



AXA LPP Foundation
Suisse Romande

Annual Report 2021

AXA LPP Foundation Suisse Romande,
Winterthur

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“Our Foundation's appeal lies just as much in its financial strength as in its structural framework.”

Patrick Fournier
Chair of the Board of Trustees of the
AXA LPP Foundation Suisse Romande,
Winterthur

Foreword to the 2021 Annual Report by the Chair of the Board of Trustees

2021 largely exceeded expectations

Last year was an exceptional one in a number of respects. For starters, the pandemic continued to loom large, and restrictions remained in place. Only now are we beginning to see an end to them. Meanwhile, stock markets enjoyed strong gains.

Our Foundation's high appeal helped the number of active insured persons to grow once again, by more than 10%. While this growth is helping to reduce the average cost per insured person, it is also having a slightly dilutive effect in view of our very solid coverage ratio. This is why the Board of Trustees has decided to introduce additional qualitative biases for future new members.

The satisfactory performance of our investments meant that we were again able to pay very generous interest on our insured persons' retirement assets: 3.25 % in the case of mandatory benefits and 4 % for extra-mandatory benefits, both well above the OPA minimum interest rate of 1.0 % set by the Federal Council.

A "new world" in which all promises were kept

The changeover to semi-autonomy has enabled the AXA LPP Foundation Suisse Romande to profit from more flexible regulations in terms of its investment strategy than those that apply to full-value

“The satisfactory performance of our investments meant that we were again able to pay very generous interest on our insured persons' retirement assets.”

insurance. This solution makes it possible to generate higher returns on investments, leading to more interest on retirement assets and ultimately higher pensions or vested benefits while also guaranteeing greater security.

Three years after the switch from full-value insurance to semi-autonomy, the results achieved speak for themselves.

Looking ahead

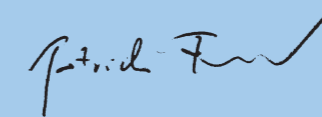
Our Foundation's appeal lies just as much in its financial strength as in its structural framework. In this respect, the Foundation has a certain competitive edge due to the average age of our insured persons being under 43 and the proportion of extra-mandatory retirement assets being over 50%. On top of this, it has 768 pensioners with total retirement assets of CHF 262 million and 42,354 active insured persons with total retirement assets of CHF 4.28 billion, meaning that pension liabilities are comparatively low, which reduces the potential impact of redistribution from active insured persons to pensioners.

Inflation has surged dramatically in many of the developed economies, and this will cause the financial markets to focus above

all on the decisions made by the Fed and the ECB going forward. Interest rate hikes seem likely and would affect the Foundation in a number of ways, just like other occupational benefits institutions. Our investment strategy has been adjusted in line with this scenario by reducing the allocation to bonds and adding new asset classes such as infrastructure and gold.

Thank you for your trust.

Best wishes,



Patrick Fournier
Chair of the Board of Trustees of the AXA LPP Foundation Suisse Romande, Winterthur



Patrick Fournier
Chair of the Board of Trustees of the AXA LPP Foundation Suisse Romande, Winterthur

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



Patrick Fournier (Chair)
Employer representative

Alarick SA, Sion
Director



Patricia Pradervand (Vice-Chair)
Employee representative

XO Investments SA, Neuchâtel
Assistant to Director



Christophe Wyssbrod
Employee representative

Ecoles du CO de la Broye,
Estavayer-le-Lac
Administration

Profile of the Foundation

The AXA LPP Foundation Suisse Romande, Winterthur, was established on July 12, 1984. Its purpose is to manage occupational old-age, survivors' and disability benefits insurance for AXA customers in French-speaking Switzerland. As well as providing mandatory occupational bene-

fits insurance, it also offers pension plans that exceed the minimum requirements of the law.



