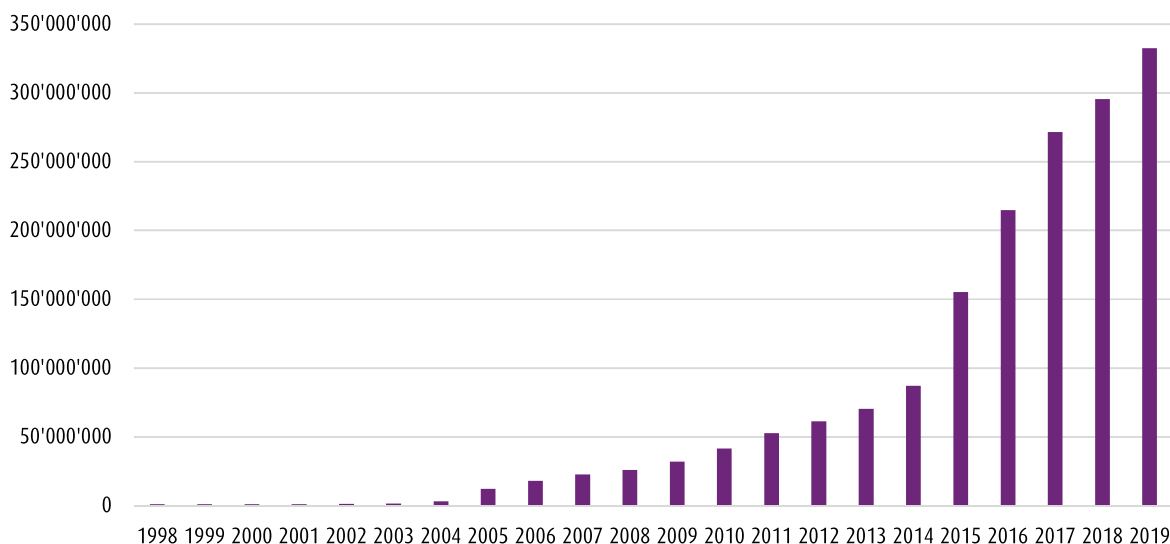
The death and disability provision represents a necessary provision in order to cover non-reinsured claims that are at the expense of the Foundation.

The provision for non-actuarial conversion rates serves to maintain the conversion rate as stable as possible over time and to insure the greatest equality of treatment between the generations of insured persons. The Foundation constitutes a provision to improve the conversion rate when opening an old age pension with the objective of financing the supplementary pension capital needed to guarantee the difference between the pension effectively paid and the pension that would be paid if the conversion rate applied was defined actuarially.

The provision for changing the technical rate serves to constitute provisions in order to reduce the technical rate over time.

The technical bases and hypotheses: The generational technical bases anticipate and include the foreseeable future evolution of longevity, as opposed to period technical bases which require the constitution each year of a provision to cover the longevity evolution that has occurred during the year.

Evolution of the actuarial provisions and reserves (in CHF)

