



AXA Foundation  
for Occupational Benefits

# Annual Report 2021

AXA Foundation for Occupational Benefits,  
Winterthur

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**“Together, we continued to develop our Foundation and achieved important milestones to enable us to maintain a solid position in the future, too.”**

Gabriela Grob Hügli, Chair of the Board of Trustees  
AXA Foundation for Occupational Benefits,  
Winterthur

## Foreword by the Chair of the Board of Trustees on the 2021 Annual Report

Dear reader

Financial stability, an attractive rate of interest on your retirement assets and a sustainable and comprehensible pension fund strategy – these are the features you should be able to expect of an attractive pension solution. In the financial year just past – another year marked by challenging Covid-related changes and a volatile investment environment – the Board of Trustees of the AXA Foundation for Occupational Benefits once again did not lose sight of this focus. Together, we continued to develop our Foundation and achieved important milestones to enable us to maintain a solid position in the future, too.

Among other things, we further strengthened the Foundation's financial base and worked intensively on implementing its strategy.

### Strengthening key financial parameters

As at the end of 2021, the Foundation's coverage ratio was 111.9% (based on Art. 44 BVV 2/OPO 2). Compared with the previous year (109.0%), we achieved an increase of almost three percentage points. At the same time, the fluctuation reserve was strengthened by around CHF 996 million and now stands at around CHF 3 018 million. The fluctuation reserves are formed in good periods after all obligations have been met, and are used to smooth out phases of lower income. They currently stand at 78.9%, which means the Foundation has a solid cushion even in the event of more turbulent periods on the financial markets. The changeover to BVG 2020 as the technical basis makes another important contribution towards ensuring long-term financial stability. This new technical basis is underpinned by the

### “We can look back on a successful financial year in 2021.”

assumption that the life expectancy of persons insured in Switzerland will continue to increase slightly, while new disability cases will decrease. The adjustment made released a certain amount of pension capital, some of which we have transferred to a newly formed provision for fundamentals risks. This will enable us to mitigate the financial impact of any negative changes in the future.

In addition to strengthening our financial base, we also succeeded in again offering our more than 191,000 insured members an attractive interest rate on their pension assets in 2021. At 3% for mandatory provision and 5 percent for the extra-mandatory segment, we are well above the BVG (OPA) minimum interest rate of 1 percent. This good rate of interest was made possible not least by an attractive return on investments of 6.9%.

In addition to a significant number of new admissions, we naturally also have departures. Since the Foundation's coverage ratio pursuant to Art. 44 BVV 2/OPO 2 amounts to over 110% as at December 31, 2021, the Foundation will carry out a partial liquidation procedure. Insured members who transfer to another occupational benefits institution as a group in accordance with the provisions of the “Regulations on the partial liquidation of a collective foundation” will as a result have an additional collective, pro rata entitlement to the Foundation's fluctuation reserve and technical provisions. At the same time, our Foundation's sound financial position and performance will be maintained.

### Implementation of the Foundation's strategy

In 2020, the Board of Trustees underwent a comprehensive strategic and organizational process and further expanded the Foundation's governance structures. This was reflected in various changes to the regulations. We have also further developed our internal control system. This allows us to monitor compliance with requirements as set down by law and in our regulations, and effectively monitor our service providers.

The AXA Foundation for Occupational Benefits is the largest semi-autonomous collective foundation in Switzerland. It has a very good age structure, a comparatively low level of pension obligations, and a high share of extra-mandatory pension assets. The aim must be to preserve our Foundation's sound structure and protect the benefit expectations of our active insured persons. The Board of Trustees has therefore opted for growth that will maintain, and if possible further optimize, the current very good structure. To ensure this, we have engaged in a comprehensive process to give detailed consideration to qualitative specifications for the growth of the Foundation. These specifications will be reviewed annually and adjusted as necessary.

A further focus is our investment strategy. As a semi-autonomous collective foundation, the Foundation itself bears 100 percent of its investment risk. The secure and at the same time profitable investment of assets is therefore the declared goal of the Board of Trustees. Following an in-depth analysis, we have introduced new asset classes that further optimize the risk-return ratio through broader diversification.

We can look back on a successful financial year in 2021. We succeeded in strengthening our Foundation financially and in implementing other relevant strategic



**Gabriela Grob Hügli**  
Chair of the Board of Trustees  
AXA Foundation for Occupational  
Benefits, Winterthur

measures. The virtually unchanged composition of the Board of Trustees stands for continuity and reliability, whether in the Foundation's three advisory committees or in the full Board of Trustees.

We look forward to continuing to pursue our successful course in the future and would like to thank our insured members and partners for their trust in the AXA Foundation for Occupational Benefits.

*G. Grob Hügli*

Gabriela Grob Hügli  
Chair of the Board of Trustees  
AXA Foundation for Occupational Benefits,  
Winterthur

Composition of the Board of Trustees for the 2021 – 2024 term of office



**Gabriela Grob Hügli** (Chair)  
Employee representative

Procap, Olten  
Attorney, Employee



**Christoph Burkhalter**  
Employee representative

Avaloq Evolution AG, Zurich  
Head of Engage & Wealth



**Hanspeter Herger**  
Employee representative

x-plus services gmbh, Engelberg  
Project manager



**Bodo Möller**  
Employee representative

Google Switzerland GmbH, Zurich  
Software Engineer



**Christoph Senti** (Vice-Chair)  
Employer representative

Christoph Senti AG, Altstätten  
Partner



**Urs Flück**  
Employer representative

Mathys AG Bettlach, Bettlach  
CFO



**Elisabeth Meyerhans Sarasin**  
Employer representative

Meyerhans & Partner GmbH, Zurich  
Managing Director



**Massimo Tognola**  
Employer representative

Fidam Servizi SA, Chiasso  
Owner

## Profile of the Foundation

The Board of Trustees is the Foundation's highest governing body. Comprising a total of eight members, it has an equal number of employee and employer representatives. It determines the strategy, monitors implementation, is responsible for managing the investments, and also ensures the Foundation's sustainable approach and independence. The Board of Trustees has entrusted AXA Life Ltd with management and administration. AXA Life Ltd manages operations and is responsible for implementing the resolutions of the Board of Trustees.

To that end, AXA Life Ltd makes an independent Managing Director and Deputy Managing Director available on a full-time basis.

The affiliated companies and insureds benefit from this strong partnership and semi-autonomous model in multiple ways: Through a higher interest rate yet simultaneously high degree of security, coupled with a very good price/performance ratio.



**Sandra Gisin**  
Managing Director



**Esther Jacomet**  
Deputy Managing Director

# Facts & Figures 2021

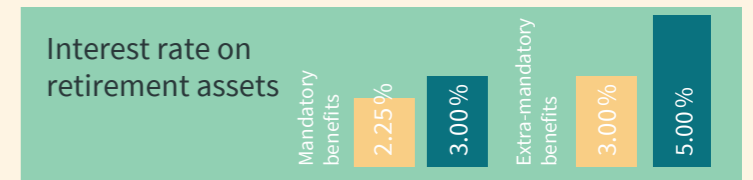
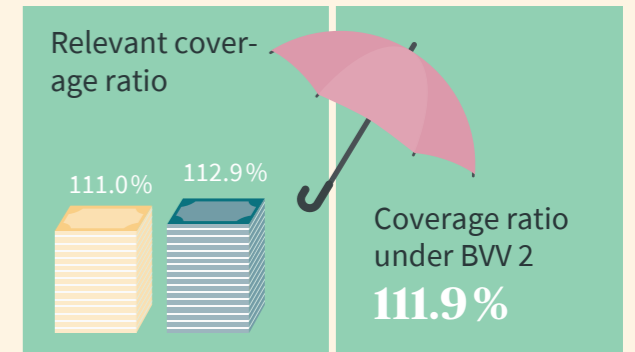
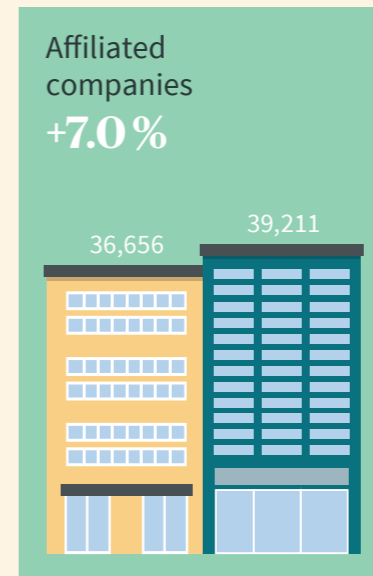
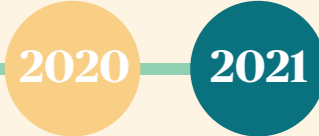
With over 191,000 insureds and more than 39,000 affiliated companies, the AXA Foundation for Occupational Benefits is the largest semi-autonomous collective foundation in Switzerland.

The top priority for our Board of Trustees is to safeguard the retirement assets and pension benefits of our insureds for the long term. With this aim in mind, our strategy is based on four key pillars.

- **Attractive and sustainable interest on retirement assets:** We not only base the interest rate on the short-term investment market but also take account of medium and long-term developments. This enables us to smooth out fluctuations as well as ensure stability and sustainability. The result is an above-average interest rate on retirement assets for the mandatory as well as extra-mandatory elements, and therefore growth in the retirement assets of our insureds.

- **Strict risk control and monitoring of investments:** The Board of Trustees defines a sustainable investment strategy and keeps a watchful eye on the management of the assets. The focus at all times is on safeguarding the interests of our insureds. The Investment and Liability Committee is responsible for ensuring these objectives are met. If required, we can also count on the expertise of external specialists.
- **Clear governance rules of the Foundation:** We exercise the responsibilities assigned to us with a high degree of care and commitment in the sole interest of our insureds. To that end, we rely on a state-of-the-art governance structure with clearly defined responsibilities at strategic as well as operating level.