Olivier Micheloud
Employee representative

Banque Cramer & Cie SA, Geneva
Deputy Director



Dominique Beuchat
Employer representative

3D Precision SA, Delémont
Member of the Executive Board



Nicole Mamie
Employer representative

Prisma SA, Porrentruy
Senior management

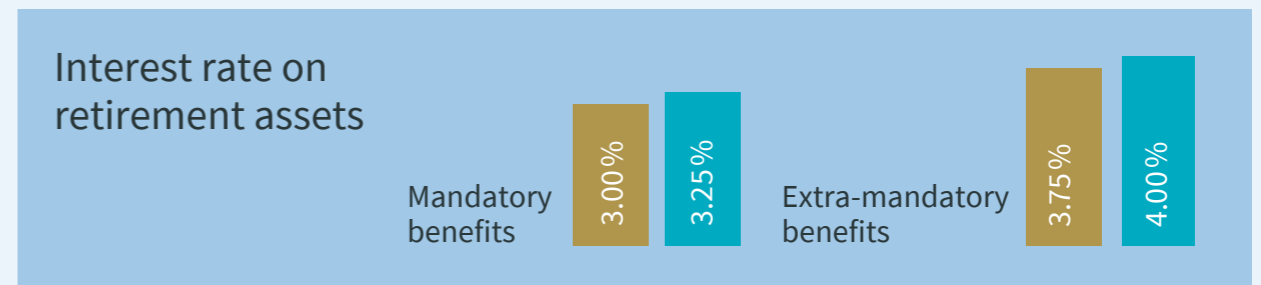
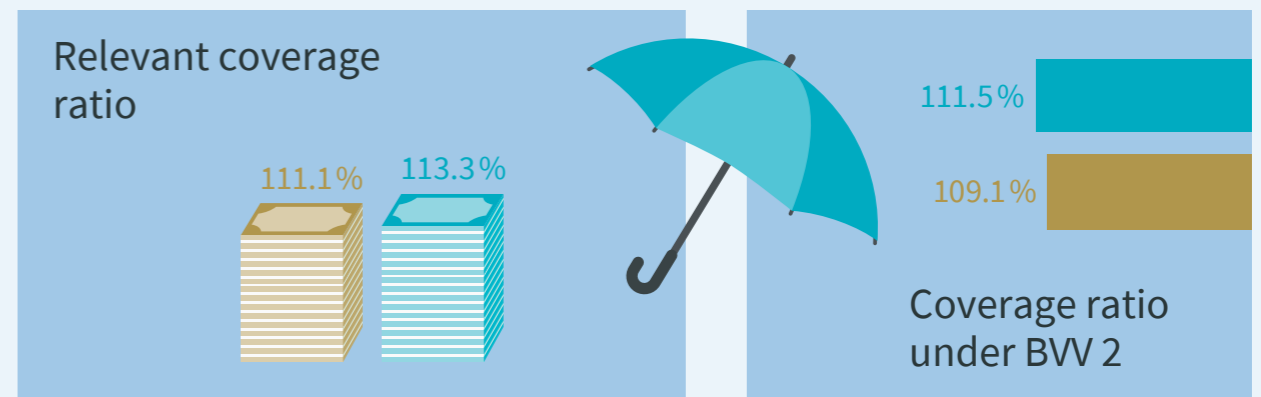
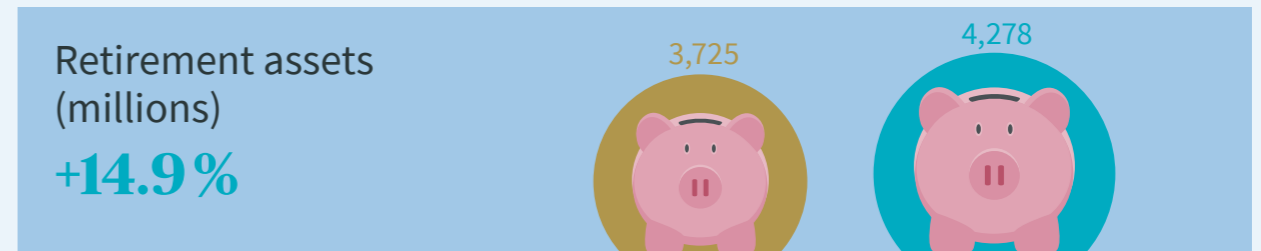
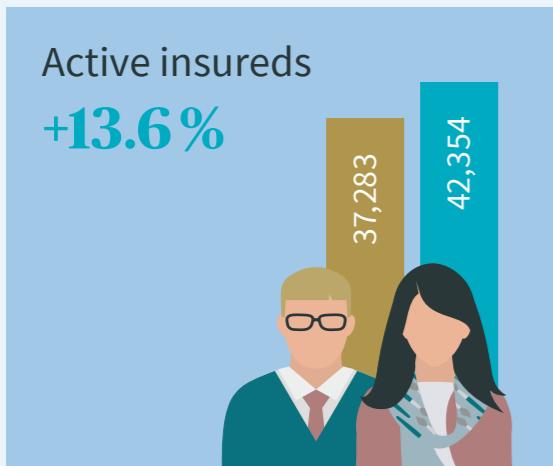


Michèle Keller
Manager



Jean-Luc Schafer
General secretary

Facts & Figures 2021



Balance sheet

in CHF	Index explanatory notes	31.12.2021	31.12.2020
Assets			
Investments	6.4	5,638,864,544.52	4,629,090,304.92
Accounts receivable	7.1.1	3,710,173.32	8,978,072.11
Assets with AXA Life Ltd.	7.1.2	5,569,305.01	5,944,712.06
Accounts receivable from affiliated employers	6.11.1	51,710,998.81	43,108,390.81
./. Del credere		-157,800.00	-85,600.00
Prepayments and accrued income	7.1.3	2,734,604.25	2,026,168.20
Total assets		5,702,431,825.91	4,689,062,048.10
Liabilities			
Liabilities		172,073,147.79	146,495,492.24
Vested termination benefits accounts and pensions	7.2.1	159,707,041.30	135,978,511.78
Prepaid contributions from affiliated employers		10,053,642.74	8,509,694.76
Other liabilities	7.2.2	2,312,463.75	2,007,285.70
Accrued liabilities and deferred income	7.2.3	155,652,079.50	1,674,783.30
Employer-paid contribution reserve	6.11.2	39,072,682.35	32,799,667.80
Contribution reserves without waiver of use		39,072,682.35	32,799,667.80
Non-actuarial reserves		0.00	0.00
Pension liabilities and actuarial reserves		4,780,826,307.22	4,127,560,081.87
Active participants' liabilities	5.3.1	4,278,294,677.52	3,724,610,102.49
Pensioners' liabilities	5.5.1	262,458,070.70	164,514,946.38
Actuarial reserves	5.6.1	163,267,596.00	161,629,070.00
Reserve for supplementary interest	5.6.2	76,805,963.00	76,805,963.00
Reserve for fluctuations in asset value of Foundation	6.3.2	548,642,413.87	373,907,406.28
Non-committed funds (unallocated assets) of occupational benefits funds	7.2.4	6,165,195.18	6,624,616.61
Non-committed funds at the beginning of the period		6,624,616.61	5,372,817.30
Change in non-committed funds from takeovers and transfers		818,343.63	4,497,318.92
Expense surplus of occupational benefits funds (net)		-1,277,765.06	-3,245,519.61
Non-committed funds of Foundation		0.00	0.00
Balance at the beginning of the period		0.00	0.00
Income surplus of Foundation		0.00	0.00
Total liabilities		5,702,431,825.91	4,689,062,048.10

