



Swisscanto Collective Foundation
of the Cantonal Banks

Annual Report 2014

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Swisscanto Collective foundation is a joint venture of the Cantonal Banks and Helvetia Insurances for the realisation of occupational benefit schemes.

2014: A testing year

Dear Customer and Insured Persons,

Any strategy is only as good as its implementation. Seeing as the new strategy that has been developed in the past few years had to be back up with measurable success, the Swisscanto collective foundation used this truism as a yardstick in the 2014 financial year.

The main elements of the new strategy are paying off

The aim of the strategy was to clearly position the Swisscanto collective foundation as a semi-autonomous provider in the area of occupational benefit schemes and therefore make the benefits of a semi-autonomous provider available to the active participants. A key element was to pay the current and future retirement pensions ourselves and no longer have them reinsured. The recipients of retirement pensions now receive their pension directly from the Swisscanto collective foundation.

Both the inclusion of the corresponding portfolios in the management systems and the necessary capital transactions proceeded without any problems. The success of the restructuring is demonstrated by the fact that the Swisscanto collective foundation is still in good financial shape and the expected greater flexibility has actually materialised. Hence, the conversion rates could be raised to a new level that bears comparison with our competitors. This adjustment has been carefully analysed and is stably financed.

With the second key element of the "funding ratio at pension fund level" strategy, the Swisscanto collective foundation offers companies who meet the criteria the possibility of participating directly in the foundation's performance. Several companies are already taking advantage of this option. Moreover, this product gives companies who are affiliated to an employee benefit institution that has cover shortages the option of switching to the Swisscanto collective foundation without incurring any shortfall losses.

Higher interest dampens redistribution

Not only the interest paid on old-age savings, but also the so-called "redistribution problem" is a constantly recurring theme in the area of occupational benefit schemes: As people are getting older and older and therefore drawing retirement pensions for an increasingly long period of time, and, at the same time, the accumulated old-age savings are not sufficient, more funds from the investment income of the active, working participants have to be used to fund these pensions. This redistribution is alien to the system, as in contrast to the OASI, which is based on the pay-as-you-go system, each insured person in the 2nd pillar finances their old-age savings themselves.

The Swisscanto collective foundation thinks it is vital that the generations are treated fairly and that actively insured persons and pension recipients have equal status. Therefore, it has restructured its performance strategy, with the performance target now based on the level of the technical interest rate of 3%. This means that even in the case of active, working insured persons, we shall strive to pay long-term interest on old-age savings of 3%. The Board of Foundation already made use of its new freedom in 2014: Thanks to a dividend distribution of 1.25%, the total interest on old-age savings could be increased to 3%. The Swisscanto collective foundation is even guaranteeing interest of 3.5% for 2015.

Naturally, all these measures are always approved after carefully weighing up and analysing the risks, and the security of pension assets is a priority at all times. The Board of Foundation will also be guided by this in the future when it decides whether to make further earnings distributions at the end of the respective year.

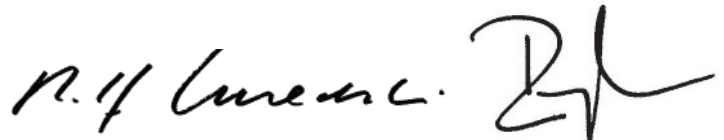
Comfortable funding ratio

The Board of Foundation has demonstrated its clear commitment to financial stability by using the good 2014 investment year to also strengthen its so-called technical provisions for future pension losses. In the year under review the technical provisions were increased by an additional CHF 90.3 million, thereby providing extra financial stability. The fact that the funding ratio of Swisscanto is still a comfortable 111.2% even after the formation of these provisions confirms the security-oriented policy of the Board of Foundation and is a testament to the excellent financial position of the Swisscanto collective foundation.

Equipped for the future

With the measures taken and the changes in the interests of customers and insured persons, the Swisscanto collective foundation is optimally equipped to meet the forthcoming challenges posed in particular by policymakers, and the investment markets. You can be sure that as a customer or insured person of Swisscanto you are in the best hands. We are committed to ensuring that the interests of the associated companies and the insured persons are optimally safeguarded even in times of necessary change.

Thank you for your trust.



Rolf Knechtli
Chair of the Board of Foundation

Davide Pezzetta
Managing Director



Review 2014: Key Figures

Funding ratio	2014	2013
Funding ratio as at 31.12. (in %)	111,2	109,4

Portfolios	2014	2013	Change absolute	Change in %
Statutory Capital (in CHF Mio.)	4 565	4 383	182	4,2
Investments (in CHF mio.)	6 457	4 989	1 468	29,4
Number of contracts	5 552	5 601	-49	-0,9
Insured persons	49 365	49 473	-108	-0,2

Portfolios

Regulatory capital increased in line with expectations in the period under review. The considerable growth of investments can be explained by the inclusion of the previously reinsured

old-age pensioners and the associated influx of capital as per January 1, 2014. The number of contracts and the number of insured persons fell slightly in the period under review.

Premium Income	2014	2013	Change absolute	Change in %
Periodic employer and employee contributions (in CHF Mio.)	392,2	385,1	7,1	1,8
One-time payments (in CHF Mio.)	457,5	366,5	91,0	24,8
Total	849,7	751,6	98,1	13,0

Premium income

In the period under review the periodic premiums of employers and employees increased slightly, whereas single premiums increased considerably.

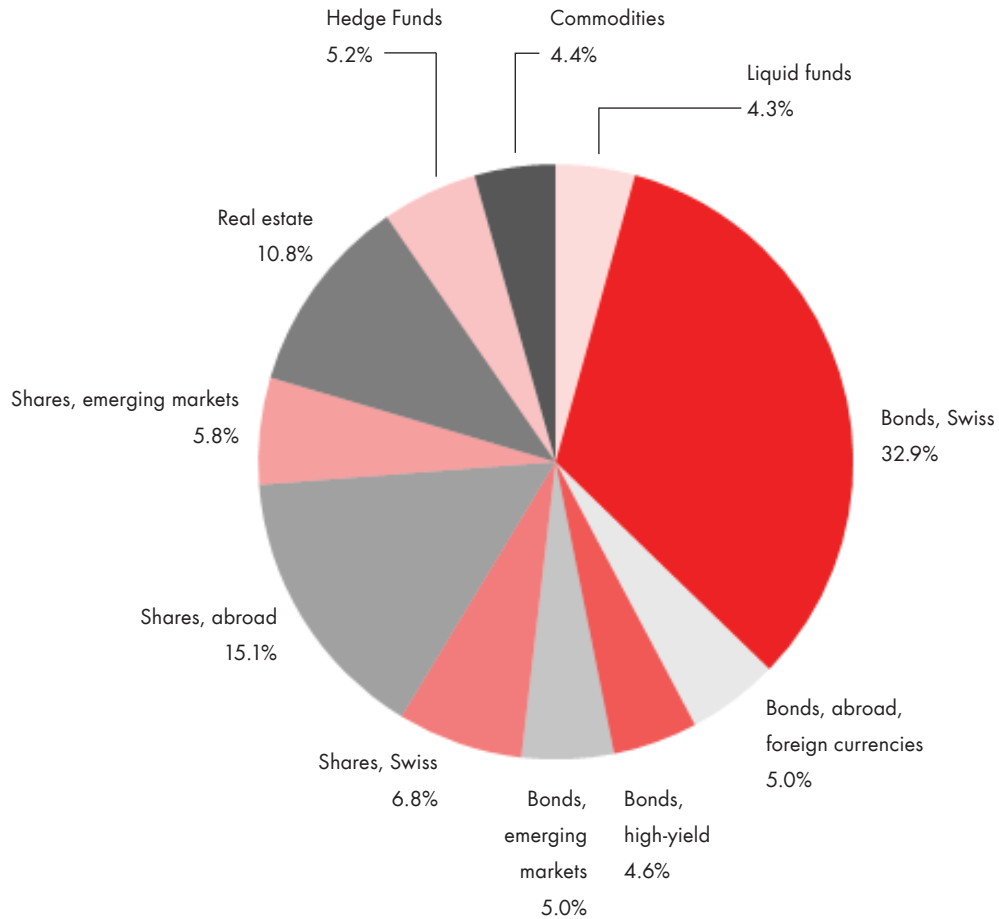
Pensioners	2014 Number	Development Number	2013 Number
Retirement pensions	4 227	381	3 846
Pensioner's children pensions	48	4	44
Disability pensions	1 501	-62	1 563
Disabled's children's pensions	524	-44	568
Spouse's pensions	729	51	678
Orphan's pensions	185	-1	186
Total	7 214	329	6 885

The methodology for calculating pension recipients (recipients of pensioner's children pensions, disabled's children's pensions and orphan's pensions) have been adjusted to the

previous year. The prior year's figures are also listed according to the new methodology.