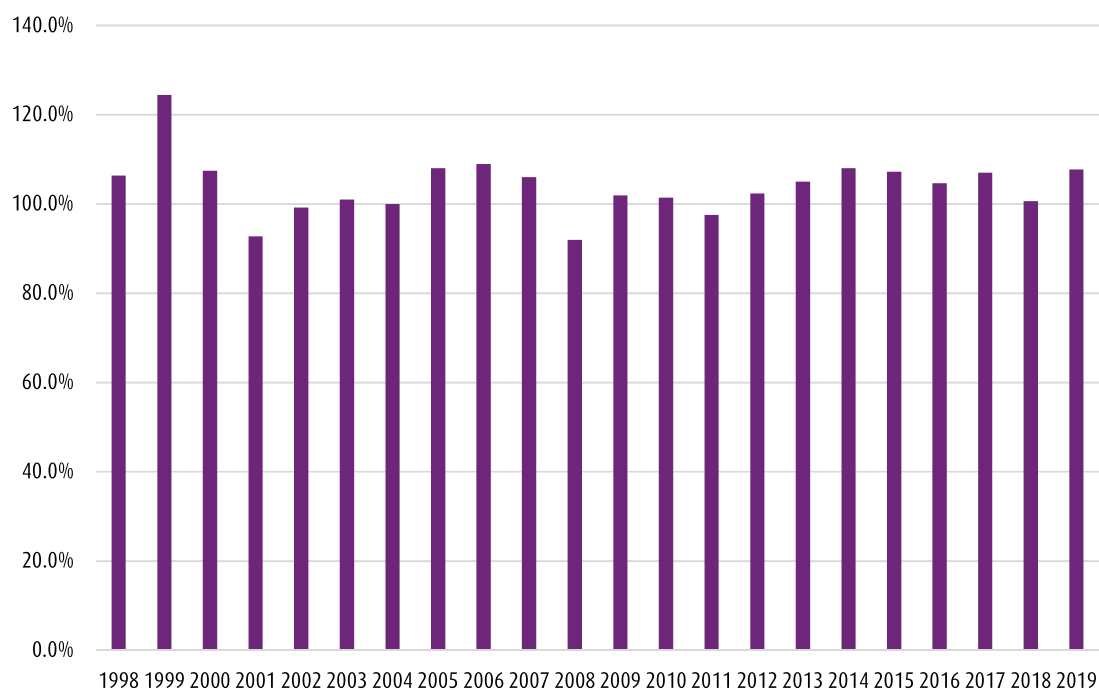


58. Free assets of the affiliated employers

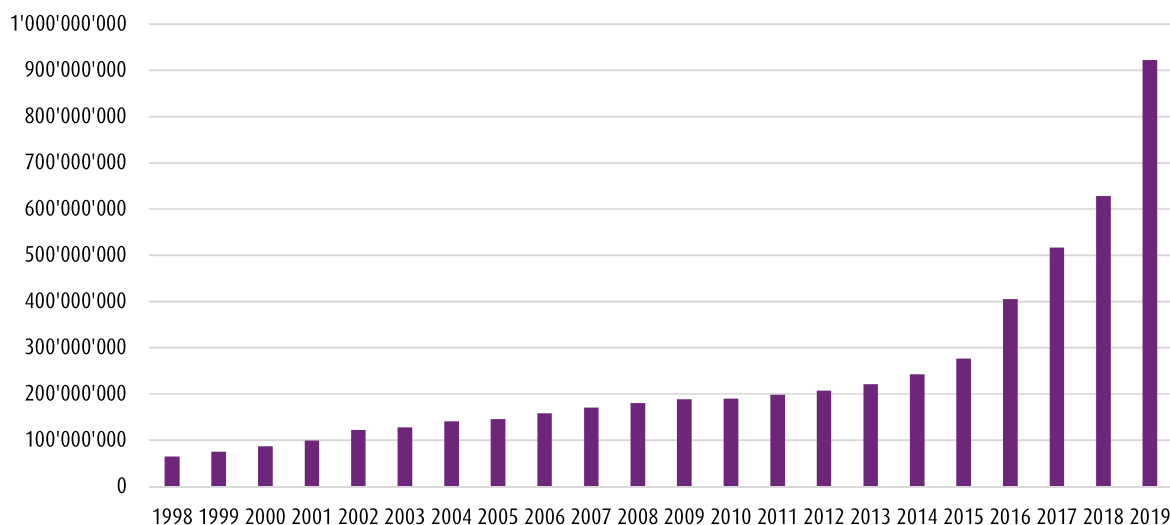
	31.12.2019	31.12.2018
	CHF	CHF
Balance as on 01.01	3'655'739	3'576'551
Accumulation of the free assets of the affiliated employers	624'262	720'370
Dissolution of the free assets of the affiliated employers	-410'745	-677'551
Interests on the free assets of the affiliated employers	39'083	36'369
Total as on 31.12	3'908'340	3'655'739

59. Funded status according article 44 OPP2

	31.12.2019	31.12.2018
	CHF	CHF
Total assets	1'425'311'528	1'004'428'511
Debts	-49'543'800	-28'247'772
Expenses accrued	-10'618'030	-37'623'176
Employer contribution reserve	-9'378'475	-4'809'661
Non-actuarial provision	-253'137	-200'000
Free assets	-3'908'340	-3'655'739
Fortune available	1'351'609'746	929'892'163
Actuarial capital of active insures	922'041'716	627'907'068
Actuarial capital of pension beneficiaries	288'222'617	261'367'253
Actuarial provisions	44'343'000	34'043'000
Necessary actuarial capital and technical provisions	1'254'607'333	923'317'321
Technical excess	97'002'413	6'574'842
		-
Funded status according to art. 44 al. OPP2	107.73%	100.71%
Investment fluctuation reserve	97'002'413	6'574'842

Evolution of the funded status according to art. 44 al. OPP2


Evolution of assets (en CHF)



6. Explanations relative to investments and the net results of investments

61. Organisation of investment activities, Investment Rules and Regulations

The Foundation Board has adopted the Investment Rules and Regulations which came into force on 31 December 2019.

