



Annual report 2023

Vita Invest Collective Foundation
of Zurich Life Insurance Company Ltd

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Report of the Chairman of the Foundation Board



Dear Reader,

I am pleased to present the annual financial statement of the Vita Invest Collective Foundation.

Although geopolitical tensions increased again in 2023 and another conflict escalated on Europe's doorstep with the war in Gaza, many stock markets performed satisfactorily. American tech companies in particular made strong gains thanks to the euphoria surrounding artificial intelligence. In addition, many central banks appear to have succeeded in holding back inflation, at least for the time being, with their rapid interest rate hikes in 2022 and the first half of 2023. This caused share prices to rise in many markets.

It remains to be seen how sustainable this positive development will be. It is still unclear to what extent the formation of political blocs around the world will cause the globalization of the economy to falter and production processes to be less frequently located in places where they can be provided most efficiently in the future. Although the coronavirus pandemic is hardly having any direct impact now, China's economy continues to weaken. Due to the bursting of the real estate bubble, the long-standing global growth engine has largely come to a standstill.

In this environment of contradictory trends, the strength of occupational retirement provision is once again proven to lie in the fact that it is designed for the very long term and can absorb strong fluctuations in the short and medium term. In 2023 the Vita Collective Foundations and Zurich showed once again that they can provide every firm with the right individual offer.

Vita Invest Collective Foundation raises the conversion rate

Four years after the introduction of our new and unique retirement provision model, we have two pieces of good news for all insured persons: First, we were able to pay above-average interest on their retirement assets in 2023. Depending on the company – or the investment strategy tailored to the company – the interest rate was as high as 7 percent. On average, credit balances grew by 4.6 percent. The net performance of the investment strategy amounted to between 3 percent and 7 percent overall in 2023, and the average cover ratio across all pension funds is over 110 percent.

Second, the innovative model and the good investment policy make it possible to do something

that hardly any other Swiss foundation for retirement provision is doing: We are increasing the conversion rate for both new annuities and annuities from previous years with effect from the new year 2024. The so-called guaranteed conversion rate will rise from 3.7 percent to a permanent 4.3 percent. In addition to this guaranteed portion of the annuity, there is a variable portion that depends on the investment income in the previous year and should make up around a third of the total annuity. Overall, the annuities of Vita Invest are thus significantly above the average of comparable foundations.

Our Vita Invest retirement provision model without redistribution

Vita Invest is characterized by the fact that we do not make excessive interest rate promises. Without the burden of these guarantees, it is possible, on the one hand, to prevent the undesirable redistribution between active and retired persons that is practiced in many pension funds. On the other hand, we can select an investment strategy adapted to the risk capacity of the pension fund. This means that all insured persons benefit – during their working life in the form of a higher interest rate and after retirement through additional annuity bonuses or participation in the performance of the investment markets.

Zurich and Vita offer fair play

As in previous years, the Vita Collective Foundations and Zurich once again commissioned a joint survey into the population's attitude to retirement provision. In the process, the renowned research institute Sotomo found that the statutory conversion rate in Switzerland has become the defining symbol for the annuity amount in the second pillar. This fixation on the conversion rate has meant that many contributors are less interested in building up their retirement savings capital than in converting this capital into an annuity. While 39 percent of the working population believe that the conversion rate is the main factor determining the amount of their future annuity, only 18 percent think that the amount of their savings is the most important factor here. For 43 percent, both factors are equally relevant.

Online platform myVitalInvest also available as an app

We are continuing to focus on costs and the further development of IT. On the myVitalInvest self-service portal, our beneficiaries have the option to obtain a pension certificate at any time, adjust any details and carry out purchase simulations, for example. The self-service portal is available on smartphones as an app, which has proved very popular, with most simulations relating to purchases and retirement. Additional functions are continually being added to the portal and the app.

As a customer, you know that we are equally focused on the interests of employees and companies. You can rest assured that your retirement provision is in the right hands with the Vita Collective Foundations and Zurich.

We look forward to continuing our partnership and thank you for your trust.



Markus Wenger
Chairman of the Board of Trustees of the
Vita Invest Collective Foundation

Balance sheet and operating statement

Balance sheet

Assets

in CHF	Notes	12/31/2023	12/31/2022
Asset investments		481,799,840.91	409,853,753.53
Cash and cash equivalents	6.3	9,403,422.65	10,319,404.72
Receivables	6.3	3,493,991.61	1,076,967.16
Collective investments	6.3	465,169,179.89	396,377,236.34
Investments with the employer	6.9	3,733,246.76	2,080,145.31
Accrued income and deferred expenses		0.00	793.00
Total assets		481,799,840.91	409,854,546.53

Liabilities

in CHF	Notes	12/31/2023	12/31/2022
Liabilities		18,205,099.37	8,452,890.67
Vested benefits and pensions		16,579,343.43	7,820,427.02
Other liabilities		1,625,755.94	632,463.65
Accrued expenses and deferred income		904,181.36	923,672.43
Employers' contribution reserve	6.9	1,762,032.45	1,445,574.80
Contribution reserve without waiver of usage		1,762,032.45	1,445,574.80
Retirement provision assets and technical reserves		413,656,335.09	370,675,834.53
Pension capital active insured	5.3	397,623,659.65	351,482,839.53
Pension capital pensioners	5.4	14,075,548.44	14,806,500.00
Underwriting reserves	5.6	1,957,127.00	4,386,495.00
Value fluctuation reserve	6.2	42,364,186.85	25,143,823.85
Unrestricted assets of pension funds		5,063,110.79	4,223,482.43
Balance at the beginning of the period		4,223,482.43	32,381,224.37
Expense/income surplus		839,628.36	-28,157,741.94
Uncommitted pension funds with coverage deficiency		-251,236.79	-1,167,692.93
At beginning of period		-1,167,692.93	0.00
Expense/income surplus		916,456.14	-1,167,692.93
Unrestricted assets of the Foundation		46,131.79	106,960.75
At beginning of period		106,960.75	174,698.62
Expense/income surplus		-60,828.96	-67,737.87
Endowment capital		50,000.00	50,000.00
Total liabilities		481,799,840.91	409,854,546.53

