

Media release

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Profond achieves a provisional return of 2.6 per cent – and pays interest of 1.75 per cent on retirement assets

Thanks to its real value strategy, Profond once again posted a positive performance in 2020, enabling it to pay an interest rate for the year that again exceeded the statutory minimum. With a provisional total return of 2.6 per cent and a provisional funding ratio of 109 per cent, the Profond Pension Fund had a good financial year, given the circumstances. The interest rate on retirement assets is 1.75 per cent. The technical interest rate is now 2.0 per cent. At the end of 2020, assets under management totalled around CHF 9.82 billion. The number of insured persons remained stable at around 56 000. Although the performance was, of course, well below the year before, the figures confirm the Profond Pension Fund's long-term investment strategy.

The investment strategy proved itself once again in 2020

The long-term investment strategy, with a high share of equities and real estate, paid off once again for insured persons in 2020, which saw a high level of uncertainty and volatile capital markets as a result of the Covid-19 pandemic. Thanks to a provisional total return of 2.6 per cent, the interest rate for retirement assets is 1.75 per cent for the entire year. "We are pleased to be able to offer our insured persons, especially during this highly challenging year, an interest rate that exceeds the minimum interest rate set by the Federal Council," says Laurent Schlaefli, Chief Executive Officer of Profond.

Long-term security of benefits

Profond aims to meet its financial obligations, including long-term obligations. For this reason, it has, among other things, taken advantage of very good investment years, such as 2019, to invest further in financial stability. The provisional contribution margin was 109 per cent at the end of 2020, demonstrating the healthy funding for insured retirement assets. In addition, the stable number of insured persons led to a slight increase in assets under management, which amounted to CHF 9.82 billion at year-end. With a view to the long-term security of the retirement assets, Profond adjusted the technical interest rate. The technical interest rate is now 2.0 per cent. "This is another forward-looking step to ensure financial stability and to protect our affiliations," says Laurent Schlaefli.

Digitalisation as a driver of innovation

Occupational pension processes and procedures are becoming increasingly digitalised. Profond began digitalising its interfaces and processes early on and largely completed this work last year. The new "ProfondConnect" client portal makes managing occupational pensions for companies, insured persons and partners faster, easier and more secure. Registrations and changes can now be made directly in the portal and documents are received in the "ProfondConnect" digital mailbox. Furthermore, in future it will be possible to upload documents, such as medical certificates, directly. As a result, it will no longer be necessary for all parties involved to spend time downloading, completing and submitting documents, and they will have an overview of the current status of their occupational pension at all times. "With consistent digitalisation, we aim to interact in a more efficient manner with our clients, and we need to carry out our internal processes even more cost-effectively. We are also working in a more sustainable manner by reducing the amount of paper and printed materials," says Laurent Schlaefli.

About the Profond Pension Fund

Profond is one of the largest independent collective foundations in Switzerland, with more than 56 000 insured persons and assets under management of over CHF 9 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 persons. Profond employs around 100 people at its locations in Zurich, Crissier, Biel and St. Gallen.

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