Investment Portfolio and Policy of Investments

Asset Allocation as at 31.12.2014



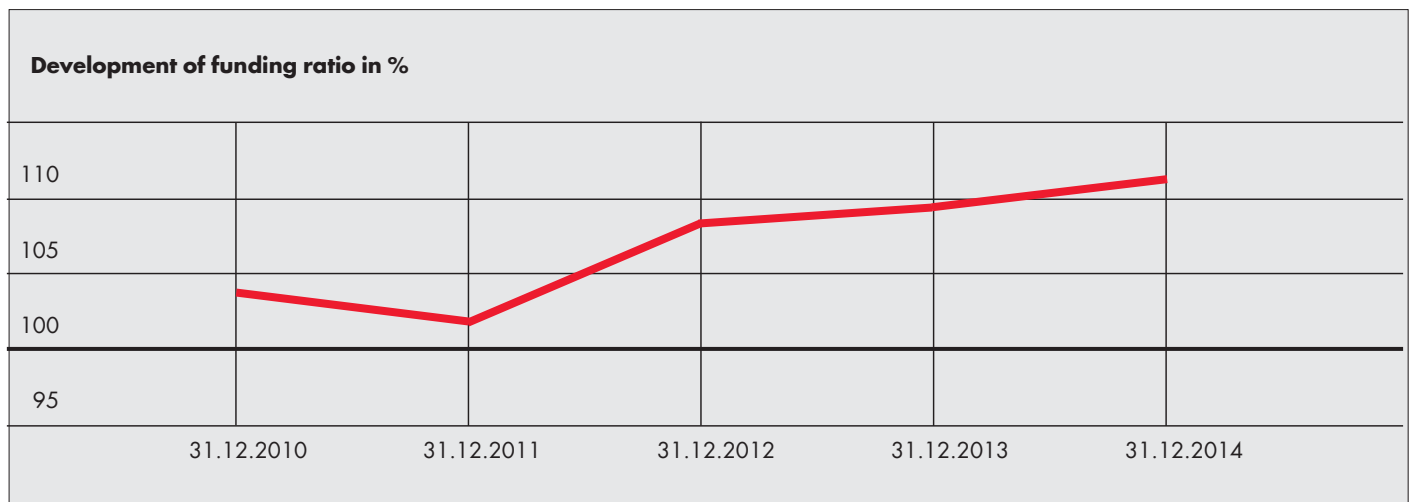
Total investment portfolio (100%): 6 279 Mio. CHF

(Total number of individual investment groups 99.9% due to rounding differences)

Development of Funding ratio

Owing to the fact that 2014 was a good investment year, the funding ratio of the Swisscanto collective foundation could be increased to a solid 111.2%. The formation of technical provi-

sions amounting to CHF 90.3 million and the associated additional financial reinforcement are already included in this figure.



Economic Situation and Investment Year 2014 in Review: Report of Swisscanto Asset Management Ltd.

Review 2014

One of the most noticeable features of the financial year 2014 was undoubtedly the different economic trends on this and the other side of the Atlantic. In the USA the economic recovery continued with impressive growth rates, the jobless rate fell and wage costs rose slightly towards the end of the year. By contrast, the trend in the eurozone was sluggish. To combat the looming deflationary risk the European Central Bank (ECB) continued to pursue an expansionary monetary policy and the returns on Swiss and German government bonds reached new record lows.

Surprisingly good year for bonds

At the start of 2014 virtually all analysts agreed that yields would increase over the course of the year and prices would fall accordingly. The opposite was the case, with bonds posting a very strong performance once again both in the US and Japan and in Europe. In Switzerland, yields of ten-year Swiss government bonds dipped to below the lowest levels of 2012 and the yields of ten-year German bunds fell for the first time to less than 1%. The markets for corporate bonds developed positively overall. Contributory factors were the scarce supply and the continuing search for additional returns. One exception was the high-yield segment, when uncertainty about the development of interest rates in the USA in the first half of the year led to a striking drop in performance.

Shares: an eventful and positive year

The sun also shone on the majority of equity markets, but it was a turbulent year. Recessionary fears in the eurozone, the results of the stress tests for European banks, the imminent end to bond purchases by the Fed, cases of Ebola in the USA and Europe, fighting at various flashpoints (Ukraine, Near

and Middle East) and the Argentina's renewed bankruptcy – these were all disruptive factors that put pressure on the markets. While these events affected markets negatively to varying degrees, the positive economic and corporate news from the US proved to be a pillar of stability. The reasons for the worse performance in Europe compared with the US equity markets were, for example, the less than convincing reporting season in the first half of the year and the unrealised economic reforms. Therefore, mid-year the ECB dipped into its toolbox and lowered the interest rate for deposits of commercial banks to -0.1%. The aim of this negative interest rate was to boost lending by commercial banks. Beside the injection of cash by the central banks, mergers and takeovers brought momentum to the market. Of note is the fact that a large number of acquisitions involved American firms buying companies in Europe. In the last few years US firms have accumulated a great deal of cash outside the country that they cannot repatriate without paying tax. With the increasing economic recovery in Europe, many US companies see an opportunity for strategic investment.

Fall in oil prices as economic support

The general fall in commodity prices, particularly the striking crude oil price correction, acted like a large tax reduction for many parts of the global economy and therefore supported growth. Above all countries that require a lot of oil to produce a unit of GDP are the winners. These include Turkey and India. The losers, on the other hand, are the OPEC states and Russia.

Outlook 2015

The bombshell that the Swiss National Bank (SNB) dropped in the middle of January by discontinuing the minimum exchange rate of CHF 1.20 per EUR will have an impact in the long term, at least in the real economy. Above all, export-oriented industrial companies and the tourism industry are challenged even more than they were before. Special efforts are required to compensate in some degree for their sudden loss in competitiveness. Once again investors have realised that the central banks are still making music on the financial markets, but sometimes also create discord. The fact is that the appreciation of the franc against the European currency and the introduction of negative interest rates by the SNB have pushed large parts of the Swiss interest rate landscape into the negative interest rate zone. The ECB's bond purchasing programme has also postponed an interest rate increase in Europe. As a result the investment crisis for fixed-interest securities has intensified.

Modest prospects for bonds

The SNB's monetary hands were tied with the CHF/EUR lower limit. Correspondingly, the interest rates in Switzerland mirrored the trend in Europe. The lifting of the lower limit has changed little regarding this close relationship. On the contrary, the appreciation of the franc will strengthen deflationary trends if anything. The market is currently anticipating negative interest rates until 2019. Up to a term of 10 years the yield for Swiss government bonds is negative. We see few indications that the SNB can break out of this scenario. In a broadly invested portfolio, corporate bonds can partially compensate for this gloomy picture, but even here the expected additional yield is modest. Therefore, in the area of

fixed-interest investments, specialised segments such as contingent convertible bonds, also called CoCos, remain. Here the yields that can be achieved are currently very attractive compared with the risks incurred.