Operating statement

in CHF	Notes	2023	2022
Regular and other contributions and purchases		51,102,362.44	41,944,307.64
Employee contributions		18,115,669.63	14,721,681.95
Employer contributions		24,333,765.07	20,137,987.90
Withdrawal from employers' contribution reserve	6.9	- 273,512.40	- 359,185.00
Single contributions and purchase amounts		8,364,283.94	7,377,893.44
Contributions to employers' contribution reserves	6.9	547,105.40	59,791.75
Supplemental contributions from the security fund		15,050.80	6,137.60
Benefits brought into scheme		30,990,058.10	24,525,470.25
Vested benefits		30,386,993.50	23,596,514.35
Contributions early withdrawals for home ownership promotion		286,000.00	350,500.00
Contributions from divorces		317,064.60	578,455.90
Contributions in the case of transfers of pension portfolios from the employer pension funds to the Foundation's pension scheme		15,992,877.12	0.00
Contributions to pension capital of pensioners		13,906,849.67	0.00
Value fluctuation reserves		1,390,684.97	0.00
Uncommitted funds		695,342.48	0.00
Incoming contributions and benefits brought into scheme		98,085,297.66	66,469,777.89
Regulatory benefits		- 13,937,662.80	- 14,125,481.67
Retirement pensions		- 8,959,910.40	- 8,107,028.45
Survivors' pensions		- 805,473.90	- 819,605.40
Disability pensions		- 393,541.15	- 283,559.70
Capital payments on retirement		- 3,778,737.35	- 4,915,288.12
Departure payments		- 33,423,474.29	- 41,150,914.50
Vested benefits paid to departing insured		- 31,395,427.60	- 37,074,975.85
Transfer of additional funds upon collective withdrawal		- 725,934.84	- 2,494,348.60
Early withdrawals for home ownership promotion		- 911,800.00	- 600,000.00
Early withdrawals for divorce		- 390,311.85	- 981,590.05
Withdrawal in the case of transfers of pension portfolios from the employer pension scheme to the Foundation's pension fund		- 15,992,877.12	0.00
Withdrawal for the transfer of fully funded pension obligations		- 15,992,877.12	0.00
Outgoing benefits and early withdrawals		- 63,354,014.21	- 55,276,396.17

in CHF	Notes	2023	2022
Reversal (+) / formation (-) of pension capital, technical reserves and employers' contribution reserves		-43,254,093.56	-24,170,519.82
Formation / reversal of pension capital of active insured	5.3	-37,880,348.01	-11,838,412.89
Formation of pension capital of pensioners	5.4	730,951.56	-7,173,721.00
Reversal of technical reserves	5.6	2,429,368.00	713,273.54
Interest on pension capital for active insured	5.3	-8,260,472.11	-6,380,101.92
Reversal of contribution reserves	6.9	-273,593.00	508,442.45
Income from insurance benefits		10,042,209.42	9,441,792.16
Insurance benefits pension payments		9,528,065.50	8,746,265.80
Insurance benefits: premium waiver		266,360.32	196,405.50
Profit shares from insurance policies	5.9	247,783.60	499,120.86
Insurance costs		-4,131,792.13	-3,356,660.50
Premiums due to insurance companies			
Risk premiums		-3,436,930.01	-2,967,619.70
Cost premiums		-433,676.63	-321,896.30
Single contributions to insurance		-114,646.50	60,804.45
Security fund contributions		-146,538.99	-127,948.95
Result from insurance activities		-2,612,392.82	-6,892,006.44
Net result from asset investments		22,158,895.28	-46,983,148.07
Income from cash and cash equivalents	6.7	78,748.05	-45,928.45
Interest on employers' contribution reserves	6.9	-42,864.65	70,333.82
Interest on vested benefits	6.7	-190,392.15	-91,771.77
Income from collective investments	6.7	25,398,056.62	-44,310,318.53
Asset management costs, TER and fees	6.8	-3,084,652.59	-2,605,463.14
Other income		172,493.40	68,720.45
Other expenses		-20,666.97	-5,782.60
Administrative costs	7.1	-782,710.35	-672,482.09
General administration		-782,710.35	-672,482.09
Profit before reversal / formation of value fluctuation reserve		18,915,618.54	-54,484,698.75
Reversal (+) / formation (-) of value fluctuation reserve		-17,220,363.00	25,091,526.01
Expenses surplus / income surplus		1,695,255.54	-29,393,172.74
of which at the level of the pension funds		1,756,084.50	-29,325,434.87
of which at Foundation level		-60,828.96	-67,737.87

Notes

1 Principles and organization

1.1 Legal form and purpose

Legal form	Foundation pursuant to Art. 80 et seq. Swiss Civil Code
Establishment of Foundation	April 1998
Deed of Foundation (last amendment)	January 2020
Funding method	Defined contribution plan
Registration	ZH 1445
Security fund	Yes

The purpose of the Foundation is to provide mandatory and super-mandatory occupational retirement provision plans for employees and employers as well as their surviving dependents against the consequences of old age, disability and death. Occupational pension plans are provided in accordance with the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). The Foundation can also provide extended pension benefits in excess of the statutory minimum benefits, including assistance to alleviate the hardship caused by illness, accident, disability or unemployment.

