

Media release

Zurich, 10 January 2023

Thanks to its healthy financial situation, Profond makes fullest use of the options provided for by the law and pays interest of 2.2 per cent on the retirement assets of its insured persons. At the same time, Profond is introducing a new feature: separation of savings and risk.

Despite an unfavourable situation on the equity and bond markets, Profond Pension Fund is paying interest of 2.2 per cent on the retirement assets of its insured persons. This is 1.2 per cent more than the mandatory BVG minimum interest rate of 1 per cent. In light of the extremely difficult market environment, Profond generated a total return of around -8.2 per cent. Despite the negative result, Profond has thus clearly exceeded the BVG and peer comparative indices and is underscoring the success of its investment strategy.

A funding ratio of 104.4 per cent is testimony to the healthy finances underlying the retirement assets

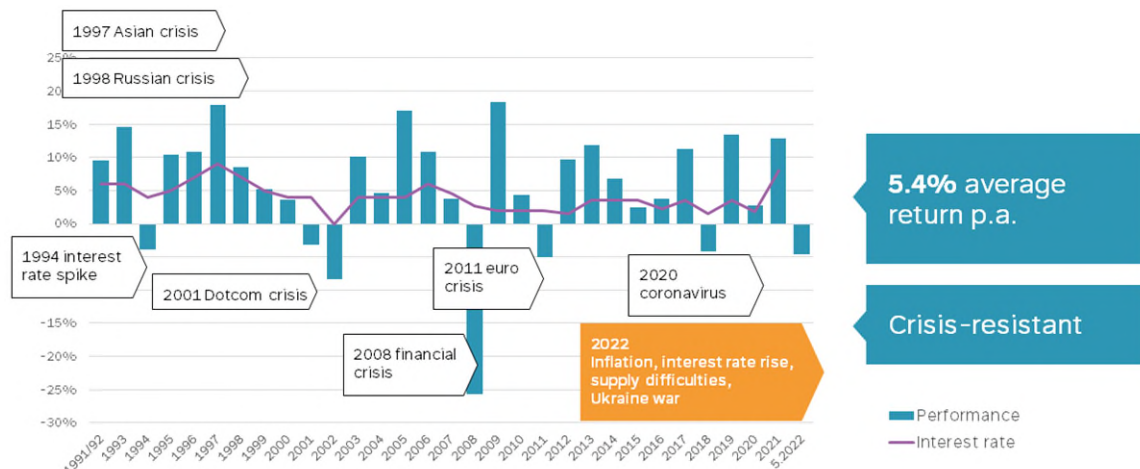
Notwithstanding the negative total return on account of the exceedingly difficult market circumstances prevailing in the past year, Profond continues to have surplus cover with a provisional funding ratio of 104.4 per cent. This demonstrates Profond's stable basis from an actuarial perspective. At the end of 2022, assets under management totalled around CHF 10.4 billion. The number of insured persons increased by 2 300 to around 59 500.

"We are happy to be able to provide our insured with a higher level of interest, specifically in the current difficult market environment. While 2022 came to an end with a negative total return of around -8.2 per cent, our result is nevertheless clearly in excess of the BVG and peer comparative indices", explains Laurent Schlaefli, Profond's Chief Executive Officer.

The provisional funding ratio was 104.4 per cent at the end of 2022 demonstrating the healthy financing underlying the insured retirement assets, says Schlaefli.

The investment strategy proved itself once again in 2022

As confirmed on several occasions in the past, the investment strategy ensures long-term security with its alignment to extended periods of time. Thanks to the real value strategy with a high equity and real estate proportion, Profond has achieved an average annual return of 5.4 per cent since it was founded more than 30 years ago and has been able to pay interest on the retirement assets of 4 per cent on average.



Graphic: Profond's performance and interest paid since foundation in 1991

"On the basis of our success over many years and the extremely stable development of the pension assets, we will continue to uphold our strategic principles going forward", says Laurent Schlaefli, Profond's Chief Executive Officer. "These principles include in particular our long-term investment horizon, our focus on real values, the stabilising effect through diversification as well as the gradual rebalancing of investments", Schlaefli continues.

For the 14th time, first place for the highest interest rate over ten years

Profond currently manages assets totalling CHF 10.4 billion. Around 50 per cent of this figure is invested in equities, around 10 per cent in bonds and around 30 per cent in real estate. The portfolio is broadly globally diversified and holds more than 2000 individual positions. With around 20 per cent, a large share of the portfolio is invested in Swiss equities. Once again in 2022, for the 14th time, Profond took first place in the pension fund comparison of *SonntagsZeitung* and *Finanz und Wirtschaft* for the highest interest rate over ten years, making it the most successful pension fund in Switzerland in this category.

New feature: separation of savings and risk

Starting in January 2023, Profond offers a new feature to protect your family: In the event of a person's death prior to retirement, the entire retirement assets will be paid out to their surviving spouse and children in addition to the customary insurance benefits. More security for your family – with Profond.

More information at www.profond.ch/en/provision.

Sustainability: more commitment to climate issues

Achieving a long-term return for clients is the core principle of Profond's investment strategy. In addition to the financial aspects, it is imperative today to consider environmental, social and governance-related criteria (ESG approach) when investing client funds. In 2022, Profond intensified its commitment to climate issues, focusing in particular on the asset classes on which it can exert a direct influence:

- Profond converted its Equities World portfolio to the UBS Climate Aware Solution engagement pool, thus lowering the carbon footprint (intensity) for the Equities World portfolio by 40 per cent.
- Profond participates in engagement pools, thus entering into active dialogue with companies. The goal is to improve the climate strategy of these companies and to promote their transparency regarding their climate risks.
- In the case of directly held real estate, Profond is pursuing the objective of a consistent policy of lowering carbon emissions with a view to becoming carbon-neutral by 2050 at the latest.

More on sustainability and responsible investments can be found in the Investment Report 2022:

www.profond.ch/en/about-us/sustainability.

About the Profond Pension Fund

Profond is one of the largest independent collective foundations in Switzerland, with more than 59 500 insured persons and assets under management of around CHF 10.4 billion. Profond follows a real value-oriented investment strategy with the goal of achieving long-term, above-average returns on the pension fund assets of its insured persons. Profond employs around 100 people at its locations in Zurich, Lausanne, Biel and St Gallen.

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This release is available in German, French and Italian. In the event of legal differences between the original and the translated version, the German version will prevail.