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PKSU Pensionskasse der Saurer-Unternehmungen

Annual report 2022



**Wir nehmen Vorsorge
persönlich.**

To the insured persons of the Pension Fund

2022: Again surprisingly different (not as expected)

About the value of a prognosis

If one pores over the predictions issued by leading forecasters in autumn 2021 for 2022, it reads like a soothing story: Hardly any inflation in sight, little movement expected in the interest markets, economy o.k.—nothing amiss. Facts told a different story; a veritable storm swept away the profits of 2021. In positive terms: It showed who was prepared for the storm and who was not.

Capital investments: A veritable storm?

The difficulties of the fiscal year 2022 affected the investments of the Fund. The sharp decline in the equity and bond markets left their marks, although they could be partially "blurred" by other assets. A performance of -5.3% meant, that earnings from the previous year were lost in the year under review.

Index	2022	2021	cumulative
CS PK Index*	-10.1%	7.6%	-3.1%
UBS PK Index*	-9.4%	8.6%	-1.6%
Swisscanto	-9.0%	8.2%	-1.5%
Pictet 25	-14.1%	5.7%	-9.2%
Pictet 40	-14.9%	10.2%	-6.2%
PKSU	-5.3%	5.4%	-0.2%

*: partial index of funds of comparable size

However, not everything was in the red in 2022: Real estate proved themselves again as a pole of stability, infrastructural assets clearly increased and alternative assets profited from the turbulences. Once again it paid out to spread the risks to minimise the pain. Concerning real estate: The coming years will be demanding for these assets, as, for the time being, their golden years are gone. During 2023, the Board of Trustees will have to explore in depth the question of future asset strategy.

Sustainability and ESG

The Pension Fund takes already account of sustainable investment—we are on the right track, but not yet quite where we want to be:

- All investments concerning real estate and infrastructure are managed sustainably (energy efficiency plus energy production); either by the Pension Fund itself or by the Fund providers.
- Bonds are partially also managed according to these principles.
- Remaining investments are analysed and where appropriate implemented after defining a new strategy.
- The dominant interests of the beneficiaries are benefits and returns; these are our main objectives.

Benefits to the insured persons

For 2022, the Pension Fund's Board of Trustees decided to fix the interest rate at 1.5% (previous year 4.0%). This lies slightly below the average for Switzerland and reflects a cautious performance policy.

In March 2023, pensioners received a supplementary amount of 50% of a month's pension (previous year: a full month supplementary pension).

Risk evolution

Over the past year, there were fewer cases of disability, but the financial impact was considerable. From a long-term perspective, the risk evolution is in line with expectations; thus, no special measures were required.

Funding ratio risen, despite losses on the capital markets: Alchemy?

At first sight, it seems quite exceptional: On one hand, capital investments incur losses, insured persons receive returns and a supplementary pension and on the other hand, the funding ratio rises. This particular development is due to the following factors:

Increase in technical interest rate

During the past years, the technical interest rate has been reduced to 0.5% on the basis of continuous rate cuts. This is not much compared to the average (1.5% as per Swisscanto) but does reflect the high ratio of Pension Fund recipients. In 2022 interest rose to 1%, as a result of changes on capital markets which released corresponding funds.

Departures due to the sale of Embroidery

In 2022, Saurer Intelligent Technology AG sold the Embroidery sector (embroidery systems) to Lässer AG. Redundancies (instigated by employees and by employer) were a consequence of this sale. The change induced in technical reserves was the second key driver.

Important adjustments to the regulations

In 2022, there were no significant adjustments made to the regulations. For the forthcoming year, the revision of OASI and its illustration in the policy of the Fund will most certainly become a topic (the increase of women's retirement age).

Number of insured persons

By the end of 2022 the number of active insured persons in the Pension Fund was 378, slightly less than in the previous year (399). The number of pension recipients fell also slightly from 394 in the previous year to 393 in the year under review. The following enterprises are affiliated with the Saurer Pension Fund:

- FPT Motorenforschung AG
- Saurer Intelligent Technology AG
- Garage Saurer AG
- Swiss Embroidery Solutions
- Hadro AG
- Pensionskasse der Saurer-Unternehmungen

Part-time employees of FPT AG are also insured in the Pension Fund through PARCON Management AG.