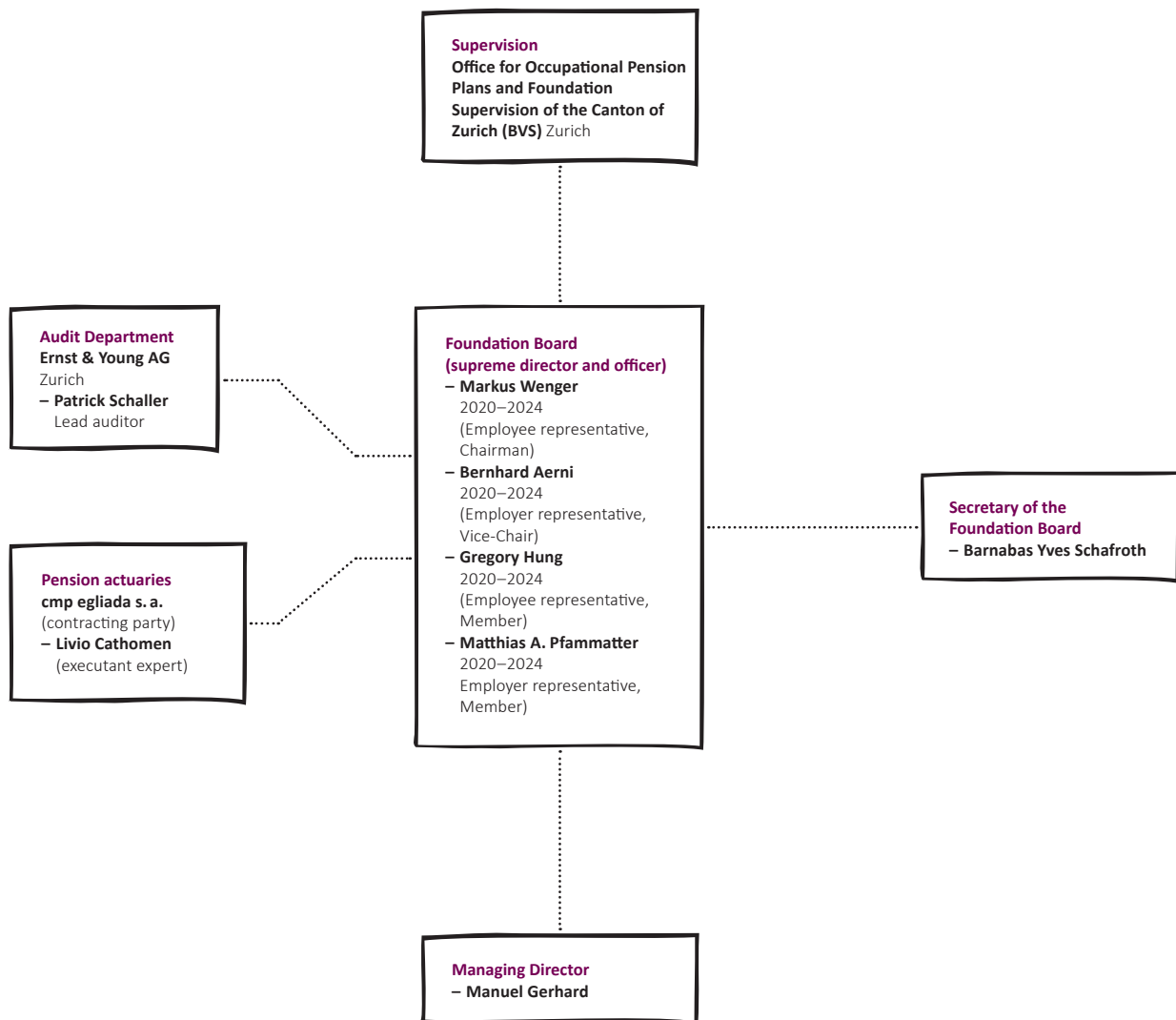
1.2 Information of the regulations valid on December 31, 2023

Regulations valid on 31.12.2023	Version	Date of decision	Entry into force
Retirement provision regulation "Autoinvestment"	1/2023	November 24, 2022	January 1, 2023
Pension regulations "Company's own investment strategy"	1/2023	November 24, 2022	January 1, 2023
Rules of organization for the Administration Committee	1/2023	November 24, 2022	January 1, 2023
Rules of organization for the Foundation Board	1/2022	November 24, 2022	December 31, 2022
ICS Rules	1/2022	November 24, 2022	December 31, 2022
Administrative cost regulations	1/2022	November 25, 2021	January 1, 2022
Retirement provision regulation "Autoinvestment"	1/2023	November 24, 2022	January 1, 2023
Investment regulations "Company's own investment strategy"	1/2023	November 24, 2022	January 1, 2023
Restructuring regulations	1/2020	November 28, 2019	January 1, 2020
Regulations provisions and reserves	1/2023	December 8, 2023	December 31, 2023
Regulations on partial liquidation	1/2020	November 28, 2019	January 15, 2020
Compensation regulations for the Foundation Board	1/2022	November 24, 2022	December 31, 2022
Regulations on elections	1/2016	September 29, 2016	October 1, 2016

1.3 Affiliated employers / pension fund

	2023		2022	
	Employers	Pension fund	Employers	Pension fund
At beginning of period	32	22	24	15
Additions	8	7	10	9
Departures	0	0	-2	-2
Total at the end of the period	40	29	32	22

1.4 Highest governing and executive bodies, management and signatory powers



The Foundation Board appoints authorized signatories and determines the manner in which they shall sign. Only joint signatures, with a minimum of two signatures, are allowed.

2 Active insured and pensioners

	2023	2022
Active insured as at 01 / 01 ¹⁾	2,006	1,757
Additions		
Entries	311	362
Entries from collective acquisitions	172	140
Departures		
Exits	330	196
Retirements	16	15
Exits from contract terminations	0	42
Active insured persons as at 12 / 31	2,143	2,006

1) In the previous year, the number of insured was over-reported due to the use of a different evaluation method. This value was corrected in the annual financial statement 2022 and aligned with the new counting method.

	2023	2022
Pension recipients as at 01 / 01	492	537
Additions		
Adjustment to prior year ²⁾	348	0
New pensioners	34	28
Retirements	0	6
Departures		
Expiry / contract departure	52	79
Pension recipients as at 12 / 31	822	492
of which pension recipients as at 12 / 31 "Retiree pension fund"	35	1
of which pension recipients as at 12 / 31 "Pension funds"	0	25
of which pension recipients as at 12 / 31 "Zurich Insurance"	787	466
Retirement pensions	732	429
Survivors' pensions	58	27
Disability pensions	25	19
Retired persons' children's pensions	3	7
Orphan's pensions	2	9
Disability-linked children's pensions	2	1

2) The pension administration system at Zurich Life Insurance Company Ltd was migrated. In contrast to the previous year, all current pension obligations purchased from Zurich Life Insurance Company Ltd up to December 31, 2019, are now taken into account.

3 Achievement of purpose

The Foundation purpose is achieved by affiliating willing employers through affiliation contracts of the Foundation. A pension fund is established with the affiliation contract.

The pension plans are drawn up individually with the affiliated pension fund. These are defined contribution plans. Both defined contribution and defined benefit plans exist for the risks of death and disability. This concerns both mandatory BVG and 'enveloping' or purely extra-mandatory plans.

The affiliate pension funds may, depending on their financial situation, provide improved benefits within the framework of the statutory provisions. No adjustment was made to the pensions

at the level of the Foundation or the level of the pension funds in accordance with Art. 36 para. 2 BVG in the 2023 financial year.