- **High level of transparency for insureds:** The transparency of the decisions taken by the Board of Trustees is important to us. For that reason, we employ an interest model that creates transparency regarding the decisions taken by the Board of Trustees in relation to the interest rate on retirement assets. All communication in relation to the Foundation is proactive and transparent. In addition, the AXA pensions portal provides our insureds with all relevant information at all times.



# Financial statements 2021

## Balance sheet

in CHF	Index explanatory notes	31.12.2021	31.12.2020
<b>Assets</b>			
<b>Investments of Foundation</b>	6.4	<b>29,239,146,690.37</b>	<b>25,137,280,882.21</b>
<b>Investments of Custom Invest occupational benefits funds</b>	6.4	<b>8,357,425.04</b>	<b>8,974,053.07</b>
<b>Accounts receivable</b>	7.1.1	<b>10,045,415.48</b>	<b>12,328,021.08</b>
<b>Assets with AXA Life Ltd.</b>	7.1.2	<b>19,060,810.79</b>	<b>23,700,870.51</b>
<b>Accounts receivable from affiliated employers</b>	6.11.1	<b>195,615,483.01</b>	<b>161,407,959.35</b>
./. Del credere		-992,660.00	-624,300.00
<b>Prepayments and accrued income</b>	7.1.3	<b>14,233,914.60</b>	<b>13,085,373.45</b>
<b>Total assets</b>		<b>29,485,467,079.29</b>	<b>25,356,152,859.67</b>
<b>Liabilities</b>			
<b>Liabilities</b>		<b>674,717,361.24</b>	<b>633,611,340.31</b>
Vested termination benefits accounts and pensions	7.2.1	621,962,137.16	581,319,216.20
Prepaid contributions from affiliated employers		42,422,118.22	42,781,924.25
Other liabilities	7.2.2	10,333,105.86	9,510,199.86
<b>Accrued liabilities and deferred income</b>	7.2.3	<b>53,294,421.21</b>	<b>11,915,918.39</b>
<b>Employer-paid contribution reserve</b>	6.11.2	<b>255,135,844.28</b>	<b>237,077,972.39</b>
Contribution reserves without waiver of use		255,135,844.28	237,077,972.39
<b>Non-actuarial reserves</b>		<b>0.00</b>	<b>0.00</b>
<b>Pension liabilities and actuarial reserves</b>		<b>25,396,598,072.15</b>	<b>22,358,392,463.83</b>
Active participants' liabilities	5.3.1	22,295,041,486.38	19,704,403,009.03
Pensioners' liabilities	5.5.1	1,611,218,383.76	1,075,283,144.94
Actuarial reserves	5.6.1	1,253,478,855.85	1,174,855,736.85
Reserve for supplementary interest	5.6.2	236,859,346.16	403,850,573.01
<b>Reserve for fluctuations in asset value of Foundation</b>	6.3.1	<b>3,018,342,706.25</b>	<b>2,021,973,757.63</b>
<b>Non-committed funds (unallocated assets) of occupational benefits funds</b>	7.2.4	<b>87,378,674.16</b>	<b>93,181,407.12</b>
Non-committed funds at the beginning of the period		93,181,407.12	78,965,484.08
Change in non-committed funds from takeovers and transfers		26,868,853.30	33,954,847.53
Expense surplus of occupational benefits funds (net)		-32,671,586.26	-19,738,924.49
<b>Non-committed funds of Foundation</b>		<b>0.00</b>	<b>0.00</b>
Balance at the beginning of the period		0.00	0.00
Income surplus of Foundation		0.00	0.00
<b>Total liabilities</b>		<b>29,485,467,079.29</b>	<b>25,356,152,859.67</b>

# Operating account

in CHF	Index explanatory notes	2021	2020
<b>Ordinary and other contributions and transfers</b>		<b>2,205,781,477.93</b>	<b>2,023,007,152.48</b>
Employee contributions	7.3.1	834,003,650.30	752,940,084.51
Employer contributions	7.3.1	1,068,642,802.18	963,821,532.58
of which withdrawal from employer-paid contribution reserve to finance contributions	6.11.2	-51,871,591.50	-46,322,155.53
of which financed by payments from BVG (LOB) Guarantee Fund		-16,482,741.85	-15,864,551.95
One-time payments and purchase amounts		278,643,281.31	280,528,615.71
Other one-time payments		1,703,298.10	6,046,639.84
Transfers to employer-paid contribution reserve	6.11.2	74,637,187.24	65,969,404.47
Payments from BVG (LOB) Guarantee Fund		16,505,592.15	15,887,582.85
<b>Entry lump-sum transfers</b>		<b>2,972,587,479.43</b>	<b>3,720,958,185.46</b>
Vested termination benefits transfers		2,842,701,365.60	3,603,589,064.90
Transfers following takeover of benefits		41,772,690.11	40,579,050.10
Transfers following takeover of participants	7.3.2	44,081,027.23	36,540,923.41
Reimbursements of withdrawals for home ownership/divorce		44,032,396.49	40,249,147.05
<b>Inflow from contributions and entry lump-sum transfers</b>		<b>5,178,368,957.36</b>	<b>5,743,965,337.94</b>
<b>Regulatory benefits</b>		<b>-1,161,660,599.33</b>	<b>-1,033,222,420.26</b>
Retirement pensions	7.3.3	-464,878,793.30	-447,590,735.56
Survivors' pensions	7.3.4	-67,155,701.20	-65,409,252.65
Disability pensions		-83,820,961.63	-80,782,212.35
Lump-sum benefits on retirement		-441,831,003.40	-395,655,590.20
Lump-sum benefits on death or disability		-103,974,139.80	-43,784,629.50
<b>Termination benefits</b>		<b>-2,118,341,060.85</b>	<b>-2,000,567,115.08</b>
Vested termination benefits for leavers		-1,971,423,830.65	-1,888,226,858.55
Transfer of additional assets in the case of collective exit	7.3.2	-17,212,173.93	-2,586,075.88
Transfer of employer-paid contribution reserve in the case of withdrawals from occupational benefits funds	6.11.2	-3,651,799.40	-5,211,002.85
Withdrawals for encouragement of home ownership/divorce	7.3.5	-105,964,881.77	-83,895,433.40
Reimbursement values in case of transfer of benefits		-20,088,375.10	-20,647,744.40
<b>Outflow for benefits and withdrawals</b>		<b>-3,280,001,660.18</b>	<b>-3,033,789,535.34</b>
<b>Increase in pension liabilities, actuarial reserves, and contribution reserves</b>		<b>-3,083,132,333.51</b>	<b>-3,786,772,577.26</b>
Increase in active participants' liabilities (net)		-1,811,415,912.83	-2,580,869,837.43
Change in pensioners' liabilities (net)		-535,935,238.82	-578,158,527.60
Change in non-committed funds from takeovers and transfers		-26,868,853.30	-33,954,847.53
Decrease/increase in actuarial reserves		88,368,107.85	-122,391,484.00
Interest on active participants' liabilities		-779,222,564.52	-457,736,179.83
Increase in employer-paid contribution reserve		-18,057,871.89	-13,661,700.87

in CHF	Index explanatory notes	2021	2020
<b>Income from insurance benefits</b>		<b>701,924,434.04</b>	<b>703,492,765.47</b>
Insurance benefits	7.3.6	680,136,390.79	661,722,552.82
Share of insurance surpluses	5.7	21,788,043.25	41,770,212.65
<b>Insurance cost</b>		<b>-359,609,485.04</b>	<b>-373,779,900.65</b>
Savings premium		-353,777.90	-142,402.30
Risk premium		-229,202,925.15	-204,254,399.80
Cost premium	7.3.7	-91,661,348.05	-88,683,198.40
One-time contributions to insurances		-28,097,445.29	-71,249,555.05
Contributions to the BVG (LOB) Guarantee Fund		-10,293,988.65	-9,450,345.10
<b>Net result of insurance activities</b>		<b>-842,450,087.33</b>	<b>-746,883,909.84</b>
<b>Net return on investments</b>	6.9	<b>1,808,755,651.28</b>	<b>1,121,727,595.22</b>
Net return on investments, Foundation		1,957,695,273.73	1,226,620,753.31
Net return on investments, Custom Invest occupational benefits funds		365,676.64	39,524.56
Other income from assets		-1,290,201.03	-1,781,820.00
Administration cost of investments	6.10.1	-148,015,098.06	-103,150,862.65
<b>Other income</b>		<b>3,703,172.05</b>	<b>4,987,006.69</b>
Income from services rendered	7.3.8	2,412,603.70	2,406,674.51
Other income	7.3.9	1,290,568.35	2,580,332.18
<b>Other expenses</b>	7.3.10	<b>-1,876,471.91</b>	<b>-2,634,831.13</b>
<b>Administration expenses</b>	7.3.7	<b>-4,434,901.73</b>	<b>-3,728,786.90</b>
General administration expenses		-4,102,600.43	-3,391,849.05
Auditor's costs		-81,410.45	-81,841.25
Costs of occupational pensions actuary		-94,529.50	-82,785.85
Supervisory authorities' costs		-156,361.35	-172,310.75
<b>Income surplus prior to increase in reserves for fluctuations in asset value</b>		<b>963,697,362.36</b>	<b>373,467,074.04</b>
<b>Increase in reserves for fluctuations in asset value of Foundation</b>		<b>-996,368,948.62</b>	<b>-393,205,998.53</b>
<b>Expense surplus</b>		<b>-32,671,586.26</b>	<b>-19,738,924.49</b>
Expense surplus of occupational benefits funds (net)	7.3.11	-32,671,586.26	-19,738,924.49
Income surplus of Foundation	7.3.12	0.00	0.00

# Notes to the financial statements 2021

## Explanatory notes

### 1 Basis and organization

#### 1.1 Legal form and purpose

“Winterthur” Life Insurance Company established a foundation on June 8, 1984, in Winterthur in accordance with Art. 80 ff. of the Swiss Civil Code under the name of “Winterthur” Foundation for Mandatory Occupational Benefits. The present name of the Founder is AXA Life Ltd. The present name of the Foundation is AXA Foundation for Occupational Benefits, Winterthur, (UID: CHE-109.691.681 HR).

