



AXA Foundation  
for Occupational Benefits

# Annual Report 2022

AXA Foundation for Occupational Benefits,  
Winterthur

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**“We look forward to being a reliable partner at your side in the future too, and wish to thank you for your continued trust.”**

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 2022 Annual Report

Dear reader

2022 was a challenging year, not only for our Foundation but for all investors alike. A glance at the figures brings to mind the political and economic upheavals all of us were faced with last year. Despite this difficult environment, we can look back on the past year with satisfaction. The Board of Trustees achieved further milestones, two of which in particular I would like to highlight: First, we reviewed and markedly improved the contractually agreed condi-

tions of the Foundation; second, we addressed the theme of sustainability in our investments.

### Sustainability in investments

As a Pillar 2 institution, we are already committed to sustainability via our pension mandate; it is the Foundation's statutory duty to ensure payment of the promised benefits and to balance the legitimate entitlements of the different generations.

**“It is the stated aim of the Board of Trustees to further strengthen the very good financial and structural conditions of our Foundation.”**

As part of our duty of ensuring fiduciary due diligence, we are therefore required to take account of all relevant investment opportunities and risks in order to ensure a sustainable performance by the Foundation in the future too.

As an investor, however, the AXA Foundation for Occupational Benefits is also aware of its ethical, ecological, and social responsibilities and addresses this topic at various levels of the investment process. In line with the recommendations issued by ASIP (Swiss pension fund association), we therefore believe it is important to create transparency with regard to sustainability. For that reason, we will in future be publishing an overview of the sustainability of our investments. An initial summary can be found in this Annual Report.

### Conditions of the Foundation

It is the stated aim of the Board of Trustees to further strengthen the Foundation's very good financial and structural conditions. For that reason, it negotiates the conditions in the Foundation's various contracts on a regular basis. Last year we performed an in-depth review of the costs of asset management and significantly reduced them. This benefits the Foundation and the insured members simultaneously: The cost savings are reflected in a better investment return and can be passed on to the insured members.

With that in mind we look forward to being a reliable partner at your side in the future too, and wish to thank you for your continued trust in the AXA Foundation for Occupational Benefits.

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



**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 OW  
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

## Addressing sustainability at the AXA Foundation for Occupational Benefits

The AXA Foundation for Occupational Benefits addresses the topic of sustainability at various levels of the investment process. As a Pillar 2 institution, the Foundation is already committed to generational fairness through its pension mandate. The Foundation has a statutory duty to **ensure payment of the promised benefits** as well as balance the entitlements of the different generations (pension recipients and active insureds). In addition to its purpose of providing pension benefits, the Foundation strives to generate a **market-level return** in accordance with the Ordinance on Occupational Old Age, Survivors', and Invalidity Pension Provision (BVV 2/OPP 2). In line with its duty of ensuring fiduciary due diligence, it is required to take account of all relevant investment opportunities and risks in its considerations. These include **environmental, social, and governance**

**criteria** ("ESG criteria"). For that reason, the Foundation addresses the topic of sustainable investing on a continuous basis and has enshrined this in its investment regulations:

**"The Foundation is aware of its ethical, ecological, and social responsibilities as investor, and incorporates these into investment decisions where possible."**

*Source: Investment regulations of AXA Foundation for Occupational Benefits*

The AXA Foundation for Occupational Benefits addresses various sustainability aspects in the course of its asset management activities.

Through **membership** of various initiatives and organizations, the institutions entrusted with managing the Foundation's assets are dedicated to the promotion of sustainable investments. Both AXA Insurance Ltd – as directly mandated asset manager – and the investment managers it has appointed are signatories of the Principles for Responsible Investing (PRI) established by the United Nations as well as members of various other initiatives and organizations in the sustainability space. In addition, AXA Insurance Ltd as well as all investment managers have their **own ESG team** for addressing sustainability issues.

Through the exercise of **voting rights** at general meetings, shareholders can have a direct impact on the environment, society, and governance. The Foundation does not invest in equities directly, and therefore has no direct voting rights. Nevertheless, where possible and where it makes economic sense to do so, voting rights within the single-investor fund are exercised across all equities (Switzerland and international) by fund management company Credit Suisse. Voting principles are based on the sustainability objectives supported by the fund management company. Furthermore, AXA Insurance Ltd (via the AXA Group) and the investment managers it has appointed actively seek dialog with the companies in accordance with their **engagement programs** and raise their awareness of their environmental, social, and governance-related responsibilities. These engagement strategies are compatible with the supported sustainability objectives of the asset managers.

Both AXA Insurance Ltd and a majority of the investment managers it has appointed (active mandates) incorporate **sustainability criteria** into their investment process. AXA Insurance Ltd takes account



of ESG criteria when selecting the investment managers. The investment managers in turn incorporate ESG criteria into their investment process in a variety of forms. In addition, **exclusions lists** are used in the course of asset management. For example, companies included in the exclusions list produced by the Swiss Association for Responsible Investments (SVVK-ASIR) are systematically excluded. This list reflects current Swiss legislation as well as international agreements.

Sustainability aspects can also be incorporated into the investment process in the case of **real estate investments**. Given that a significant portion of greenhouse gas emissions is caused by buildings, real estate is an important theme within the sustainability debate. Sustainability criteria are taken into account in the case of construction, buying/selling, and renovation of real estate investments held by the Foundation – the objective being to reduce CO<sub>2</sub> emissions to net zero on a step-by-step basis by 2050.

In addition, the properties held by the Foundation have been awarded sustainability certification (e.g. by Minergie). A large portion of the Foundation's real estate investments are held by the **AXA Investment Foundation**, in which the Foundation is by far the biggest investor. A meaningful debate on sustainability themes takes place within the AXA Investment Foundation and major progress was achieved in the last financial year. The share of fossil fuel energy sources was reduced by 4% due to the replacement of fossil fuel heating systems by renewable systems (in some cases at an early stage). Furthermore, the installation of photovoltaic systems was ramped up and the first nine systems were commissioned, with another 24 at the intensive planning stage. Additional details of the sustainability efforts made by the AXA Investment Foundation can be found in the Annual Report.<sup>1</sup>

In order to assess the portfolio's **sustainability characteristics**, these are measured on a periodic basis. In particular, these measurements are designed to enable comparison with the market. Below is a summary of a number of key data based on the recommendations published by ASIP in December 2022.<sup>2</sup>

In terms of **voting shares**, votes were cast in around 82% of cases that conferred voting rights in 2022. 74% of these votes were cast in favor of the proposals of the Board of Directors. The share of motions on which a vote was cast was around 67%. Of the total votes cast, 81% were in favor and 19% against, with 0.1% abstentions.