Benefits and contributions are based on the pension regulations. The Administration Committee determines the type and scope of pension benefits in the pension plan, the contributions of the insured and the employers, as well as pension-specific provisions. The pension plan is an integral part of the regulations.

The division of premiums between employees and employers can be regulated within a pension fund, whereby the employer must bear at least 50 percent of the costs. Funding is reviewed annually and adjusted as needed.

4 Valuation and accounting principles, consistency

4.1 Confirmation that accounts are drawn up in accordance with Swiss GAAP ARR 26

Accounting, reporting and valuation practices comply with the provisions of the Swiss Code of Obligations (OR) and BVG (Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans). The annual financial statements comprising the balance sheet, operating statement and notes portray the actual financial position of the Foundation as defined in the occupational retirement provision legislation and comply with the provisions of Swiss GAAP ARR 26 (amended version from January 1, 2014).

4.2 Valuation and accounting principles

Cash and cash equivalents	Nominal value
Receivables and loans	Nominal value
Collective investments	Price on reporting date
Foreign currency translations	Price on reporting date
Other assets and liabilities	Nominal value

The pension capital and technical reserves are recalculated annually by the occupational retirement provision expert in accordance with recognized principles and the regulations for provisions and reserves.

4.3 Change of principles for valuation, bookkeeping and accounting

The principles for valuation have not changed compared to the previous year.

5 Actuarial risk / risk coverage / cover ratio

5.1 Type of risk coverage / reinsurance

The Foundation has concluded a collective life insurance agreement with Zurich Life Insurance Company Ltd to cover the actuarial risks of death and disability. The policyholder and beneficiary is the Foundation. As of December 31, 2023, no pension schemes manage their pension obligations for their own account (previous year: two pension schemes). Any difference between the conversion rate of the Foundation and the conversion rate according to the retirement provision

strategy or the BVG minimum benefits is funded by the pension fund. The reserve necessary for this purpose is formed within the pension fund. The calculation of the reserve is described in the "Provisions and Reserves" regulations.

All costs incurred by the Foundation are borne by Zurich Life Insurance Company Ltd and covered by the cost premium. To finance this premium, the Foundation levies a cost contribution from all affiliated pension funds.

5.2 Explanation of assets and liabilities from insurance contracts

The actuarial reserves for pension obligations from the collective life insurance agreement concluded with Zurich Life Insurance Company Ltd are not recognized in the balance sheet. The surrender values for the annuities purchased from Zurich Life Insurance Company Ltd are as follows:

in CHF	12/31/2023	12/31/2022
Surrender value	141,853,897.09	142,859,251.20
Retirement pensions	121,518,903.84	125,493,553.74
Survivors' pensions	14,553,227.31	12,889,048.58
Orphans' pensions	356,154.33	480,534.37
Disability pensions	2,116,929.33	1,868,668.26
Disability-linked children's pension	23,789.50	9,417.64
Savings contribution exemption	3,284,892.78	2,118,028.63

5.3 Development of and interest on the pension capital for active insured in defined contribution plan

in CHF	2023	2022
Interest on pension capital for active insured	1.0%–4.0%	1.0%–4.0%
Pension capital of active insured as at 01 / 01	351,482,839.53	333,264,324.72
Formation of pension capital of active insured	37,880,348.01	11,838,412.89
Retirement credits for active insured	36,272,982.65	29,459,665.25
Contribution-free retirement credit	266,360.32	196,405.50
Single premiums from employees	8,339,824.64	7,374,893.44
Single premiums from employers	24,459.30	3,000.00
Contributions from uncommitted funds	0.00	334,694.00
Vested benefits	12,692,816.85	19,422,695.30
Contributions upon takeover of contract; vested benefits	17,694,176.65	4,173,819.05
Contributions for early withdrawals for home ownership promotion	286,000.00	350,500.00
Contributions from divorces	317,064.60	578,455.90
Vested benefits paid to departing insured	-31,395,427.60	-27,679,708.75
Vested termination benefits for contract terminations	0.00	-9,395,267.10
Early withdrawals for home ownership promotion	-911,800.00	-600,000.00
Early withdrawals for divorce	-390,311.85	-981,590.05
Capital payments on retirement	-3,778,737.35	-4,915,288.12
Financing death benefits	-163,611.60	0.00
Transfer to pension capital pensioner	-1,373,448.60	-6,483,861.53
Interest on pension capital for active insured	8,260,472.11	6,380,101.92
Pension capital of active insured as at 12 / 31	397,623,659.65	351,482,839.53
Of which retirement assets according to BVG	131,470,845.65	120,190,451.05

Explanation of interest on pension capital for active insured

Affiliations with “Company’s own investment strategy”

The interest rate is individually determined by the administration committee of each pension fund on the basis of the investment income and the financial situation. When discussing the annual financial statements with customers, the relevant resolutions of the administration committee regarding interest are obtained and recorded. The Foundation monitors and supervises on an ongoing basis to ensure that benefit improvements in the case of value fluctuation reserves which have not been fully accumulated comply with the statutory provisions.

Affiliations with “Autoinvestment”

The interest rate on the retirement savings capital is determined by the administration committee, whereby the Foundation Board sets an interest rate range in compliance with the statutory provisions. The Foundation Board sets the maximum possible interest rate, based on the minimum interest rate pursuant to the BVG. The interest rate range in the 2023 financial year lies between 0.0% and 1.0% in accordance with the decision of the Foundation Board. In the absence of any other interest rate decision by the administration committee, the maximum interest rate as specified by the Foundation Board was applied.

The Foundation confirms that the provisions pursuant to Art. 46 BVV 2 have been complied with.

5.4 Development of the actuarial reserves for pensioners

Since January 1, 2020, new retirement annuities have generally been transferred to the Foundation's retiree pension fund. As of December 31, 2023, no pension schemes manage their pension obligations for their own account (previous year: two pension schemes). The Foundation Board has decided not to implement any pension increases for 2023.