Shares remain the first choice

The ECB's latest measures may force many investors into more risky investment classes. Sound corporate results, low commodity (especially oil) prices and a continued relaxed monetary policy in Europe and Japan should contribute to a good climate for shares. There are many reasons why Swiss investors should invest more in Europe, particularly in shares. The abandonment of the exchange rate floor has meant that Swiss investors' depreciation fears vis-à-vis euroland investments have decreased significantly. In view of the lower euro, lower interest rates, lower oil price and increased lending enforced by the ECB, the chances that the euroland may experience a growth spurt within the next few months are good. This would also be positive for the profit growth of companies. In light of the current valuation situation a significant overweight of euroland shares within a global share portfolio is therefore recommended. In our view, a share exposure in selected emerging countries is also worthwhile. The emphasis is on Korea, Taiwan, India and Indonesia.

Our existing overweight in Swiss real estate will be reduced slightly. Especially commercial real estate in regions bordering on Switzerland will feel the effects of the Swiss franc appreciation. In comparison with bonds, Swiss real estate is still preferable.

Swisscanto Asset Management AG

Report of the Investment Committee

Performance development

The 2014 investment year was once again characterised by the monetary interventions of various central banks, which, like in previous years, tried to stimulate the respective national economies. There was however one difference this time. While the ECB opted for intensive funding programmes, the US allowed its programmes to run out, although it was still pursuing an expansionary monetary policy. Global growth is supported by these measures, but the debt crisis is not over yet and is depressing expansion rates. When it comes to growth opportunities, the US can play a leading role. It benefits from good labour market conditions and low-cost energy. Europe is currently suffering from reform weakness. The crisis of individual member countries is anything but solved. Moreover, the emerging markets are still not in the best shape with regard to growth.

Global fears of deflationary trends and the described stimulation measures by the central banks led to an unexpectedly sharp increase in bond prices. Consequently, the yields of individual countries fell to a record level. While this is gratifying from the standpoint of an individual investment year, it will lead to problems in the future. This is because in future the minimum yields let alone the target yields will not be covered by the current return on bonds. Moreover, a subsequent interest increase would lead to temporary price losses.

In the portfolio this led in the past year to a performance of 7.6% for the CHF bonds. The yield for hedged foreign currency bonds is at a similar level at +8.1% and at +9.2% the yield for emerging market bonds was more than satisfactory. The only fly in the ointment in the area of investments in nominal assets was high-yield bonds, whose performance on a hedged basis of -0.3% was slightly negative. Widening credit rating spreads prevented a better performance. Once

again the outcome was also positive for shares, which yielded a return of between 7% (emerging markets) and 16.8%. Swiss shares were sandwiched in between at 12.6%. Companies are benefiting from the high profit margins at present. Ultimately, the price increases also led to rising valuations, which are still accepted by market players in the current climate due to the lack of investment alternatives. Commodities, which achieved a negative performance of -28.7% last year, were disappointing. The funding ratio of the collective foundation has improved again overall and stands at 111.2%.

The portfolio performance of 5.95% was 0.35% short of the benchmark result. The reasons for the deficit were reshuffling effects in the portfolio at the start of the year due to the strategic reorganisation as well as a more cautious stance in the area of CHF bonds. Slight underperformances in the area of foreign shares were offset by the outperformance in the area of commodities.

Future orientation

The strategic reorganisation involving an increase in the share ratio to 28% to the detriment of investments in nominal assets at the end of 2013 has already had a positive effect. Although the share valuations can in the meantime no longer be described as favourable, a balanced allocation to tangible fixed assets still makes sense from the point of view of future earnings perspectives. To ensure that the share quota can be reduced again if necessary in the event of a marked negative trend in share prices, the Swisscanto collective foundation uses a "risk management overlay". In light of the current situation regarding interest rates other options are being considered in the area of alternative investments. 2015 will certainly not be an easy investment year, but we are convinced that with the current direction we are well prepared.

Annual Financial Statement 2014

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Balance Sheet as per December 31, 2014, and January 1, 2014*

(*see explanation on P. 25)

Assets

	31.12.2014 in CHF	01.01.2014 in CHF
Investments		
Liquid funds	136 519 096.00	1 209 228 079.94
Accounts receivable	16 482 496.13	5 510 792.63
Receivables from affiliated employers	25 465 569.08	24 280 249.11
Investment portfolio	6 237 960 598.83	4 611 328 710.18
Liquid funds strategic	41 078 884.52	98 858 920.69
Time deposits	100 000 000.00	0.00
Collective investments bonds	3 029 080 962.80	2 478 747 693.90
Collective investments shares	1 829 598 601.35	1 184 775 891.80
Collective investments real estate	677 403 010.40	577 494 793.80
Collective investments hedge funds	327 262 513.99	143 611 596.60
Collective investments commodities	274 615 510.29	226 698 734.08
Total investments	6 457 506 644.56	5 949 206 752.55
Individual investments	102 812 931.10	94 409 764.38
Prepayments and accrued income	36 975 432.00	30 200 647.00
Total Assets	6 597 295 007.66	6 073 817 163.93

Liabilities

	31.12.2014 in CHF	01.01.2014 in CHF
Liabilities		
Termination benefits and pensions	39 245 551.41	38 619 107.30
Other liabilities	3 674 541.48	4 429 785.08
Total liabilities	42 920 092.89	43 048 892.38
Accrued liabilities and deferred income	120 100 455.66	95 329 406.20
Employer-paid contribution reserves	92 512 787.93	93 095 265.92
Pension liabilities, actuarial reserves and non-committed funds of pension plans		
Pension liabilities for active insured persons	4 564 913 589.62	4 383 491 452.26
Pension liabilities of pensioners	907 884 196.00	796 000 000.00
Actuarial reserves	183 531 037.00	93 159 310.00
Non-committed funds of pension plans	55 642 610.73	55 985 453.76
Pension liabilities, actuarial reserves and non-committed funds of pension plans	5 711 971 433.35	5 328 636 216.02
Asset value fluctuation reserves	629 790 237.83	513 707 383.41
Dotation capital, non-committed funds		
Balance at the beginning of the period	0.00	0.00
Income surplus/expense surplus	0.00	0.00
Total dotation capital, non-committed funds of the foundation	0.00	0.00
Total Liabilities	6 597 295 007.66	6 073 817 163.93

Operative Account (I)

	2014 in CHF	2013 in CHF
Regular and other contributions and transfers	448 163 245.80	437 593 513.59
Employee contributions	183 959 263.65	181 247 999.05
Employer contributions	217 425 932.59	213 469 375.39
Withdrawal from employer contribution reserve for contributory funding	-9 192 460.99	-9 594 235.30
Contributions from third parties	591 543.70	900 431.40
One-time payments and purchase amounts	41 975 895.90	36 232 330.70
Transfers to employer-paid contribution reserves	10 230 715.90	12 355 045.20
Payments from guarantee fund	3 172 355.05	2 982 567.15
Entry lump-sum transfers and new contracts	457 485 269.25	366 515 184.25
Termination benefit transfers	420 955 516.65	354 955 394.95
Transfers for inclusion of portfolios of insured persons in		
- Pension liabilities of pensioners	22 273 988.15	0.00
- Actuarial reserves	2 031 860.30	0.00
- Value fluctuation reserves	1 758 496.50	0.00
- Non-committed funds	2 285 143.90	447 972.30
- Employer contribution reserves	95 209.15	1 059 483.30
Reimbursements of withdrawals for home ownership/divorce	8 085 054.60	10 052 333.70
Inflow from contributions and entry lump-sum transfers	905 648 515.05	804 108 697.84
Regulatory benefits	-166 719 572.90	-270 372 584.15
Retirement pensions	-58 900 217.45	-50 393 044.90
Survivors' pensions	-6 802 228.10	-6 204 067.10
Disability pensions	-21 404 686.70	-21 516 542.90
Other regulatory benefits	-1 831 373.10	-1 882 925.65
Lump-sum payments on retirement	-62 797 052.05	-179 805 000.85
Lump-sum payments on death or disability	-14 984 015.50	-10 571 002.75
Termination benefits and termination of contracts	-519 543 945.37	-449 349 764.72
Termination benefits and termination of contracts	-488 894 009.14	-421 750 479.82
Carryover of additional means due to collective terminations	-9 775 395.58	-4 344 895.25
Withdrawals for encouragement of home ownership/divorce	-20 874 540.65	-23 254 389.65
Outflow for benefits and withdrawals	-686 263 518.27	-719 722 348.87