The Foundation has its registered office in Winterthur. The Foundation is active in all of Switzerland.

The Foundation was established in order to provide occupational retirement, survivors' and disability benefits. Its purpose is to protect employees and employers of affiliated companies in accordance with its regulations against the economic consequences of loss of earnings resulting from old age, disability, or death. It provides benefits in accordance with the provisions of the compulsory occupational benefits plan and also offers pension plans that exceed the minimum statutory requirements.

Self-employed persons can also become affiliated to the Foundation through a professional association pension solution.

#### 1.2 Registration with BVG (LOB) and the Guarantee Fund

The Foundation is entered in the Canton of Zurich's register for occupational pension schemes under serial no. ZH.1431 and pays contributions to the BVG (LOB) Guarantee Fund.



1.3 Details on the document and regulations	Version	New version as at
Deed of foundation	2020	
Election regulations of the Board of Trustees	01.01.2019	
Organization regulations of the Foundation	01.01.2021	01.10.2021
Regulations on conflicts of interest	01.09.2020	
Regulations on delegates in external organizations	01.09.2020	
Organization regulations of the Occupational Benefits Fund Commission/Professional Association Occupational Benefits Fund Commission	01.01.2021	01.04.2021
Occupational benefits fund regulations/ occupational benefits plans	01.01.2021	01.01.2022
Regulations for the promotion of home ownership	01.01.2021	01.01.2022
Investment regulations - Appendices 1 and 4	01.07.2020	
Custom Invest investment regulations	10.07.2020	01.04.2021
Regulations on surplus participation	01.01.2020	
Regulations on the partial and total liquidation of occupational benefits funds	01.01.2019	
Regulations on the partial liquidation of a collective foundation	01.01.2019	
Regulations for the formation of provisions and reserves	31.12.2020	31.12.2021
Cost regulations	01.01.2017	

#### 1.4 Supervisory board, authorized signatories, committees and management

##### 1.4.1 Board of Trustees

Members	Function	Term of office	Employer/ employee rep
Christoph Senti	Vice Chair	2021 - 2024	Employer
Urs Flück		2021 - 2024	Employer
Elisabeth Meyerhans Sarasin		2021 - 2024	Employer
Massimo Tognola		2021 - 2024	Employer
Gabriela Grob Hügli	Chair	2021 - 2024	Employee
Christoph Burkhalter		2021 - 2024	Employee
Hanspeter Herger		2021 - 2024	Employee
Bodo Möller		2021 - 2024	Employee

Documents must be signed by two trustees to be legally binding.

The Foundation has established the following committees:

##### 1.4.2 Investment Committee

Members	Function
Elisabeth Meyerhans Sarasin <sup>1)</sup>	Foundation representative
Urs Flück <sup>1)</sup>	Foundation representative
Hanspeter Herger <sup>1)</sup>	Foundation representative
Ivana Reiss <sup>1)</sup>	External member of the Investment Committee
Stephan Skaanes	PPCmetrics AG, Investment Controller
Sandra Gisin	Managing Director
Esther Jacomet	Deputy Managing Director

<sup>1)</sup> Members with voting right

##### 1.4.3 Governance Committee

Members	Function
Gabriela Grob Hügli <sup>1)</sup>	Foundation representative
Christoph Senti <sup>1)</sup>	Foundation representative
Sandra Gisin	Managing Director
Esther Jacomet	Deputy Managing Director

<sup>1)</sup> Members with voting right

##### 1.4.4 Liability Committee

Members	Function
Christoph Burkhalter <sup>1)</sup>	Foundation representative
Bodo Möller <sup>1)</sup>	Foundation representative
Massimo Tognola <sup>1)</sup>	Foundation representative
Christoph Plüss	Allvisa AG, occupational pensions actuary
Sandra Gisin	Managing Director
Esther Jacomet	Deputy Managing Director

<sup>1)</sup> Members with voting right

##### 1.4.5 Occupational Benefits Fund Commission (OBFC) / Professional Association Occupational Benefits Fund Commission (AOBFC)

The management bodies of the separately managed occupational benefits funds for affiliated employers and professional associations. These bodies consist of an equal number of employee and employer representatives.

**1.4.6 Management**

Managing Director	Sandra Gisin, AXA Life Ltd.
Deputy Managing Director	Esther Jacomet, AXA Life Ltd.
Management company, administration, bookkeeping and distribution	AXA Life Ltd., Winterthur

**1.5 Occupational pensions actuary, auditor, supervisory authority**

Occupational pensions actuary	Contractual partner: Allvisa AG, Zurich Appointed actuary: Christoph Plüss, licensed occupational pensions actuary in accordance with Art. 52d BVG/LPP
Auditors	KPMG AG, Zurich
Supervisory authority	BVG and Foundation Supervision of the Canton of Zurich (BVS)

<b>1.6 Affiliated employers (number of affiliation contracts)</b>	<b>2021</b>	<b>2020</b>	<b>Change in %</b>
Balance as at January 1	36,656	34,363	6.67
Additions	3,913	3,959	
Withdrawals	-1,358	-1,666	
<b>Balance as at December 31</b>	<b>39,211</b>	<b>36,656</b>	<b>6.97</b>

**2 Active members and pensioners**

<b>2.1 Active participants</b>	<b>2021</b>	<b>2020</b>	<b>Change in %</b>
Balance as at January 1	175,639	154,301	13.83
Additions	56,149	61,006	
Withdrawals	-40,298	-39,668	
<b>Balance as at December 31</b>	<b>191,490</b>	<b>175,639</b>	<b>9.02</b>

**2.2 Pension recipients**

<b>2.2.1 Pensions borne autonomously by the Foundation</b>	<b>Number on 31.12.2021</b>	<b>Additions Withdrawals 2021</b>	<b>Number on 31.12.2020</b>
Retirement pensions	4,243	1,562 -31	2,712
Divorce pensions	2	1 0	1
Retired person's child's pensions	174	82 -34	126
Partner's pensions	27	14 0	13
Orphan's pensions	5	4 -2	3
Term annuities	3	1 0	2
<b>Balance as at December 31</b>	<b>4,454</b>		<b>2,857</b>

<b>2.2.2 Reinsured Pensions</b>	<b>Number on 31.12.2021</b>	<b>Additions Withdrawals 2021</b>	<b>Number on 31.12.2020</b>
Retirement pensions	20,362	53 -603	20,912
Divorce pensions	28	3 0	25
Retired person's child's pensions	225	12 -55	268
Disability pensions	5,186	665 -533	5,054
Disabled person's child's pensions	1,372	151 -134	1,355
Partner's pensions	5,278	305 -186	5,159
Orphan's pensions	836	103 -137	870
Term annuities	3	1 0	2
<b>Balance as at December 31</b>	<b>33,290</b>		<b>33,645</b>

<b>Total pensions portfolio as at December 31</b>	<b>37,744</b>		<b>36,502</b>
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### 3 Implementation of objectives

#### 3.1 Characteristics of the pension plans

The pension fund regulations issued by the Board of Trustees form the framework of the individual pension plans of the affiliated occupational benefits funds.

Each affiliated occupational benefits fund has issued a pension plan. It stipulates the type and amount of occupational benefits as well as the amount and composition of the contributions.

Pension conversion rates	2021	2020
Mandatory benefits (BVG/LPP)		
for men with retirement age 65	6.800 %	6.800 %
for women with retirement age 64	6.800 %	6.800 %
Extra-mandatory benefits		
for men with retirement age 65	5.000 %	5.000 %
for women with retirement age 64	4.880 %	4.880 %

In individual cases, the conversion rates of the occupational benefits funds may deviate from those of the Foundation.

#### 3.2 Financing, financing method

The financing of the occupational benefits fund depends on the individual pension plans of the pension funds.

#### 3.3 Share of insurance surpluses

AXA Life Ltd. calculates the surplus participations annually in accordance with the supervisory provisions of the federal government.

Details of the allocation of the share of surpluses are shown in 5.7.

### 4 Significant accounting policies and valuation methods, consistency

#### 4.1 Statement of compliance with Swiss GAAP FER 26

The balance sheet, operating account, and explanatory notes on the annual financial statements are in accordance with the accounting recommendations of Swiss GAAP FER 26.

#### 4.2 Significant accounting policies and valuation methods

The significant accounting policies and valuation methods are in compliance with the statutory provisions and are implemented as follows:

- Currency conversion: Rates on the balance sheet date
- Liquid funds, accounts receivable, liabilities and deferrals/accruals: Nominal value less necessary value adjustments
- Securities: The Foundation holds no direct securities investments, but exclusively collective investments. These are valued at their net asset value on the balance sheet date.
- Active participants' liabilities, pensioners' liabilities and actuarial reserves: In accordance with the regulations on the formation of provisions and reserves as well as the occupational pension actuary's calculations.
- Target value of the reserve for fluctuations in asset value: In accordance with the investment regulations, the reserve for fluctuations in asset value is calculated by the value-at-risk method.