Financial statements 2021

Operating account

in CHF	Index explanatory notes	2021	2020
Ordinary and other contributions and transfers			
		468,109,240.05	420,534,514.87
Employee contributions	7.3.1	168,432,152.97	148,498,531.63
Employer contributions	7.3.1	230,986,965.85	204,262,397.77
of which withdrawal from employer-paid contribution reserve to finance contributions	6.11.2	-5,875,166.95	-7,469,325.40
of which financed by payments from BVG (LOB) Guarantee Fund		-2,578,423.00	-2,301,705.10
One-time payments and purchase amounts		60,709,031.08	65,519,562.27
Other one-time payments		994,891.90	23,041.75
Transfers to employer-paid contribution reserve	6.11.2	12,861,365.20	9,700,306.85
Payments from BVG (LOB) Guarantee Fund		2,578,423.00	2,301,705.10
Entry lump sum transfers			
		717,637,341.64	577,475,065.38
Vested termination benefits transfers		670,858,211.94	563,552,940.79
Transfers following takeover of benefits		33,223,778.85	3,686,892.30
Transfers following takeover of participants	7.3.2	1,655,454.78	4,601,553.57
Reimbursements of withdrawals for home ownership/divorce		11,899,896.07	5,633,678.72
Inflow from contributions and entry lump-sum transfers			
		1,185,746,581.69	998,009,580.25
Regulatory benefits			
		-242,153,333.19	-204,839,425.88
Retirement pensions	7.3.3	-94,048,454.05	-87,089,611.35
Survivors' pensions	7.3.4	-15,749,630.49	-14,849,152.48
Disability pensions		-21,081,669.15	-19,677,983.15
Lump-sum benefits on retirement		-87,823,038.70	-64,308,674.00
Lump-sum benefits on death or disability		-23,450,540.80	-18,914,004.90
Termination benefits			
		-498,969,225.31	-501,198,176.20
Vested termination benefits for leavers		-467,415,419.30	-473,171,769.60
Transfer of additional funds in case of collective exit	7.3.2	-837,111.15	-104,234.65
Transfer of employer-paid contribution reserve in case of withdrawals from occupational benefits funds	6.11.2	-712,696.05	-657,491.18
Withdrawals for encouragement of home ownership/divorce	7.3.5	-25,699,635.26	-22,757,730.77
Reimbursement values in case of transfer of benefits		-4,304,363.55	-4,506,950.00
Outflow for benefits and withdrawals			
		-741,122,558.50	-706,037,602.08
Increase in pension liabilities, actuarial reserves and contribution reserves			
		-660,357,583.53	-498,753,961.60
Increase in active participants' liabilities (net)		-418,456,577.92	-292,941,953.27
Change in pensioners' liabilities (net)		-97,943,124.32	-96,356,163.08
Change in non-committed funds from takeovers and transfers		-818,343.63	-4,497,318.92
Increase/decrease in actuarial reserves		-1,638,526.00	6,436,439.00
Interest on active participants' liabilities		-135,227,997.11	-109,835,131.91
Increase in employer-paid contribution reserve		-6,273,014.55	-1,559,833.42

in CHF	Index explanatory notes	2021	2020
Income from insurance benefits			
		154,034,950.49	160,667,945.70
Insurance benefits	7.3.6	148,590,521.04	146,182,638.45
Share of insurance surpluses	5.7	5,444,429.45	14,485,307.25
Insurance cost			
		-103,899,164.82	-71,260,109.85
Savings premium		-75,217.65	-59,617.15
Risk premium		-50,097,400.10	-43,161,765.10
Cost premium	7.3.7	-20,180,827.65	-19,062,787.75
One-time contributions to insurances		-31,357,356.77	-7,049,248.50
Contributions to the BVG (LOB) Guarantee Fund		-2,188,362.65	-1,926,691.35
Net result of insurance activities			
		-165,597,774.67	-117,374,147.58
Net return on investments			
	6.9	340,080,997.70	154,338,610.18
Net return on investments		381,860,217.67	186,516,537.73
Other income from assets		-485,080.94	-547,902.27
Administration cost of investments	6.10.1	-41,294,139.03	-31,629,551.93
Interest on employer-paid contribution reserve	6.11.2	0.00	-473.35
Other income			
		997,755.08	733,001.68
Income from services rendered	7.3.8	617,381.95	599,871.20
Other income	7.3.9	380,373.13	133,130.48
Other expenses			
	7.3.10	-580,173.53	-596,370.48
Administration expenses			
	7.3.7	-1,443,562.05	-1,204,004.28
General administration expenses		-1,276,310.15	-1,023,406.43
Auditor's costs		-42,875.35	-53,860.75
Costs of occupational pensions actuary		-60,481.05	-65,663.60
Supervisory authorities' costs		-63,895.50	-61,073.50
Income surplus prior to increase in reserves for fluctuations in asset value			
		173,457,242.53	35,897,089.52
Increase in reserves for fluctuations in asset value of Foundation			
		-174,735,007.59	-39,142,609.13
Expense surplus			
		-1,277,765.06	-3,245,519.61
Expense surplus of occupational benefits funds (net)	7.3.11	-1,277,765.06	-3,245,519.61
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 July 12, 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 LPP Foundation Suisse Romande, Winterthur (UID: CHE-109.405.059 HR).

The Foundation has its registered office in Winterthur. The Foundation is primarily active in French-speaking 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.

1.2 Registration with BVG and the Guarantee Fund

The Foundation is entered in the Canton of Zurich's register for occupational pension schemes under serial no. ZH.1435 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	2018	
	Election regulations of the Board of Trustees	01.01.2017	
	Organization regulations of the Foundation	01.04.2021	01.09.2021
	Organization regulations of the Occupational Benefits Fund Commission	01.01.2021	
	Occupational benefits fund regulations/ occupational benefits plans	01.01.2021	01.01.2022
	Regulations for the Promotion of Residential Property Ownership	01.01.2021	01.01.2022
	Professional Invest investment regulations	01.01.2019	01.01.2022
	Regulations on surplus participation	01.01.2020	
	Regulations on the partial and total liquidation of occupational benefits funds ¹⁾	01.01.2019	
	Regulations on the partial liquidation of a collective foundation	01.01.2019	
	Regulations on the formation of provisions and reserves	31.12.2019	31.12.2021
	Cost regulations	01.01.2017	

¹⁾ New regulations are awaiting supervisory approval.