Operative Account (II)

	2014 in CHF	2013 in CHF
Decrease/Increase in pension liabilities, actuarial reserves and contribution reserves (pool)	-395 373 033.55	-187 211 295.80
+/- Decrease/Increase in pension liabilities of active insured persons	-107 063 553.56	-95 412 534.86
+/- Decrease/Increase in pension liabilities of pensioners	-111 884 196.00	0.00
+/- Decrease/Increase in non-committed funds of pension plans	7 242 973.97	4 265 855.58
+/- Decrease/Increase in actuarial reserves	-90 371 727.00	-3 959 310.00
- Interest on pension liabilities (regular)	-72 911 295.20	-60 004 841.45
- Interest on pension liabilities (additional)	-21 438 946.20	-30 000 000.00
+/- Decrease/Increase in contribution reserves	1 053 710.44	-2 100 465.07
Income from insurance benefits	69 822 831.36	111 767 464.06
Insurance benefits	41 215 598.14	93 689 463.75
Share of insurance surpluses	28 607 233.22	18 078 000.31
Insurance cost	-103 307 223.70	-114 160 133.60
Insurance premiums		
- Risk premiums	-81 419 155.30	-92 955 755.75
- Cost premiums	-20 218 617.55	-19 277 624.40
Contributions to guarantee fund	-1 669 450.85	-1 926 753.45
Net result of insurance activities	-209 472 429.11	-105 217 616.37
Net result on investments	338 572 108.30	184 189 241.89
Income from liquid funds strategic/time deposits	-10 990 749.39	53 488 140.00
Income from bonds	193 863 401.24	-21 213 922.42
Income from convertible bonds	0.00	32 617 239.36
Income from shares	216 289 330.25	88 553 467.40
Income from real estate	32 806 981.78	43 550 433.06
Income from Hedge Funds	11 542 177.40	5 482 445.94
Income from Commodities	-81 228 121.22	-824 914.75
Total income on investments	362 283 020.06	201 652 888.59
Interest income on bank receivables	62 729.54	80 370.45
Interest income on accounts receivable	421 341.30	314 337.33
Interest expenses for liabilities	-1 370 561.27	-1 396 816.54
Interest expense for employer-paid contribution reserves	-444 675.90	-434 926.02
Asset management expenses	-22 379 745.43	-16 026 611.92
Total Other Income and Expenditure	-23 710 911.76	-17 463 646.70

	2014 in CHF	2013 in CHF
Partial operative account for individual investments	0.00	0.00
Income from individual investments	8 885 172.47	8 035 050.18
Asset management expenses/individual investments	-479 212.88	-682 120.38
Net result on individual investments	8 405 959.59	7 352 929.80
Administrative expenses/individual investments	-31 983.50	-28 600.00
Interest on pension liabilities/individual investments	-1 447 288.60	-1 357 211.05
Interest expenses for employer-paid contribution reserves/individual investments	-26 556.55	-25 720.65
Decrease/Increase in non-committed funds of pension plans/individual investments	-6 900 130.94	-5 941 398.10
Other income	278 996.38	443 143.29
Income from services rendered	85 862.33	230 547.04
Other income	193 134.05	212 596.25
Administrative expense	-13 295 821.15	-14 229 325.19
General administration	-279 935.72	-408 430.07
Expense for marketing and publicity	-89 357.08	-93 087.81
Negotiations and brokerage	-12 515 053.95	-13 321 042.91
Auditors and pension fund actuary	-279 374.40	-220 886.60
Supervisory authorities	-132 100.00	-185 877.80
Income/Expenses surplus before decrease/increase of asset value fluctuation reserves	116 082 854.42	65 185 443.62
Decrease/Increase in reserves for asset value fluctuation reserves	-116 082 854.42	-65 185 443.62
Income/Expenses surplus	0.00	0.00

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Principles and Organisation

Legal form and objectives

The Swisscanto Collective Foundation of the Cantonal Banks is a collective foundation by the Association of Swiss Cantonal Banks, Basel and Patria Swiss Mutual Life Insurance Company, Basel (since September 2006 Helvetia Swiss Life Insurance Company Ltd.) pursuant to Article 80 et seq. of the Swiss Civil Code (Schweizerisches Zivilgesetzbuch, ZGB). The foundation's aim is to provide mandatory and voluntary occupational benefit schemes for employees and employers in accordance with the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG/LPP). The foundation's purpose is pursued particularly in the manner in which the foundation serves as a saving bank for the individual pension funds under the foundation's coverage, subject to their available means and separate regulations. The foundation may conclude insurance contracts for all or individual risks, preferably with Helvetia Swiss Life Insurance Company Ltd, Basel (hereinafter referred to as Helvetia). The foundation must always be the policyholder and beneficiary.

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LOB registration and guarantee fund

Register for occupational benefit plans
LOB Guarantee Fund

BS-0432
Number C1 11

Plan statutes and regulations

Foundation instrument
General regulatory provisions

Special regulatory provisions

Partial liquidation regulations
Regulations on provisions
Election rules
Organisation rules
Investment rules

25.06.1973, last updated 21.06.2012
Pension fund regulations as framework regulations for all pension funds, last adjusted as at January 1, 2014
Benefit plans for the affiliated pension funds, on an individual basis
15.05.2014
01.12.2009, least updated 23.11.2013
01.12.2013
14.06.2010
01.12.2009

The Foundation is managed by Helvetia. The management agreement of December 28, 2004 between the Foundation

and Helvetia governs duties, competences and responsibilities of the persons in charge of the administration.

Top governing body, management and authorised signatories

The members of the Board of Foundation and the other authorised signatories have joint dual signature authority.

<p>Board of Foundation</p>	<p>Employer representatives</p> <p>Rolf Knechtli Chair Adrian Beeli Member (until 30.09.2014) Eduard Gasser Member Oliver Gloor Member Anthony Goldstein Member (from 01.10.2014) Stefan Kehrli Member Urs Saxer Member</p> <p>Employee representatives</p> <p>Alfred Schläpfer Vice-chair Claudia Breitenstein Member Urs Christen Member Beat Kempfer Member Jürg Stalder Member vacant</p> <p>Assessors without voting right</p> <p>Hanspeter Hess Donald Desax Beat Müller René Rath</p>
<p>Investment Committee</p>	<p>Hendrik van der Bie Chair Martin Flück Member Herbert Joss Member Stefan Kunzmann Member</p>
<p>Authorised signatories</p>	<p>Davide Pezzetta Managing director Claude Schreiber Assistant managing director; Head Key Accounts and Underwriting</p> <p>Ulrike Bühler Teamleader ZKB, Client Service René Eggimann Head Legal Services Roger Eisenring Head Finances Caroline Loewert Teamleader Broker, Client Service Michael Maxelon Head Client Service Louis Rideau Teamleader Intercantonal, Client Service Daniel Rossi Head Vested Benefits Foundation Christoph Schneider Head Legal Services Swisscanto</p>

Actuaries, auditors, advisors, supervisory authority

Pension actuaries	Beratungsgesellschaft für die zweite Säule AG, Basel, Ernst Sutter
Auditors	PricewaterhouseCoopers AG, Basel
Investment Controlling	Complementa Investment-Controlling AG, St.Gallen
Supervisory authority	BVG- und Stiftungsaufsicht beider Basel (BSABB)

Affiliated employers

	2014 Number	Development Number	2013 Number
As per 31.12. prior year	5 601	-103	5 704
Entries	307	74	233
Leavings	-356	-20	-336
As per 31.12. year under review	5 552	-49	5 601

Active participants and pensioners

Active participants	2014 Number	Development Number	2013 Number
As at 31.12. prior year	49 473	140	49 333
Entries	10 515	213	10 302
Leavings	-9 938	-445	-9 493
Retirements	-685	-16	-669
As at 31.12. year under review	49 365	-108	49 473