	2023	2022
Pension capital for pensioners as at 01 / 01	14,751,404.00	7,632,779.00
Withdrawal from retirement provision assets pensioners	- 13,906,849.67	0.00
Pension payments	- 630,162.30	- 466,416.65
Pensioners' contribution to pension capital	0.00	6,427,150.83
Increase according to expert's calculation	214,392.03	1,157,890.82
Pension capital pensioners as at 12 / 31 "pension funds"	0.00	14,751,404.00
Pension capital pensioners as at 12 / 31 "retiree pension fund"	55,096.00	0.00
Pension payments	- 2,475.20	- 1,629.90
Contributions to pension capital pensioners	13,906,849.67	56,710.70
Increase according to expert's calculation	116,077.97	15.20
Pension capital pensioners as at 12 / 31 retiree pension fund	14,075,548.44	55,096.00
Pension capital pensioners as at 12 / 31 total	14,075,548.44	14,806,500.00

5.5 Result of the last actuarial report

The Vita Invest Collective Foundation of Zurich Life Insurance Company Ltd is periodically reviewed actuarially by the elected expert for occupational retirement provision plans. The last review took place on December 31, 2023. The expert confirms that

- the applied technical interest rate and the actuarial bases are appropriate;

- the Foundation and the affiliated pension funds provide certainty that they will be able to meet their obligations;
- the regulatory actuarial provisions on benefits and financing comply with the legal requirements;
- the measures taken are sufficient to cover the underwriting risks.

5.6 Information on actuarial reserves

in CHF	2023	2022
Underwriting reserves as at 01 / 01	4,386,495.00	5,099,768.54
Contributions		
due to formation	167,401.00	964,913.00
Withdrawals		
due to reversal	-2,596,769.00	-451,344.00
due to contract departures	0.00	-1,226,842.54
Underwriting reserves as at 12 / 31	1,957,127.00	4,386,495.00
of which reserves for conversion rate	1,747,514.00	2,468,812.00
of which reserves for performance guarantee for pensioners	209,613.00	442,542.00
of which reserves for risk fluctuations pensioners	0.00	1,475,141.00

The following types of provisions have been recognized as at December 31, 2023:

Reserve for the conversion rate (retirement losses)

This reserve covers the additional funding requirement created due to the difference between the conversion rate set according to underwriting principles and the statutory conversion rate or the conversion rate set by the administration committee.

Reserves for performance guarantee for pensioners

These reserves cover the financing requirements for guaranteed additional pensions temporarily granted until December 31, 2024 for the pension obligations arising from two pension schemes.

As at December 31, 2023, all necessary reserves were accumulated at the level of the pension funds.

At Foundation level, no reserves were formed as at December 31, 2023, and only the aggregated values are shown.

5.7 Cover ratio pursuant to Art. 44 para. 2 BVV 2

A coverage deficiency is deemed to exist when on the balance sheet date the estimated technically necessary pension capital is not covered by the retirement provision assets available for it.

As at December 31, 2023, the Foundation has a cover ratio of 111.43% in accordance with Art. 44 para. 1 BVV 2:

in CHF	12 / 31 / 2023	12 / 31 / 2022
Available pension assets	460,928,527.73	399,032,408.63
Gross assets (total assets)	481,799,840.91	409,854,546.53
./. Liabilities	- 18,205,099.37	- 8,452,890.67
./. Accrued expenses and deferred income	- 904,181.36	- 923,672.43
./. Employers' contribution reserves without waiver of usage	- 1,762,032.45	- 1,445,574.80
Actuarial pension capital	413,656,335.09	370,675,834.53
Pension capital active insured	397,623,659.65	351,482,839.53
Pension capital pensioners	14,075,548.44	14,806,500.00
Underwriting reserves	1,957,127.00	4,386,495.00
Cover ratio pursuant to Art. 44 para. 1 BVV 2	111.43 %	107.65 %

The cross-foundation cover ratio has no economic relevance and has no significance. The Foundation maintains a separate cover ratio for each pension fund.

Cover ratio	80 % – 90 %	90 % – 100 %	100 % – 110 %	110 % – 120 %	120 % – 130 %	> 130 %
Number of pension funds	0	6	13	7	2	1

As of December 31, 2023, 23 out of 29 affiliated pension schemes (previous year: 12 out of 22 pension schemes) have sufficient coverage (coverage ratio above 100%).

In the past financial year, 6 out of 29 affiliated pension schemes (previous year 2 out of 22 pension schemes) had a value fluctuation reserve in the amount of the target value.

5.8 Technical principles and other actuarially relevant assumptions

Technical principles at the Foundation level

Actuarial principles	Generation chart BVG 2020 (previous year: generation chart BVG 2020)
Guaranteed minimum interest rate	1.00% (previous year: 0.00%)

Technical principles for pension funds with actuarial risks

In the 2023 financial year, two pension funds bore their pension obligations for their own account (previous year: two pension funds).

Actuarial principles	Generation chart BVG 2020 (previous year: generation chart BVG 2020)
Guaranteed minimum interest rate	1.00% (previous year: 0.00%)

5.9 Profit shares from insurance policies

Determination of dividends

The Foundation's Group Life insurance contract with Zurich is concluded with participation in surpluses in favor of the Foundation. A lump-sum premium rate is calculated annually for each pension fund for its entire workforce.

The pension funds have generally been managed in a risk pool. For pension funds with 20 or more insured, an individual risk agreement can be concluded.

The amount of the surplus depends on the actual claims history of the Foundation (risk pool contract) or the pension funds (individual risk contracts).

In the 2023 financial year, the pension funds (individual risk contracts) of the Vita Invest Joint Foundation of Zurich Life Insurance Company Ltd received dividends in the amount of CHF 85,773

(previous year: CHF 0). The Foundation received dividends from the risk pool contract in the amount of CHF 162,010 in the 2023 financial year (previous year: CHF 499,121). The Foundation Board has decided to distribute the entire surplus among the individual pension funds affiliated with the risk pool contract in proportion to the invoiced risk cost premium. The corresponding dividends were credited to the pension funds in December 2023.

Appropriation of surpluses

As standard, the pension plans issued by the respective administration committees provide for dividends from insurance policies to be credited to the operating account, although the administration committee may also decide on a different use (Art. 68a BVG).

All pension funds and the Foundation decided to credit the surpluses to the operating account in the past financial year.

6 Asset investments and net investment result

6.1 Organization of investment activities, investment regulations

Collective investments	Zurich Investment Foundation ¹⁾ CS Investment Foundation ¹⁾ Zürcher Kantonalbank ²⁾
Custodians	State Street Bank GmbH, Munich, Zurich Branch ²⁾ Credit Suisse AG, Zurich ²⁾ Zürcher Kantonalbank ²⁾

1) Authorization AOK
2) Authorization FINMA

Approval of asset managers in accordance with Art. 48f BVV 2

The Foundation entrusts the following bodies with asset management:

Zurich Investment Foundation, Credit Suisse AG, Zürcher Kantonalbank.