As climate risks are frequently at the center of the public debate, **climate indicators** are generally accorded special importance. CO<sub>2</sub> intensity and CO<sub>2</sub> footprint are among the globally recognized climate indicators for investors and illustrate the exposure to carbon-intensive companies. The **CO<sub>2</sub> intensity** of all equity and bond investments held by the Foundation (Scope 1 and 2) was 47% below that of the benchmark (99 vs. 187 tCO<sub>2</sub>e/CHF million in sales). The **CO<sub>2</sub> footprint** (Scope 1 and 2) was 39% below the benchmark (107 vs. 176 tCO<sub>2</sub>e/CHF million in investment). The proportion of investee firms whose revenues come partly from **coal activities** was -0.8 percentage points below the benchmark (2.2% vs. 3.0%). The proportion of firms whose revenues come from **other fossil fuel types** was -1.1 percentage points below the benchmark (1.6% vs. 2.7%). The proportion of companies with a verified commitment to a **net-zero emissions target by 2050** was +4.0 percentage points above the benchmark (24.9% vs. 20.9%). Climate indicators are also calculated for the real estate investments. The **energy intensity** (Scope 1 and 2) of Swiss properties held by the Foundation was 94 kWh/m<sup>2</sup>, while the **CO<sub>2</sub> intensity** was 18 kg CO<sub>2</sub>e/m<sup>2</sup>. The proportion of **fossil fuels** in the energy source mix was 68% in the case of Swiss real estate investments and 88% in the case of foreign real estate investments.

In summary, through its asset management activities the AXA Foundation for Occupational Benefits addresses various **sustainability aspects** in a **meaningful** way.

<sup>1</sup> [https://www.kgast.ch/dynasite.cfm?cmd=cmitglieder\\_links\\_links\\_download&id=857&skipfurl=1](https://www.kgast.ch/dynasite.cfm?cmd=cmitglieder_links_links_download&id=857&skipfurl=1)

<sup>2</sup> <https://www.asip.ch/de/newsroom/medienecke/182-asip-esg-reporting-2022/>

# Facts & Figures 2022

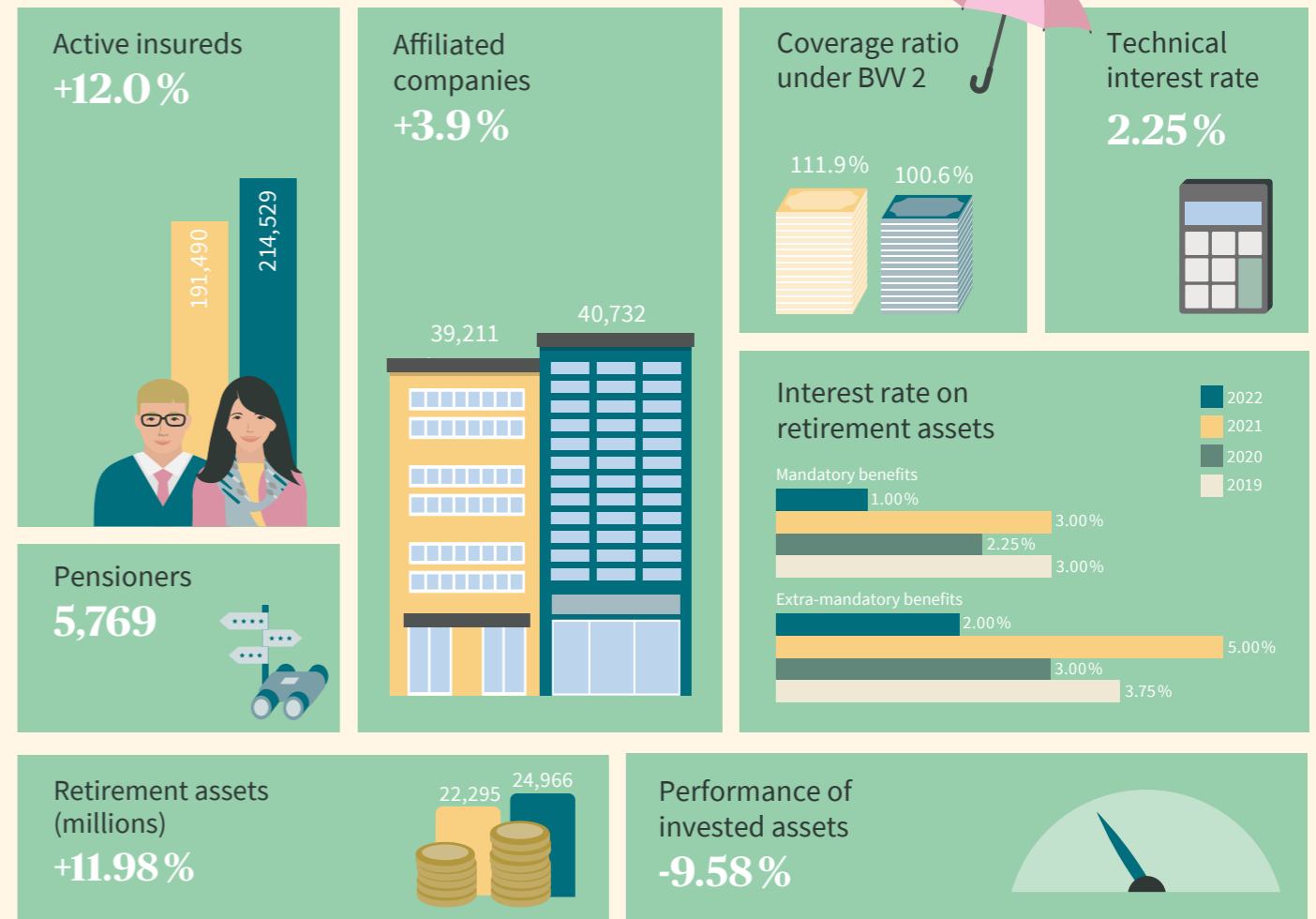
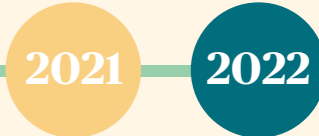
With over 214'000 insureds and more than 40,000 affiliated companies, the AXA Foundation for Occupational Benefits is the largest semi-autonomous collective foundation in Switzerland.