Pensioners	2014 Number	Development Number	2013 Number
Retirement pensions			
Number at beginning	3 846	315	3 531
Entries	478	76	402
Leavings	-97	-10	-87
End number of retirement pensioners	4 227	381	3 846
Pensioner's children pensions			
Number at beginning	44	7	37
Entries	21	8	13
Leavings	-17	-11	-6
End number of pensioner's children pensioners	48	4	44
Disability pensions			
Number at beginning	1 563	-14	1 577
Entries	105	-9	114
Leavings	-167	-39	-128
End number of disability pensioners	1 501	-62	1 563
Disabled children's pensions			
Number at beginning	568	-31	599
Entries	93	11	82
Leavings	-137	-24	-113
End number of disabled children's pensioners	524	-44	568
Spouse's pensions			
Number at beginning	678	41	637
Entries	99	-219	318
Leavings	-48	229	-277
End number of spouse's pensioners	729	51	678
Orphan's pensions			
Number at beginning	186	-12	198
Entries	52	23	29
Leavings	-53	-12	-41
End number of orphan's pensioners	185	-1	186
Total			
Number at beginning	6 885	306	6 579
Entries	848	-110	958
Leavings	-519	133	-652
End number of pensioners	7 214	329	6 885

The methodology for calculating pension recipients (recipients of pensioner's children pensions, disabled's children's pensions and orphan's pensions) has been adjusted compared to the previous year. The prior year's values are also shown in accordance with the new methodology.

Affiliation with the foundation is carried out by means of the conclusion of an affiliation contract between the employer and the foundation. The associated companies form separate pension plans within the foundation.

Characteristics of the pension plan

Every pension plan has its own benefit plan as part of the mandatory occupational benefit scheme. The retirement benefits are based on the defined contribution plan, the risk benefits on either the defined benefit plan or the defined contribution plan, depending on the pension plan and benefits.

Financing, financing method

Financing is governed separately for each pension plan. As a rule, the financing of the benefit costs is carried out by the employees and employers, whereby the employer must meet at least 50% of such costs.

Further information concerning pension fund activities

Some pension plans have individual asset investments (so-called individual investments). Modalities comply with the separate contractual and regulatory provisions of the Swisscanto

Collective Foundation. Pension plans with individual investments may use their employer contribution reserves as value fluctuation reserves for individual asset investments.

Funding ratio of pension plans with individual investments	31.12.2014 Number	31.12.2013 Number
Funding ratio above 110%	11	10
Funding ratio between 100% and 109.9%	6	8
Funding ratio between 95% and 99.9%	0	0
Total	17	18

For some pension funds the funding ratio is listed individually at pension fund level for specific products (FRPFL). The princi-

ples for this are based on the separate contractual and regulatory provisions of the Swisscanto collective foundation.

Funding ratio of pension funds with FRPFL	31.12.2014 Number	31.12.2013 Number
Funding ratio above 110%	5	0
Funding ratio between 100% and 109.9%	1	0
Funding ratio between 95% and 99.9%	0	0
Total	6	0

Significant Accounting Policies and Valuation Methods, Consistency

Statement of compliance with Swiss GAAP FER 26

The accounts are prepared in accordance with the special accounting recommendations of Swiss GAAP FER 26, version dated 01.01.2014.

Significant accounting policies and valuation methods

Significant accounting policies

The financial statements give a true and fair view of the assets, financial position and earnings within the meaning of Swiss law and Swiss GAAP FER 26.

Valuation Methods

Liquid funds	Par value
Derivative financial instruments	Market value
Collective investments	Market value
Foreign currency conversion	Day's rate
Accounts receivable	Par value less amortisation
Prepayments and accrued income	Par value
Individual investments	Market value

Change to the valuation, bookkeeping and accounting principles

From January 1, 2014 the transfer of the pension capital of CHF 960 million has been effected by Helvetia, as the foundation bears the longevity risk from this point in time. This was disclosed in the financial statements 2013 under

"Events after balance sheet date". For a better understanding, this transfer was included in the financial statements 2014, meaning that the comparative figures in the balance sheet are from January 1, 2014.

Actuarial Risks, Risk Benefit Coverage, Funding ratio

Type of risk benefit coverage, reinsurance

From January 1, 2014 the foundation will bear the longevity risk (old-age pensions, spouse's pensions as well as pensioner's children's pensions and orphan's pensions) itself in its entirety. To cover the insurance risks such as death before retirement age, disability as well as LOB inflation, the foundation has concluded a collective life insurance contract with Helvetia, whereby the foundation is itself the policyholder and beneficiary.

Explanations on assets and liabilities from insurance contracts

While as at December 31, 2013 all current pensions were re-insured, from January 1, 2014 only the disability pensions and the survivors' pensions in the event of death before retirement age were reinsured. The actuarial reserves for the pensions is not recognised in the balance sheet and amounts to CHF 510 440 000 (previous year CHF 1 471 181 000).

Development and interest rates of retirement savings in the contribution plan

	2014 in CHF	2013 in CHF
Retirement savings as at the end of the previous year	4 383 491 452	4 226 716 866
Saving contributions	316 898 674	310 599 611
Termination benefit transfers, purchase amounts and new contracts	477 645 805	397 234 159
Saving contributions from disability insurance	10 948 591	10 814 020
Termination benefits for leavers and on termination of contracts	-488 689 180	-411 233 188
Withdrawals for encouragement of home ownership/divorce	-20 874 541	-23 254 390
Dissolution due to retirement, death and disability	-188 865 796	-188 747 677
Interest payments on pension capital (regular)	74 358 584	61 362 053
Retirement savings as at the end of the year under review	4 564 913 590	4 383 491 452
Interest on LOB mandatory savings capital (regular)	1.75%	1.50%
Interest on LOB non-mandatory savings capital (regular)	1.75%	1.50%

Sum of retirement savings according to LOB

	31.12.2014 in CHF	31.12.2013 in CHF
Retirement savings capital in accordance with the LOB (shadow account)	2 708 087 789	2 618 808 928
LOB minimal interest rate	1.75%	1.50%

Development of the mathematical reserve for pensioners

	31.12.2014 in CHF
As at 01.01.	796 000 000
+ increase/- Decrease	111 884 196
As at 31.12.	907 884 196

The necessary mathematical reserve for the current retirement and survivors' pensions, pensioner's children's pensions and orphan's pensions taken over by Helvetia amounted to CHF

796.0 million as at January 1, 2014. This mathematical reserve has now increased to CHF 907.9 million as a result of pensioner portfolio entries and departures.

Composition, development and explanation of the technical provisions

	31.12.2014 in CHF	01.01.2014 in CHF
Provisions for conversion losses	103 147 037	24 959 310
Provisions for increase in life expectancy	36 256 000	27 900 000
Provisions for reduction of the technical interest rate	44 128 000	40 300 000
Total technical provisions	183 531 037	93 159 310

Explanation of the technical provisions

The technical provisions are based on the applicable provisions regulations. In particular, the provisions for conversion

losses were increased substantially in the year under review according to the requirements of the provisions regulations.

Conclusions of the last actuarial report

In the year under review there was a slight decrease in both the number of pension funds and the number of actively insured persons.

The portfolio of pensioners, on the other hand, increased again significantly; the increase amounted to 9.2% (previous year: 5.0%). The increase in old-age and spouse's pensions was high as expected. The trend for disability pensions also continued; the net balance fell once again by 62 pensioners or by approximately 4%. The decrease by 62 pensioners is the difference between 105 entries and 167 exits. We shall carry out a detailed analysis of the risk experience within the framework of the actuarial report.

The pensioner ratio based on the old-age and spouse's pensions decreased within the space of a year from 10.9 to 1 (December 31, 2013) to 10.0 to 1 (December 31, 2014). In the same period the pension asset ratio (old-age savings of actively insured persons versus pension assets for current old-age and spouse's pensions) fell from approximately 5.5 to 1 (December 31, 2013) to approximately 5 to 1 (December 31, 2014). Therefore, the portfolio structure worsened slightly in the year under review, as expected. As the net cash flow situation has improved again, the structural risk capability of the foundation can still be described as very good.