A new strategic allocation came into effect on 1 January 2018 and is the subject of a Rules and Regulations audit addendum.

The asset managers are all approved by the FINMA.

The objective is to allow the Foundation Board to fully assume its tasks and responsibilities to manage the Foundation's assets effectively and ensure the conservation of the Foundation's capital, a return compatible with the legal requirements and the payment of insured benefits to all the beneficiaries.

The Investment Rules and Regulations define:

- The directives and organisation of investments
- Tasks and competencies
- Monitoring and the reporting process
- Principles for evaluation
- Reserve for value fluctuations
- Investments with the employer
- Administration costs
- Governance
- The exercise of shareholder's rights
- The strategic and tactical allocation of investments

62. Purpose and calculation of the investment fluctuation reserve

	31.12.2019	31.12.2018
	CHF	CHF
Balance of the investment fluctuation reserve as on 1st January	6'574'842	55'372'754
Liquidation / accumulation due to excess of expenses / incomes	90'427'571	-48'797'912
Target Value of the investment fluctuation reserve of the balance sheet	97'002'413	6'574'842
Target value of the investment fluctuation reserve	124'580'000	134'530'000
Shortfall of the investment fluctuation reserve	-27'577'587	-127'955'158

The method used by the expert to calculate the value fluctuation reserves is based on the "value-at-risk", according to the provisions for settling actuarial liabilities.

63. Presentation of the investments by category

631. Investments structure

	31.12.2019		31.12.2018		Marge sur allocation
	CHF	%	CHF	%	
Liquidity/Money market investments*	20'308'663	1	59'654'492	6	0% - 3%
Bonds & equivalent	543'587'516	38	380'891'590	38	
Swiss bonds	212'186'676	15	150'059'868	15	13% - 19%
Government Bonds ME (hedged)	183'467'133	13	130'520'646	13	11% - 17%
Corporate Bonds ME (hedged)	93'805'544	7	64'044'924	6	5% - 9%
Emerging market bonds HC (hedged)	54'128'163	4	36'266'152	4	3% - 5%
Equities & equivalent	389'506'558	27	211'919'845	26	
Swiss Equities	191'886'878	13	108'478'776	11	9% - 15%
Emerging market equities	41'693'140	3	25'826'815	3	1% - 5%
International equities	155'926'540	11	77'614'254	10	8% - 12%
Real estate	380'446'306	27	283'080'493	28	
Swiss real estate	313'822'155	22	235'964'963	23	18% - 26%
direct	157'916'982	11	134'773'501	13	
Fund units	155'905'173	4	101'191'462	4	
Foreign fund Unit (hedged)	66'624'151	5	47'115'530	5	5% - 7%
Alternative investments	61'987'499	4	49'234'535	5	2% - 10%
Alternative investments	61'987'499	4	49'234'535	5	
Investments with employers	25'313'705	2	16'021'653	2	
Expenses prepaid	4'161'281	0	3'625'903	0	
Total assets	1'425'311'528	100	1'004'428'511	100	

* Various benefits received in advance and relating to the 2018 financial year for a total amount of CHF 34,960,532 explain why the cash margin limit was exceeded, but this limit has been re-established as of 01.01.2019

Global limits, according articles of law :

	31.12.2019	31.12.2018	OPP2 max. limits
	%	%	%
54* (receivables by debtors max.)	1.4	5.8	10
54a (equities by compagny - participation)	0.1	0.1	5
54b al. 1 (investments by real estate)	1.7	2.4	5
55a (mortgage securities)	0.0	0.0	50
55b (equities)	27.3	21.1	50
55c (real estate)	26.2	27.5	30
55c (foreign real estate)	4.7	4.7	10
55d (alternative invesments)	4.3	4.9	15
55e (foreign currency invesments)	13.9	10.4	30
57 (investments by employer)	1.8	1.6	5

* Funds exceed the limit of 10% for one debtor, but after analysis of the content of the fund, the maximum position amounts is 1.4% for the largest debtor, thus complying with the OPP2 limit.