#### 4.3 Changes in principles regarding valuation, bookkeeping, and financial accounting

None

## 5 Actuarial risks / risk benefit coverage / coverage rate

### 5.1 Type of risk benefit coverage, reinsurance

The actuarial risks of disability and death are reinsured under a group insurance contract with AXA Life Ltd. Since 2019, retirement and connected survivors' pensions have been autonomously provided by the Foundation. The costs of connected risks shall be borne by the Foundation.

### 5.2 Assets and liabilities from insurance contracts

Assets and liabilities from insurance contracts correspond to actuarial reserves arising from the group insurance contract. These are not stated in the balance sheet.

Development of assets and liabilities from insurance contracts	2021 CHF	2020 CHF
Balance as at January 1	6,655,143,936.00	6,820,160,101.00
Change in actuarial reserves for pensioners	-185,051,094.00	-165,016,165.00
<b>Balance as at December 31</b>	<b>6,470,092,842.00</b>	<b>6,655,143,936.00</b>

### 5.3 Development and return on active participants' liabilities

Active participants' liabilities are the regulatory retirement assets of the insured persons.

#### 5.3.1 Development of retirement assets

	2021 CHF	2020 CHF
Balance as at January 1	19,704,403,009.03	16,665,796,991.77
Retirement credits	1,614,571,843.04	1,459,549,414.96
Retirement credits from savings contribution exemptions	41,506,295.86	40,245,445.25
One-time payments and purchase amounts	278,643,281.31	280,528,615.71
Vested termination benefits transfers	2,842,701,365.60	3,603,589,064.90
Reimbursements of withdrawals for home ownership/divorce	44,032,396.49	40,249,147.05
Upward valuation of minimum amount of vested termination benefits for leavers	9,950.25	176,191.50
Further transfers <sup>1)</sup>	38,815,245.45	20,479,738.26
Vested termination benefits for leavers	-1,971,423,830.65	-1,888,226,858.55
Withdrawals for encouragement of home ownership/divorce	-105,964,881.77	-83,895,433.40
Decrease due to retirement (transfer to pensioners' liabilities)	-477,036,098.05	-460,008,880.95
Lump-sum benefits on retirement and death; other	-494,439,654.70	-431,816,607.30
Interest on retirement assets	779,222,564.52	457,736,179.83
<b>Balance as at December 31</b>	<b>22,295,041,486.38</b>	<b>19,704,403,009.03</b>

<sup>1)</sup> The position 'Further transfers' comprises transfers from the distribution of non-committed funds and other change-related transfers not specified under other positions.

### 5.3.2 Interest on retirement assets

	2021	2020
Interest on retirement assets under BVG/LPP	1.00 %	1.00 %
Supplementary interest on retirement assets under BVG/LPP <sup>1)</sup>	2.00 %	1.25 %
<b>Total interest on retirement assets under BVG/LPP</b>	<b>3.00 %</b>	<b>2.25 %</b>
Interest on extra-mandatory retirement assets	1.00 %	1.00 %
Supplementary interest on extra-mandatory retirement assets <sup>1)</sup>	4.00 %	2.00 %
<b>Total interest on extra-mandatory retirement assets</b>	<b>5.00 %</b>	<b>3.00 %</b>

<sup>1)</sup> of which 1.00 % (as in prior year) due to withdrawals from the dedicated reserve for supplementary interest, see also 5.6.2. The provisions of Art. 46 BVV 2/OPP 2 were complied with.

### 5.4 Sum of retirement assets under BVG/LPP

	31.12.2021 CHF	31.12.2020 CHF
<b>Total retirement assets under BVG/LPP (sample accounting)</b>	<b>10,781,843,567.08</b>	<b>9,827,760,246.37</b>
BVG/LPP minimum interest set by Federal Council	1.00 %	1.00 %

### 5.5 Development of pensioners' liabilities and actuarial reserves for pensioners

#### 5.5.1 Autonomously invested pensioners' liabilities

	31.12.2021 CHF	31.12.2020 CHF
Retirement pensions	1,595,882,709.14	1,065,228,718.03
Divorce pensions	540,312.88	256,682.45
Retired person's child's pensions	6,580,854.62	4,721,433.34
Partner's pensions	8,000,922.34	4,881,036.98
Orphan's pensions	140,521.37	95,269.72
Term annuities	73,063.41	100,004.42
<b>Balance as at December 31</b>	<b>1,611,218,383.76</b>	<b>1,075,283,144.94</b>
Number of pensions (see 2.2.1 for details)	4,454	2,857

#### 5.5.2 Development of autonomously invested pensioners' liabilities

	2021 CHF	2020 CHF
Balance as at January 1	1,075,283,144.94	497,124,617.34
Transfer of retirement assets on retirement	477,036,098.05	460,162,495.90
Increase from pension takeovers	16,692,996.20	1,660,362.90
Increase from rise in pensions	531,022.01	391,141.60
Increase for fund-specific benefit components (financed from reserves of the occupational benefits funds)	1,021,284.95	1,225,638.30
Pension payments	-66,847,950.30	-37,866,495.10
Decrease for lump-sum payments	-549,064.00	0.00
Retirement losses at expense of Foundation	124,029,623.31	102,202,290.00
Interest <sup>1)</sup>	26,865,015.29	13,758,567.92
Effect of change in actuarial principles	-41,423,759.04	30,827,012.48
Actuarial profit/loss, other changes	-1,420,027.65	5,797,513.60
<b>Balance as at December 31</b>	<b>1,611,218,383.76</b>	<b>1,075,283,144.94</b>

<sup>1)</sup> Annual interest 1.75 % (prior year: 1.75 %) on the arithmetic mean between pensioners' liabilities at the beginning of the year and the end of the year.

5.5.3 Reinsured actuarial reserves for pensioners	Increase		31.12.2020
	31.12.2021	Decrease	
	CHF	2021	CHF
Retirement pensions	4,819,163,155.00	15,424,352.00	5,035,660,999.00
		-231,922,196.00	
Divorce pensions	5,986,952.00	507,316.00	5,627,776.00
		-148,140.00	
Retired person's child's pensions	4,162,327.00	25,765.00	5,101,170.00
		-964,608.00	
Disability pensions	702,557,654.00	87,043,679.00	692,317,959.00
		-76,803,984.00	
Disabled person's child's pensions	15,885,785.00	2,619,882.00	15,986,711.00
		-2,720,808.00	
Partner's pensions	898,702,338.00	59,415,354.00	877,120,721.00
		-37,833,737.00	
Orphan's pensions	23,579,638.00	4,456,194.00	23,316,852.00
		-4,193,408.00	
Term annuities	54,993.00	45,327.00	11,748.00
		-2,082.00	
<b>Balance as at December 31</b>	<b>6,470,092,842.00</b>		<b>6,655,143,936.00</b>
Number of pensions (see 2.2.2 for details)	33,290		33,645

#### 5.5.4 Adaption of pensions to inflation developments

The mandatory Pillar 2 survivors' and disability pensions paid since 2017 were adapted to inflation developments for the first time on January 1, 2021. The rate of adaption is 0.3 % (Art. 36 para. 1 BVG/LPP).

Beyond that, no adaptations were made to pensions (Art. 36 para. 2 BVG/LPP) in accordance with the Board's resolution.

#### 5.6 Composition of, development of and explanation regarding actuarial reserves

##### 5.6.1 Actuarial reserves

Actuarial reserves of the Foundation	Increase		31.12.2020
	31.12.2021	Decrease	
	CHF	2021	CHF
Reserve for retirement losses	1,203,316,725.00	34,377,535.00	1,168,939,190.00
Reserve for exit losses	26,025.00	-1,345.00	27,370.00
Provision for fundamentals risk	45,664,235.00	45,664,235.00	0.00
<b>Balance as at December 31</b>	<b>1,249,006,985.00</b>		<b>1,168,966,560.00</b>

The reserve for retirement losses serves to cover the financing gap between the available retirement assets at the time of retirement and the pension liabilities needed to cover the pension obligations.

The reserve for exit losses serves to finance the difference between the statutory vested termination benefits accounts and the retirement assets of the insured persons.

The provision for fundamentals risk serves to finance increases in pensioners' liabilities caused by the deviation in the actual development of mortality from that of the model assumptions in the actuarial principles.

Actuarial reserves of the occupational benefits funds	Increase		31.12.2020
	31.12.2021	Decrease	
	CHF	2021	CHF
Reserves for additional fund-specific benefit components	4,471,870.85	185,380.00	5,889,176.85
		-1,602,686.00	
<b>Balance as at December 31</b>	<b>4,471,870.85</b>		<b>5,889,176.85</b>
<b>Total portfolio as at December 31</b>	<b>1,253,478,855.85</b>		<b>1,174,855,736.85</b>

Calculation of the reserves for retirement losses is governed by the regulations on the formation of provisions and reserves.

The reserves are calculated by the occupational pensions actuary.

5.6.2 Reserve for supplementary interest	Decrease		31.12.2020
	31.12.2021	2021	
	CHF		CHF
Reserve for supplementary interest, Foundation	236,859,346.16	-166,991,226.85	403,850,573.01
<b>Balance as at December 31</b>	<b>236,859,346.16</b>		<b>403,850,573.01</b>

Every year, the Board of Trustees decides on the amount of supplementary interest financed from this reserve. In 2021, this amounted to 1.00 % (as in the prior year) of the retirement assets. In order to avoid or remedy an underfunding, the Board of Trustees can decide to use the reserve for supplementary interest in part or in full to eradicate the shortfall. The reserve must be used up in full by December 31, 2023, at the latest.