1.4 Supervisory board, authorized signatories, committees and management

Board of Trustees

Members	Function	Term of office	Employer/employee rep
Dominique Beuchat		2021 - 2024	Employer
Patrick Fournier	Chair	2021 - 2024	Employer
Nicole Mamie		2021 - 2024	Employer
Olivier Micheloud		2021 - 2024	Employee
Patricia Pradervand	Vice Chair	2021 - 2024	Employee
Christophe Wyssbrod		2021 - 2024	Employee

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

The Foundation has established the following committees:

Investment Committee

Members	Function
Dominique Beuchat	Vice Chair, representative of the Board of Trustees
Patrick Fournier	Representative of the Board of Trustees
Nicole Mamie	Representative of the Board of Trustees
Olivier Micheloud	Chair, representative of the Board of Trustees
Patricia Pradervand	Representative of the Board of Trustees
Christophe Wyssbrod	Representative of the Board of Trustees

Mandated experts (non-trustees)

AXA Insurance Ltd, Winterthur	Asset Manager
Pittet Associés SA, Geneva	External consultants
Michèle Keller	Foundation Manager
Jean-Luc Schafer	General Secretary

Office of the Board of Trustees

Members	Function
Patrick Fournier	Representative of the Board of Trustees
Patricia Pradervand	Representative of the Board of Trustees
Marc Fournier	Pittet Associés SA, Geneva – External consultants
Ruben Lombardi	Libera AG, Basel – Appointed actuary
Michèle Keller	Foundation Manager
Jean-Luc Schafer	General Secretary

Occupational Benefits Fund Commissions (OBFC)

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

Management

Managing Director	Michèle Keller, 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: Libera AG, Basel Appointed actuary: Dr. Ruben Lombardi, 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)

1.6	Affiliated employers (number of affiliation contracts)	2021	2020	% change
	Balance as at January 1	7,678	7,093	8.25
	Additions	1,121	895	
	Withdrawals	-294	-310	
	Balance as at December 31	8,505	7,678	10.77

2 Active members and pensioners

2.1 Active participants	2021	2020	% change
Balance as at January 1	37,283	33,763	10.43
Additions	14,767	12,025	
Withdrawals	-9,696	-8,505	
Balance as at December 31	42,354	37,283	13.60

2.2 Pension recipients

2.2.1 Pensions borne autonomously by the Foundation	Number on 31.12.2021	Additions Withdrawals 2021	Number on 31.12.2020
Retirement pensions	721	282 -8	447
Retired person's child's pensions	41	26 -7	22
Partner's pensions	5	4 0	1
Orphan's pensions	1	0 0	1
Balance as at December 31	768		471

2.2.2 Reinsured Pensions	Number on 31.12.2021	Additions Withdrawals 2021	Number on 31.12.2020
Retirement pensions	4,200	93 -127	4,234
Divorce pensions	4	1 0	3
Retired person's child's pensions	71	2 -21	90
Disability pensions	1,240	158 -95	1,177
Disabled person's child's pensions	412	38 -32	406
Partner's pensions	1,152	93 -55	1,114
Orphan's pensions	228	36 -36	228
Term annuities	4	0 0	4
Balance as at December 31	7,311		7,256
Total portfolio as at December 31	8,079		7,727

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	5.500 %	5.500 %
for women with retirement age 64	5.500 %	5.500 %

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 regulatory principles of the federal government.

Details of the allocation of the share of surpluses are shown under point 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: NAV on the balance sheet date
- Active participants' liabilities, pensioners' liabilities and actuarial reserves:
In accordance with the regulations as well as the occupational pension actuary's calculations.
- Target value of the reserve for fluctuations in asset value: 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, and are not recognized in the balance sheet.

Development of assets and liabilities from insurance contracts	2021 CHF	2020 CHF
Balance as at January 1	1,376,354,870.00	1,409,505,278.00
Change in actuarial reserves for pensioners	-13,898,497.00	-33,150,408.00
Balance as at December 31	1,362,456,373.00	1,376,354,870.00

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	3,724,610,102.49	3,321,833,017.31
Retirement credits	338,585,725.88	298,989,944.23
Retirement credits from savings contribution exemptions	10,272,076.54	9,960,988.22
One-time payments and purchase amounts	60,709,031.08	65,519,562.27
Vested termination benefits transfers	670,858,211.94	563,552,940.79
Reimbursements of withdrawals for home ownership/divorce	11,899,896.07	5,633,678.72
Upward valuation of minimum amount of vested termination benefits for leavers	1,562.20	57,217.50
Further transfers ¹⁾	943,486.67	2,925,978.11
Vested termination benefits for leavers	-467,415,419.30	-473,171,769.60
Withdrawals for encouragement of home ownership/divorce	-25,699,635.26	-22,757,730.77
Decrease due to retirement (transfer to pensioners' liabilities)	-80,048,194.30	-84,902,521.45
Lump-sum benefits on retirement	-87,823,038.70	-64,308,674.00
Lump-sum benefits on death; other	-13,827,124.90	-8,557,660.75
Interest on retirement assets	135,227,997.11	109,835,131.91
Balance as at December 31	4,278,294,677.52	3,724,610,102.49

¹⁾ The position 'Further transfers' comprises transfers from the distribution of non-committed assets 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 ¹⁾	2.25 %	2.00 %
Total interest on retirement assets under BVG/LPP	3.25 %	3.00 %
Interest on non-mandatory retirement assets	1.00 %	1.00 %
Supplementary interest on non-mandatory retirement assets ¹⁾	3.00 %	2.75 %
Total interest on non-mandatory retirement assets	4.00 %	3.75 %

¹⁾ 1.00 % in prior year due to withdrawals from the dedicated reserve for supplementary interest, see also point 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
Total retirement assets under BVG/LPP (sample accounting)	1,964,438,230.43	1,748,782,813.73
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	260,328,871.22	164,043,864.64
Retired person's child's pensions	1,283,038.51	359,153.62
Partner's pensions	840,417.18	104,820.76
Orphan's pensions	5,743.79	7,107.36
Balance as at December 31	262,458,070.70	164,514,946.38
Number of pensions (see point 2.2.1 for details)	768	471

5.5.2 Development of autonomously invested pensioners' liabilities	2021 CHF	2020 CHF
Balance as at January 1	164,514,946.38	68,158,783.30
Transfer of retirement assets on retirement	80,048,194.30	84,718,062.40
Increase from pension takeovers	4,817,309.35	0.00
Increase from rise in pensions	59,297.00	11,141.85
Pension payments	-11,561,110.30	-6,117,956.80
Retirement losses at expense of Foundation	15,462,023.12	14,149,005.00
Interest ¹⁾	4,269,730.17	2,326,737.30
Effect of change in actuarial principles	5,565,246.27	0.00
Actuarial profit / loss, other changes	-717,565.59	1,269,173.33
Balance as at December 31	262,458,070.70	164,514,946.38

¹⁾ Annual interest of 2.00 % on the arithmetic mean between pensioners' liabilities at the beginning of the year and the end of the year. Use of the lower technical interest rate of 1.75% has been effective since December 31, 2021.

