



Information from the Pensionskasse of the C&A Group

Annual Report 2015

The Board of Trustees adopted the 2015 **Annual Report** at its ordinary meeting on 18 April 2016. The enclosed **Summary Report** includes the most important key figures, selected positions from the balance sheet and operational account, as well as the organisation of the fund. On 3 February 2016, the Central Swiss BVG and Foundation Authority issued an administrative order declaring that the liquidation of the Vorsorgestiftung has been completed. As a result, the Annual Report and the Summary Report contain the figures with the integrated Vorsorgestiftung for the first time.

In January 2016, we informed you about the **investment performance**. The Swiss real estate in particular contributed positively to the 1.2% return on investment. This is a satisfactory result compared to the benchmark; however, it is inadequate when compared to the required 3.1% target return on investment. In comparison to the years 2012–2014, this is a more modest annual result and has reduced the **funding ratio** to 104.4%.

The Pensionskasse requires a value fluctuation reserve of at least 15% of the investment assets, in other words, a funding ratio of 115% or higher, to be able to absorb future investment losses. As of 31 December 2015, the fluctuation reserve was only just over a quarter of the target level. The Pensionskasse will thus continue to exhibit a **limited risk capacity**.

Prospects for 2016

The record-low interest rates, uncertainties in the financial markets and the increasing life expectancy of the population are having a major influence on the long-term financing of pensions. The environment has changed significantly in recent years, to the detriment of pension funds. It is up to us to react to these changes. In February 2016, the Board of Trustees commissioned c-alm AG to carry out an asset and liability study. It will provide the Board of Trustees with the requisite foundation for its strategic management and any necessary changes. We will keep you updated on the decisions taken.

Voting behaviour

Since 1 January 2015, the pension funds have been obliged to make use of their voting rights at the shareholder meetings of the listed Swiss companies in which they have direct holdings, in the interest of the insured persons, and to publish this once a year.

Our Pensionskasse does not currently hold any direct investments in Swiss shares, but participates in investment foundations or funds which do not grant any voting rights to the Pension Fund.

If you have any questions, the manager of our Pensionskasse will be pleased to help: Mr Rafael Schnyder, Libera AG, P.O.Box, 4010 Basel, Tel. 061 205 74 25, Email: rafael.schnyder@libera.ch. You can also find the C&A Group Pensionskasse online: www.pkca.ch.

Yours sincerely,

Your Pensionskasse

Baar, April 2016