#### 5.7 Share of insurance surpluses

In 2021, AXA Life Ltd. paid out a total of CHF 21,788,043.25 from the share of surpluses from the group insurance contract:

- CHF 18,016,639.00 from the share of surpluses from the risk process. This amount was allocated to the Foundation assets in accordance with the regulations on surplus participation.
- CHF 3,770,267.00 from the share of surpluses from the risk process for occupational benefits funds with their own separate bonus formula.
- CHF 1,137.25 from retroactive changes.

	2021	2020
	CHF	CHF
Total share of surpluses received from insurance	21,788,043.25	41,770,212.65
of which allocated to Foundation assets	18,016,639.00	40,625,845.00
of which credited to occupational benefits funds	3,771,404.25	1,144,367.65

## 5.8 Conclusions of the last actuarial report

The last actuarial report by Libera AG was produced on May 17, 2019, as at January 1, 2019. Among other things, the report determined that:

- The actuarial reserves were calculated using the BVG 2015 generation tables as the actuarial fundamentals and applying an actuarial interest rate of 2.00 %.
- The use of the BVG 2015 generation tables as the actuarial fundamentals is deemed to be appropriate.
- The actuarial interest rate of 2.00 % to determine the actuarial reserves is assessed as appropriate from today's perspective.
- With pension assets at CHF 17,564,365,557 and pension liabilities at CHF 16,524,027,469, the coverage rate according to Art. 44 BVV 2/OPP 2 was 106.3 % as at January 1, 2019.
- The actuarial reserves are in compliance with the regulations on the formation of actuarial reserves and fluctuation reserves. The fluctuation reserves could not be built up in accordance with the estimated amount.
- The benchmark interest rate stipulated by Special Guideline FRP 4 for financial statements for 2018 is 2.00 %, which corresponds to the Foundation's actuarial interest rate.
- The economic coverage rate as at January 1, 2019 – which is determined on the basis of the interest rate curve employed for the Swiss Solvency Test (SST) and using the BVG 2015 generation tables – is 100.0 %.
- Based on the comprehensive risk assessment, the risk to the Foundation's long-term financial stability is determined to be average.
- The audited regulatory actuarial provisions on benefits and financing meet the statutory requirements.
- The group insurance contract with AXA Life Ltd. includes the congruent reinsurance coverage of the risks of death and disability. With effect from January 1, 2019, the Foundation has borne the longevity risk itself. Actuarial reserves for additional fund-specific benefit components are formed at the level of the occupational benefits fund.
- As at January 1, 2019, the Foundation offers sufficient security to meet its actuarial obligations. It therefore satisfies the requirements of Art. 52e para. 1 BVG/LPP.

According to OPSC directive D - 01/2021 "Anforderungen an Transparenz und interne Kontrolle für Vorsorgeeinrichtungen im Wettbewerb" (requirements for transparency and internal control for occupational benefits institutions in competition), which came into force on March 1, 2021, and applies from financial year 2021 onwards, the occupational pensions actuary will now produce a new actuarial report on an annual basis, for the first time based on the audited 2021 financial statements.

## 5.9 Actuarial principles and other significant actuarial assumptions

### 5.9.1 Reinsurance coverage of risks

The Foundation has reinsured the actuarial risks of disability and death under a group insurance contract with AXA Life Ltd. The actuarial principles are based on the currently prevailing group life insurance rate of AXA Life Ltd. as approved by the Swiss Financial Market Supervisory Authority FINMA.

### 5.9.2 Risks borne autonomously by the Foundation

Since 2019 the Foundation has provided current retirement and connected survivors' pensions at its own risk by means of pension solutions entailing the autonomous investment of assets. The actuarial calculations are performed in accordance with recognized principles on the actuarial basis of BVG 2020 (prior year: BVG 2015) generation tables and an actuarial interest rate of 1.75 % (as in prior year). This does not apply to pensions brought into the fund as part of a new affiliation, whose valuation is determined by applying the actuarial interest rate used for calculating the purchase amount, provided this does not exceed the Foundation's actuarial interest rate.

## 5.10 Change in actuarial bases and assumptions

### 5.10.1 Reinsurance coverage of risks

The FINMA-approved AXA Life Ltd. rates applied by the Foundation were adjusted for 2021. While overall the risk premium for death and disability risk benefits was virtually unchanged despite the adjustment in rates, the amount of the risk premium depends not only on the basic rate but also on other factors such as the sector to which the employer belongs and, in the case of disability, the risk experience for the insured group of persons.

### 5.10.2 Risks borne autonomously by the Foundation

The actuarial calculations were performed as of December 31, 2021, using the actuarial basis of the BVG 2020 generation tables (previously: BVG 2015 generation tables).

## 5.11 Calculation of the coverage rates

The Foundation determines a coverage rate for the purpose of market comparison and a coverage rate in accordance with Art. 44 BVV 2/OPP 2. The coverage rate for the purpose of market comparison serves to help the Board of Trustees when determining the interest rates for the retirement assets. In contrast to the coverage rate for market comparison purposes, the coverage rate according to Art. 44 BVV 2/OPP 2 factors in the reserve for additional interest payments not only on retirement assets, but also as actuarial pension liabilities.

### 5.11.1 Foundation coverage rate for the purpose of market comparison

	31.12.2021	31.12.2020
	CHF	CHF
<b>Net assets at market values (pension assets)</b>		
Assets	29,485,467,079.29	25,356,152,859.67
./. Liabilities	-674,717,361.24	-633,611,340.31
./. Accrued liabilities and deferred income	-53,294,421.21	-11,915,918.39
./. Employer-paid contribution reserve	-255,135,844.28	-237,077,972.39
./. Non-committed funds (unallocated assets) of occupational benefits funds	-87,378,674.16	-93,181,407.12
<b>Total pension assets</b>	<b>28,414,940,778.40</b>	<b>24,380,366,221.46</b>
<b>Actuarial pension liabilities (PL)</b>		
Active participants' liabilities	22,295,041,486.38	19,704,403,009.03
Pensioners' liabilities	1,611,218,383.76	1,075,283,144.94
Actuarial reserves	1,253,478,855.85	1,174,855,736.85
<b>Total PL</b>	<b>25,159,738,725.99</b>	<b>21,954,541,890.82</b>
<b>Foundation coverage rate for the purpose of market comparison</b>	<b>112.9 %</b>	<b>111.0 %</b>

### 5.11.2 Foundation coverage rate according to Art. 44 BVV 2 / OPP 2

	31.12.2021	31.12.2020
	CHF	CHF
<b>Net assets at market values (pension assets)</b>		
Assets	29,485,467,079.29	25,356,152,859.67
./. Liabilities	-674,717,361.24	-633,611,340.31
./. Accrued liabilities and deferred income	-53,294,421.21	-11,915,918.39
./. Employer-paid contribution reserve	-255,135,844.28	-237,077,972.39
./. Non-committed funds (unallocated assets) of occupational benefits funds	-87,378,674.16	-93,181,407.12
<b>Total pension assets</b>	<b>28,414,940,778.40</b>	<b>24,380,366,221.46</b>
<b>Actuarial pension liabilities (PL)</b>		
Active participants' liabilities	22,295,041,486.38	19,704,403,009.03
Pensioners' liabilities	1,611,218,383.76	1,075,283,144.94
Actuarial reserves	1,253,478,855.85	1,174,855,736.85
Reserve for supplementary interest	236,859,346.16	403,850,573.01
<b>Total PL</b>	<b>25,396,598,072.15</b>	<b>22,358,392,463.83</b>
<b>Foundation coverage rate according to Art. 44 BVV 2 / OPP 2</b>	<b>111.9 %</b>	<b>109.0 %</b>

The coverage rate of the individual occupational benefits funds is dependent on any available non-committed funds and may, therefore, deviate from the coverage rate of the Foundation.

## 6 Comments on investments and net return on investments

### 6.1 Organization of investment activities, investment advisor, investment manager, and investment rules and regulations

The principles and guidelines governing the organization of investment activities and asset management are contained in the investment regulations. The Foundation's governance structure in the area of asset management comprises the Board of Trustees, the investment committee and the managing director.

Investment controller	Stephan Skaanes, PPCmetrics AG, Zurich
External specialist	Ivana Reiss

#### Asset management by AXA Insurance Ltd.

(authorized in accordance with Art. 48f para. 4g BVV 2/OPP2)

Asset manager	AXA Insurance Ltd, Winterthur
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The AXA Foundation for Occupational Benefits, as an occupational benefits institution, implements its investment strategy exclusively with collective investment schemes (with the exception of the derivative financial instruments permitted under the investment regulations). The Foundation is the co-sponsor and sole investor of the single investor fund "AXA Strategy Fund Professional Invest" (managed by Credit Suisse Funds AG) and an investor in further collective investment schemes in which the asset manager AXA Insurance Ltd. invests for the Foundation's account. The single investor fund "AXA Strategy Fund Professional Invest" is a subfund of the umbrella fund "AXA BVG Strategy Fund" established by Credit Suisse Funds AG. The umbrella fund is aimed exclusively at qualified investors within the meaning of Art. 10 para. 3a to 3d CISA.

The single investor fund "AXA Strategy Fund Professional Invest" invests in accordance with the investment strategy of the AXA Foundation for Occupational Benefits in shares, bonds, real estate, mortgages, and alternative investments within the provisions of the Federal Act on Occupational Retirement, Survivors' and Invalidity Pension Provision (BVG/BW 2 / LPP/OPP 2). Compliance by AXA Insurance Ltd. with the investment guidelines is monitored by the fund management of Credit Suisse Funds.

Fund management of the single investor fund	Credit Suisse Funds AG, Zurich
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The provisions of Art. 48f BW 2/OPP 2 are being complied with.