632. List of properties held

The value of the Pension Fund's real estate portfolio amounted to CHF 157,916,982 as at 31 December 2019 and consists of the following properties :

	Value CHF 31.12.2019	Value CHF 31.12.2018	mortgage CHF 31.12.2019	OPP2 54b, al. 2
Bois de la Chapelle 87, Onex, acquired on 28.01.08	14'600'000	14'600'000	-	0.0%
62 actions SI Cèdre Bleu, Genève, acquired on.12.09	6'050'000	6'050'000	-	0.0%
Quai du Cheval Blanc 14, Carouge, acquired on.09.10	4'280'000	4'280'000	-	0.0%
Edouard Racine 3, Genève, acquired on 30.06.12	7'400'000	7'400'000	1'850'000	25.0%
Léon Nicole 2, Genève, acquired on 30.06.12	5'950'000	5'950'000	1'440'000	24.2%
Lyon 18, Genève acquired on 30.06.12	6'000'000	6'000'000	1'740'000	29.0%
Servette 35, Genève acquired on 30.06.12	6'900'000	6'900'000	1'770'000	25.7%
Pré Bouvier 31, Satigny, acquired on 01.07.14 Sold on 19.02.2019	-	17'502'995	-	0.0%
Dauphiné 12-16, Genève, acquired on 19.09.16	24'500'000	24'500'000	-	0.0%
Colonel Corbat 7-17, Delémont, acquired on 22.11.18	6'830'000	7'467'294	-	0.0%
Brandards 5-7, Neuchâtel, acquired on 22.11.18	3'630'000	3'141'427	-	0.0%
Trois Portes 65, Neuchâtel, acquired on 22.11.18	2'550'000	2'170'133	-	0.0%
Perrière 28-30, Neuchâtel, acquired on 22.11.18	5'900'000	6'531'266	-	0.0%
Progrès 11-17, Couvet, acquired on 22.11.18	6'450'000	6'384'205	-	0.0%
Mettstrasse 57-59, Bienne, acquired on 22.11.18	3'070'000	2'592'674	-	0.0%
Mettstrasse 61, Bienne, acquired on 22.11.18	1'960'000	2'006'235	-	0.0%
Sonnhalde 25, Bienne, acquired on 22.11.18	1'570'000	1'419'797	-	0.0%
Pictet de Rochemont 23, Genève, held through S.I. de l'Avenue VERSONNEX SA acquired on 01.11.18	5'150'000	4'963'738	-	0.0%
Trente et Un Décembre 62, Genève, held through S.I. de l'Avenue VERSONNEX SA acquired on le 01.11.18	5'800'000	4'913'738	-	0.0%
Colladon 26, Genève, acquis le 12.04.2019	19'901'334	-	-	0.0%
Dancet 1, Genève, acquis le 12.07.2019	11'031'435	-	-	0.0%
David-Dufour 8, Genève, acquis le 30.08.2019	8'394'213	-	-	0.0%
Total	157'916'982	134'773'501	6'800'000	4.3%

64. Outstanding derivative financial instruments (open)

There are no derivative financial instruments in 2019.

65. Market values and co-contractors for securities lending

At the end of the year, there is no securities lending.