5.5.3 Reinsured actuarial reserves for pensioners	31.12.2021 CHF	Increase Decrease 2021	31.12.2020 CHF
Retirement pensions	976,101,993.00	15,443,674.00 -46,324,827.00	1,006,983,146.00
Divorce pensions	861,925.00	180,986.00 -18,226.00	699,165.00
Retired person's child's pensions	1,499,935.00	111,417.00 -422,871.00	1,811,389.00
Disability pensions	181,065,807.00	27,070,323.00 -18,614,133.00	172,609,617.00
Disabled person's child's pensions	6,360,447.00	1,028,557.00 -1,041,590.00	6,373,480.00
Partner's pensions	188,971,393.00	17,611,861.00 -8,737,620.00	180,097,152.00
Orphan's pensions	7,521,644.00	818,623.00 -917,441.00	7,620,462.00
Term annuities	73,229.00	0.00 -87,230.00	160,459.00
Balance as at December 31	1,362,456,373.00		1,376,354,870.00
Number of pensions (see point 2.2.2 for details)	7,311		7,256

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	31.12.2021	Increase Decrease	31.12.2020
	CHF	2021	CHF
Reserve for retirement losses	162,959,009.00	34,718,359.00	128,240,650.00
Reserve for exit losses	95,662.00	18,609.00	77,053.00
Reserve for reduction of actuarial interest rate	0.00	-33,107,281.00	33,107,281.00
Balance as at December 31	163,054,671.00		161,424,984.00

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.

Due to the reduction in the actuarial interest rate used for calculating pension liabilities and actuarial reserves from 2.00 % to 1.75 %, the corresponding actuarial reserve is no longer required and has been dissolved.

Actuarial reserves of the occupational benefits funds	31.12.2021	Increase	31.12.2020
	CHF	2021	CHF
Reserves for additional fund-specific benefit components	212,925.00	8,839.00	204,086.00
Balance as at December 31	212,925.00		204,086.00

Total portfolio as at December 31 **163,267,596.00** **161,629,070.00**

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	31.12.2021	Increase Decrease	31.12.2020
	CHF	2021	CHF
Reserve for supplementary interest	76,805,963.00	0.00	76,805,963.00
Balance as at December 31	76,805,963.00		76,805,963.00

Every year, the Board of Trustees decides on the amount of supplementary interest financed from this reserve. Supplementary interest from the reserve was waived in 2021 (prior year: 1.00 % 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 5,444,429.45 from the share of surpluses from the group insurance contract:

- CHF 5,440,934.00 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 3,495.45 from retroactive changes.

	2021	2020
	CHF	CHF
Total share of surplus received from insurance	5,444,429.45	14,485,307.25
of which allocated to Foundation assets	5,440,934.00	14,484,891.00
of which credited or charged to occupational benefits funds	3,495.45	416.25

5.8 Conclusions of the last actuarial report

The last actuarial report by Libera AG was produced on May 27, 2019, as at January 1, 2019. Among other things, the report determined that:

- The actuarial reserves were calculated using the BVG 2015 period tables as the actuarial fundamentals and applying an actuarial interest rate of 2.00 %.
- The use of the BVG 2015 period 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 3,585,545,833 and pension liabilities at CHF 3,332,298,543, the coverage rate according to Art. 44 BVV 2/OPP 2 was 107.6 % 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 is 2.00 % as at January 1, 2019, 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 101.4 %.
- 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.
- 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.

5.9.2 Risks borne autonomously by the Foundation

Since 2019 the Foundation has provided new 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 (previous year BVG 2015), period tables and an actuarial interest rate of 1.75 % (previous year 2.00 %). This does not apply to pensions brought into the fund as part of a new affiliation. To calculate their purchase amount, their valuation is determined using the actuarial interest rate and the BVG 2020 generation tables as actuarial basis, insofar as 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 at December 31, 2021, using the actuarial basis of the BVG 2020 period tables (prior year: BVG 2015 period tables). Furthermore, the actuarial interest rate was reduced from 2.00 % to 1.75 %.

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
Net assets at market values (pension assets)		
Assets	5,702,431,825.91	4,689,062,048.10
./. Liabilities	-172,073,147.79	-146,495,492.24
./. Accrued liabilities and deferred income	-155,652,079.50	-1,674,783.30
./. Employer-paid contribution reserve	-39,072,682.35	-32,799,667.80
./. Non-committed funds (unallocated assets) of occupational benefits funds	-6,165,195.18	-6,624,616.61
Total pension assets	5,329,468,721.09	4,501,467,488.15
Actuarial pension liabilities (PL)		
Active participants' liabilities	4,278,294,677.52	3,724,610,102.49
Pensioners' liabilities	262,458,070.70	164,514,946.38
Actuarial reserves	163,267,596.00	161,629,070.00
Total PL	4,704,020,344.22	4,050,754,118.87
Foundation coverage rate for the purpose of market comparison	113.3 %	111.1 %

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

	31.12.2021	31.12.2020
	CHF	CHF
Net assets at market values (pension assets)		
Assets	5,702,431,825.91	4,689,062,048.10
./. Liabilities	-172,073,147.79	-146,495,492.24
./. Accrued liabilities and deferred income	-155,652,079.50	-1,674,783.30
./. Employer-paid contribution reserve	-39,072,682.35	-32,799,667.80
./. Non-committed funds (unallocated assets) of occupational benefits funds	-6,165,195.18	-6,624,616.61
Total pension assets	5,329,468,721.09	4,501,467,488.15
Actuarial pension liabilities (PL)		
Active participants' liabilities	4,278,294,677.52	3,724,610,102.49
Pensioners' liabilities	262,458,070.70	164,514,946.38
Actuarial reserves	163,267,596.00	161,629,070.00
Provision for supplementary interest	76,805,963.00	76,805,963.00
Total PL	4,780,826,307.22	4,127,560,081.87
Foundation coverage rate according to Art. 44 BVV 2/OPP 2	111.5 %	109.1 %

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.

