

## Media release

Zurich, 5 January 2024

Despite high levels of volatility on financial markets, Profond has achieved a provisional return of 4.6 per cent and is paying interest on the retirement assets of its insured members at 2.5 per cent

Despite major fluctuations on equity and bond markets, Profond managed to achieve a positive performance in 2023 and is continuing to pay interest on the retirement assets of its insured members at 2.5 per cent this year, well above the statutory minimum. The provisional total return is 4.6 per cent and the provisional funding ratio is 107 per cent. These figures demonstrate the financial stability of the pension fund, as do the decisions of the Foundation Board to build up the value fluctuation reserve and to keep the conversion rate constant.

The 2023 investment strategy has continued to prove its worth

Profond Pension Fund is paying interest on the retirement assets of its insured members at 2.5 per cent. The above-average interest rate was made possible by the proven real value strategy, with which Profond will achieve a total return of around 4.6 per cent and a provisional funding ratio of 107 per cent in 2023. This was despite an investment year marked by political tensions in a number of places around the world, rising capital market interest rates and a looming economic downturn. "The positive result testifies to the continued financial stability and resilience of the Profond Pension Fund. We are pleased to be able to offer our insureds an interest rate this year that is higher than the fixed minimum interest rate of one per cent", says Laurent Schlaefli, Managing Director of Profond.

Long-term stability and safeguarding of benefits

Profond is committed to meeting its financial obligations over the long term and to ensuring the prosperity of its insured members during the third stage of their life. The Profond Foundation Board has, therefore, decided to invest part of the return in building up the value fluctuation reserve and to pass on the greater part to the insured members at the interest rate on retirement assets in the amount of 2.5 per cent. Profond's stability is also reflected in other areas: The number of insured members increased to around 63 000 and the assets under management as of the end of 2023 amounted to around CHF 10.8 billion.

Against the trend: The conversion rate is remaining constant

Furthermore, the Profond Foundation Board decided not to lower the conversion rate for the years 2025 and 2026 further. In this way, it is creating clear and reliable conditions both for customers and partners – even in times of economic uncertainty. "This approach runs counter to the general trend and reflects our firm belief that our investment strategy supports these conversion rates. Our customers benefit from security and predictability and our insured members benefit from a higher conversion rate", as Laurent Schlaefli points out.

For the 15th time, first place for the highest interest rate over ten years

As the past has repeatedly confirmed, our real value strategy, with a high proportion of equities and real estate, leads to long-term success. Since its inception in 1991, Profond has had an average annual return of 4.9 per cent and has paid interest on retirement assets on average at 4 per cent. In the pension fund comparison performed by the publications *SonntagsZeitung* and *Finanz und Wirtschaft* in 2023, Profond won for the 15th time first place for the highest interest rate over ten years (2013–2022 with an interest rate of 3.3%), making it the most successful pension fund in Switzerland in this category. In 2023, Profond also won the award for the best service quality and transparent customer communication.

New features for greater security

With the 2024 Pension Fund Regulations, Profond is again introducing innovations in order to improve benefits for its insured members and their surviving dependents. The main changes include:

1. Lump sum payable at death for retirement pensioners: Surviving dependants of a retirement pensioner who died within the first three years of pension payments will receive a lump sum payable at death. This lump sum lapses after the pension has been paid out for three years.
2. Lump sum payable at death for disability pensioners: In a significant change, the surviving dependants of a deceased disability pensioner will now receive a lump sum payable at death, as well as a possible additional lump sum payable at death.
3. Lump sum payable at death in case of deferred retirement: The surviving dependents of an insured member who has worked beyond the reference age will be paid out a lump sum payable at death.

#### About the Profond Pension Fund

Profond is one of the largest independent collective foundations in Switzerland, with over 63 000 insured members and assets under management of around CHF 10.8 billion. Profond follows a real value-oriented investment strategy with the goal of achieving long-term, above-average returns on the pension fund assets of its insured members. Profond employs around 100 people at its locations in Zurich and Lausanne.

For further information, please contact the media department

IRF

Stefan Mathys

058 589 88 27

medien@profond.ch

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