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 2022

## Balance sheet

in CHF	Index explanatory notes	31.12.2022	31.12.2021
<b>Assets</b>			
<b>Investments of Foundation</b>	6.4	<b>29,137,578,556.53</b>	<b>29,239,146,690.37</b>
<b>Investments of Custom Invest occupational benefits funds</b>	6.4	<b>17,444,454.98</b>	<b>8,357,425.04</b>
<b>Accounts receivable</b>	7.1.1	<b>9,564,779.60</b>	<b>10,045,415.48</b>
<b>Assets with AXA Life Ltd</b>	7.1.2	<b>21,163,427.39</b>	<b>19,060,810.79</b>
<b>Accounts receivable from affiliated employers</b>	6.11.1	<b>202,531,125.58</b>	<b>195,615,483.01</b>
./. Del credere		-1,376,389.00	-992,660.00
<b>Prepayments and accrued income</b>	7.1.3	<b>15,888,897.60</b>	<b>14,233,914.60</b>
<b>Total assets</b>		<b>29,402,794,852.68</b>	<b>29,485,467,079.29</b>
<b>Liabilities</b>			
<b>Liabilities</b>		<b>761,262,301.22</b>	<b>674,717,361.24</b>
Vested termination benefits accounts and pensions	7.2.1	709,756,731.69	621,962,137.16
Prepaid contributions from affiliated employers		39,756,192.42	42,422,118.22
Other liabilities	7.2.2	11,749,377.11	10,333,105.86
<b>Accrued liabilities and deferred income</b>	7.2.3	<b>8,170,813.35</b>	<b>53,294,421.21</b>
<b>Employer-paid contribution reserve</b>	6.11.2	<b>281,114,715.83</b>	<b>255,135,844.28</b>
Contribution reserves without waiver of use		281,114,715.83	255,135,844.28
<b>Non-actuarial reserves</b>	7.2.4	<b>147,833,795.80</b>	<b>0.00</b>
<b>Pension liabilities and actuarial reserves</b>		<b>27,945,894,881.03</b>	<b>25,396,598,072.15</b>
Active participants' liabilities	5.3.1	24,966,585,843.67	22,295,041,486.38
Pensioners' liabilities	5.5.1	2,111,509,608.86	1,611,218,383.76
Actuarial reserves	5.6.1	867,799,428.50	1,253,478,855.85
Reserve for supplementary interest	5.6.2	0.00	236,859,346.16
<b>Reserve for fluctuations in asset value of Foundation</b>	6.3.1	<b>163,323,948.17</b>	<b>3,018,342,706.25</b>
<b>Non-committed funds (unallocated assets) of occupational benefits funds</b>	7.2.5	<b>95,194,397.28</b>	<b>87,378,674.16</b>
Non-committed funds at the beginning of the period		87,378,674.16	93,181,407.12
Change in non-committed funds from takeovers and transfers		26,884,892.04	26,868,853.30
Expense surplus of occupational benefits funds (net)		-19,069,168.92	-32,671,586.26
<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>29,402,794,852.68</b>	<b>29,485,467,079.29</b>



# Operating account

in CHF	Index explanatory notes	2022	2021
<b>Ordinary and other contributions and transfers</b>			
		<b>2,579,168,135.36</b>	<b>2,205,781,477.93</b>
Employee contributions	7.3.1	962,241,311.60	834,003,650.30
Employer contributions	7.3.1	1,239,649,526.19	1,068,642,802.18
of which withdrawal from employer-paid contribution reserve to finance contributions	6.11.2	-42,981,517.47	-51,871,591.50
of which financed by payments from BVG (LOB) Guarantee Fund		-17,594,501.10	-16,482,741.85
One-time payments and purchase amounts		343,303,483.32	278,643,281.31
Other one-time payments		4,634,061.72	1,703,298.10
Transfers to employer-paid contribution reserve	6.11.2	72,294,818.50	74,637,187.24
Payments from BVG (LOB) Guarantee Fund		17,620,952.60	16,505,592.15
<b>Entry lump-sum transfers</b>			
		<b>3,904,564,821.28</b>	<b>2,972,587,479.43</b>
Vested termination benefits transfers		3,765,813,882.09	2,842,701,365.60
Transfers following takeover of benefits		61,060,798.57	41,772,690.11
Transfers following takeover of participants	7.3.2	29,245,255.20	44,081,027.23
Reimbursements of withdrawals for home ownership/divorce		48,444,885.42	44,032,396.49
<b>Inflow from contributions and entry lump-sum transfers</b>			
		<b>6,483,732,956.64</b>	<b>5,178,368,957.36</b>
<b>Regulatory benefits</b>			
		<b>-1,220,179,903.16</b>	<b>-1,161,660,599.33</b>
Retirement pensions	7.3.3	-488,207,490.15	-464,878,793.30
Survivors' pensions	7.3.4	-69,781,057.16	-67,155,701.20
Disability pensions		-83,069,977.25	-83,820,961.63
Lump-sum benefits on retirement		-494,514,018.05	-441,831,003.40
Lump-sum benefits on death or disability		-84,607,360.55	-103,974,139.80
<b>Termination benefits</b>			
		<b>-2,696,060,868.75</b>	<b>-2,118,341,060.85</b>
Vested termination benefits for leavers		-2,557,608,456.68	-1,971,423,830.65
Transfer of additional assets in the case of collective exit	7.3.2	-2,360,363.16	-17,212,173.93
Transfer of employer-paid contribution reserve in the case of withdrawals from occupational benefits funds	6.11.2	-2,067,067.75	-3,651,799.40
Withdrawals for encouragement of home ownership/divorce	7.3.5	-110,143,853.29	-105,964,881.77
Reimbursement values in case of transfer of benefits		-23,881,127.87	-20,088,375.10
<b>Outflow for benefits and withdrawals</b>			
		<b>-3,916,240,771.91</b>	<b>-3,280,001,660.18</b>
<b>Increase in pension liabilities, actuarial reserves, and contribution reserves</b>			
		<b>-2,602,160,572.47</b>	<b>-3,083,132,333.51</b>
Increase in active participants' liabilities (net)		-2,327,746,873.85	-1,811,415,912.83
Change in pensioners' liabilities (net)		-500,291,225.10	-535,935,238.82
Change in non-committed funds from takeovers and transfers		-26,884,892.04	-26,868,853.30
Decrease in actuarial reserves		622,538,773.51	88,368,107.85
Interest on active participants' liabilities		-343,797,483.44	-779,222,564.52
Increase in employer-paid contribution reserve		-25,978,871.55	-18,057,871.89

in CHF	Index explanatory notes	2022	2021
<b>Income from insurance benefits</b>			
		<b>687,819,677.54</b>	<b>701,924,434.04</b>
Insurance benefits	7.3.6	663,205,552.54	680,136,390.79
Share of insurance surpluses	5.7	24,614,125.00	21,788,043.25
<b>Insurance cost</b>			
		<b>-434,742,861.08</b>	<b>-359,609,485.04</b>
Savings premium		0.00	-353,777.90
Risk premium		-263,246,449.25	-229,202,925.15
Cost premium	7.3.7	-102,541,265.25	-91,661,348.05
One-time contributions to insurances		-57,317,536.58	-28,097,445.29
Contributions to the BVG (LOB) Guarantee Fund		-11,637,610.00	-10,293,988.65
<b>Net result of insurance activities</b>			
		<b>218,408,428.72</b>	<b>-842,450,087.33</b>
<b>Net return on investments</b>			
	6.9	<b>-2,941,513,852.02</b>	<b>1,808,755,651.28</b>
Net return on investments, Foundation		-2,794,142,754.29	1,957,695,273.73
Net return on investments, Custom Invest occupational benefits funds		-1,824,985.99	365,676.64
Other income from assets		-2,069,889.08	-1,290,201.03
Administration cost of investments	6.10.1	-143,476,222.66	-148,015,098.06
<b>Increase in Non-actuarial reserves</b>			
		<b>-147,833,795.80</b>	<b>0.00</b>
<b>Other income</b>			
		<b>4,155,822.88</b>	<b>3,703,172.05</b>
Income from services rendered	7.3.8	2,681,398.20	2,412,603.70
Other income	7.3.9	1,474,424.68	1,290,568.35
<b>Other expenses</b>			
	7.3.10	<b>-2,834,248.38</b>	<b>-1,876,471.91</b>
<b>Administration expenses</b>			
	7.3.7	<b>-4,470,282.40</b>	<b>-4,434,901.73</b>
General administration expenses		-4,086,057.55	-4,102,600.43
Auditor's costs		-78,251.60	-81,410.45
Costs of occupational pensions actuary		-129,417.95	-94,529.50
Supervisory authorities' costs		-176,555.30	-156,361.35
<b>Expense/income surplus prior to decrease/increase in reserves for fluctuations in asset value</b>			
		<b>-2,874,087,927.00</b>	<b>963,697,362.36</b>
<b>Decrease/increase in reserves for fluctuations in asset value</b>			
		<b>2,855,018,758.08</b>	<b>-996,368,948.62</b>
<b>Expense surplus</b>			
		<b>-19,069,168.92</b>	<b>-32,671,586.26</b>
Expense surplus of occupational benefits funds (net)	7.3.11	-19,069,168.92	-32,671,586.26
Income surplus of Foundation	7.3.12	0.00	0.00