The coverage situation improved further in the year under review, although the accrual for an additional yield distribution increased again and the technical provisions were strengthened considerably. This was possible because on the one hand performance was attractively high at 5.95% and, on the other hand, Helvetia provided more capital for the handover of the current old-age and spouse's pensions as at January 1, 2014 than was necessary for the financial reporting using the foundation's accounting principles. The pension reserves were calculated using a technical interest rate of 3.0%. In addition technical provisions were created for the pensions, on the one hand for the increase in life expectancy from 2007 to 2014 and, on the other, for a reduction in the technical interest rate to 2.5%.

With the reported increase in the funding ratio within a year from 109.4% as at December 31, 2013 or 109.8% as at January 1, 2014 to 111.2%, the investment and therefore also the risk capability of the foundation improved overall. The deficit for the reserves for fluctuations in asset value as a percentage of the target reserves for fluctuations in asset value decreased within a year from 40.9% to 33.1%.

The portfolio growth that is desirable and also necessary for a sustained improvement in the structural risk capability of the foundation has not materialised. However, it can be assumed that with the resolutions passed by the Board of Foundation for the additional yield distribution for 2014 and the higher interest on old-age savings in 2015, an important concrete signal has been given that will give some cause for hope that portfolio growth can be generated again from 2015. This is all the more relevant, as the amendments to the regulations approved by the Board of Foundation are generally meant to enable pensioners and actively insured persons to participate equally in the investment income of the foundation in the future; in future the interest on old-age savings of actively insured persons is to correspond on average to the technical interest rate of the pension reserves.

Experts in occupational benefit schemes can therefore confirm as at December 31, 2014 that

- the foundation offers the security that it can meet its obligations (Article 52e para. 1 lit. a) LOB);
- there are no systemic financing gaps;
- the assessment of actuarial obligations is carried out in accordance with the principles and guidelines that experts in occupational benefit schemes are obliged to abide by.

A general review and, if necessary, adjustment of the provisions regulations is still pending. The technical provisions shown in the balance sheet are adequate and correspond to the above-mentioned guidelines that experts in occupational benefit schemes have to adhere to. There is no rush to take any immediate measures.

Actuarial principles and other significant actuarial assumptions

Actuarial principles

LOB 2010 and a technical interest rate of 3% are used as an actuarial accounting basis.

Non-committed funds of pension plans

At the level of individual pension funds the following positions exist, which are carried in the balance sheet at foundation level as free assets of pension plans:

Composition of non-committed funds of pension plans	31.12.2014 in CHF	31.12.2013 in CHF
Non-committed funds of pension plans		
Non-committed funds of the affiliated pension plans	11 087 211	11 892 820
Non-committed funds from former special measures	13 614 260	16 570 321
Deposits of surpluses of the affiliated pension plans	8 367 883	11 013 131
Individual surpluses and income of the affiliated pension plans	1 055 165	1 236 208
Total non-committed funds of pension plans	34 124 518	40 712 479
Non-committed funds of pension plans with individual investments		
Non-committed funds of the affiliated pension plans	5 699 465	6 660 959
Deposits of surpluses of the affiliated pension plans	412 137	539 467
Non-committed funds from former special measures	216 013	216 013
Reserve for fluctuations in asset value of the affiliated pension plans	3 655 211	2 734 046
Income/expense surplus of the affiliated pension plans	11 535 267	5 122 489
Non-committed funds of pension plans with individual investments	21 518 093	15 272 974
Total non-committed funds of pension plans	55 642 611	55 985 454

Changes in actuarial principles and assumptions

There are no changes compared with the prior year.

Employer-paid contribution reserves with renounced use

The provisions of the Swisscanto Collective Foundation's regulations allow employers in the case of underfunding to contribute to the employer-paid contribution reserves with renounced use. As per December 31, 2014 there are no employer-paid contribution reserves with renounced use (previous year total: CH 0)

Funding ratio according to art. 44 OBB2

	31.12.2014 in CHF	01.01.2014 in CHF
Balance assets	6 597 295 008	6 073 817 164
Individual investments	-102 812 931	-94 409 764
Assets FRPFL	-84 775 320	0
Liabilities; accruals and deferrals	-163 020 549	-138 378 299
Employer-paid contribution reserves	-92 512 788	-93 095 266
Accounts receivable/Liabilities individual investments	162 939	37 706
Distributable pension assets	6 154 336 360	5 747 971 541
Pension capital of active insured persons	4 564 913 590	4 383 491 452
Pensioners' pension assets	907 884 196	796 000 000
Actuarial reserves of the foundation	183 531 037	93 159 310
Non-committed funds of pension plans	55 642 611	55 985 454
Pension capital, actuarial reserves of the foundation and non-committed funds of pension plans	5 711 971 433	5 328 636 216
Pension capital, non-committed funds and employer-paid contribution reserves in contracts with individual investments		
Pension capital of active insured persons/individual investments	-78 972 194	-76 662 786
Pension capital of active insured persons FRPFL	-74 107 736	0
Non-committed funds of pension plans	-21 518 093	-15 272 974
Employer-paid contribution reserves	-2 159 705	-2 436 298
Pension capital, actuarial reserves of the foundation, non-committed funds of pension plans and employer-paid contribution reserves	5 535 213 705	5 234 264 158
Funding ratio	111.2%	109.8%

Funding ratio

The funding ratio taking into account assets and liabilities from insurance contracts not shown in the balance sheet amounts to 110.2% (previous year: 107.7%) for the year under review.

The listed funding ratio only applies to the part of the pension funds invested in collective investments. The financial resources required for the additional yield approved by the Board of Foundation are contained in the tied-up funds and are therefore already included in the funding ratio.

It should be added that there are 17 pension funds with individual investments as well as 6 pension funds with a funding ratio at pension fund level. All 23 pension funds had a funding ratio of more than 100% as at December 31, 2014. They are informed individually by the foundation about their coverage situation and about any measures that might need to be checked.

Explanatory Notes on Investments and Net Result of Investments

Organisation of investment activities, investment adviser and investment manager, investment regulations

The organisation of the Swisscanto Collective Foundation's investment activities is governed by the investment regulations. Investment organisation is entrusted to the Board of Foundation, the investment committee, the board of directors, portfolio managers, and overlay managers as well as the investment controller.

The Board of Foundation nominates the members of the investment committee and defines the investment organisation. At the request of the investment committee and in accordance with legal requirements the Board authorises the investment strategy, investment guidelines, overlay management as well as the investment controlling.

The investment committee is responsible for the supervision, implementation and initiation of adjustments to the investment strategy and the overlay management.

Depositaries are Zurich Cantonal Bank and Credit Suisse.

The overlay management is realised with Zurich Cantonal Bank. Through the overlay portfolio the weight of the base assets is managed indirectly by buying and selling derivative financial instruments and currency hedging. The hedging of specific investment categories is also carried out. The tasks and responsibilities are defined in the asset management mandate with Zurich Cantonal Bank dated 11.12.2013. Additionally, the Advisory Mandate with Finreon AG of December 2, 2013 exists in order to hedge investment categories.

Complementa Investment-Controlling AG is responsible for the investment controlling. It consolidates the assets, verifies statutory compliance, adherence to the investment guidelines as well as the implementation of the overlay management and reports the consolidated investment and supervision results to the investment committee. The tasks are defined in the mandate agreement dated August 27, 2010.

The board of directors ensures operational solvency and the necessary reporting to the investment committee as well as the overlay manager. Furthermore the board executes rebalancing transactions for asset classes which cannot be controlled by overlay management.

The portfolio managers (Swisscanto Asset Management AG, Zurich Cantonal Bank, Credit Suisse) report periodically to the investment commission on the development of assets and market expectations.

The foundation only holds collective investments. This is along with liquid funds, including time deposits as well as derivative financial instruments for the overlay management.