**Investment manager per asset class as at December 31, 2021**

Asset class	Investment manager	Accreditation
CHF bonds	AXA Investment Managers Switzerland Ltd., Zurich	FINMA (Switzerland)
	Lombard Odier Asset Management (Switzerland) SA, Petit-Lancy	FINMA (Switzerland)
Foreign currency bonds (hedged)	AXA Investment Managers Paris SA, Paris	AMF (France)
	PIMCO Europe GmbH, Munich, with delegation of investment decisions to Pacific Investment Management Company LLC, Newport Beach	BaFin (Germany) SEC (USA)
	JPMorgan Asset Management (UK) Limited, London, with delegation of investment decisions to JPMorgan Investment Management Inc., New York	FCA (UK) SEC (USA)
	Zürcher Kantonalbank, Zurich	FINMA (Switzerland)
Emerging market bonds	AllianceBernstein Limited, London with delegation of investment decisions to AllianceBernstein LP, New York	FCA (UK) SEC (USA)
CHF Mortgages	AXA Insurance Ltd, Winterthur	FINMA (Switzerland)
Swiss equities	Credit Suisse Asset Management (Switzerland) Ltd., Zurich	FINMA (Switzerland)
	Lombard Odier Asset Management (Switzerland) SA, Petit-Lancy	FINMA (Switzerland)
Equities, global (hedged)	BlackRock Investment Management (UK) Limited, London	FCA (UK)
	AXA Investment Managers Paris SA, Paris	AMF (France)
	Lazard Asset Management, London	FCA (UK)
	Credit Suisse Asset Management (Switzerland) Ltd., Zurich	FINMA (Switzerland)
	UBS AG, Asset Management, Zurich	FINMA (Switzerland)
Emerging market equities	BlackRock Investment Management (UK) Limited, London, with some delegation of investment decisions to BlackRock Asset Management North Asia Limited, Hong Kong	FCA (UK) SFC (Hong Kong)
	UBS AG, Asset Management, Zurich	FINMA (Switzerland)
Small cap equities, global (hedged)	Credit Suisse Asset Management (Switzerland) Ltd., Zurich	FINMA (Switzerland)
	Threadneedle Asset Management Limited, London	FCA (UK)
Swiss real estate	AXA Investment Managers Switzerland Ltd., Zurich	FINMA (Switzerland)
Global real estate (hedged)	AXA Investment Managers Switzerland Ltd., Zurich	FINMA (Switzerland)
	M&G Lux (M&G Limited), Luxembourg	CSSF (Lux)
	Clarion Partners, LLC, New York	SEC (USA)
	CBRE Global Investors, LLC, Los Angeles	SEC (USA)
	PGIM, Inc., New Jersey	SEC (USA)
	LaSalle Investment Management SAS, Paris	AMF (France)
Private equity	Ardian France SA, Paris	AMF (France)

**Account / custody account management**

The accounts and custody accounts are managed by Credit Suisse (Switzerland) Ltd.

**6.2 Availment of expanded investment possibilities (Art. 50 para. 4 BVV 2 / OPP 2) with conclusive proof of compliance with security and risk distribution (Art. 50 para. 1 to 3 BVV 2 / OPP 2)**

The investment regulations provide that expansions of investment possibilities within the meaning of Art. 50 para. 4 BVV 2/OPP 2 may be availed of. No use was made of this option in the reporting year.

**6.3 Target reserve for fluctuations in asset value and calculation of the reserve**

The Foundation's target reserve for fluctuations in asset value is determined using the value-at-risk method. The appropriateness of the target value is reviewed by the Board of Trustees periodically, or when exceptional events so require, and, if necessary, adjusted. A level of certainty of 97.5 % over a period of one year is aimed for.

The Board of Trustees has set the target reserve for fluctuations in the Foundation's asset value at 15 % (as in the prior year) of the autonomously invested active participants' and pensioners' liabilities, the actuarial reserves (excluding reserves for additional interest payments), the employer-paid contribution reserve as well as the non-committed funds of the occupational benefits funds.

<b>6.3.1 Reserve for fluctuations in asset value of the Foundation</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	CHF	CHF
Reserve for fluctuations as shown in the balance sheet	3,018,342,706.25	2,021,973,757.63
Target amount of reserve for fluctuations	3,825,337,986.66	3,342,720,190.55
Shortfall in reserve for fluctuations (reserve deficit)	806,995,280.41	1,320,746,432.92
Reserve for fluctuations as % of the target amount	78.9 %	60.5 %

<b>6.3.2 Composition of reserve for fluctuations in asset value of Foundation</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	CHF	CHF
on pension liabilities/reserves for active participants	2,781,702,213.81	1,894,444,233.57
on pension liabilities/reserves for pensioners	196,101,870.67	97,563,997.75
on other positions in accordance with the regulations on the formation of provisions and reserves	40,538,621.77	29,965,526.30
<b>Total</b>	<b>3,018,342,706.25</b>	<b>2,021,973,757.63</b>



## 6.4 Breakdown of investments into investment categories

Asset class	31.12.2021		Strategy in %	Bandwidth	
	CHF	in %		min. %	max. %
Liquidity CHF	1,018,103,095	3.48	1	0	10
CHF bonds	3,911,353,290	13.38	14	11	17
CHF mortgages	1,112,625,384	3.81	4	0	10
Foreign currency bonds (hedged)	3,927,033,535	13.43	14	11	17
High-yield bonds (hedged)	0	0.00	0	0	3
Emerging market bonds	1,140,098,470	3.90	4	2	6
Swiss equities	952,668,080	3.26	3	1	5
Equities, global (hedged)	7,128,417,454	24.37	24	21	27
Small cap equities, global (hedged)	924,203,407	3.16	3	1	5
Emerging market equities	1,204,817,901	4.12	4	2	6
Infrastructure	0	0.00	0	0	3
Private equity	838,394,932	2.87	3	1	5
Private debt/alternative credit	0	0.00	0	0	3
Other alternative investments	0	0.00	0	0	5
Swiss real estate	6,115,766,503	20.92	23	18	28
Global real estate (hedged)	965,664,639	3.30	3	0	5
<b>Total investments of Foundation</b>	<b>29,239,146,690</b>	<b>100.00</b>			
- of which total shares		34.91	34	25	43
- of which foreign currencies (not hedged)		11.12	11	5	17
Investments of occupational benefits funds					
Custom Invest <sup>1)</sup>	8,357,425				
Accounts receivable	10,045,415				
Assets with AXA Life Ltd.	19,060,811				
Accounts receivable from affiliated employers	195,615,483				
./. Del credere	-992,660				
Prepayments and accrued income	14,233,915				
<b>Total assets</b>	<b>29,485,467,079</b>				

<sup>1)</sup> In the context of a pension solution authorized by the Board of Trustees, two occupational benefits funds invest their unallocated assets for their own account and at their own discretion in accordance with the "Custom Invest" investment regulations.

**Confirmation of compliance with limits**

The limits according to Art. 54, Art. 54a, Art. 54b, Art. 55 and Art. 57 BVV 2/OPP 2 are being complied with.

## Breakdown of investments into investment categories, prior year

Asset class	31.12.2020		Strategy in %	Bandwidth	
	CHF	in %		min. %	max. %
Liquidity/money market	841,538,427	3.35	2	0	10
CHF bonds	4,139,964,420	16.47	18	15	21
Foreign currency bonds (hedged)	4,287,842,320	17.06	17	14	20
Emerging market bonds (hard currency)	1,022,811,448	4.07	4	2	6
High-yield bonds	0	0.00	0	0	5
Convertible bonds	0	0.00	0	0	5
CHF mortgages	1,097,129,018	4.36	3	0	10
Swiss equities	763,237,543	3.04	3	1	5
Equities, global (hedged)	6,026,918,798	23.96	24	21	27
Emerging market equities	754,863,436	3.00	3	1	5
Swiss real estate	5,292,996,596	21.06	23	18	28
Foreign real estate	187,318,147	0.75	0	0	5
Private equity	619,923,114	2.47	3	1	5
Alternative investments	102,737,615	0.41	0	0	15
<b>Total investments of Foundation</b>	<b>25,137,280,882</b>	<b>100.00</b>			
- of which total shares		30.00	30	23	37
- of which total alternative investments		2.87	3	1	15
- of which foreign currencies (not hedged)		9.80	10	4	16
Investments of occupational benefits funds					
Custom Invest <sup>1)</sup>	8,974,053				
Accounts receivable	12,328,021				
Assets with AXA Life Ltd.	23,700,871				
Accounts receivable from affiliated employers	161,407,959				
./. Del credere	-624,300				
Prepayments and accrued income	13,085,373				
<b>Total assets</b>	<b>25,356,152,859</b>				

<sup>1)</sup> In the context of a pension solution authorized by the Board of Trustees, two occupational benefits funds invested their unallocated assets for their own account and at their own discretion in accordance with the "Custom Invest" investment regulations.

**Confirmation of compliance with limits**

The limits according to Art. 54, Art. 54a, Art. 54b, Art. 55 and Art. 57 BVV 2/OPP 2 were complied with.

**6.5 Current (open) financial derivative instruments**

No derivatives are held directly. However, the Foundation has invested in collective investment vehicles in which financial derivative instruments are used. The provisions of Art. 56a BVV 2/OPP 2 are being complied with.

**6.6 Deeds of pledge**

None

**6.7 Open commitments**

None

**6.8 Market value and counterparties in securities lending**

The Foundation has not engaged in direct securities lending and repurchase transactions since it invests exclusively in collective investment schemes. The investment guidelines defined by the Board of Trustees for the single investor fund "AXA Strategy Fund Professional Invest" exclude securities lending.