# Notes to the financial statements 2022

## 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 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	2023
	Election regulations of the Board of Trustees	01.01.2019	
	Organization regulations of the Foundation	01.10.2021	01.07.2022
	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	01.04.2021	01.04.2023
	Occupational benefits fund regulations/ occupational benefits plans	01.01.2022	01.01.2023
	Occupational benefits fund regulations for supplementary occupational benefits cover/ occupational benefits plans		01.04.2023
	Regulations for the promotion of home ownership	01.01.2022	01.01.2023
	Investment regulations	01.07.2020	01.01.2023
	Custom Invest investment regulations	01.04.2021	
	Regulations on surplus participation	01.01.2020	
	Regulations on the partial and total liquidation of occupational benefits funds	01.12.2021	
	Regulations on the partial liquidation of a collective foundation	01.01.2019	
	Regulations for the formation of provisions and reserves	31.12.2021	31.12.2022
	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
Company mandated to provide 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)

**1.6 Affiliated employers**

<b>(number of affiliation contracts)</b>	<b>2022</b>	<b>2021</b>	<b>Change in %</b>
Balance as at January 1	39,211	36,656	6.97
Additions	3,178	3,913	
Withdrawals	-1,657	-1,358	
<b>Balance as at December 31</b>	<b>40,732</b>	<b>39,211</b>	<b>3.88</b>

**2 Active members and pensioners**

<b>2.1 Active participants</b>	<b>2022</b>	<b>2021</b>	<b>Change in %</b>
Balance as at January 1	191,490	175,639	9.02
Additions	73,262	56,149	
Withdrawals	-50,223	-40,298	
<b>Balance as at December 31</b>	<b>214,529</b>	<b>191,490</b>	<b>12.03</b>

**2.2 Pension recipients**

<b>2.2.1 Pensions borne autonomously by the Foundation</b>	<b>Number on 31.12.2022</b>	<b>Additions 2022</b> <b>Withdrawals</b>	<b>Number on 31.12.2021</b>
Retirement pensions	5,769	1,582 -56	4,243
Divorce pensions	4	2 0	2
Retired person's child's pensions	237	109 -46	174
Partner's pensions	47	22 -2	27
Orphan's pensions	5	2 -2	5
Term annuities	5	3 -1	3
<b>Balance as at December 31</b>	<b>6,067</b>		<b>4,454</b>

**2.2.2 Reinsured Pensions**

	<b>Number on 31.12.2022</b>	<b>Additions 2022</b> <b>Withdrawals</b>	<b>Number on 31.12.2021</b>
Retirement pensions	19,771	15 -606	20,362
Divorce pensions	29	2 -1	28
Retired person's child's pensions	185	8 -48	225
Disability pensions	5,142	588 -632	5,186
Disabled person's child's pensions	1,334	130 -168	1,372
Partner's pensions	5,360	324 -242	5,278
Orphan's pensions	822	115 -129	836
Term annuities	1	0 -2	3
<b>Balance as at December 31</b>	<b>32,644</b>		<b>33,290</b>
<b>Total pensions portfolio as at December 31</b>	<b>38,711</b>		<b>37,744</b>

### 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.

<b>Pension conversion rates</b>	<b>2022</b>	<b>2021</b>
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	2022	2021
	CHF	CHF
Balance as at January 1	6,470,092,842.00	6,655,143,936.00
Change in actuarial reserves for pensioners	-192,511,321.00	-185,051,094.00
<b>Balance as at December 31</b>	<b>6,277,581,521.00</b>	<b>6,470,092,842.00</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	2022	2021
	CHF	CHF
Balance as at January 1	22,295,041,486.38	19,704,403,009.03
Retirement credits	1,871,181,925.29	1,614,571,843.04
Retirement credits from savings contribution exemptions	42,770,442.26	41,506,295.86
One-time payments and purchase amounts	343,303,483.32	278,643,281.31
Vested termination benefits transfers	3,765,813,882.09	2,842,701,365.60
Reimbursements of withdrawals for home ownership/divorce	48,444,885.42	44,032,396.49
Upward valuation of minimum amount of vested termination benefits for leavers	6,380.50	9,950.25
Further transfers <sup>1)</sup>	20,918,266.04	39,354,839.20
Vested termination benefits for leavers	-2,557,608,456.68	-1,971,423,830.65
Withdrawals for encouragement of home ownership/divorce	-110,143,853.29	-105,964,881.77
Decrease due to retirement (transfer to pensioners' liabilities)	-557,649,027.75	-477,036,098.05
Lump-sum benefits on retirement	-494,514,018.05	-441,831,003.40
Lump-sum benefits on death; other	-44,777,035.30	-53,148,245.05
Interest on retirement assets	343,797,483.44	779,222,564.52
<b>Balance as at December 31</b>	<b>24,966,585,843.67</b>	<b>22,295,041,486.38</b>

<sup>1)</sup> The position 'Further transfers' mainly 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

	2022	2021
Interest on retirement assets under BVG/LPP	1.00 %	1.00 %
Supplementary interest on retirement assets under BVG/LPP	0.00 %	2.00 % <sup>1)</sup>
<b>Total interest on retirement assets under BVG/LPP</b>	<b>1.00 %</b>	<b>3.00 %</b>
Interest on extra-mandatory retirement assets	1.00 % <sup>1)</sup>	1.00 %
Supplementary interest on extra-mandatory retirement assets	1.00 % <sup>1)</sup>	4.00 % <sup>1)</sup>
<b>Total interest on extra-mandatory retirement assets</b>	<b>2.00 %</b>	<b>5.00 %</b>

<sup>1)</sup> In 2022, interest on extra-mandatory retirement assets was funded for a total amount of 2.00 % from the reserve for supplementary interest (previous year: 1.00 % on retirement assets under BVG/LPP and 1.00 % of extra-mandatory retirement assets); 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

	31.12.2022	31.12.2021
	CHF	CHF
<b>Total retirement assets under BVG/LPP (sample accounting)</b>	<b>11,933,216,894.84</b>	<b>10,781,843,567.08</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

	31.12.2022	31.12.2021
	CHF	CHF
Retirement pensions	2,091,039,960.50	1,595,882,709.14
Divorce pensions	1,305,697.93	540,312.88
Retired person's child's pensions	7,678,387.52	6,580,854.62
Partner's pensions	11,154,298.28	8,000,922.34
Orphan's pensions	97,211.12	140,521.37
Term annuities	234,053.51	73,063.41
<b>Balance as at December 31</b>	<b>2,111,509,608.86</b>	<b>1,611,218,383.76</b>
Number of pensions (see 2.2.1 for details)	6,067	4,454