Management of the Foundation's assets

The Board of Trustees is responsible for the investment of the Foundation's assets. It seeks advice from independent investment experts.

Investment controller	Pittet Associés SA, Geneva
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The Board of Trustees has appointed AXA Insurance Ltd to invest the Foundation's assets and has awarded an asset management mandate accordingly.

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 LPP Foundation Suisse Romande, Winterthur, as an occupational benefits institution, is the sole investor of the single investor fund "AXA Strategy Fund Professional Invest SRO". "AXA Strategy Fund Professional Invest SRO" is a subfund of the contractual umbrella fund "AXA Strategy". The umbrella fund is aimed exclusively at qualified investors within the meaning of Art. 10 para. 3a to 3d CISA.

Adopting an active approach, the subfund "AXA Strategy Fund Professional Invest SRO" invests in Swiss and international shares, alternative investments, real estate and bonds within the current provisions of the Federal Act on Occupational Retirement, Survivors' and Invalidity Pension Provision (BVG/BVV 2 / LPP/OPP 2).

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

Investment manager per asset class as at December 31, 2021

Asset class	Investment manager	Registration
CHF bonds incl. mortgages	AXA Insurance Ltd, Winterthur	FINMA (Switzerland)
	AXA Investment Managers Switzerland Ltd., Zurich	FINMA (Switzerland)
	Lombard Odier Asset Management (Switzerland) SA, Petit-Lancy	FINMA (Switzerland)
Inv. grade bonds	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 (Schweiz)
	AXA Investment Managers Paris SA, Paris / PIMCO Europe GmbH, Munich, with some delegation to Pacific Investment Management Company LLC, Newport Beach	AMF (France) / BaFin (Germany) / SEC (USA)
	Wellington Management International Ltd, London	FCA (UK)
High-yield bonds	Wellington Management International Ltd, London	FCA (UK)
Emerging market bonds	AllianceBernstein Limited, London with some delegation to AllianceBernstein LP, New York	FCA (UK) / SEC (USA)
Convertible bonds	Fisch Asset Management AG, Zurich	FINMA (Schweiz)
Swiss equities	Credit Suisse Asset Management (Switzerland) AG, Zurich	FINMA (Switzerland)
	UBS AG, Asset Management, Zurich	FINMA (Switzerland)
	Lombard Odier Asset Management (Switzerland) SA, Petit-Lancy	FINMA (Switzerland)
	BlackRock Investment Management (UK) Limited, London	FCA (UK)
Foreign equities	AXA Investment Managers Paris SA, Paris	AMF (France)
	Lazard Asset Management, London	FCA (UK)
	UBS AG, Asset Management, Zurich	FINMA (Switzerland)
	Threadneedle Asset Management Limited, London	FCA (UK)
	AXA Investment Managers Switzerland Ltd., Zurich	FINMA (Switzerland)
Swiss real estate	AXA Investment Managers Switzerland Ltd., Zurich	FINMA (Switzerland)
Foreign real estate	AXA Investment Managers Real Estate, Paris	AMF (France)
	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)
Hedge funds	AXA Investment Managers UK Limited, London	FCA (UK)
Private equity	Ardian France SA, Paris	AMF (France)
Senior loans	AXA Investment Managers Paris SA, Paris	AMF (France)

Account / custody account management

The accounts and custody accounts are managed by Credit Suisse (Schweiz) AG.

6.2 Availment of expanded investment possibilities (Art. 50 para. 4 BVV 2/OPP2) with conclusive proof of compliance with security and risk distribution (Art. 50 para. 1 to 3 BVV 2/OPP2).

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 financial economic 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 11.7 %, 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.

6.3.1 Reserve for fluctuations in asset value of the Foundation	31.12.2021	31.12.2020
	CHF	CHF
Reserve for fluctuations as shown in the balance sheet	548,642,413.87	373,907,406.28
Target amount of reserve for fluctuations	555,663,211.94	478,550,873.18
Shortfall in reserve for fluctuations (reserve deficit)	7,020,798.07	104,643,466.90
Reserve for fluctuations as % of the target amount	98.7 %	78.1 %

6.3.2 Composition of reserve for fluctuations in asset value of the Foundation	31.12.2021	31.12.2020
	CHF	CHF
on pension liabilities / reserves for active participants	513,096,852.88	354,798,635.22
on pension liabilities / reserves for pensioners	30,319,604.18	15,504,763.98
on other positions in accordance with the regulations on the formation of provisions and reserves	5,225,956.81	3,604,007.08
Total	548,642,413.87	373,907,406.28

6.4 Breakdown of investments into investment categories

Asset class	31.12.2021		Strategy in %	Bandwidth	
	CHF	in %		min.%	max.%
Liquidity	456,114,724	8.09	2	0	15
CHF bonds incl. mortgages	967,961,710	17.17	19	10	30
Inv. grade bonds	660,576,425	11.71	13	0	35
High-yield bonds	107,111,279	1.90	2.5	0	5
Emerging market bonds	134,634,440	2.39	2.5	0	5
Convertible bonds	60,744,406	1.08	2	0	5
Swiss equities	697,536,678	12.37	12	0	17.5
Foreign equities	747,584,009	13.26	13	5	20
Swiss real estate	1,170,074,306	20.76	20	15	30
Foreign real estate	132,214,787	2.34	4	0	7.5
Hedge funds	144,617,000	2.56	3	0	5
Private equity	175,639,898	3.11	3	0	5
Senior loans	184,054,883	3.26	4	0	7.5
Total investments	5,638,864,545	100.00			
- of which total shares		25.63	25	5	37.5
- of which total alternative investments		8.93	10	0	15
- of which foreign currencies (not hedged)		18.23	10	0	30
Accounts receivable	3,710,173				
Assets with AXA Life Ltd.	5,569,305				
Accounts receivable from affiliated employers	51,710,999				
./ Del credere	-157,800				
Prepayments and accrued income	2,734,604				
Total assets	5,702,431,826				