Investment strategies

Affiliations with “Autoinvestment”:

The Foundation invests the pension assets for each pension fund in accordance with the principles of autoinvestment.

The pension assets of an insured person are allocated to one of three investment strategies depending on their individual risk capacity. This means that the pension fund’s total pension assets are essentially invested in three different investment strategies.

The allocation of the three investment strategies can be seen in the annual financial statements of the pension funds.

Affiliations with “Company’s own investment strategy”:

The Foundation invests pension assets for each pension fund on behalf of the respective administration committee.

A pension fund’s administration committee provides the Foundation with the necessary investment instructions for asset investment when the affiliation contract is concluded. The administration committee decides on adjustments to the investment instructions in agreement with the Foundation and within the scope of the investment regulations and the general investment provisions of Art. 49 et seq. BVV 2. Depending on the volume of the pension capital and the risk capacity, the administration committee selects an individual investment strategy for the pension fund from various investment options.

Exercising shareholders’ voting and disclosure rights pursuant to Art. 22 et seq. of the Ordinance on Excessive Remuneration in Stock-Exchange-Listed Collective Stock Companies (VegüV)

The Equity Switzerland asset class is exclusively indirect. Therefore, the Ordinance on Excessive Remuneration in Stock-Exchange-Listed Collective Stock Companies (VegüV) is not applicable. In the case of collective investment schemes that allow a voting recommendation to be made, the Foundation Board decides whether or not to make such a recommendation. The Vita Invest Collective Foundation made no voting recommendations in the 2023 financial year.

6.2 Target value and calculation of the fluctuation reserves

The target value of the fluctuation reserve (in percent) is determined individually for each pension fund. The required fluctuation reserve is calculated based on a normal distribution using the dynamic value-at-risk concept. This concept considers the risks as a whole and thus takes account of the impact of portfolio diversification. The following parameters must be used in the calculation:

- Current asset allocation (SAA)
- Historic volatility of the strategy
- Target return
- Anticipated future return of the investment strategy
- Time horizon: 1 year
- Targeted security level: at least 95%

Affiliations with “Autoinvestment”:

The amount of the collective target fluctuation reserves (cFR) is 10%. The amount of the individual target fluctuation reserves (iFR), which are managed within the framework of the performance account, is between 0% and 5%, depending on the assigned investment strategy. The performance account has the character of an account

with a fluctuating balance, as positive performance can be credited and negative performance can be debited. The balance of the performance account can never be negative overall. The performance account is managed separately from the retirement savings capital for each insured person individually. If the target value fluctuation reserves (cFR & iFR) are fully accumulated for each employer pension fund, individual unrestricted assets are created. These individual unrestricted assets are managed on a pro rata basis per insured person and similarly to the iFR within the framework of the performance account. The performance account (iFR and individual unrestricted assets) will continue to be managed until the insured person leaves the Foundation or reaches the statutory retirement age. Upon departure or upon retirement, the balance of the performance account becomes due in addition to the departure payment.

Affiliations with “Company’s own investment strategy”:

The amount of the collective fluctuation reserve is between 10% and 20% of the pension capital and underwriting reserves, depending on the investment strategy chosen.

in CHF	12/31/2023	12/31/2022
Affiliations with “Autoinvestment”	23	16
Collective fluctuation reserve (cFR) – target value	16,593,094.35	10,818,814.20
Target value as a % of the obligation to provide retirement provision	10–15 %	10–15 %
Collective fluctuation reserve (cFR) – actual balance	9,953,065.58	4,292,876.84
Fluctuation reserve as at 01/01	4,292,876.84	4,841,674.57
Reversal/formation of fluctuation reserve	5,660,188.74	– 548,797.73
Performance account (iFR / individual unrestricted assets)	3,796,095.66	0.00
Affiliations with “Company’s own investment strategy”	6	6
Fluctuation reserve (FR) – target value	35,162,892.40	44,769,279.80
Target value as a % of the obligation to provide retirement provision	10–20 %	10–20 %
Fluctuation reserve (FR) – actual balance	32,411,121.27	20,850,947.01
Fluctuation reserve as at 01/01	20,850,947.01	42,507,798.37
Reversal/formation of fluctuation reserve	11,560,174.26	– 21,656,929.22
Number of pension funds with ≥ 100 % target FR ¹⁾	6	2
Number of pension funds between 75 % and 100 % target FR ¹⁾	3	1
Reserve deficit	2,902,345.15	120,115.45
Number of pension funds with less than 75 % target FR ¹⁾	20	19
Reserve deficit	6,489,454.75	30,324,249.00

1) FR = fluctuation reserve

6.3 Investments by asset class (Compliance with BVV 2)

	12 / 31 / 2023		12 / 31 / 2022		BVV 2
	in CHF	in %	in CHF	in %	in %
Fixed-sum receivables	185,007,657.14	38.4	154,027,685.55	37.6	100
Cash and cash equivalents					
Bank current account management	8,886,468.20		9,232,035.87		
Bank investments	516,954.45		1,087,368.85		
Receivables					
Receivables	1,917,359.13		0.00		
Receivables from security funds	12,308.35		0.00		
Current account Zurich Life	318,766.32		306,974.46		
Anticipatory tax	1,095,557.81		730,424.63		
Receivables from the foundation	150,000.00		39,568.07		
Collective Investments – Receivables					
Bonds Switzerland	54,757,753.29		41,388,095.03		
Bonds foreign in CHF	28,628,628.76		26,689,396.88		
Bonds foreign currencies	76,262,285.85		65,095,883.88		
Operating liquidity	10,070,706.98		7,124,315.53		
Money market	2,390,868.00		2,333,622.35		
Art. 55a Collective Investments – Real estate pledge	6,127,742.03	1.3	5,888,931.36	1.4	50
Art. 55b Collective Investments – Shares	154,494,061.80	32.1	128,594,878.16	31.4	50
Equity Switzerland	63,074,571.94		52,632,153.34		
Foreign equities	91,419,489.86		75,962,724.82		
Art. 55c Coll. investments – Real estate	105,120,682.37	21.8	90,900,368.60	22.2	30
Domestic real estate	88,192,768.44		74,362,874.48		
Foreign real estate	16,927,913.93		16,537,494.12		
Art. 55d Coll. Inv. Alternative investments	22,570,578.04	4.7	23,474,236.06	5.7	15
Art. 55f Collective investment – infrastructure	4,745,872.77	1.0	4,887,508.49	1.2	10
Art. 57 Investments with the employer	3,733,246.76	0.8	2,080,145.31	0.5	5
Accrued income	0.00		793.00		
Total assets	481,799,840.91	100.0	409,854,546.53	100.0	
Art. 53 Permitted investments	observed		observed		
Art. 54 Individual debtors	observed		observed		
Art. 54a Individual participations	observed		observed		
Art. 54b Individual real estate	observed		observed		
Art. 54b Mortgaging of individual real estate	observed		observed		
Art. 55b Category limits – 50% in shares	observed		observed		
Art. 55c 30% real estate, of which max. 1/3 foreign real estate	observed		observed		
Art. 55e Foreign currencies	177,222,948.48	36.8	173,420,410.96	42.3	
Art. 55e FC without currency hedging	80,807,722.35	16.8	75,165,016.17	18.3	30