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

	2022	2021
	CHF	CHF
Balance as at January 1	1,611,218,383.76	1,075,283,144.94
Transfer of retirement assets on retirement	557,649,027.75	477,036,098.05
Increase from pension takeovers	9,667,443.59	16,692,996.20
Increase from rise in pensions	492,713.85	531,022.01
Increase for fund-specific benefit components (financed from reserves of the occupational benefits funds)	508,131.35	1,021,284.95
Pension payments	-98,026,530.15	-66,847,950.30
Decrease from pension transfers	-4,947,277.61	0.00
Decrease for lump-sum payments	0.00	-549,064.00
Retirement losses at expense of Foundation	120,449,510.55	124,029,623.31
Interest <sup>1)</sup>	32,573,869.94	26,865,015.29
Effect of change in actuarial bases	-124,250,791.59	-41,423,759.04
Actuarial profit/loss, other changes	6,175,127.43	-1,420,027.65
<b>Balance as at December 31</b>	<b>2,111,509,608.86</b>	<b>1,611,218,383.76</b>

<sup>1)</sup> Annual interest 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		31.12.2021 CHF
	31.12.2022 CHF	Decrease 2022	
Retirement pensions	4,584,648,175.00	1,411,042.00 -235,926,022.00	4,819,163,155.00
Divorce pensions	5,672,971.00	137,909.00 -451,890.00	5,986,952.00
Retired person's child's pensions	3,437,882.00	134,172.00 -858,617.00	4,162,327.00
Disability pensions	721,680,590.00	85,721,133.00 -66,598,197.00	702,557,654.00
Disabled person's child's pensions	16,485,649.00	3,127,468.00 -2,527,604.00	15,885,785.00
Partner's pensions	921,906,173.00	66,620,254.00 -43,416,419.00	898,702,338.00
Orphan's pensions	23,742,570.00	4,320,204.00 -4,157,272.00	23,579,638.00
Term annuities	7,511.00	0.00 -47,482.00	54,993.00
<b>Balance as at December 31</b>	<b>6,277,581,521.00</b>		<b>6,470,092,842.00</b>
Number of pensions (see 2.2.2 for details)	32,644		33,290

#### 5.5.4 Adaption of pensions to inflation developments

Effective January 1, 2022, the mandatory Pillar 2 survivors' and disability pensions become certain adapted to inflation developments for the first time. The rate of adaption is 0.3 % for pensions paid since 2018 and 0.1 % for pensions paid for the first time in 2012 (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		31.12.2021 CHF
	31.12.2022 CHF	Decrease 2022	
Reserve for retirement losses	807,008,957.50	-396,307,767.50	1,203,316,725.00
Reserve for exit losses	40,305.00	14,280.00	26,025.00
Provision for fundamentals risk	57,287,852.00	11,623,617.00	45,664,235.00
<b>Balance as at December 31</b>	<b>864,337,114.50</b>		<b>1,249,006,985.00</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		31.12.2021 CHF
	31.12.2022 CHF	Decrease 2022	
Reserves for additional fund-specific benefit components	3,462,314.00	279,026.25 -1,288,583.10	4,471,870.85
<b>Balance as at December 31</b>	<b>3,462,314.00</b>		<b>4,471,870.85</b>
<b>Total portfolio as at December 31</b>	<b>867,799,428.50</b>		<b>1,253,478,855.85</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		31.12.2021 CHF
	31.12.2022 CHF	2022	
Reserve for supplementary interest, Foundation	0.00	-236,859,346.16	236,859,346.16
<b>Balance as at December 31</b>	<b>0.00</b>		<b>236,859,346.16</b>

In accordance with the resolution taken by the Board of Trustees, the reserve was utilized in 2022 for the funding of supplementary interest at a rate of 2.00 % on extra-mandatory retirement assets and dissolved in full. See also section 5.3.2. In 2021, the reserve was used to fund supplementary interest on retirement assets of 1.00 %.

#### 5.7 Share of insurance surpluses

In 2022, AXA Life Ltd paid out a total of CHF 24,614,125.00 from the share of surpluses from the group insurance contract:

- CHF 24,378,171.00 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 235,954.00 from the share of surpluses from the risk process for occupational benefits funds with their own separate bonus formula.

	2022 CHF	2021 CHF
Total share of surpluses received from insurance	24,614,125.00	21,788,043.25
of which allocated to Foundation assets	24,378,171.00	18,016,639.00
of which credited to occupational benefits funds	235,954.00	3,771,404.25

## 5.8 Conclusions of the last actuarial report

The last actuarial report by Allvisa AG was produced on July 26, 2022, as at December 31, 2021. Among other things, the report determined that:

- The actuarial reserves were calculated using the BVG 2020 generation tables, BFS 2018, and a technical interest rate of 1.75 % as the actuarial fundamentals. The use of the BVG 2020 generation tables as the actuarial fundamentals and of BFS 2018 is deemed to be appropriate. The actuarial interest rate of 1.75 % to determine the actuarial reserves is assessed as appropriate from today's perspective.
- The target for the reserve for fluctuations in asset value (15.0 %) in respect 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 are assessed as sufficient.
- As at December 31, 2021, the Foundation offers sufficient security to meet its actuarial obligations (the coverage ratio pursuant to Art. 44 BVV 2/OPP 2 is 111.9 %; the reserves for fluctuations in asset value are accrued to a level of 78.9 % of the target value).
- The regulatory actuarial provisions governing benefits and financing meet the statutory requirements.
- The measures taken to cover the actuarial risks (old age, death, disability) are assessed as sufficient from today's perspective.

## 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 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 generation tables and an actuarial interest rate of 2.25 % (prior year: 1.75 %) This does not apply to pensions brought into the fund as part of a new affiliation, whose valuation in the first five years of affiliation is determined by applying the actuarial interest rate (maximum of 2.25 %) used for calculating the purchase amount.

## 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 not adjusted for 2022. Consequently, the risk premium for death and disability risk benefits remained unchanged; 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, 2022, using the actuarial interest rate of 2.25 % (previously 1.75 %). Following the increase in the actuarial interest rate, pensioners' liabilities are reduced by CHF 124,250,791.59 and the reserve for retirement losses by CHF 385,701,641.81.

## 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 supplementary interest not only on retirement assets, but also as actuarial pension liabilities.