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 in previous year

Asset class	31.12.2020		Strategy in %	Bandwidth	
	CHF	in %		min.%	max.%
Liquidity	180,512,839	3.90	2	0	15
CHF bonds incl. mortgages	861,958,224	18.62	19	10	30
Inv. grade bonds	602,672,173	13.02	13	0	35
High-yield bonds	95,123,461	2.05	2.5	0	5
Emerging market bonds	118,868,048	2.57	2.5	0	5
Convertible bonds	91,142,511	1.97	2	0	5
Swiss equities	560,962,463	12.12	12	0	17.5
Foreign equities	594,553,934	12.84	13	5	20
Swiss real estate	1,091,676,170	23.58	20	15	30
Foreign real estate	18,811,169	0.41	4	0	7.5
Hedge funds	133,129,305	2.88	3	0	5
Private equity	127,858,630	2.76	3	0	5
Senior loans	151,821,378	3.28	4	0	7.5
Total investments	4,629,090,305	100.00			
- of which total shares		24.96	25	5	37.5
- of which total alternative investments		8.91	10	0	15
- of which foreign currencies (not hedged)		21.25	10	0	30
Accounts receivable	8,978,072				
Assets with AXA Life Ltd.	5,944,712				
Accounts receivable from affiliated employers	43,108,391				
./ Del credere	-85,600				
Prepayments and accrued income	2,026,168				
Total assets	4,689,062,048				

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.

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 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 did not engage in direct securities lending and repurchase transactions. It invested in collective investment schemes under which securities lending and repurchase transactions are permitted if in compliance with the Federal Act on Collective Investment Schemes and its implementing provisions.

6.9 Comments on net return on investments	2021		2020	
	CHF		CHF	
Net return on investments	381,860,217.67		186,516,537.73	
Securities income	381,964,314.21		186,604,674.81	
Negative interest rates	-104,096.54		-88,137.08	
Other income from assets	-485,080.94		-547,902.27	
Interest on assets/obligations with AXA Life Ltd.	58,831.11		-82,472.75	
Interest income on accounts receivable from employers	423,235.05		805,429.88	
Interest income on insurance benefits received	16,916.12		12,684.97	
Interest on vested termination benefits accounts/ insurance benefits	-1,172,815.47		-1,438,443.44	
Interest on takeover of participants	188,752.25		154,899.07	
Administration cost of investments	-41,294,139.03		-31,629,551.93	
Interest on employer-paid contribution reserve	0.00		-473.35	
Total	340,080,997.70		154,338,610.18	
Investment performance	2021		2020	
	TWR Total	Contribu-	TWR Total	Contribu-
	in %	tion in %	in %	tion in %
Liquidity (excl. operational liquidity)	-0.86	-0.03	-0.90	-0.01
CHF bonds incl. mortgages	-1.34	-0.25	0.51	0.09
Inv. grade bonds	-1.72	-0.24	0.29	0.07
High-yield bonds	3.83	0.08	-1.64	-0.01
Emerging market bonds	1.68	0.05	0.56	0.04
Convertible bonds	2.37	0.04	3.02	0.07
Swiss equities	23.94	2.84	4.48	0.62
Foreign equities	19.30	2.52	6.92	0.98
Swiss real estate	3.63	0.85	3.59	0.89
Foreign real estate	0.60	-0.04	1.68	0.01
Hedge funds	9.21	0.26	0.14	0.00
Private equity	38.81	1.02	1.69	0.05
Senior loans	8.93	0.29	-0.75	-0.03
Performance interim total	7.39		2.77	
Fees & taxes, FX hedge effect overlay and other effects	-0.34		0.87	
Investment performance	7.05		3.64	

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	2021		2020	
	CHF		CHF	
Sum of cost indicators for collective investment schemes (TER) ¹⁾	41,126,244.83		31,464,585.58	
Direct asset management costs	11,729.20		8,801.35	
Fee for independent investment consulting	156,165.00		156,165.00	
Total	41,294,139.03		31,629,551.93	

¹⁾ The TER include the costs of AXA asset management, safekeeping, administration, benchmarking, analysis and service fees.

	31.12.2021	31.12.2020
	CHF	CHF
Total investments	5,638,864,544.52	4,629,090,304.92
Total transparent investments	5,638,864,544.52	4,629,090,304.92
Total investment costs as a percentage of transparent investments	0.73 %	0.68 %
Cost transparency ratio	100.00 %	100.00 %

Non-transparent collective investment schemes

None

6.10.2 Refunds / retrocessions

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.

Refunds are credited to the single investor fund in favor 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 (pending amounts)	51,710,998.81	43,108,390.81
./. Del credere	-157,800.00	-85,600.00
Balance as at December 31	51,553,198.81	43,022,790.81

As at March 31, 2022, these accounts receivable were reduced by payments from the respective employers to CHF 14,870,214.50 (prior year: CHF 15,886,314.61).

The Foundation levied default interest of 4 %, 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	32,799,667.80	31,239,361.03
Transfers to employer-paid contribution reserve (incl. any takeovers of occupational benefits funds)	12,861,365.20	9,700,306.85
Withdrawal to finance contributions	-5,875,166.95	-7,469,325.40
Transfer in the case of withdrawals from occupational benefits funds	-712,696.05	-657,491.18
Use under contract liquidations	-487.65	-13,656.85
Interest ¹⁾	0.00	473.35
Balance as at December 31	39,072,682.35	32,799,667.80

¹⁾ The employer-paid contribution reserve bore no interest. The amount disclosed in the previous year concerns retroactive changes from 2019.

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 as well as from insureds.

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 earned contributions not yet settled as well as prepaid pensions.

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, pension liabilities not yet paid out, 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 and to third parties.

7.2.3 Accrued liabilities and deferred income

This position comprises prepaid vested termination benefits in connection with new affiliations as well as contribution refunds that have not yet been credited in favor of affiliated employers. Significantly higher prepayments from new affiliations were recorded compared with the previous year.

