



## **Information from the Pensionskasse and the Vorsorgestiftung of the C&A Group**

### **2014 Annual Report / Prospects for 2015**

The Foundation Board held its ordinary meeting on 21 April 2015 and approved the 2014 Annual Report. We have again arranged a Summary Report on the annual financial statement for you, which you will find enclosed. It shows the key figures with details from the balance sheet and operational account, and the organisation.

The financial markets again showed very positive development in 2014. The Pensionskasse of the C&A Group was able to benefit from this upward trend and generated a total yield of 7.0% on total assets in the business year 2014 (previous year 4.8%).

This positive result also led to an improvement in the coverage ratio, which rose from 100.3% in the previous year to 105.6% by the end of 2014.

To enable the Pensionskasse to absorb future investment losses, it requires a value fluctuation reserve of around 15% of investment assets and thus a coverage ratio of 115%. Only just over a third of the target level of the fluctuation reserve was achieved by 31 December 2014. The Pensionskasse will thus continue to exhibit a **limited risk capacity**.

The lifting of the cap against the EURO as well as the increase in the negative interest rate to minus 0.75% by the Swiss National Bank (SNB) on 15 January 2015 triggered a great deal of turbulence on the financial markets. This decision had a dramatic short-term effect on the stock markets and the exchange rates of the Swiss franc. In the meantime, the stock markets have now recovered and are partly moving at a higher level than in the middle of January 2015. The negative interest and hence negative yield, especially at the short end of maturity, are significantly impairing the expected yield figures for all the bonds held by the pension funds.

The Board of Trustees and the investment committee are continually monitoring the developments in the financial markets, and will take any necessary and possible measures when action is required.

### **Merging of Pensionskasse and Vorsorgestiftung**

As announced earlier, the Pensionskasse and the Vorsorgestiftung will be merged with retroactive effect to 1 January 2015. We will keep you informed once the approval has been received from the supervisory authority of Central Switzerland ( )

### **Voting behaviour**

From 1 January 2015, the pension funds are obliged to make use of their voting rights at the General Meetings of the listed Swiss companies that they have direct holdings in, in the interest of the insured persons, and to publish this once a year.

Our Pensionskasse does currently not 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](mailto:rafael.schnyder@libera.ch). You will also find the C&A Pension Fund on the Internet: [www.pkca.ch](http://www.pkca.ch).

Yours sincerely,

Your Pensionskasse

Baar, May 2015