



News from the C&A Group Pension Fund

Investments

In 2019, the Pension Fund achieved a return of 12.0 % on investments. In the previous year the result had been negative at -1.1 %. The above-average return on equity investments viewed over the long term made a significant contribution to this good result. Bond investments, which accounted for almost 30 % of the overall portfolio, once again contributed to the annual performance thanks to even lower interest rates.

Real estate, also as much as 30 % of the portfolio, at a good 6 % was much more profitable than in previous years as a result of further revaluation gains on properties.

Cover ratio

The cover ratio as at end 2019 increased to approx. 107 % (previous year 105.3 %) thanks to this encouraging investment trend. This includes technical modifications, as announced at the end of November 2019. The final figures used to calculate the cover ratio will not be available until after the audited annual financial statements have been published.

The current cover ratio (ratio of assets to pension fund liabilities) is still well below the target of 115 %.

Interest on retirement capital

The board has decided to apply the minimum interest rate of 1.0 % set by the Swiss Federal Council to the retirement capital for 2019. As a result of the very low or even negative market interest rates, the board has decided not to pay interest on retirement capital for insured persons leaving the fund during 2020. The board will decide on the final annual interest to be applied to retirement capital for 2020 in December.

Outlook

Developments on the financial markets and the increasing life expectancy of the population are having a major impact on the long-term financing of pensions.

According to most forecasts, the stock markets are unlikely to rise again in 2020 because of record low interest rates and lacklustre economic development.

Regulations

You will find a copy of the pension fund regulations valid from 1 January 2020 in the appendix. For environmental and cost reasons, we are only sending you those pages of the fund regulations where changes have been made. The complete, current fund regulations can also be found on the Internet: www.pkca.ch

Sustainability / ESG

The board and the Investment Committee have been dealing with sustainable investments for some time. At its last meeting on December 18th, 2019 the board adopted the principles of a sustainable and responsible investment policy for the C&A Group Pension Fund. For cost reasons, no translation has been made. You can also find these principles on the Internet: www.pkca.ch. We will provide you with information on implementation annually in the future.

You will be receiving your pension statement in the spring, as usual. Please note that the information contained in the pension statement is based on your current situation in terms of level of employment and salary. Future pension benefits also depend on developments on the capital markets.

Mr Hans-Peter Gasser of Libera AG will be pleased to help with any questions or suggestions you may have by telephone on 061/205 74 25 or by email: hans-peter.gasser@libera.ch. You can also find the C&A Group's Pension Fund online: www.pkca.ch.