



# Summary

Annual report 2016

# Important key figures 2015 **2016**

Pensioners

931

Active members

116,968  
**121,373**

Return on investments

1.23 %  
**3.75 %**

Affiliated employers

19,725  
**20,554**

Assets in CHF million

10,770  
**11,829**

Interest on mandatory savings capital

2.65 % **2.25 %**

Interest on super-mandatory savings capital

3.40 % **3.00 %**

# Return to saving process



Peter E. Naegeli

The retirement provision business is in transition and the Pensions 2020 reform has added this topic to the referendum diaries of the voters. It is said that the social insurance systems have become outdated, but the truth is that the pension withdrawal period is also becoming ever longer.

Around half of the pension assets paid into the joint foundations derive from the income of employees and thus from reduced consumption. The current minimum interest rate for retirement assets «prescribed» by the Federal Council is very low at 1%. When it comes to the accumulation of retirement assets, the savings process is now even more important than before.

The insured themselves are in charge when it comes to increasing their retirement assets by paying in additional savings contributions. The increase in life expectancy means that the saving process has to be redefined to ensure that enough capital is saved until death. There are two alternatives: either the duration of the working life and thus the saving process is extended, or pensioners have to change their consumption patterns to ensure that their capital can cover the entire period of retirement. The second pillar's level-premium system is more relevant than ever before: nobody should use up more resources than they can make available again.

Vita Joint Foundation once again presented solid figures for the 2016 financial year. The Vita model as the leading semi-autonomous solution for occupational pensions is increasingly establishing itself in the market and is boasting corresponding growth rates. Vita Joint Foundation and its insured can therefore look to the future with confidence.

A handwritten signature in black ink, consisting of a stylized 'P' followed by a series of loops and a final 'n'.

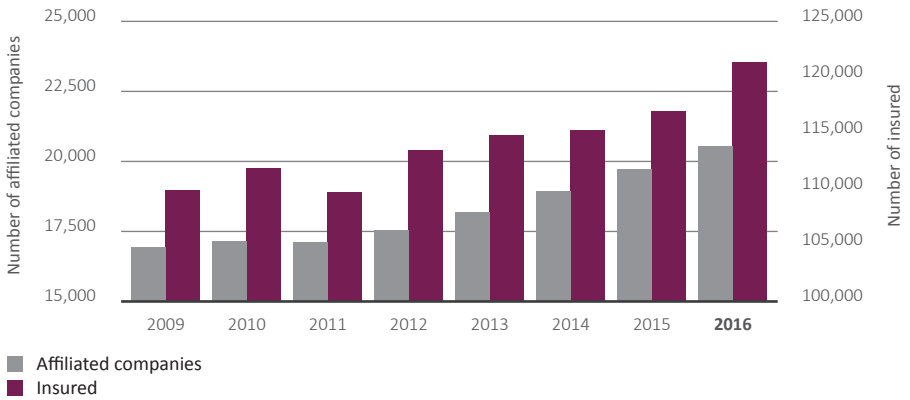
Peter E. Naegeli  
Chairman of the Foundation Board  
of Vita Joint Foundation

# Key figures

## 20,554 affiliated companies and some 121,000 insured

Vita Joint Foundation continued to grow in the past year. A total of 829 new companies entrusted their occupational pension plans to Vita Joint Foundation. The number of insured rose by 4,405 to 121,373.

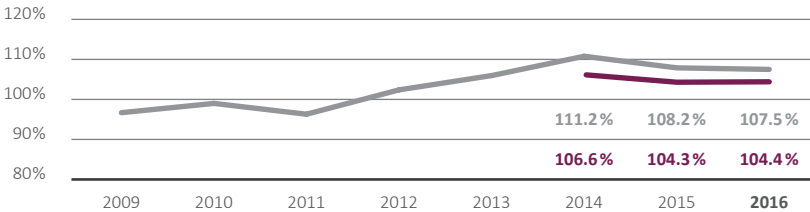
### Number of affiliated companies and number of insured



## Coverage ratio 104.4%

The coverage ratio expresses the ratio between the accrued assets and the required actuarial reserves. Under the new pension model, the coverage ratio after deduction of all interest reserves is 104.4%. (The coverage ratio for the comparison with competitors is 107.5%.)

## Coverage ratio (pursuant to Art. 44 BVV2)

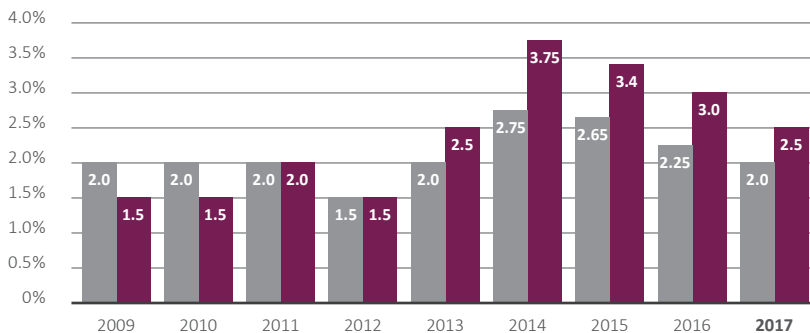


- Calculation according to the new Vita Classic pension planning model
- Customary trade calculation (for comparison with competitors)

## Interest for 2017: 1% additional interest

In addition to the basic interest rate of 1% (mandatory assets) and 1.5% (super-mandatory assets), an additional interest of 1% from the interest reserve will be credited in 2017 to the employees of the affiliated companies. (Applies to customers whose contracts started before 1/1/2016.)