Swiss Embroidery Solutions is a subsidiary of the company Lässer AG. All employees that have transferred to Lässer AG, will, for the time being, remain

insured in the PKSU. It has not yet been established, if a partial liquidation will occur as a result of insured persons leaving the Pension Fund after the sale.

Administration costs

The general administration costs were similar to those in the previous year, there were no special disbursements. As far as wealth management was concerned, costs rose due to alternative investments (there were performance related fee components) and investments in infrastructures. However, it was these assets (except for insurance linked securities) that, in a year of crisis, generated the best returns. Money well invested.

Board of Trustees / Management

With the start of a new term on 1.1.2023, the Board of Trustees was newly appointed. The Board decided that henceforth, it would only have 6 instead of 8 members. Representatives of Saurer Intelligent Technology AG are no longer members of the Board of Trustees as only 3 insured persons remain in the Pension Fund. We are happy to report that Benjamin Fröhlich has been appointed as our new president! Jacob Auer was able to hand over a sound pension plan. Two representatives of the Garage Saurer AG have now joined the Board of Trustees.

Departures from the Board of Trustees

Jacob Auer, Saurer Intelligent Technology AG
 Fabio de Prato, Saurer Intelligent Technology AG
 Stephanie Hampe, Saurer Intelligent Technology AG
 Markus Hartmann, HADRO AG
 Philip Scarth (FPT Motorenforschung AG)

New entrants to the Board of Trustees

Pierre Wüst, Garage Saurer AG
 Daniel Clemenzenz, Garage Saurer AG
 Rolf Hubli, FPT Motorenforschung AG
 (external representative)

Key figures and data for the Fund as per 31.12.2022

Key data	2022	2021
Funding ratio	120.1%	119.0%
Total assets	323.4	352.8
Pension capital	264.8	291.0
Fluctuation reserves	53.3	55.3
Free resources	0	0
Performance assets	-5.3%	+5.4%
Interest rate on savings capital	1.5%	4.0%
Technical interest rate	1.0%	0.5%
Administration costs	0.4	0.4
Administration costs/ insured persons (in CHF)	506	504

[Amounts in Mio. CHF, except for costs insured persons]

Capital investment	31.12.	Strategy
Liquidity	3.1%	3.0%
Bonds in CHF	17.8%	12.0%
Foreign bonds	9.7%	11%
Emerging Markets bonds	2.3%	2.0%
Swiss equities	8.7%	9.0%
Foreign equities	9.2%	10.0%
Emerging Markets equities	2.5%	3.0%
Direct real estate	28.5%	27.5%
Real estate funds	7.4%	6.0%
Foreign real estate	1.6%	2.0%
Infrastructure	4.0%	2.5%
Insurance Linked Securities	1.9%	2.0%
CTA/Managed Futures	2.8%	2.0%
Private Equity	0.1%	0.0%

Board of Trustees of the Pensionskasse Saurer-Unternehmungen per Ende August 2023:

Benjamin Fröhlich, President / employee
FPT Motorenforschung AG, Arbon

Reto Schulze, Vice president / employer
FPT Motorenforschung AG, Arbon

Pierre Wüst, trustee / employer
Garage Saurer AG, Conthey

Daniel Clemenz, trustee / employee
Garage Saurer AG, Visp

Martin Zeberli, trustee / employee
FPT Motorenforschung AG, Arbon

Rolf Hubli, trustee / employer
FPT Motorenforschung AG, Arbon (external rep.)

Branch office

Thomas Baumer
Managing Director

Christoph Schumacher
Technical Pension Fund Administrator

Auditors/expert

Auditors
Ernst&Young AG, Zürich

Expert for occupational pension provision
Prevanto AG, Zürich

Questions?

Should you have any questions, please do not hesitate to contact the branch office at any time or to come and see us in person.

We will be pleased to answer your questions and concerns, particularly with regards to your personal situation, and look forward to hearing from you!