<b>6.9 Comments on net return on investments</b>	<b>2021</b>	<b>2020</b>
	CHF	CHF
<b>Net return on investments, Foundation</b>	<b>1,957,695,273.73</b>	<b>1,226,620,753.31</b>
Securities income	1,958,176,790.18	1,227,090,503.43
Negative interest rates	-481,516.45	-469,750.12
<b>Net return on investments, Custom Invest occupational benefits funds</b>	<b>365,676.64</b>	<b>39,524.56</b>
Securities income	367,105.58	39,730.36
Negative interest rates	-1,428.94	-205.80
<b>Other income from assets</b>	<b>-1,290,201.03</b>	<b>-1,781,820.00</b>
Interest on assets/obligations with AXA Life Ltd.	29,685.02	-311,255.54
Interest income on accounts receivable from employers	2,806,462.88	2,154,333.08
Interest income on insurance benefits received	62,397.97	153,079.49
Interest on vested termination benefits accounts/insurance benefits	-4,752,111.54	-4,551,297.46
Interest on takeover of participants	563,153.39	773,320.43
Interest income on accounts receivable	211.25	0.00
<b>Administration cost of investments</b>	<b>-148,015,098.06</b>	<b>-103,150,862.65</b>
<b>Total</b>	<b>1,808,755,651.28</b>	<b>1,121,727,595.22</b>

**Investment performance, Foundation**

	<b>2021</b>		
	TWR total in %	Benchmark perf. in %	Contribution in %
Liquidity CHF (excl. operational liquidity)	-0.87	-0.82	-0.02
CHF bonds	-1.84	-1.82	-0.30
CHF mortgages	-0.52	-2.25	-0.02
Foreign currency bonds (hedged)	-1.90	-1.77	-0.26
Emerging market bonds	1.64	-1.83	0.08
Swiss equities	24.01	23.38	0.76
Equities, global (hedged)	26.29	25.65	5.71
Small cap equities, global (hedged)	15.16	17.38	0.28
Emerging market equities	-0.73	0.46	-0.17
Private equity	36.00	26.60	0.85
Private debt/alternative credit	6.95	5.06	0.02
Swiss real estate	3.55	5.73	0.77
Global real estate (hedged)	-0.44	5.73	-0.06
<b>Performance interim total</b>		<b>7.86</b>	<b>7.64</b>
Fees & taxes, FX hedge effect overlay and other effects			-0.71
Operational liquidity			-0.04
<b>Investment performance, Foundation</b>		<b>7.14</b>	<b>6.89</b>

Performance is calculated using the time-weighted rate of return (TWR) method.

**6.10 Comments on the asset management costs****6.10.1 Administration cost of investments, Foundation**

	<b>2021</b>	<b>2020</b>
	CHF	CHF
Sum of cost indicators for collective investment schemes (TER) <sup>1)</sup>	147,719,594.41	102,884,090.00
Transaction costs fund units (TTC costs) <sup>2)</sup>	20,100.00	21,500.00
Other direct asset management costs	29,732.83	22,913.10
Fee for independent investment consulting	155,980.95	221,103.55
<b>Total</b>	<b>147,925,408.19</b>	<b>103,149,606.65</b>

<sup>1)</sup> The TER include the costs of asset manager AXA Insurance Ltd as well as safekeeping, administration, benchmarking, analysis and service fees.

<sup>2)</sup> Transaction costs for subscription and redemption of unit certificates of the strategy fund and modules received.

<b>Administration cost of investments, occupational benefits funds</b>	<b>2021</b>	<b>2020</b>
	CHF	CHF
Sum of cost indicators for collective investment schemes (TER)	45,788.05	1,256.00
Transaction costs and taxes	13,121.71	0.00
Custodian fees	30,780.11	0.00
<b>Total</b>	<b>89,689.87</b>	<b>1,256.00</b>
<b>Total administration cost of investments</b>	<b>148,015,098.06</b>	<b>103,150,862.65</b>

	31.12.2021	31.12.2020
	CHF	CHF
Total investments	29,247,504,115.41	25,146,254,935.28
Total transparent investments	29,247,504,115.41	25,146,254,935.28
<b>Total investment costs as a percentage of transparent investments</b>	<b>0.51 %</b>	<b>0.41 %</b>
<b>Cost transparency ratio</b>	<b>100.00 %</b>	<b>100.00 %</b>

#### Non-transparent collective investment schemes

None

#### 6.10.2 Refunds / retrocessions

Any refunds/retrocessions from investments are credited to the Foundation.

The use of any retrocessions, remuneration, fees, commission, repayments, discounts, sales commissions, etc. which persons and institutions entrusted with asset management receive in the exercise of their activities on behalf of the Foundation is governed by the arrangements entered into under the asset management agreements. On an annual basis, they must submit a written confirmation or statement and pass on all pecuniary advantages to the Foundation that they receive above and beyond this amount from their activities on behalf of the Foundation.

#### 6.10.3 Shareholders' rights

The Foundation does not invest in equities directly and therefore has no shareholders' rights.

#### 6.11 Comments on investments in employers' entities and employer-paid contribution reserve

##### 6.11.1 Accounts receivable from affiliated employers

	31.12.2021	31.12.2020
	CHF	CHF
Accounts receivable from affiliated employers (open contributions)	195,615,483.01	161,407,959.35
./. Del credere	-992,660.00	-624,300.00
<b>Balance as at December 31</b>	<b>194,622,823.01</b>	<b>160,783,659.35</b>

As at March 31, 2022, these accounts receivable were reduced by payments from the respective employers to CHF 37,887,064.65 (prior year: CHF 40,617,642.28).

The Foundation levied default interest of 5.00 %, as in the prior year.

The Foundation did not make investments within the meaning of Art. 57 BVV 2/OPP 2 in affiliated employers.

##### 6.11.2 Employer-paid contribution reserve

	2021	2020
	CHF	CHF
Balance as at January 1	237,077,972.39	223,416,271.52
Transfers to employer-paid contribution reserve (incl. any takeovers of occupational benefits funds)	74,637,187.24	65,969,404.47
Withdrawal to finance contributions	-51,871,591.50	-46,322,155.53
Transfer in the case of withdrawals from occupational benefits funds	-3,651,799.40	-5,211,002.85
Decrease in favor of non-committed funds	-1,055,924.45	-774,545.22
<b>Balance as at December 31</b>	<b>255,135,844.28</b>	<b>237,077,972.39</b>

The employer-paid contribution reserve bore no interest.

## 7 Comments on other positions in the balance sheet and operating account

### 7.1 Comments on asset accounts

#### 7.1.1 Accounts receivable

This position contains mainly accounts receivable from other occupational benefits institutions.

#### 7.1.2 Assets with AXA Life Ltd.

These comprise balances on Foundation accounts with AXA Life Ltd.

#### 7.1.3 Prepayments and accrued income

These consist largely of prepaid pensions as well as contributions earned but not yet settled.

### 7.2 Comments on liability accounts

#### 7.2.1 Vested termination benefits accounts and pensions

These consist largely of vested termination benefits not yet transferred to other occupational benefits institutions as well as vested termination benefits received but not yet included.

#### 7.2.2 Other liabilities

These are largely liabilities toward the BVG (LOB) Guarantee Fund.

#### 7.2.3 Accrued liabilities and deferred income

This position comprises mainly prepaid vested termination benefits in connection with new affiliations and contribution refunds that have not yet been credited in favor of affiliated employers.

#### 7.2.4 Non-committed funds (unallocated assets) of occupational benefits funds

	31.12.2021	31.12.2020
	CHF	CHF
Non-committed funds of occupational benefits funds (excluding Custom Invest) <sup>1)</sup>	78,885,852.42	84,071,178.90
Non-committed funds of Custom Invest occupational benefits funds (investments for own account and at own discretion)	8,357,425.04	8,974,053.07
Financing reserves of occupational benefits funds in the context of an affiliation solution	135,396.70	136,175.15
<b>Balance as at December 31</b>	<b>87,378,674.16</b>	<b>93,181,407.12</b>

<sup>1)</sup> In 2021, non-committed funds of occupational benefits funds bore interest of 1.00 %, as in the prior year.

## 7.3 Comments on operating accounts

7.3.1 Breakdown of total contributions	2021	2020
	CHF	CHF
Savings contributions	1,614,571,843.04	1,459,426,328.98
Risk contributions	214,540,982.80	192,684,436.49
Cost contributions	64,147,864.76	56,817,869.39
Contributions to the BVG (LOB) Guarantee Fund	10,134,311.25	9,274,912.50
<b>Total</b>	<b>1,903,395,001.85</b>	<b>1,718,203,547.36</b>
of which employee contributions	834,003,650.30	752,940,084.51
of which employer contributions	1,068,642,802.18	963,821,532.58
of which contributions from non-committed funds of occupational benefits funds	748,549.37	1,441,930.27

7.3.2 Transfers following takeover / transfer in the case of collective exit	2021	2020
	CHF	CHF
<b>Transfers following takeover of participants</b>		
Non-committed funds	44,081,027.23	36,540,923.41
<b>Total</b>	<b>44,081,027.23</b>	<b>36,540,923.41</b>
<b>Transfer of additional assets in the case of collective exit</b>		
Non-committed funds	17,212,173.93	2,586,075.88
<b>Total</b>	<b>17,212,173.93</b>	<b>2,586,075.88</b>

7.3.3 Retirement pensions paid	2021	2020
	CHF	CHF
Pensions borne autonomously by the Foundation	66,553,638.50	37,679,538.15
Reinsured pensions	398,325,154.80	409,911,197.41
<b>Total</b>	<b>464,878,793.30</b>	<b>447,590,735.56</b>

7.3.4 Survivors' pensions paid	2021	2020
	CHF	CHF
Pensions borne autonomously by the Foundation	294,311.80	190,378.75
Reinsured pensions	66,861,389.40	65,218,873.90
<b>Total</b>	<b>67,155,701.20</b>	<b>65,409,252.65</b>

## 7.3.5 Withdrawals for encouragement of home ownership / divorce

Withdrawals for purchase of residential property	2021	2020
Number	817	696
Total amount in CHF	66,600,892.31	58,134,922.24

Pledges for residential property	2021	2020
Number	269	279

Payments following divorce	2021	2020
Number	437	348
Total amount in CHF	39,363,989.46	25,760,511.16

## 7.3.6 Insurance benefits

These contain the retirement, survivors' and disability benefits (pensions and capital) received from AXA Life Ltd., savings contribution exemptions, premium waivers, as well as reimbursement values in the case of contract terminations.