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

	31.12.2022	31.12.2021
	CHF	CHF
<b>Net assets at market values (pension assets)</b>		
Assets	29,402,794,852.68	29,485,467,079.29
./. Liabilities	-761,262,301.22	-674,717,361.24
./. Accrued liabilities and deferred income	-8,170,813.35	-53,294,421.21
./. Employer-paid contribution reserve	-281,114,715.83	-255,135,844.28
./. Non-actuarial reserves	-147,833,795.80	0.00
./. Non-committed funds (unallocated assets) of occupational benefits funds	-95,194,397.28	-87,378,674.16
<b>Total pension assets</b>	<b>28,109,218,829.20</b>	<b>28,414,940,778.40</b>
<b>Actuarial pension liabilities (PL)</b>		
Active participants' liabilities	24,966,585,843.67	22,295,041,486.38
Pensioners' liabilities	2,111,509,608.86	1,611,218,383.76
Actuarial reserves	867,799,428.50	1,253,478,855.85
<b>Total PL</b>	<b>27,945,894,881.03</b>	<b>25,159,738,725.99</b>
<b>Foundation coverage rate for the purpose of market comparison</b>	<b>100.6 %</b>	<b>112.9 %</b>

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

	31.12.2022	31.12.2021
	CHF	CHF
<b>Net assets at market values (pension assets)</b>		
Assets	29,402,794,852.68	29,485,467,079.29
./. Liabilities	-761,262,301.22	-674,717,361.24
./. Accrued liabilities and deferred income	-8,170,813.35	-53,294,421.21
./. Employer-paid contribution reserve	-281,114,715.83	-255,135,844.28
./. Non-actuarial reserves	-147,833,795.80	0.00
./. Non-committed funds (unallocated assets) of occupational benefits funds	-95,194,397.28	-87,378,674.16
<b>Total pension assets</b>	<b>28,109,218,829.20</b>	<b>28,414,940,778.40</b>
<b>Actuarial pension liabilities (PL)</b>		
Active participants' liabilities	24,966,585,843.67	22,295,041,486.38
Pensioners' liabilities	2,111,509,608.86	1,611,218,383.76
Actuarial reserves	867,799,428.50	1,253,478,855.85
Reserve for supplementary interest	0.00	236,859,346.16
<b>Total PL</b>	<b>27,945,894,881.03</b>	<b>25,396,598,072.15</b>
<b>Foundation coverage rate according to Art. 44 BVV 2 / OPP 2</b>	<b>100.6 %</b>	<b>111.9 %</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. 3 CISA in conjunction with Art. 4 para. 3 let. f FinSA.

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 Invalidation Pension Provision (BVG/BVV 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 BVV 2/OPP 2 are being complied with.

### Investment manager per asset class as at December 31, 2022

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)
CHF mortgages	AXA Insurance Ltd, Winterthur	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)
	Capital International Sàrl, Geneva	FINMA (Switzerland)
Swiss equities	Credit Suisse Asset Management (Switzerland) Ltd, Zurich	FINMA (Switzerland)
	Lombard Odier Asset Management (Switzerland) SA, Petit-Lancy	FINMA (Switzerland)
	BlackRock Investment Management (UK) Limited, London	FCA (UK)
Equities, global (hedged)	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)
Small cap equities, global (hedged)	Credit Suisse Asset Management (Switzerland) Ltd, Zurich	FINMA (Switzerland)
	Threadneedle Asset Management Limited, London	FCA (UK)
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)
Infrastructure	BlackRock Financial Management, Inc, New York	SEC (USA)
Private equity	Ardian France SA, Paris	AMF (France)
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)

### 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 / 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 % of the autonomously invested active participants' and pensioners' liabilities and the actuarial reserves (excluding reserves for additional interest payments). From 2022, the employer-paid contribution reserve and the non-committed funds of the occupational benefits funds will no longer be factored into the calculation of the target reserve.

6.3.1 Reserve for fluctuations in asset value of Foundation	31.12.2022	31.12.2021
	CHF	CHF
Reserve for fluctuations as shown in the balance sheet	163,323,948.17	3,018,342,706.25
Target amount of reserve for fluctuations	4,191,884,232.15	3,825,337,986.66
Shortfall in reserve for fluctuations (reserve deficit)	4,028,560,283.98	806,995,280.41
Reserve for fluctuations as % of the target amount	3.9 %	78.9 %

#### 6.4 Breakdown of investments into investment categories

Asset class	31.12.2022		Strategy in %	Bandwidth	
	CHF	in %		min. %	max. %
Liquidity CHF	910,216,597	3.12	<b>1</b>	0	10
CHF bonds	3,666,206,183	12.58	<b>14</b>	11	17
CHF mortgages	1,149,247,144	3.94	<b>4</b>	0	10
Foreign currency bonds (hedged)	3,596,355,858	12.34	<b>14</b>	11	17
High-yield bonds (hedged)	0	0.00	<b>0</b>	0	3
Emerging market bonds	1,184,989,627	4.07	<b>4</b>	2	6
Swiss equities	881,760,796	3.03	<b>3</b>	1	5
Equities, global (hedged)	6,810,006,622	23.37	<b>24</b>	21	27
Small cap equities, global (hedged)	760,877,102	2.61	<b>3</b>	1	5
Emerging market equities	1,177,945,955	4.04	<b>4</b>	2	6
Infrastructure	42,656,591	0.15	<b>0</b>	0	3
Private equity	1,018,592,308	3.50	<b>3</b>	1	5
Private debt/alternative credit	0	0.00	<b>0</b>	0	3
Other alternative investments	0	0.00	<b>0</b>	0	5
Swiss real estate	6,837,906,653	23.47	<b>23</b>	18	28
Global real estate (hedged)	1,100,817,121	3.78	<b>3</b>	0	5
<b>Total investments of Foundation</b>	<b>29,137,578,557</b>	<b>100.00</b>			
- of which total shares		33.05	<b>34</b>	25	43
- of which foreign currencies (not hedged)		12.69	<b>11</b>	5	17
Investments of occupational benefits funds					
Custom Invest <sup>1)</sup>	17,444,455				
Accounts receivable	9,564,780				
Assets with AXA Life Ltd	21,163,427				
Accounts receivable from affiliated employers	202,531,125				
./ Del credere	-1,376,389				
Prepayments and accrued income	15,888,898				
<b>Total assets</b>	<b>29,402,794,853</b>				

<sup>1)</sup> In the context of a pension solution authorized by the Board of Trustees, four 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	31.12.2021		Strategy		Bandwidth	
	CHF	in %	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 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 BWV 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 BWV 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.

**6.9 Comments on net return on investments**

	2022	2021
	CHF	CHF
<b>Net return on investments, Foundation</b>	<b>-2,794,142,754.29</b>	<b>1,957,695,273.73</b>
Securities income	-2,793,952,554.65	1,958,176,790.18
Interest on liquid assets (net)	-190,199.64	-481,516.45
<b>Net return on investments, Custom Invest occupational benefits funds</b>	<b>-1,824,985.99</b>	<b>365,676.64</b>
Securities income	-1,824,190.41	367,105.58
Interest on liquid assets (net)	-795.58	-1,428.94
<b>Other income from assets</b>	<b>-2,069,889.08</b>	<b>-1,290,201.03</b>
Interest on assets/obligations with AXA Life Ltd	35,232.43	29,685.02
Interest income on accounts receivable from employers	3,194,884.52	2,806,462.88
Interest income on insurance benefits received	53,505.03	62,397.97
Interest on vested termination benefits accounts/insurance benefits	-5,779,958.59	-4,752,111.54
Interest on takeover/transfer of participants	426,280.98	563,153.39
Interest income on accounts receivable	166.55	211.25
<b>Administration cost of investments</b>	<b>-143,476,222.66</b>	<b>-148,015,098.06</b>
<b>Total</b>	<b>-2,941,513,852.02</b>	<b>1,808,755,651.28</b>