Target value for and calculation of the value fluctuation reserves

Target value of the value fluctuation reserves	31.12.2014 in CHF	31.12.2013 in CHF
Total of investments	6 237 960 599	4 611 328 710
of which 15% as target value of the value fluctuation reserves	935 694 090	691 699 307

Value fluctuation reserves	2014 in CHF	2013 in CHF
Value fluctuation reserves as of 1.1.	417 507 384	352 321 940
Allocation due to transfer of pensioners' pension assets	96 200 000	0
Allocated and charged to/released and credited to operative account	116 082 854	65 185 444
Value fluctuation reserves as of 31.12. resp. 01.01.	629 790 238	417 507 384
Target value of the value fluctuation reserves	935 694 090	706 528 145
Deficit for the value fluctuation reserves	305 903 852	289 020 761

Breakdown of investments into investment categories

	Strategy %	Spread		Market value according to balance sheet in CHF	Economic exposure of derivatives in CHF	Economic exposure of investments, in CHF	Share %
		Min. %	Max. %				
Liquid funds strategic/ time deposits	2.0	0.0	22.0	141 078 885	131 126 395	272 205 280	4.3
Bonds, CHF	33.0	30.0	36.0	2 096 695 742	- 30 396 425	2 066 299 317	32.9
Bonds, foreign currencies	5.0	4.0	6.0	329 435 299	- 16 067 107	313 368 192	5.0
Bonds high-yield	5.0	4.0	6.0	288 088 628	0	288 088 628	4.6
Bonds, emerging markets	5.0	4.0	6.0	314 861 294	0	314 861 294	5.0
Collective investments bonds	48.0	42.0	54.0	3 029 080 963	- 46 463 532	2 982 617 431	47.5
Shares, Swiss	7.0	0.0	8.0	441 938 802	- 12 297 340	429 641 462	6.8
Shares, abroad	15.0	0.0	17.0	1 012 183 390	- 63 196 457	948 986 933	15.1
Shares, emerging markets	6.0	0.0	7.0	375 476 409	- 9 611 348	365 865 061	5.8
Collective investments shares	28.0	0.0	32.0	1 829 598 601	- 85 105 145	1 744 493 456	27.8
Collective investments real estate	12.0	10.0	14.0	677 403 010	0	677 403 010	10.8
Collective investments Hedge Funds	5.0	4.0	6.0	327 262 514	- 2 369 685	324 892 829	5.2
Collective investments commodities	5.0	4.0	6.0	274 615 510	2 811 967	277 427 477	4.4
Total investments	100			6 279 039 483		6 279 039 483	100.0
Liquid funds				136 519 096			
Accounts receivable				16 482 496			
Receivables from employers				25 465 569			
Individual investments				102 812 931			
Prepayments and accrued income				36 975 432			
Other assets				318 255 524			
Balance sheet total				6 597 295 008			

The implementation of the new investment strategy was concluded in the year under review.

Portfolio analysis in categories according to art. 55 OBB2

Article	Category	Value in CHF	Commitment changing effect of derivatives	Relevant value according to art. 55 OBB2	in % of total assets	Limits OBB2
	Accounts receivable on definite amount of money, liquid funds incl.	3 480 343 371	82 472 658	3 562 816 029	54.0%	100.0%
	Total in CHF	2 834 348 316	547 324 385	3 381 672 701	51.3%	
	Total in foreign currencies	645 995 055	-464 851 727	181 143 328	2.7%	
55a	Mortgage titles and mortgage bonds	0	0	0	0.0%	50%
	in CHF	0	0			
55b	Shares	1 834 101 401	-85 277 063	1 748 824 338	26.5%	50.0%
	in CHF	445 814 802	-12 385 763	433 429 040	6.6%	
	in foreign currencies	1 388 286 599	-72 891 300	1 315 395 299	19.9%	
55c	Real estate	680 972 210	0	680 972 210	10.3%	30.0%
	Inland	654 103 660	0	654 103 660	9.9%	
	Abroad	26 868 550	0	26 868 550	0.4%	10.0%
	in CHF	26 868 550	0	26 868 550	0.4%	
	in foreign currencies	0	0	0	0.0%	
55d	Alternative investments	601 878 024	2 804 405	604 682 429	9.2%	15.0%
	in CHF	432 041 112	0	432 041 112	6.6%	
	in foreign currencies	169 836 912	2 804 405	172 641 317	2.6%	
	Total assets in balance sheet	6 597 295 008				
55e	Positions in foreign currencies without collateralization	2 204 118 566	-534 938 622	1 669 179 944	25.3%	30.0%

Current (open) derivative financial instruments

Derivative financial instruments are used within the framework of overlay management. This is implemented by Zurich Cantonal Bank. Through the overlay portfolio the weight of the base assets is managed indirectly by buying and selling derivative financial instruments and currency hedging. The hedging of specific investment categories is also carried out.

All exposure-reducing derivative positions must be covered by base investments at all times. A leverage effect (exposure is

larger than available liquidity) and short sales are strictly prohibited. The provisions of Art. 56a OOB2 and the specialist recommendation of the Swiss Federal Social Insurance Office in relation to the use of derivative financial instruments must be adhered to by the asset manager.

The use of derivative financial instruments is dealt with in the asset management agreement concluded with Zurich Cantonal Bank in December 11, 2013.

Forward contracts

The forward currency exchange contracts were at all times fully covered by the core investments. As per December 31,

2014 forward contracts (expiry date January 2015) with a marketable value of CHF –5 801 020 (previous year CHF 57 631) were open.

Investment category	Market value in CHF	Economic exposure in CHF	Exposure OBB2 in CHF*
Liquid funds strategic/time deposits	-760 136	-760 136	0
Bonds, foreign currencies	-2 671 199	-2 671 199	0
Hedge Funds	-2 369 685	-2 369 685	0
Total	-5 801 020	-5 801 020	0

* Solvency requirements pursuant to BVV2

The market value of forward currency exchange contracts is recorded under "Liquid funds strategic" in the balance sheet.

Open derivatives: Futures

The future contracts were at all times fully covered by the core investments. As per December 31, 2013 the following future contracts (expiry date 1st quarter 2015) were open:

Investment category	Market value in CHF	Economic exposure in CHF	Exposure OBB2 in CHF*
Bonds abroad, foreign currencies	0	-13 395 908	0
Shares Swiss	0	-12 297 340	0
Shares abroad	0	-63 196 457	0
Shares emerging markets	0	-9 611 348	0
Commodities	0	2 811 967	3 142 965
Total	0	-95 689 086	3 142 965

* Solvency requirements pursuant to BVV2

The success of futures contracts is reported under "Rebalancing Overlay".

Open derivatives: Interest swaps

The nominal value of the swaps was at all times fully covered by the value of the core investments. As of December 31, 2014 the following outstanding CHF interest rate swaps with

a maximum remaining term of 15 years existed (fair value in the year under review: CHF -592,916; fair value previous year: CHF -45,829).

Investment category	Market value in CHF	Par value	Exposure OBB2 in CHF*
Bonds Swiss	-592 916	-30 396 425	0
Total	-592 916	-30 396 425	0

* Solvency requirements pursuant to BVV2

The market value of swaps is shown in the balance sheet under "Liquid funds strategic".

Comments on net result of investments

Investment yields are continuously monitored by the investment controller and compared to the benchmark performance. Performance is measured by the customary TWR

(time-weighted return) method and according to the systematic of the described investment strategy. The following performance values can thus be established:

	Net result in CHF		Performance %	
	2014	2013	2014	2013
Liquid funds strategic/time deposits	33 750	22 500	n/a	n/a
Bonds Swiss CHF	145 535 369	-41 628 744	7.64	-2.24
Bonds abroad, foreign currencies	23 420 438	1 223 881	8.09	5.67
Bonds high-yield	-473 118	19 190 941	-0.31	6.19
Bonds emerging markets	25 380 712	0	9.18	0.00
Convertible bonds abroad, foreign currencies	0	32 617 239	0.00	10.51
Shares Swiss	48 523 242	52 537 625	12.64	26.95
Shares abroad	141 448 459	46 731 500	16.78	19.52
Shares emerging markets	26 317 630	-10 715 657	6.95	-9.80
Real estate	32 806 982	43 550 433	4.72	6.23
Hedge Funds	11 542 177	5 482 446	0.64	4.75
Commodities	-81 228 121	-824 915	-28.67	-1.08
Rebalancing Overlay	-11 024 499	53 465 640	n/a	n/a
Total investments	362 283 020	201 652 889	5.95	4.07
Interest income on liquid funds	62 730	80 370		
Interest income on accounts receivable	421 341	314 337		
Interest expense for liabilities	-1 370 561	-1 396 817		
Interest expense for employer-paid contribution reserves	-444 676	-434 926		
Total income from other assets and liabilities	-1 331 166	-1 437 035		
Expenses for asset management	-22 379 745	-16 026 812		
Net result of investments	338 572 108	184 189 242		

The asset management expenses for collective investments are directly charged to the individual investment groups by the supplier.