Information on the selected investment strategies

	12 / 31 / 2023	12 / 31 / 2022
Affiliations with "Autoinvestment"	23	16
Profile Balanced	3,593,441.46	3,018,938.09
Profile Progressive	10,661,329.93	11,402,752.15
Profile Dynamic	60,510,811.38	46,280,463.00
Total in CHF	74,765,582.77	60,702,153.24
Affiliations with "Company's own investment strategy"	6	6
Total in CHF	390,403,597.12	335,675,083.10

6.4 Derivative financial instruments

As at December 31, 2023, there were no investments in derivative financial instrument pursuant to Art. 56a BVV2.

6.5 Expansion of the investment universe pursuant to BVV 2 Art. 50 (4)

Pursuant to Art. 50 para. 4 BVV 2, extensions of the investment options are possible on the basis of investment regulations, provided that compliance with paras. 1–3 (due diligence, security and risk diversification) of Art. 50 can be conclusively demonstrated in the notes to the annual financial statements.

The Vita Invest Collective Foundation of Zurich Life Insurance Company Ltd has provided for the expansion of investment options in its “Company’s own investment strategy” and “Autoinvestment” investment regulations from January 1, 2023.

At the pension fund level, the extension of investment options pursuant to Art. 50 para. 4 BVV 2 was applied by nine pension funds in the past financial year. The category limits pursuant to Art. 55 BVV 2 were exceeded in two of the pension funds. The category limits were exceeded in one of the cases for real estate investments (max. 45%) and in the other case for equity investments (max. 59%). The investments with the employer exceeded the limits pursuant to Art. 57 para. 2 BVV 2 (max. 63%) in six pension funds, because the contributions owed had not been settled by the balance sheet date (cf. sub-paragraph 6.9 of this annual financial statement. In the case of the pension funds that exceeded the category limits pursuant to Art. 55 BVV 2 and the investments with the employer pursuant to Art. 57 para. 2 BVV 2, the respective administration committee is convinced that this excess will make a positive

contribution to achieving the earnings targets in light of the existing risk capacity. The principles of the investment regulations regarding security, returns in line with the market and diversification are observed at all times. The purpose for retirement provision is not endangered by the partial deviation from the investment guidelines pursuant to BVV 2.

In the case of two pension funds, more than 10% was invested with a single debtor in accordance with Art. 54 para. 1 BVV 2 in the past financial year. In both cases, shortly before the end of the year contributions were paid which had not been invested by the cut-off date 12/31/2023. The principles of the investment regulations regarding security, returns in line with the market and diversification are observed. The purpose for retirement provision is not endangered by the deviation from the investment guidelines pursuant to BVV 2.

The Foundation Board is convinced that the investments carefully selected and monitored as part of the implementation of the individual investment strategies, which exceed the BVV 2 limits, make a positive contribution both to the achievement of the return targets and to an appropriate distribution of risk, thereby supporting the achievement of the purpose for retirement provision.

At the level of the Foundation, no extension to the investment options pursuant to Art. 50 para. 4 BVV 2 was necessary in the past financial year.

6.6 Disclosure of retrocessions and securities lending

Vita Invest Collective Foundation has “Company’s own investment strategy” and “Autoinvestment” investment regulations, which are designed to ensure compliance with the loyalty and integrity requirements of the BVG. The members of the governing bodies and employees as well as the external partners responsible for the investment, management and monitoring of the pension assets have undertaken to comply with the legal and regulatory provisions.

According to the investment regulations of the Vita Invest Collective Foundation, securities lending is not permitted. However, this is permitted within the framework of the collective investment schemes used, if the collective investment schemes used allow it.

The Foundation has received letters to this effect from the bodies entrusted with asset management – Zurich Investment Foundation, Credit Suisse AG and Zürcher Kantonalbank. In these, all entities confirm that they have not received any retrocessions subject to disclosure requirements in connection with the investments of Vita Invest Collective Foundation for the year 2023 or paid them out to third parties, and that no securities lending has taken place.

6.7 Net result from asset investments

in CHF	01/01–12/31/2023	01/01–12/31/2022
Income from cash and cash equivalents	78,748.05	-45,928.45
Interest on employers’ contribution reserves	-42,864.65	70,333.82
Interest on vested benefits	-190,392.15	-91,771.77
Income from collective investments	25,398,056.62	-44,310,318.53
Gain/loss on currency hedging	0.00	-48,608.39
Income from collective investments	25,398,056.62	-44,261,710.14
Asset management costs, TER and fees	-3,084,652.59	-2,605,463.14
Bank and deposit fees	-42,603.86	36,747.48
Asset management costs	-215,254.92	-43,753.89
Total Expense Ratio (TER)	-2,826,793.81	-2,598,456.73
Net result from asset investments	22,158,895.28	-46,983,148.07
Average total assets ¹⁾	445,827,193.72	424,730,871.05
Net return²⁾	4.97%	-11.06%

1) (Balance sheet value as at 01/01 + balance sheet value as at 12/31) : 2

2) Net return = net result in % of average total assets

6.8 Explanations of asset management costs

Collective capital investments are subject to costs that are not billed directly but are offset against the future performance of the collective assets (deduction from the return on assets).