Investment performance, Foundation	2022		
	TWR total in %	Benchmark perf. in %	Contribution in %
Liquidity CHF (excl. operational liquidity)	-0.32	-0.41	-0.02
CHF bonds	-11.86	-12.10	-1.58
CHF mortgages	-6.95	-8.78	-0.26
Foreign currency bonds (hedged)	-14.13	-14.95	-1.92
Emerging market bonds	-13.04	-12.57	-0.52
Swiss equities	-17.88	-16.48	-0.60
Equities, global (hedged)	-17.46	-16.87	-4.20
Small cap equities, global (hedged)	-23.62	-17.43	-0.77
Emerging market equities	-20.34	-18.86	-0.87
Infrastructure	-11.60	2.29	-0.01
Private equity	19.57	-15.86	0.54
Swiss real estate	3.46	4.86	0.70
Global real estate (hedged)	3.27	4.86	0.11
Performance interim total		-9.72	-9.40
Fees & taxes, FX hedge effect overlay and other effects			-0.22
Operational liquidity			0.04
<b>Investment performance, Foundation</b>		<b>-9.84</b>	<b>-9.58</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

	2022	2021
	CHF	CHF
Sum of cost indicators for collective investment schemes (TER) <sup>1)</sup>	143,051,224.96	147,719,594.41
Transaction costs fund units (TTC costs) <sup>2)</sup>	8,200.00	20,100.00
Other direct asset management costs	37,687.15	29,732.83
Fee for independent investment consulting	291,126.60	155,980.95
<b>Total</b>	<b>143,388,238.71</b>	<b>147,925,408.19</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.

Administration cost of investments, occupational benefits funds	2022	2021
	CHF	CHF
Sum of cost indicators for collective investment schemes (TER)	87,465.00	45,788.05
Transaction costs and taxes	518.95	13,121.71
Custodian fees	0.00	30,780.11
<b>Total</b>	<b>87,983.95</b>	<b>89,689.87</b>
<b>Total administration cost of investments</b>	<b>143,476,222.66</b>	<b>148,015,098.06</b>

	31.12.2022	31.12.2021
	CHF	CHF
Total investments	29,155,023,011.51	29,247,504,115.41
Total transparent investments	29,155,023,011.51	29,247,504,115.41
<b>Total investment costs as a percentage of transparent investments</b>	<b>0.49 %</b>	<b>0.51 %</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, repayments, fees, 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

	31.12.2022	31.12.2021
	CHF	CHF
Accounts receivable from affiliated employers (open contributions)	202,531,125.58	195,615,483.01
./. Del credere	-1,376,389.00	-992,660.00
<b>Balance as at December 31</b>	<b>201,154,736.58</b>	<b>194,622,823.01</b>

As at March 31, 2023, these accounts receivable were reduced by payments from the respective employers to CHF 42,380,913.84 (prior year: CHF 37,887,064.65).

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 BWV 2/OPP 2 in affiliated employers.

### 6.11.2 Employer-paid contribution reserve

	2022	2021
	CHF	CHF
Balance as at January 1	255,135,844.28	237,077,972.39
Transfers to employer-paid contribution reserve (incl. any takeovers of occupational benefits funds)	72,294,818.50	74,637,187.24
Withdrawal to finance contributions	-42,981,517.47	-51,871,591.50
Transfer in the case of withdrawals from occupational benefits funds	-2,067,067.75	-3,651,799.40
Decrease in favor of non-committed funds	-1,267,361.73	-1,055,924.45
<b>Balance as at December 31</b>	<b>281,114,715.83</b>	<b>255,135,844.28</b>

As in the prior year, the employer-paid contribution reserve attracted 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 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 mainly 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 mainly liabilities toward the BVG (LOB) Guarantee Fund.

#### 7.2.3 Accrued liabilities and deferred income

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

#### 7.2.4 Non-actuarial reserves

Non-actuarial reserves of CHF 147,833,795.80 were created in order to facilitate benefits from previous years stemming from partial liquidations where payment was not yet definitively fixed by the end of the 2022 financial year.

7.2.5 Non-committed funds (unallocated assets) of occupational benefits funds	31.12.2022 CHF	31.12.2021 CHF
Non-committed funds of occupational benefits funds (excluding Custom Invest) <sup>1)</sup>	77,565,677.88	78,885,852.42
Non-committed funds of Custom Invest occupational benefits funds (investments for own account and at own discretion)	17,444,455.10	8,357,425.04
Financing reserves of occupational benefits funds in the context of an affiliation solution	184,264.30	135,396.70
<b>Balance as at December 31</b>	<b>95,194,397.28</b>	<b>87,378,674.16</b>

<sup>1)</sup> In 2022, 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

	2022 CHF	2021 CHF
Savings contributions	1,871,181,925.29	1,614,571,843.04
Risk contributions	247,298,300.81	214,540,982.80
Cost contributions	73,322,727.65	64,147,864.76
Contributions to the BVG (LOB) Guarantee Fund	11,510,860.20	10,134,311.25
<b>Total</b>	<b>2,203,313,813.95</b>	<b>1,903,395,001.85</b>
of which employee contributions	962,241,311.60	834,003,650.30
of which employer contributions	1,239,649,526.19	1,068,642,802.18
of which contributions from non-committed funds of occupational benefits funds	1,422,976.16	748,549.37

### 7.3.2 Transfers following takeover / transfer in the case of collective exit

Transfers following takeover of participants	2022 CHF	2021 CHF
Non-committed funds	29,245,255.20	44,081,027.23
<b>Total</b>	<b>29,245,255.20</b>	<b>44,081,027.23</b>

Transfer of additional assets in the case of collective exit	2022 CHF	2021 CHF
Non-committed funds	2,360,363.16	17,212,173.93
<b>Total</b>	<b>2,360,363.16</b>	<b>17,212,173.93</b>

### 7.3.3 Retirement pensions paid

	2022 CHF	2021 CHF
Pensions borne autonomously by the Foundation	97,389,931.20	66,553,638.50
Reinsured pensions	390,817,558.95	398,325,154.80
<b>Total</b>	<b>488,207,490.15</b>	<b>464,878,793.30</b>

### 7.3.4 Survivors' pensions paid

	2022 CHF	2021 CHF
Pensions borne autonomously by the Foundation	636,598.95	294,311.80
Reinsured pensions	69,144,458.21	66,861,389.40
<b>Total</b>	<b>69,781,057.16</b>	<b>67,155,701.20</b>

**7.3.5 Withdrawals for encouragement of home ownership / divorce**

<b>Withdrawals for purchase of residential property</b>	<b>2022</b>	<b>2021</b>
Number	811	817
Total amount in CHF	73,759,554.93	66,600,892.31
<b>Pledges for residential property</b>		
Number	244	269
<b>Payments following divorce</b>		
Number	395	437
Total amount in CHF	36,384,298.36	39,363,989.46