Distribution remunerations, which the Foundation receives through its asset investments, are included in the asset yield of the individual investment groups.

Income from Overlay Management

	2014 in CHF	2013 in CHF
Currency overlay	-31 947 570	0
Rebalancing Overlay	-11 024 499	53 465 640
Total income from Overlay Management	-42 972 069	53 465 640

Comments on asset management expense

The reporting and determination of the asset management expense is executed pursuant to the OAK BV instructions (W-02/2013).

- The sum of all expense figures for the collective investments amounts to CHF 20 883 875 for the year under review (previous year CHF 15 574 481).
- The total asset management expenses indicated in the operative account as a percentage of cost-transparent investments amounts to 0.35% in the year under review (previous year 0.33%).
- The cost transparency ratio is 100% for the year under review.

Comments on investments in the employer and employer-paid contribution reserves

Investments in the employer

The assets for affiliated employers amounting to CHF 25,465,569.08 (prior year: CHF 24,280,249.11) are premium receivables. In 2014 the foundation levied default interest of 5.0% (previous year: 5.0%).

The risk and cost premiums are each owed as per January 31 respectively within 30 days after joining the pension fund.

The savings premiums are payable by December 31. The foundation monitors the punctual receipt of premiums and institutes the necessary claims proceedings if default occurs.

Any premium losses incurred by the foundation are borne by the foundation after deduction of the loss cover by the LOB Guarantee Fund.

Employer-paid contribution reserves	2014 in CHF	2013 in CHF
Balance at the beginning of the period	93 095 266	90 534 154
Transfers into the employer-paid contribution reserves	10 230 716	12 355 045
Transfers from new contracts	95 209	1 059 483
Benefits from termination of contracts	-1 610 843	-1 247 145
Used for premium payments	-9 192 461	-9 594 235
Used for one-time payments*	-576 332	-472 683
Interest	471 232	460 647
Balance at the end of the period	92 512 788	93 095 266

* Utilisation for single premiums can only be granted upon submission of an explicit declaration of non-objection issued by the appropriate tax authority or in the event of a liquidation of the portfolio.

The employer-paid contribution reserves earned interest at 0.5%.

Comments on other balance sheet and operative account positions

Comments on accounts receivable	31.12.2014 in CHF	31.12.2013 in CHF
Withholding tax	9 703 597	4 306 222
Other accounts receivable	6 778 899	1 204 571
	16 482 496	5 510 793

Comments on prepayments and accrued income	31.12.2014 in CHF	31.12.2013 in CHF
Prepaid benefits	17 864 182	21 250 222
Income from distribution compensations	0	50 425
Surplus share	19 100 000	8 900 000
Other accruals	11 250	0
	36 975 432	30 200 647

Comments on accrued liabilities and deferred income	31.12.2014 in CHF	31.12.2013 in CHF
Outstanding entry benefits	50 254 796	41 660 917
Prepaid premiums	17 715 064	18 004 017
Interests on debts	0	160 000
Expense for distribution compensations	275 527	5 000 000
Asset management expense	0	322 472
Additional yield distribution	51 438 946	30 000 000
Other accruals	416 122	182 000
	120 100 456	95 329 406

Comments on income from insurance	2014 in CHF	2013 in CHF
Insurance benefits	41 215 598	93 689 464
Surpluses from insurance result	28 278 230	17 481 407
Surpluses from cost result	329 003	596 593
	69 822 831	111 767 464

Comments on insurance cost	2014 in CHF	2013 in CHF
Risk premium	79 533 705	78 873 514
Risk premium inflation	1 885 450	1 874 895
Contributions to guarantee fund	1 669 451	1 926 753
Purchase of longevity risk	0	12 207 347
Cost premium	20 218 618	19 277 624
	103 307 224	114 160 133

Comments on administrative expenses	2014 in CHF	2013 in CHF
Distribution compensations	8 997 801	10 517 490
Broker's commissions	3 517 253	2 803 552
Auditors, pension actuaries	279 374	220 887
Supervisory authority	132 100	185 878
Expenses for marketing and publicity	89 357	93 088
Other administrative expenses	279 936	408 430
	13 295 821	14 229 325

Supervisory Authority Requirements

The supervisory authority has not commented on the annual financial statement of 2013 until the end of the year under review.

Information on the regulations in force concerning retrocession payments

The institutions entrusted with investing assets confirm that they have received no compensation within the meaning of the Swiss Federal Court's case law.

Information on the regulations in force concerning surpluses

The Foundation is entitled to the surplus shares Helvetia confers from the collective life insurance. The annual financial

statement 2014 includes the sum of von CHF 28 607 233 (previous year: CHF 18 078 000) in surpluses. In accordance with the regulations this sum was used to support the coverage ratio in the current year.

Further Information Regarding the Financial Situation

Partial liquidations

Partial liquidations to be carried out by pension funds in 2014 were identified in accordance with the provisions of the par-

tial liquidation regulations. The resulting distributions of these pension funds' free assets were handled according to the relevant rules.

Pending Litigations

On the basis of the current status for each pending litigation we do not assume that the Foundation will incur other than legal costs.

Events after balance sheet date

We are not aware of any events after the reporting date that are likely to have a material impact on the financial statements.



Report of the statutory auditor
to the Foundation Board of
Swisscanto Sammelstiftung der Kantonalbanken
Basel

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Swisscanto Sammelstiftung der Kantonalbanken, which comprise the balance sheet, operating accounts and notes (on pages 14 to 42), for the year ended 31 December 2014.

Foundation Board's responsibility

The Foundation Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and with the foundation's deed of formation and the regulations. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Foundation Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibility of the expert in occupational benefits

In addition to the auditor, the Foundation Board appoints an expert in occupational benefits to conduct the audit. The expert regularly checks whether the occupational benefit scheme can provide assurance that it can fulfil its obligations and that all statutory insurance-related provisions regarding benefits and funding comply with the legal requirements. The reserves necessary for underwriting insurance-related risks should be based on the latest report provided by the expert in occupational benefits in accordance with article 52e paragraph 1 of the Occupational Pensions Act (OPA) and article 48 of the Occupational Pensions Ordinance 2 (OPO 2).

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2014 comply with Swiss law and with the foundation's deed of formation and the regulations.



Report on additional legal and other requirements

We confirm that we meet the legal requirements on licensing (article 52b OPA) and independence (article 34 OPO 2) and that there are no circumstances incompatible with our independence.

Furthermore, we have carried out the audits required by article 52c paragraph 1 OPA and article 35 OPO 2. The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organisation, management and investments are applied.



We have assessed whether

- organisation and management comply with the legal and regulatory requirements and whether internal controls exist that is appropriate to the size and complexity of the foundation;
- funds are invested in accordance with legal and regulatory requirements;
- the occupational pension accounts comply with legal requirements;
- measures have been taken to ensure loyalty in fund management and whether the Governing Body has ensured to a sufficient degree that fund managers fulfil their duties of loyalty and disclosure of interests;
- the discretionary dividends from insurance contracts have been used in compliance with the legal and regulatory provisions;
- the legally required information and reports have been given to the supervisory authority;
- the pension fund's interests are safeguarded in disclosed transactions with related entities.

We confirm that the applicable legal and statutory requirements have been met.


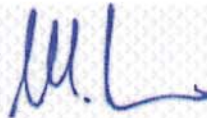
We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Roland Sauter

Audit expert
Auditor in charge



Matthias Sutter

Audit expert

Basel, 23 March 2015

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Swisscanto