The Total Expense Ratio (TER) includes all costs relating to controlling and monitoring as well as portfolio managers' remuneration, custody and sub-custody fees, audit costs and any supervisory fees. These are calculated in accordance with guidelines for calculating and publishing the operating expense ratio TER KGAST for the investment groups of the KGAST members.

in CHF	12/31/2023	12/31/2022
Asset management costs, TER and fees	3,084,652.59	2,605,463.14
Transaction fees and asset management fees	758,481.99	506,627.28
Total expense ratios TER (Total Expense Ratio)	2,326,170.60	2,098,835.86
Proportion of reported asset management costs	0.64 %	0.64 %
Asset investments	481,799,840.91	409,853,753.53
Of which cost-transparent asset investments	481,799,840.91	409,854,546.53
Cost transparency ratio ¹⁾	100.00 %	100.00 %
Non-transparent collective investment schemes	0.00	0.00

1) Cost transparency ratio = share of cost-transparent asset investments in total asset investments according to value

6.9 Investments with employers and employers' contribution reserves

in CHF	12 / 31 / 2023	12 / 31 / 2022
Investments with the employer	3,733,246.76	2,080,145.31
Current account employer company	3,733,246.76	2,080,145.31

As at March 31, 2024, CHF 329,468.05 of the balance as at December 31, 2023, was outstanding.

Development of employers' contribution reserve

in CHF	2023	2022
Interest on employers' contribution reserves in %	0%–4.49%	–5.95%–1%
Employers' contribution reserves as per 12 / 31	1,762,032.45	1,445,574.80
Employers' contribution reserves as at 01 / 01	1,445,574.80	2,024,351.07
Capital contributions to employers' contribution reserves		
by employer	160,000.00	30,000.00
from policy transfers	387,105.40	29,791.75
Withdrawal from employers' contribution reserves		
for payments of contributions	–273,512.40	–359,185.00
from contract terminations	0.00	–209,049.20
Interest on employers' contribution reserves positive	42,864.65	1,220.90
Interest on employers' contribution reserves negative	0.00	–71,554.72
of which contribution reserves with a stipulated waiver of usage	0.00	0.00

The Administration Committee of a pension plan decided to link the interest on employer contribution reserves to the performance of the investments (positive and negative).

7 Other items in the balance sheet and operating statement

7.1 Administrative costs

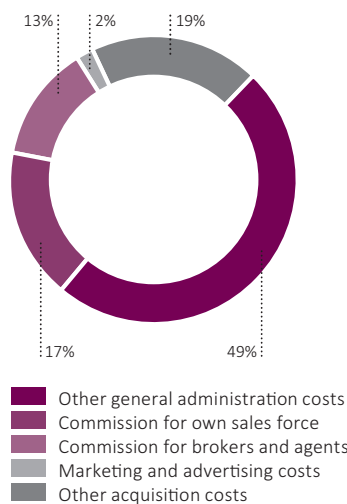
The administration of the Foundation and its management were delegated to Zurich Insurance Company Ltd (Zurich). All costs incurred by the Foundation are borne by Zurich.

To cover the expenses of the Group Life business, cost premiums and annual contributions to administrative costs are levied for each pension fund.

The cost premiums transferred by the Foundation to Zurich plus the contributions to administrative costs levied by the affiliated pension funds totaled CHF 1,216,387 in the current financial year/previous year CHF 994,378.

Zurich posts the cost items – with the exception of the costs for the audit departments, the expert for occupational retirement provision plans and the supervisory authorities – for all foundations together. The Foundation Board therefore does not consider the breakdown of the reinsurer’s administrative costs at Foundation level in accordance with Art. 48a BVV 2 to be directly applicable, but considers it useful to refer to the breakdown in accordance with FINMA’s operating

accounts. The percentage breakdown of gross costs in the Group Life business according to Zurich’s occupational retirement provision operating statement, which is prepared in accordance with the requirements of the Swiss Financial Market Supervisory Authority FINMA, can be seen in the chart below:



(Source: Operating statement 2023 – Occupational retirement provision plan, available on the internet at www.zurich.ch)

The following expenses for the audit department, the occupational retirement provision expert and the supervisory authority were posted in 2023:

	in CHF
Expenses for the audit department	27,844
Expenses for the occupational retirement provision expert	98,411
Fees charged by the supervisory authorities (BVS and OAK)	25,947

8 Requirements of the supervisory authority

Audit result of November 17, 2023, from the BVG and Foundation Director of the Canton of Zurich for the 2022 report: The letter from the Director does not contain any comments or conditions.

9 Additional information on the financial position

9.1 Coverage deficiency / explanation for affiliated pension funds

Ten pension funds were without sufficient coverage as of the balance sheet date, which was communicated to the BVG and Foundation Director of the Canton of Zurich. The Foundation confirms, with the involvement of the administration committee, that the asset investments correspond to the risk capacity of the pension funds concerned and that these are monitored on an ongoing basis. The occupational retirement provision experts have reviewed the extent of the coverage deficiency and determined that the coverage deficiencies of all pension funds can be categorized as “low”, since they can be eliminated within five years in accordance with Art. 65d para. 3 BVG without recourse to financial restructuring measures. Depending on how the situation develops, measures for remedying the coverage deficiency will be introduced in a timely fashion in cooperation with the occupational retirement provision experts and reviewed with the administration committees of the affiliated pension funds.

9.2 Information on partial liquidations carried out for affiliated pension funds

The regulations governing the partial liquidation of the Foundation stipulate that employers must notify the Foundation immediately of any reduction in staff or restructuring of the company that could lead to a partial liquidation. In the event of a partial liquidation, the administration committee of the pension fund concerned shall issue a declaratory decision. The partial liquidation procedure is then initiated.

In the 2023 financial year, one circumstance was reported to the Foundation by the affiliated employers that could lead to a partial liquidation of an affiliated pension scheme. The circumstance for partial liquidation will be examined and, if necessary, carried out in 2024.

At the Foundation level, no circumstance for partial liquidation is present.

9.3 Additional information on the financial position

There are no other special events to report with regard to the financial situation.

10 Events after the reporting date

There are no events after the reporting date that have an impact on the financial statements.

**Vita Invest Collective Foundation
of Zurich Life Insurance Company Ltd**

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