66. Explanation of net investment result

661. Explanation of net investment result

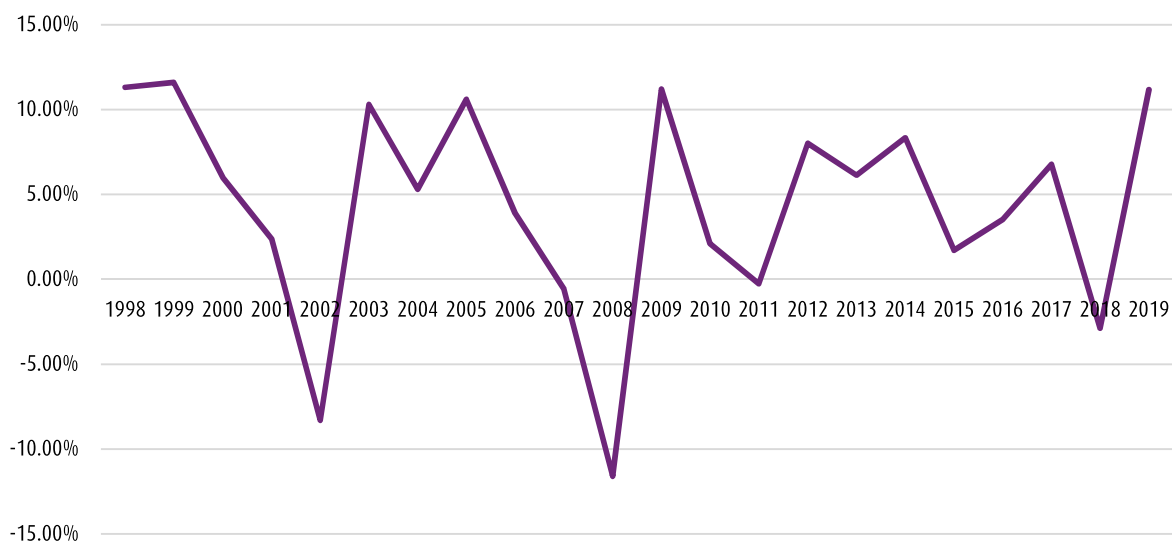
	31.12.2019		31.12.2018	
	CHF	%*	CHF	%
Cash	-129'183	-1	-146'394	0
Interest on bank current account	-89'875		-52'185	
Exchange rate difference	-39'308		-94'209	
Bounds and equivalent	23'366'302	4	-6'062'335	-2
Interest on Swiss bonds	2'461'372		2'025'155	
Interest on government bonds	3'955'045		4'639'404	
Interest on corporate bonds	2'496'404		2'044'198	
Interest on emerging market bonds	1'087'700		653'884	
Profit and loss on Swiss bonds	3'056'556		-1'759'670	
Profit and loss on Swiss bonds ME	-		664	
Profit and loss on government bonds ME	2'387'259		-5'326'545	
Profit and loss on corporate bonds ME	4'469'844		-4'814'418	
Profit and loss on emerging market bonds	3'469'215		-3'536'886	
Exchange rate difference on emerging market bonds	-17'093		11'879	
Equities & equivalent	73'287'420	19	-21'089'684	-10
Swiss equity dividends	3'505'128		2'254'607	
International equity dividends	2'532'720		1'170'653	
Profit and loss on swiss equities	37'742'571		-13'498'692	
Profit and loss on international equities	24'154'832		-7'895'062	
Profit and loss on emerging market equities	6'240'439		-3'806'723	
Exchange rate difference on emerging market equities	-688'020		352'949	
Exchange rate difference on international equities	-200'250		332'584	
Alternative investments	504'685	1	-1'200'957	-2

Real estate	33'937'343	9	4'749'203	4
Swiss direct real estate income	5'865'612		4'705'492	
Swiss direct real estate expenses	-1'291'496		-283'444	
Unrealized profit and loss on swiss direct real estate	1'319'494		2'050'618	
Mortgage interests swiss direct real estate	-127'364		-127'364	
Results of real estate fund units listed on the swiss stock exchange	24'059'358		-3'817'903	
Results of real estate fund units listed on foreign stock exchanges	4'111'739		2'221'804	
Investments administration fees	-4'939'049		-3'719'359	
Bank fees	-1'797		-761	
Asset management fees	-2'330'600		-1'679'161	
TER costs	-2'645'473		-2'064'302	
Retrocessions	38'821		24'865	

* The investment performance has been evaluated as a percentage of the different types of assets at 31.12.2019 value

	31.12.2019	31.12.2018
	%	%
Annual investment performance (regarding the global custody)	11.16	-2.88

Investment performance history



662. Explanation of asset management fees

Rate of disclosure of the fees:

	Amount	Part of patrimony
	CHF	%
Total transparent investments	1'421'150'247	100.00%
Total non-transparent investments	-	0.00%
Total of patrimony	1'421'150'247	100.00%

Asset management expenses:

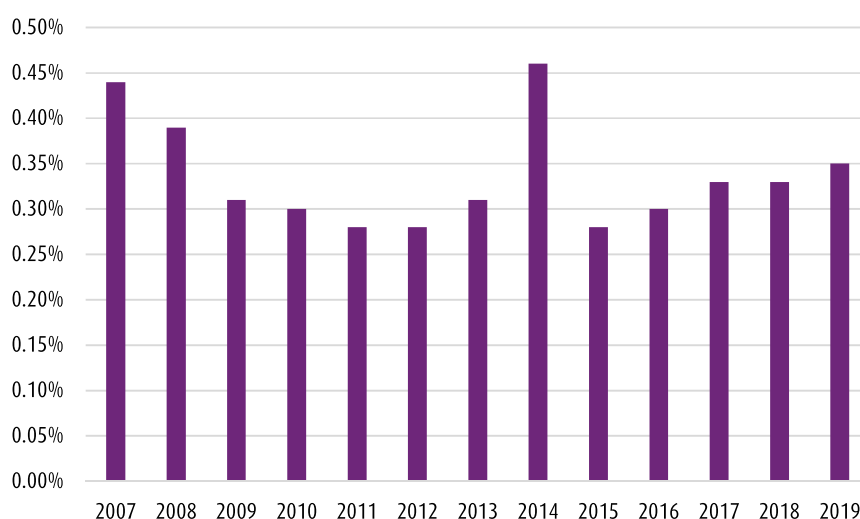
	Amount	Part of transparent investments
	CHF	%
Expenses recorded directly in the operating account	2'293'576	0.16%
Transparent investment asset management fees	2'645'473	0.19%
Total asset management fees in the operating account	4'939'049	0.35%

List of non-transparent collective investments on the closing date:

ISIN	Nom du produit	Fournisseurs	Quantité	Montant
				CHF
Aucun	-	-	-	-

In 2018, 100% of the assets were invested in transparent investments and management fees amounted to 0.37% of the total transparent investments.

Evolution of TER (Total Expense Ratio)



67. Explanations of investments by employers and employer contribution reserve

	31.12.2019	31.12.2018
	CHF	CHF
C/C employers' contributions on the assets side of the balance sheet	25'313'705	16'021'653
C/C employers' contributions on the liabilities side of the balance sheet	-490'214	-392'831
	24'823'491	15'628'822
Balance of the employer's contribution reserve as on 01.01	4'809'661	4'612'891
Contributions to the employer's contribution reserve	5'301'469	1'214'386
Withdrawal from the employer's contribution reserve	-811'090	-1'070'105
Interests on the employer's contribution reserve	78'435	52'489
Total of the employer's contribution reserve as on 31.12.	9'378'475	4'809'661

On 31 December 2019, 85 % of unpaid premiums correspond to amounts not yet due and invoiced on the exercise 2020. A non-technical provision of CHF 253,137 has been made (see Addendum 75) in order to cover any losses that are not borne by the LPP guarantee fund (2018: CHF 200,000).

68. Use of extensions (Art. 50, para. 4 OPP2)

These possibilities for extensions are provided in the current Investment Rules and Regulation.

For the exercises 2018 and 2019, the use of extensions has not been necessary.

69. Retrocessions, restitution of financial advantages (Art. 48k OPP2)

During the 2019 exercise, the Foundation received an amount of CHF 38,821 (2018: CHF 24,865).

610. Exercise of voting rights

Exposure of the Patrimonia Foundation in Swiss and international equities is made only through collective investment funds. In this case, in accordance with the ORAb, in force since 1 January 2014, the Foundation must in principle refrain from exercising voting rights itself in favour of the Fund, as it is the latter who formally the shareholder in the companies.

The Patrimonia Foundation has decided to exercise its shareholder voting rights through a mandate given to the Fondation Ethos, while following its guidelines.

Thus, the Patrimonia Foundation is a member of the Ethos Engagement Pool (EEP Suisse) who converses with companies traded in Switzerland, as well as the Ethos Engagement Pool International (EEP International) who converses with companies traded outside of Switzerland and takes part in various initiatives aimed at raising the awareness of good practice in sustainable development among business leaders.

7. Explanations for other items in the balance sheet and operating account

71. Explanation of the expenses prepaid

	31.12.2019	31.12.2018
	CHF	CHF
Withholding tax and tax at source	3'588'423	3'151'262
Guarantee fund	6'417	110'309
Insurance benefit to receive	49'540	30'613
Prepaid expenses	93'903	24'840
Income to receive	181'857	149'982
Real estate current account	241'141	158'897
Total of the expenses prepaid	4'161'281	3'625'903

72. Explanation of the expenses accrued

	31.12.2019	31.12.2018
	CHF	CHF
Fees provision	447'663	361'146
Guarantee fund provision	1'545'000	1'545'000
Broker provision	995'653	634'616
Administrative fees provision	223'171	80'411
Pensioner's benefits	46'602	41'471
Various benefits received in advance	7'359'941	34'960'532
Total of the expenses accrued	10'618'030	37'623'176