## Interest rate



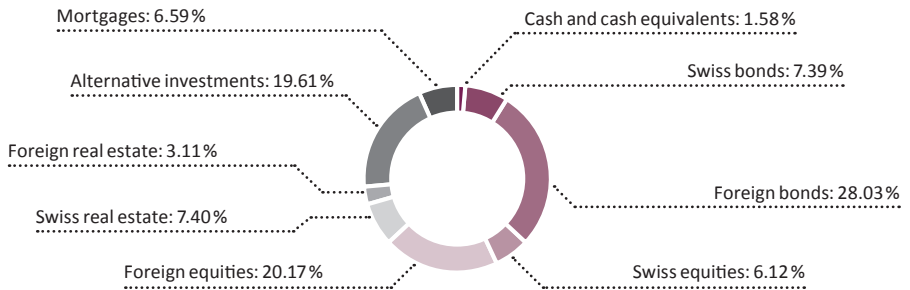
- Mandatory savings capital
- Super-mandatory savings capital

# Investments

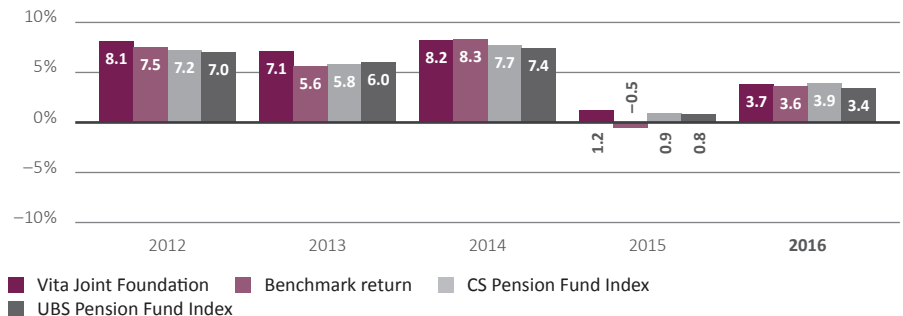
The 2016 investment year was marked by serious political uncertainties (Brexit, Trump). However, after a big initial loss at the beginning of the year, equity markets recovered to plus 10% until the end of the year. Interest rates also returned to their original level of 0% by the end of the year. The portfolio reported a positive performance of 3.75% for 2016 as a whole. This is in line with

the performance of the most important pension fund indices (CS PF Index 3.87%, UBS PF Index 3.41%). With an absolute performance of 6.67%, real estate made the biggest contribution to the investment result, closely followed by equities at 6%. Bonds lagged behind but also ended the year with a positive performance of 2.85%.

## Investments by asset class at 12/31/2016



## Return for 2016 outstripped benchmark return



# Balance sheet

<b>Assets in CHF</b>	<b>12/31/2016</b>	<b>12/31/2015</b>
<b>Investments</b>	<b>11,773,210,332</b>	<b>10,731,364,687</b>
Cash and cash equivalents	184,687,116	301,784,601
Employers' current accounts	98,462,322	91,275,573
Other receivables	7,183,170	718,574
Collective investments – bonds	4,133,026,416	3,594,722,028
Collective investments – equities	3,068,763,595	2,863,229,275
Collective investments – real estate	1,227,026,455	1,159,174,395
Collective investments – alternative investments	2,287,598,824	2,002,197,217
Direct investments – mortgages	768,830,041	714,922,904
Investments in affiliates	100,000	0
Currency hedging	-2,467,606	3,340,120
<b>Accrued income and deferred expenses</b>	<b>55,637,197</b>	<b>38,550,633</b>
<b>Total assets</b>	<b>11,828,847,529</b>	<b>10,769,915,320</b>

<b>Liabilities in CHF</b>	<b>12/31/2016</b>	<b>12/31/2015</b>
<b>Liabilities</b>	<b>198,380,680</b>	<b>242,951,525</b>
Vested benefits	173,510,548	209,646,544
Other liabilities	24,870,132	33,304,981
<b>Accrued expenses and deferred income</b>	<b>364,916,877</b>	<b>449,071,923</b>
<b>Employers' contribution reserves</b>	<b>133,871,113</b>	<b>128,777,274</b>
<b>Pension capital and technical reserves</b>	<b>10,593,329,414</b>	<b>9,465,854,717</b>
Pension capital of active insured	9,673,891,160	8,904,134,060
Pension capital of pensioners	363,501,517	0
Technical reserves	555,936,737	561,720,657
<b>Value fluctuation reserve</b>	<b>466,778,923</b>	<b>406,324,052</b>
<b>Uncommitted funds of pension schemes</b>	<b>71,520,523</b>	<b>76,885,830</b>
<b>Uncommitted funds of Foundation</b>	<b>0</b>	<b>0</b>
At beginning of period	0	50,992,295
Expenses surplus (-) / income surplus (+)	0	-50,992,295
<b>Endowment capital</b>	<b>50,000</b>	<b>50,000</b>
<b>Total liabilities</b>	<b>11,828,847,529</b>	<b>10,769,915,320</b>

## **Vita Joint Foundation**

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