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

The non-committed funds of the occupational benefits funds bore no interest.

7.3 Comments on operating accounts

7.3.1 Breakdown of total contributions	2021	2020
	CHF	CHF
Savings contributions	338,585,725.88	298,979,581.46
Risk contributions	44,836,299.55	39,938,423.90
Cost contributions	13,917,775.19	12,075,790.29
Contributions to the BVG (LOB) Guarantee Fund	2,153,692.40	1,889,941.95
Total	399,493,493.02	352,883,737.60
of which employee contributions	168,432,152.97	148,498,531.63
of which employer contributions	230,986,965.85	204,262,397.77
of which contributions from non-committed funds		
of occupational benefits funds	74,374.20	122,808.20

7.3.2 Transfers following takeover / transfer in the case of collective exit	2021	2020
	CHF	CHF
Transfers following takeover of participants		
Non-committed funds	1,655,454.78	4,601,553.57
Total	1,655,454.78	4,601,553.57
Transfer of additional assets in the case of collective exit		
Non-committed funds	837,111.15	104,234.65
Total	837,111.15	104,234.65

7.3.3 Retirement pensions paid	2021	2020
	CHF	CHF
Pensions borne autonomously by the Foundation	11,520,759.45	6,114,671.00
Reinsured pensions	82,527,694.60	80,974,940.35
Total	94,048,454.05	87,089,611.35

7.3.4 Survivors' pensions paid	2021	2020
	CHF	CHF
Pensions borne autonomously by the Foundation	40,350.85	3,285.80
Reinsured pensions	15,709,279.64	14,845,866.68
Total	15,749,630.49	14,849,152.48

7.3.5 Withdrawals for encouragement of home ownership / divorce

Withdrawals for purchase of residential property	2021	2020
Number	274	235
Total amount in CHF	19,261,216.80	17,602,005.72
Pledges for residential property	2021	2020
Number	87	77
Payments following divorce	2021	2020
Number	83	80
Total amount in CHF	6,438,418.46	5,155,725.05

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

Cost premiums include administration costs which the Foundation pays to AXA Life Ltd. for the purpose of settling administration expenses. These break down as follows:

	2021	2020
	CHF	CHF
Costs for general administration expenses	11,394,120.38	11,045,295.82
Marketing and advertising expenses	209,855.52	207,075.89
Remuneration for distribution and closing costs	8,576,851.75	7,810,416.04
of which remuneration for brokers	3,079,502.45	2,883,076.05
of which remuneration for distribution costs excl. brokers' commission	5,497,349.30	4,927,339.99
Total	20,180,827.65	19,062,787.75

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, participants)	2021 CHF	2020 CHF
Costs of purchase	2,000.00	3,200.00
Costs of processing promotion of home ownership	152,500.00	138,400.00
Costs of debt collection	134,659.05	130,912.48
Costs of total and partial liquidation of occupational benefits funds	245,977.00	267,496.55
Costs of voluntary distribution of non-committed funds	7,805.00	1,641.00
Costs of announcement	62,850.00	54,300.00
Costs of special services	49,775.00	37,900.00
Costs of occupational pensions actuary	226.15	226.15
Total	655,792.20	634,076.18

Direct costs of Foundation

(financed from the Foundation's assets)	2021 CHF	2020 CHF
Costs of training and compensating the Board of Trustees	304,342.25	279,728.75
Costs for administration of autonomous pensioners	179,589.75	0.00
Advisory costs	100,412.20	97,810.35
Auditor's costs	42,875.35	53,860.75
Costs of occupational pensions actuary	60,254.90	65,437.45
Costs of direct supervision	43,341.00	42,148.00
Costs of Occupational Pension Supervisory Commission	20,554.50	18,925.50
Costs of special expenses	36,399.90	12,017.30
Total	787,769.85	569,928.10

Total administration expenses	1,443,562.05	1,204,004.28
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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 decrease in non-committed funds for distribution 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	-135,227,997.11	-109,835,131.91
Decrease/increase in actuarial reserves of the Foundation (net)	-1,629,687.00	6,640,525.00
Autonomously paid pensions and change in pension liabilities (net)	-24,525,971.97	-17,744,915.63
Exit loss on vested termination benefits	1,562.20	-33,886.10
Insurance expense financed by the Foundation	-8,859,291.55	-7,703,776.95
Net return on investments	340,080,997.70	154,338,610.18
Retroactive income from transformation	443,690.23	0.00
Share of surplus from risk process	5,440,934.00	14,484,891.00
Interest on non-committed funds of occupational benefits funds	0.00	849.60
Direct Foundation costs (administration expenses)	-787,769.85	-569,928.10
Losses on receivables (net)	-158,731.03	-21,757.43
<i>Losses on receivables</i>	<i>-470,011.52</i>	<i>-118,417.63</i>
<i>Losses on receivables assumed by Founder</i>	<i>311,280.49</i>	<i>96,660.20</i>
Formation of del credere	-72,200.00	-85,600.00
Premium for asset loss liability insurance	-27,090.00	-26,250.00
Effects from accruals and deferrals	49,522.82	-274,636.53
Other expenses and income (net)	7,039.15	-26,384.00
Income surplus prior to increase in reserves for fluctuations in asset value	174,735,007.59	39,142,609.13
Increase in reserves for fluctuations in asset value of Foundation	-174,735,007.59	-39,142,609.13
Income surplus of Foundation	0.00	0.00

8 Supervisory authority requirements

8.1 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 operation will be conducted from 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 six legal proceedings pending. They are being executed in collaboration with AXA Life Ltd.

10 Events after the balance sheet date

None



KPMG AG
 Badenerstrasse 172
 PO Box
 CH-8036 Zurich

+41 58 249 31 31
 kpmg.ch

Report of the Statutory Auditor to the Board of Foundation of the AXA LPP Foundation Suisse Romande, Winterthur, Winterthur

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of AXA LPP Foundation Suisse Romande, 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.



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
 French Report of the Statutory Auditor***

Erich Meier
 Licensed Audit Expert
 Auditor in Charge

Michel Faggion
 Licensed Audit Expert

Zurich, 28 June 2022