73. Explanation of the vested benefits position

	31.12.2019	31.12.2018
	CHF	CHF
Inflows of active insurees vested benefits	318'965'113	140'211'498
Inflows of disabled insurees vested benefits	4'099'680	2'000'720
Inflows pensioners	5'882'285	1'454'777
Total of the vested benefit position	328'947'078	143'666'995

74. Explanation of the position vested benefit in case of exit

	31.12.2019	31.12.2018
	CHF	CHF
Vested benefit in case of exit for the active insurees	-102'678'159	-70'001'413
Vested benefit transferred of pensioner's capital	-2'016'980	-
Vested benefit in case of exit for the disabled insurees	-231'263	-
Total of the position vested benefit in case of exit	-104'926'402	-70'001'413

75. Explanation of the position non-technical provision

	31.12.2019	31.12.2018
	CHF	CHF
Provision for loss on debts	253'137	200'000
Total of the position non-technical provision	253'137	200'000

The reserve for losses on debtors has been set up on a lump-sum basis to cover any losses not charged to the LOB Guarantee Fund. It corresponds to 1% of the investments with employers (c/c members) on the assets side of the balance sheet.

76. Explanation of the position administrative expenses

	31.12.2019	31.12.2018
	CHF	CHF
Internal management operating expenses	-2'417'429	-1'638'290
Foundation board expenses	-320'954	-176'941
Fees for external services	-18'484	-119'763
Total of the position administrative expenses	-2'756'867	-1'934'994

77. Explanation of the position contribution

	31.12.2019	31.12.2018
	CHF	CHF
Savings contributions	81'698'842	55'552'561
Risk and guarantee fund contributions	9'910'927	7'435'317
Administrative fees contributions	2'743'780	1'953'782
Total of the position contributions	94'353'549	64'941'660
Employees contributions	41'163'636	28'922'513
Employers contributions	53'189'913	36'019'147

78. Explanation of the position other revenues

	31.12.2019	31.12.2018
	CHF	CHF
Provision adjustment	74	12'691
Allocation of administrative expenses relating to SI de l'Avenue Versonnex SA holding the buildings Pictet de Rochemont 23 et Trente et Un Décembre 62	31'875	0
Tax at source collection commission	6'629	4'410
Total of the position other revenues	38'578	17'101

8. Demands from the Regulatory Body

There are no unresolved issues open with the ASFIP Geneva at the time the report was established.

9. Other information relating to the financial situation

91. Pledging of assets

Buildings

	Schedule 1st rank	Schedule 2 nd rank	Total
Edouard Racine 3 à Genève	3'525'000	-	3'525'000
Léon Nicole 2 à Genève	2'900'000	-	2'900'000
Lyon 18 à Genève	3'000'000	50'000	3'050'000
Servette 35 à Genève	2'500'000	-	2'500'000
Total	11'925'000	50'000	11'975'000

92. Overdraft

There is no overdraft.

93. Partial liquidation

There are no partial liquidations taking place currently.

94. Current legal proceedings

There are no current legal proceedings.

95. Special transactions and asset transactions

There are no special transactions and asset transactions.

10. Post-balance sheet date events

Following the Coronavirus COVID-19 pandemic, the Federal Council and many states around the world have declared the state of emergency of the Coronavirus COVID-19 of extraordinary circumstances.

The restrictions associated with these decisions will have a significant impact on the Swiss and global economy and thus potentially on the Foundation's investment returns and the income from contributions.

However, it is not possible to reliably quantify these effects due to the uncertainty as to the duration and severity of the pandemic.

The Foundation Board has defined and already implemented some measures and is closely monitoring developments in order to take appropriate decisions to the exceptional circumstances.

Report of the Auditor on the financial year 2019

Berney Associés

Genève, le 7 avril 2020

Rapport de l'organe de révision sur l'exercice 2019 au Conseil de fondation de la Fondation Patrimonia, Le Grand-Saconnex

Rapport de l'organe de révision sur les comptes annuels

En notre qualité d'organe de révision, nous avons effectué l'audit des comptes annuels ci-joints de la Fondation Patrimonia comprenant le bilan, le compte d'exploitation et l'annexe pour l'exercice arrêté au 31 décembre 2019.

