

pksu.

Annual Report 2023



**Wir nehmen Vorsorge
persönlich.**

To the members of the pension fund

2023 – Almost Catching Up to the Previous Year

Lost and regained?

Lost and regained? After the significant correction in the previous year, the mood in the capital markets brightened – most of the losses from the previous year were recovered. This development was surprising given that the various uncertainties around the globe did not decrease. Overall, 2023 can be considered a good year in terms of financial markets.

Investment Results: Slightly Below Expectation

With a return of +3.9%, the result for 2023 was positive, though slightly below average in comparison. The main reason was a write-down on a property due to higher estimated renovation costs.

| | 2023 | 2021 – 2023 | 2019 – 2023 |
|-----------------|------|-------------|-------------|
| PKSU | 3.9% | 1.2% | 3.2% |
| CS PK Index | 5.4% | 0.9% | 3.6% |
| UBS PK Index | 5.0% | 1.0% | 3.8% |
| Pictet 25 Index | 6.8% | -1.0% | 2.1% |

Figures are p.a.

In 2023, the investment strategy was slightly revised. The proportion of infrastructure investments was increased slightly, Insurance Linked Securities are no longer part of the strategy, and new investments are being made in “Private Debt” (private market loans). The comparatively high proportion of real estate and the defensive equity ratio will be maintained – this approach has proven effective without significantly diminishing earning opportunities.

The co-ownership shares in shopping centers across Switzerland were sold, except for the one in Nyon. The proceeds are being invested in collective investments that offer better risk diversification. The fund remains directly invested in just over 200 apartments in

the Arbon area, plus a stake in a parking garage in St. Gallen. This will be maintained – the reallocation was due to the fact that a focus of 10% of the total assets on shopping centers was considered too high.

Benefits for the insured

The Board of Trustees of the Pension Fund has decided on an interest rate of 5.5% (previous year 1.5%) for the savings capital for 2023.

The PKSU can more than hold its own in a long-term comparison regarding the interest rates on savings capital (and pension benefits):

| | 2023 | 2019 - 2023 | 2014 - 2023 |
|-----------------------|------|-------------|-------------|
| PKSU | 5.5% | 3.2% | 3.3% |
| BVG Min. Interest | 1.0% | 1.0% | 1.1% |
| CH-Pens. Fund Average | 2.4% | 2.7% | 2.4% |
| Bank Savings account | 0.5% | 0.1% | 0.1% |

Interest rates are average per year

Information bank savings account: Moneyland

In February 2024, retirees received another one-time additional pension equal to a full month's pension. Since 2017, a total of four full monthly additional pensions have been paid out. Our fund also performs above average in this regard, as very few funds have been able to improve benefits for retirees.

Risk developments

In 2023, there were no significant incidents in terms of major, unexpected claims.

Conversion Rate/Foundation Contribution Changes

In 2023, the Board of Trustees once again addressed the issue of the conversion rate and foundation contributions. With compensation measures, the conversion rate is to be reduced to 5.5% effective January 1, 2025 – those insured at that time will not notice much of a difference due to the compensation measures. The foundation contributions will be distributed more evenly across age groups. Additionally, it is planned to reduce the risk contribution in favour of savings contributions

Important amendments to the regulations

The AHV revision, which includes raising the retirement age for women, will be implemented by the pension fund exactly as stipulated.

Membership statistics

At the end of 2023, our pension fund had 381 active members, slightly more than the previous year (378). The number of pension recipients decreased slightly again, from 393 in the previous year to 384 in the reporting year. Our fund remains affiliated with the same six companies: FPT Motorenforschung AG (incl. PARCON):

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

Administration costs

Administration costs were significantly higher in the reporting year compared to previous periods. This development was mainly due to special effects:

- The administration system was replaced with a newer, much cheaper solution for ongoing operations, resulting in one-time implementation costs.
- The revision of the data protection law had to be implemented by the pension fund, incurring corresponding one-time project costs.

With almost CHF 650 per insured person, the administration costs were somewhat higher. Mid-term, slightly lower costs per beneficiary are expected.

Board of trustees/Management

There have been no changes to the Board of Trustees and management since the last report.

Key Figures and Data of the Fund as of December 31, 202

| | 2023 | 2022 |
|----------------------------|--------|--------|
| Coverage Ratio | 123.0% | 120.1% |
| Balance Sheet Total | 326.2 | 323.5 |
| Pension capital | 260.7 | 264.7 |
| - Thereof active members | 72.3 | 72.9 |
| - Thereof pensioners | 134.1 | 134.0 |
| Fluctuation reserves | 59.9 | 53.5 |
| Free funds | 0 | 0 |
| Investment performance | 3.9% | -5.3% |
| Savings capital interest | 5.5% | 1.5% |
| Extra monthly pensions | 1 | 1/2 |
| Technical interest rate | 1% | 1% |
| Administration costs | 0.5 | 0.4 |
| Asset management cost rate | 0.66% | 0.60% |
| Number of insured persons | 765 | 771 |
| - Thereof Active Members | 381 | 378 |
| - Thereof pensioners | 384 | 393 |
| Admin. Cost per person | 647 | 506 |

Figures in Mio. Fr.

| Capital investments | 2023 | 2022 |
|-------------------------|-------|-------|
| Liquidity | 7.9% | 3.1% |
| Bonds | 32.0% | 29.7% |
| Equities | 22.3% | 20.4% |
| Infrastructure | 2.8% | 4.0% |
| Real estate | 30.3% | 37.5% |
| Alternative Investments | 3.0% | 4.9% |
| Receivables/Accruals | 1.6% | 0.4% |

Note: Real estate investments are slightly below the target value according to the strategy at the end of the year due to reallocations that are currently underway.

Board of Trustees of the Pension Fund of the Saurer Companies as of the end of June 2024/December 31, 2023

Benjamin Fröhlich, President/EmployeeFPT Motorenforschung AG, Arbon

Reto Schulze, Vice president/EmployerFPT Motorenforschung AG, Arbon

Pierre Wüst, Trustee/EmployerGarage Saurer AG, Conthey

Daniel Clemenz, Trustee/EmployeeGarage Saurer AG, Conthey

Martin Zeberli, Trustee/EmployeeFPT Motorenforschung AG, Arbon

Rolf Hubli, Trustee/EmployerExternal representative/FPT Motorenforschung AG

Office

Thomas BaumerGeneral Manager

Christoph SchumacherTechnical administration

Questions?

You can direct your questions to the office at any time or visit us in person. We are happy to address your concerns, especially regarding personal situations, and look forward to engaging with you!