## 7.3.7 Cost premiums / administration expenses

Cost premiums	2021	2020
	CHF	CHF
Costs for general administration expenses	51,660,449.70	51,524,656.36
Marketing and advertising expenses	953,164.08	963,350.82
Remuneration for distribution and closing costs	39,047,734.27	36,195,191.22
of which remuneration for brokers	15,813,176.85	13,888,392.95
of which remuneration for distribution costs, excl. brokers' commission	23,234,557.42	22,306,798.27
<b>Total</b>	<b>91,661,348.05</b>	<b>88,683,198.40</b>

The cost premium is an element of the insurance cost booked in the reporting year. It reflects the compensation which the Foundation pays to AXA Life Ltd. for administration and services in accordance with the insurance and management contract as well as to recompense sales costs such as closing and brokerage commissions.

Serving as a basis is the cost structure deployed by AXA Life Ltd. to calculate the annual FINMA-audited cost tariff using the applied actuarial model. This cost structure reflects empirical values from the cost process adopted by AXA Life Ltd. and is composed as shown.

### Administration expenses

The administration expenses reported in the operating accounts contain administration cost contributions for special expenses and services billed to the Foundation in addition to the cost premium as well as direct Foundation costs.

#### Costs of special expenses

(financed by occupational benefits funds, employers, insured participants) <sup>1)</sup>	2021 CHF	2020 CHF
Costs of purchase	3,750.00	5,746.25
Costs of processing promotion of home ownership	465,300.00	421,456.90
Costs of debt collection	609,763.66	632,528.35
Costs of total and partial liquidation of occupational benefits funds	1,181,911.40	1,317,370.35
Costs of voluntary distribution of non-committed funds	18,669.99	21,894.90
Costs of reporting	166,200.00	153,500.00
Costs of special services	179,355.35	122,721.50
Costs of occupational pensions actuary	4,249.80	3,234.25
<b>Total</b>	<b>2,629,200.20</b>	<b>2,678,452.50</b>

<sup>1)</sup> These costs financed by occupational benefits funds, employers, or insured participants do not influence the Foundation's income/expen-

Direct Foundation costs (financed from Foundation assets) <sup>2)</sup>	2021 CHF	2020 CHF
Costs for administration of autonomous pensioners	1,054,652.25	0.00
Costs of training and compensating the Board of Trustees	293,056.73	443,119.70
Advisory costs	121,416.30	265,622.30
Auditor's costs	81,410.45	81,841.25
Costs of occupational pensions actuary	90,279.70	79,551.60
Costs of direct supervision	69,900.00	77,300.00
Costs of Occupational Pension Supervisory Commission	86,461.35	95,010.75
Costs of special expenses	8,524.75	7,888.80
<b>Total</b>	<b>1,805,701.53</b>	<b>1,050,334.40</b>
<b>Total administration expenses</b>	<b>4,434,901.73</b>	<b>3,728,786.90</b>

<sup>2)</sup> In 2021, the Founder assumed part of these costs (CHF 70,536.75 / prior year: CHF 123,298.35). The amounts credited are contained in the position "Other income".

### 7.3.8 Income from services rendered

For the purpose of settling special expenses (e.g. for debt enforcement/debt collection measures, processing promotion of home ownership, contract terminations) additional cost contributions were levied in accordance with the cost regulations.

### 7.3.9 Other income

This position contains above all credits from the Founder regarding the assumption of losses on receivables as well as cost contributions billed for official collection costs.

### 7.3.10 Other expenses

This consists largely of losses on receivables, the formation of del credere, and the premium for asset loss liability insurance.

### 7.3.11 Expense surplus of occupational benefits funds (net)

The financial situation of the occupational benefits funds cannot be inferred from the expense surplus. For example, the distribution of non-committed funds in favor of insured participants results in an expense surplus.

7.3.12 Income surplus of Foundation	2021 CHF	2020 CHF
Interest on active participants' liabilities	-779,222,564.52	-457,736,179.83
Decrease/increase in actuarial reserves of the Foundation (net)	86,950,801.85	-122,780,753.00
Autonomously paid pensions and change in pension liabilities for pensioners (net)	-104,475,582.84	-152,585,384.00
Exit loss on vested termination benefits	-9,950.25	-173,767.75
Insurance expense financed by the Foundation	-31,980,379.75	-33,325,290.00
Net return on investments	1,808,479,664.51	1,121,689,326.66
Retroactive income from transformation	2,151,233.96	0.00
Share of surplus from risk process	18,016,639.00	40,625,845.00
Interest on non-committed funds of occupational benefits funds	-789,698.40	-845,424.40
Direct Foundation costs (administration expenses)	-1,805,701.53	-1,050,334.40
Costs assumed by Founder	70,536.75	123,298.35
Losses on receivables (net)	-650,039.21	-137,921.07
<i>Losses on receivables</i>	<i>-1,301,507.95</i>	<i>-1,927,058.32</i>
<i>Losses on receivables assumed by Founder</i>	<i>651,468.74</i>	<i>1,789,137.25</i>
Formation of del credere	-368,360.00	-624,300.00
Premium for asset loss liability insurance	-97,356.00	-70,164.05
Other expenses and income (net)	99,705.05	97,047.02
<b>Income surplus prior to increase in reserves for fluctuations in asset value</b>	<b>996,368,948.62</b>	<b>393,205,998.53</b>
Increase in reserves for fluctuations in asset value of Foundation	-996,368,948.62	-393,205,998.53
<b>Income surplus of Foundation</b>	<b>0.00</b>	<b>0.00</b>

## 8 Supervisory authority requirements

The supervisory authority requirements on the 2020 report concerning the supplementation of the prior-year figures in the presentation of the breakdown of investments into investment categories were implemented (see point 6.4).

## 9 Further information regarding financial situation

### 9.1 Underfunding / comments on measures taken (Art. 44 BVV 2 / OPP 2)

The Foundation is not underfunded.

### 9.2 Total and partial liquidations

The conditions for the partial liquidation of the Foundation and the execution of a partial liquidation procedure are laid down in the “Regulations on the partial liquidation of a collective foundation”. The grounds for the partial liquidation of the Foundation existed as of December 31, 2021. The process will be carried out in 2022.

In the course of business operations, partial and total liquidation procedures are executed at the level of the occupational benefits funds. These procedures are laid down in the “Regulations on the partial and total liquidation of occupational benefits funds”.

### 9.3 Legal proceedings in course

On December 31, 2021, there were 18 legal proceedings pending – 17 of them in connection with benefit claims and one in connection with fees. They are being executed in collaboration with AXA Life Ltd. and/or an external law firm.

## 10 Events after the balance sheet date

None



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## Report of the Statutory Auditor to the Board of Foundation of the AXA Foundation for Occupational Benefits, Winterthur, Winterthur

### Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of AXA Foundation for Occupational Benefits, Winterthur, which comprise the balance sheet, operating account and notes for the year ended 31 December 2021.

#### Foundation Board's Responsibility

The Foundation Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and with the foundation's deed of formation and the regulations. This responsibility includes designing, implementing and maintaining an internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Foundation Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Responsibility of the expert in occupational benefits

In addition to the auditor, the Foundation Board appoints an expert in occupational benefits to conduct the audit. The expert regularly checks whether the occupational benefit scheme can provide assurance that it can fulfil its obligations and that all statutory insurance-related provisions regarding benefits and funding comply with the legal requirements. The reserves necessary for underwriting insurance-related risks should be based on the latest report provided by the expert in occupational benefits in accordance with Article 52e paragraph 1 of the Occupational Pensions Act (OPA) and Article 48 of the Occupational Pensions Ordinance 2 (OPO 2).

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and with the foundation's deed of formation and the regulations.



**AXA Foundation for  
 Occupational Benefits,  
 Winterthur, Winterthur**  
 Report of the Statutory Auditor  
 to the Board of Foundation

### Report on additional legal and other requirements

We confirm that we meet the legal requirements on licensing (Article 52b OPA) and independence (Article 34 OPO 2) and that there are no circumstances incompatible with our independence.

Furthermore, we have carried out the audits required by Article 52c paragraph 1 OPA and Article 35 OPO 2. The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organisation, management and investments are applied.

We have assessed whether

- organisation and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to the size and complexity of the foundation;
- funds are invested in accordance with legal and regulatory requirements;
- the occupational pension accounts comply with legal requirements
- measures have been taken to ensure loyalty in fund management and whether the Governing Body has ensured to a sufficient degree that fund managers fulfil their duties of loyalty and disclosure of interests;
- the available funds or discretionary dividends from insurance contracts have been used in compliance with the legal and regulatory provisions;
- the legally required information and reports have been given to the supervisory authority;
- the pension fund's interests are safeguarded in disclosed transactions with related entities.

We confirm that the applicable legal and statutory requirements have been met.

We recommend that the financial statements submitted to you be approved.

KPMG AG

***This is the English translation of the  
 German Report of the Statutory Auditor***

Erich Meier  
 Licensed Audit Expert  
 Auditor in Charge

Carole Gehrler  
 Licensed Audit Expert

Zurich, 22 June 2022

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**AXA Life Ltd**