Responsabilité du Conseil de fondation

La responsabilité de l'établissement des comptes annuels, conformément aux dispositions légales, à l'acte de fondation et aux règlements, incombe au Conseil de fondation. Cette responsabilité comprend l'organisation, la mise en place et le maintien d'un contrôle interne relatif à l'établissement des comptes annuels afin que ceux-ci ne contiennent pas d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. En outre, le Conseil de fondation est responsable du choix et de l'application de méthodes comptables appropriées, ainsi que des estimations comptables adéquates.

Responsabilité de l'expert en matière de prévoyance professionnelle

Le Conseil de fondation désigne pour l'audit, en plus de l'organe de révision, un expert en matière de prévoyance professionnelle. Ce dernier examine périodiquement si l'institution de prévoyance offre la garantie qu'elle peut remplir ses engagements et si les dispositions réglementaires de nature actuarielle et relatives aux prestations et au financement sont conformes aux dispositions légales. Les provisions nécessaires à la couverture des risques actuariels se calculent sur la base du rapport annuel de l'expert en matière de prévoyance professionnelle au sens de l'art. 52e, al. 1, LPP en relation avec l'art. 48 OPP 2.

Responsabilité de l'organe de révision

Notre responsabilité consiste, sur la base de notre audit, à exprimer une opinion sur les comptes annuels. Nous avons effectué notre audit conformément aux prescriptions légales et aux Normes d'audit suisses.

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Ces normes requièrent de planifier et réaliser l'audit de façon à obtenir raisonnablement l'assurance que les comptes annuels ne contiennent pas d'anomalies significatives.

Un audit inclut la mise en œuvre de contrôles en vue de recueillir des éléments probants concernant les valeurs et les informations fournies dans les comptes annuels. Le choix des procédures d'audit relève du jugement de l'auditeur, de même que l'évaluation des risques que les comptes annuels puissent contenir des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. Lors de l'évaluation de ces risques, l'auditeur prend en compte le contrôle interne relatif à l'établissement des comptes annuels pour définir les procédures d'audit adaptées aux circonstances, et non pas dans le but d'exprimer une opinion sur l'efficacité de celui-ci. Un audit comprend, en outre, une évaluation de l'adéquation des méthodes comptables appliquées et du caractère plausible des estimations comptables effectuées ainsi qu'une appréciation de la présentation des comptes annuels dans leur ensemble. Nous estimons que les éléments probants recueillis constituent une base suffisante et adéquate pour former notre opinion d'audit.

Opinion d'audit

Selon notre appréciation, les comptes annuels de l'exercice arrêté au 31 décembre 2019 sont conformes à la loi suisse, à l'acte de fondation et aux règlements.

Rapport sur d'autres dispositions légales et réglementaires

Nous attestons que nous remplissons les exigences légales relatives à l'agrément (art. 52b LPP) et à l'indépendance (art. 34 OPP 2) et qu'il n'existe aucun fait incompatible avec notre indépendance.

Nous avons également procédé aux vérifications prescrites aux art. 52c, al. 1, LPP et 35 OPP 2. Le Conseil de fondation répond de l'exécution de ses tâches légales et de la mise en œuvre des dispositions statutaires et réglementaires en matière d'organisation, de gestion et de placements.

Nous avons vérifié :

- si l'organisation et la gestion étaient conformes aux dispositions légales et réglementaires, et s'il existait un contrôle interne adapté à la taille et à la complexité de l'institution;
- si les placements étaient conformes aux dispositions légales et réglementaires;
- si les comptes de vieillesse étaient conformes aux dispositions légales;
- si les mesures destinées à garantir la loyauté dans l'administration de la fortune avaient été prises et si le respect du devoir de loyauté ainsi que la déclaration des liens d'intérêts étaient suffisamment contrôlés par l'organe suprême;

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- si les fonds libres ou les participations aux excédents résultant des contrats d'assurance avaient été utilisés conformément aux dispositions légales et réglementaires;
- si les indications et informations exigées par la loi avaient été communiquées à l'autorité de surveillance;
- si les opérations avec des personnes proches qui nous ont été annoncées garantissaient les intérêts de l'institution de prévoyance.

Nous attestons que les dispositions légales, statutaires et réglementaires applicables en l'espèce ont été respectées.

Nous recommandons d'approuver les comptes annuels présentés.

Berney Associés Audit SA

BA Signature électronique authentifiée



Gregory GRIEB
Expert-réviseur agréé
Réviseur responsable

BA Signature électronique authentifiée



Fabien SPANO
Expert-réviseur agréé

Annexe : comptes annuels comprenant : bilan, compte d'exploitation et annexe

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Audit

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