**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**

<b>Cost premiums</b>	<b>2022</b>	<b>2021</b>
	CHF	CHF
Costs for general administration expenses	57,274,235.55	51,660,449.70
Marketing and advertising expenses	969,203.11	953,164.08
Remuneration for distribution and closing costs	44,297,826.59	39,047,734.27
<i>of which remuneration for brokers</i>	<i>18,106,370.10</i>	<i>15,813,176.85</i>
<i>of which remuneration for distribution costs, excl. brokers' commission</i>	<i>26,191,456.49</i>	<i>23,234,557.42</i>
<b>Total</b>	<b>102,541,265.25</b>	<b>91,661,348.05</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**

<b>(financed by occupational benefits funds, employers, insured participants)<sup>1)</sup></b>	<b>2022</b>	<b>2021</b>
	CHF	CHF
Costs of purchase calculation for early retirement	200.00	0.00
Costs of purchase	4,800.00	3,750.00
Costs of processing promotion of home ownership	473,788.00	465,300.00
Costs of debt collection	825,807.43	609,763.66
Costs of total and partial liquidation of occupational benefits funds	1,291,941.88	1,181,911.40
Costs of voluntary distribution of non-committed funds	27,749.98	18,669.99
Costs of reporting	169,900.00	166,200.00
Costs of special services	188,865.00	179,355.35
Costs of occupational pensions actuary	3,796.45	4,249.80
<b>Total</b>	<b>2,986,848.74</b>	<b>2,629,200.20</b>

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

**Direct Foundation costs**

<b>(financed from Foundation assets)</b>	<b>2022</b>	<b>2021</b>
	CHF	CHF
Costs for administration of autonomous pensioners	588,042.00	1,054,652.25
Costs of training and compensating the Board of Trustees	350,584.66	293,056.73
Advisory costs <sup>2)</sup>	155,894.20	121,416.30
Auditor's costs	78,251.60	81,410.45
Costs of occupational pensions actuary	125,621.50	90,279.70
Costs of direct supervision	73,100.00	69,900.00
Costs of Occupational Pension Supervisory Commission	103,455.30	86,461.35
Costs of special expenses	8,484.40	8,524.75
<b>Total</b>	<b>1,483,433.66</b>	<b>1,805,701.53</b>

**Total administration expenses** **4,470,282.40** **4,434,901.73**

<sup>2)</sup> In 2022, the Foundation assumed part of these costs (CHF 86,806.10/prior year: CHF 70,536.75). 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 income from death benefits that cannot be paid out, as well as credits from the Founder regarding the assumption of losses on receivables and 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**

	2022	2021
	CHF	CHF
Interest on active participants' liabilities	-343,797,483.44	-779,222,564.52
Decrease in actuarial reserves of the Foundation (net)	621,529,216.66	86,950,801.85
<i>of which claims from partial liquidations from earlier years on actuarial reserves</i>	53,798,567.75	0.00
Autonomously paid pensions and change in pension liabilities for pensioners (net)	-31,427,749.62	-104,475,582.84
Increase in Non-actuarial reserves	-147,833,795.80	0.00
<i>of which concerning actuarial reserves</i>	-53,798,567.75	0.00
<i>of which concerning fluctuation reserve</i>	-94,035,228.05	0.00
Exit loss on vested termination benefits	-6,380.50	-9,950.25
Insurance expense financed by the Foundation	-34,299,621.10	-31,980,379.75
Net return on investments	-2,939,600,396.48	1,808,479,664.51
Retroactive income from transformation	0.00	2,151,233.96
Share of surplus from risk process	24,378,171.00	18,016,639.00
Interest on non-committed funds of occupational benefits funds	-778,307.75	-789,698.40
Direct Foundation costs (administration expenses)	-1,483,433.66	-1,805,701.53
Costs assumed by Founder	86,806.10	70,536.75
Losses on receivables (net)	-1,542,355.13	-650,039.21
<i>Losses on receivables</i>	-2,115,056.35	-1,301,507.95
<i>Losses on receivables assumed by Founder</i>	572,701.22	651,468.74
Formation of del credere	-383,729.00	-368,360.00
Premium for asset loss liability insurance	-109,725.00	-97,356.00
Other expenses and income (net)	250,025.64	99,705.05
<b>Expense/income surplus prior to decrease/increase reserve for fluctuations in asset value</b>	<b>-2,855,018,758.08</b>	<b>996,368,948.62</b>
Decrease/increase in fluctuation reserve	2,855,018,758.08	-996,368,948.62
<i>of which claims from partial liquidation from earlier years to the fluctuation reserve</i>	94,035,228.05	0.00
<b>Income surplus of Foundation</b>	<b>0.00</b>	<b>0.00</b>

**8 Supervisory authority requirements**

No restrictions

**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".

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

**9.3 Legal proceedings in course**

As at December 31, 2022, there were 18 legal proceedings pending in connection with the benefit claims. They are being executed in collaboration with AXA Life Ltd and/or an external law firm.

**10 Events after the balance sheet date**

None

The annual report of the AXA Foundation for Occupational Benefits, Winterthur is published in English, German, French and Italian. If the text of the English, French, or Italian versions differs from the original German text, the German version is binding.



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## Report of the statutory auditor to the Foundation Board of AXA Foundation for Occupational Benefits, Winterthur, Winterthur

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of AXA Foundation for Occupational Benefits, Winterthur (the Occupational pension scheme), which comprise the balance sheet as at 31 December 2022, the operating accounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law, the foundation deed and the scheme regulations.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Occupational pension scheme in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Foundation Board is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Foundation Board's Responsibilities for the Financial Statements

The Foundation Board is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law, the articles of association and the scheme regulations, and for such internal control as the Foundation Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

#### Responsibilities of the Expert in Occupational Benefits for the Audit of the Financial Statements

The Foundation Board appoints a statutory auditor as well as an expert in occupational benefits for the audit. The expert in occupational benefits is responsible for evaluating the necessary reserves for underwriting insurance-related risk, consisting of pension liabilities and actuarial reserves. Assessing the evaluation of the pension liabilities and actuarial reserves is not a task of the statutory auditor pursuant to Art. 52c para. 1 let. a of the Swiss Occupational Pensions Act (OPA). In accordance with Art. 52e para. 1 OPA, the expert in occupational benefits also evaluates whether the occupational pension scheme provides assurance that it can meet its obligations and whether all insurance-related provisions regarding benefits and funding in the scheme regulations comply with the legal requirements.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control of the occupational pension scheme.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, other than pension liabilities and actuarial reserves evaluated by the expert in occupational benefits.

We communicate with the Foundation Board regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





## Report on Other Legal and Regulatory Requirements

The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organization, management and investments are applied. In accordance with Art. 52c para. 1 OPA and Art. 35 of the Occupational Pensions Ordinance 2 (OPO 2) we have performed the prescribed procedures.

We have assessed whether:

- the organization 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 Occupational pension scheme;
- the investment of assets complies with legal and regulatory requirements;
- the occupational pension accounts OPA 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 duties of loyalty are fulfilled and interests are disclosed;
- the non-committed 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 issued to the supervisory authority;
- the Occupational pension scheme's interests are safeguarded in disclosed transactions with related parties.

We confirm that the applicable legal, statutory and regulatory 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, 21 June 2023

Enclosure:

- Financial statements consisting of the balance sheet, operating accounts and notes

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myAXA.ch

**AXA Life Ltd**