



Occupational Benefits News 1/2013  
Swisscanto Supra

## The Financial Year 2012 at a Glance

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**Swisscanto**

# 2012: Successfully mastered challenges



Hanspeter Hess  
Chair of the  
Foundation Board



Davide Pezzetta  
Managing Director

External conditions at the beginning of the business year 2012 gave little cause for optimism: the period of low-interest rates continued, debt rescheduling in Europe and the US were in full swing and public debts in various countries were not only a topic for international politics but also preoccupied the citizens who were confronted with loss of prosperity and unemployment.

The overall good results which Swisscanto Supra is able to present for 2012 is thus even more gratifying: certainly the very high level of customer loyalty contributed substantially.

The upward trend of the stock markets, in combination with a moderate increase of the stock ratio in the investment portfolio, has influenced Swisscanto Supra's coverage rate very positively. The coverage rate of 110.2% as of December 31, 2012 allows new reserves to be built, which in turn increase the financial stability of the Foundation and guarantee added security for associated enterprises.

A judgement of the Swiss Federal Supreme Court caused quite a stir last year: Asset managers must refund all remunerations which they receive through the investment of client funds (so called retrocessions) to the client. The judgement and its subsequent media attention led to various related cli-

ent enquiries directed at Swisscanto Supra. However, Swisscanto Supra would like to emphasise that this judgement does not apply to Swisscanto Supra for several reasons. All refunds which Swisscanto Supra receives from investment partners are fully credited to the investment revenue and are therefore owned by the insured. Swisscanto Supra has all its investment partners confirm every year in writing that they did not receive any remunerations from third parties.

After the conclusion of the structural reform, occupational pension schemes in Switzerland already face another modification. The Federal Council Reform Package 2020 is currently widely discussed in the occupational benefit sector. Swisscanto in particular welcomes the reform's demands for transparency and supports all measures serving the reform of old-age provisions. Nevertheless, it should be mentioned that the increasing level of regulation concerning occupational benefits may produce only a small gain for the associated enterprises and insured persons while generating higher implementation and controlling efforts for the providers which result in higher costs.

Transparency and reliability will remain the fundamental values guiding Swisscanto Supra, irrespective of challenging general conditions, on which you as a client can always depend. We are looking forward to continue working with you and thank you for your trust.

Hanspeter Hess  
Chair of the Board of Foundation

Davide Pezzetta  
Managing Director

# Key Figures 2012

Coverage ratio	2012	2011
Coverage ratio as at 31.12. (in %)	110,2	105,4

Portfolios	2012	2011	Changes absolute	Changes in %
Statutory Capital (in CHF Mio.)	174	162	12	7,4
Investment Portfolio (in CHF Mio.)	202	182	20	11,0
Number of contracts	370	370	0	0,0
Insured persons	1429	1426	3	0,2

## Stocks

The number of contracts remained unchanged; the number of insured persons increased to an insignificant extent only.

However, during the reporting period the regulatory capital increased by 2.3% and the investment portfolio by 11.0%.

Premium Income	2012 in CHF Mio.	2011 in CHF Mio.	Changes in CHF Mio.	Changes in %
Periodical employee and employer contributions	18,1	17,6	0,5	2,8
Single premiums	2,9	1,6	1,3	81,2
<b>Total</b>	<b>21,0</b>	<b>19,2</b>	<b>1,8</b>	<b>9,4</b>

## Premium Income

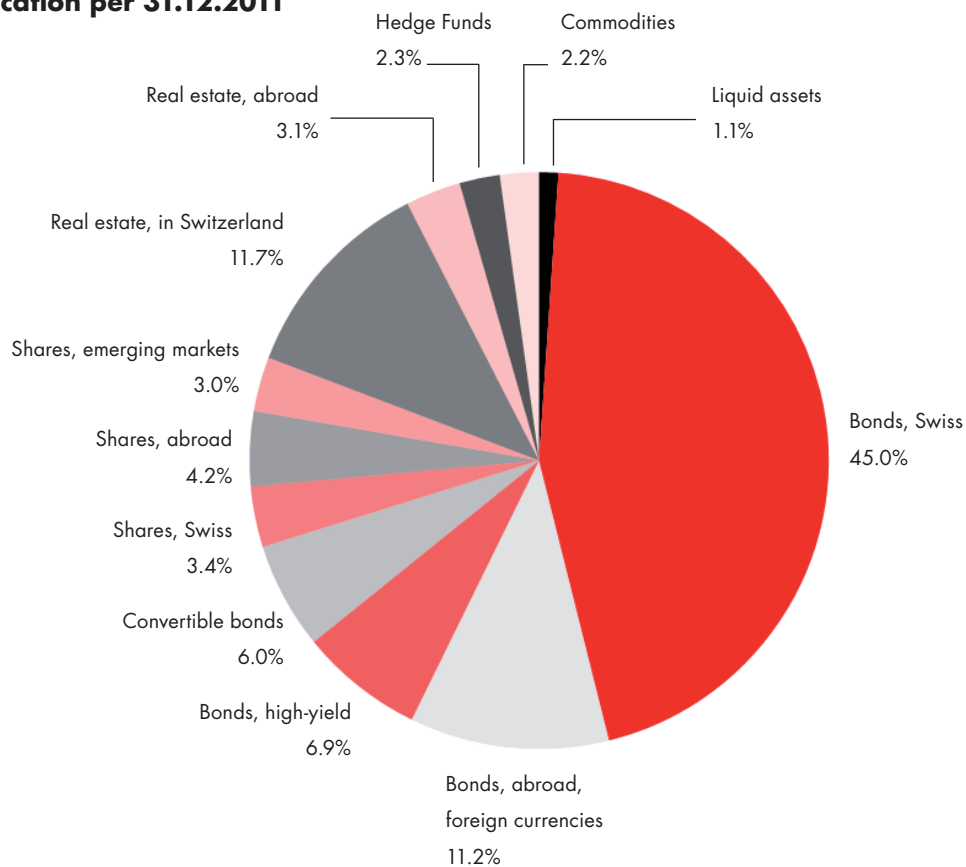
The periodic contributions from employers and employees increased slightly, the single premiums, however, rose considerably during the reporting period.

As a result, the total of the premium income increased by 9.4%

Technical reserves	2012	2011	Changes absolute	Changes in %
Technical reserves (in Mio. CHF)	0,53	0,66	- 0,13	- 19,7

# Investment Portfolio

## Asset Allocation per 31.12.2011



**Total investment portfolio (100%): 202 Mio. CHF**

# Performance: Report of the Investment Committee

## Development of Performance

The past year proved to be a successful investment year since basically all investment categories developed positively. Although interest rates were very low already a year ago, even fixed-interest investments managed to yield a positive return. Returns sank accordingly for government, corporate as well as high-interest bonds. The strongest gains were achieved by corporate bonds and particularly bonds in the high-yield segment with a lower credit rating.

The stock markets as well gained within a double figure margin. Measured against the world stock market index Plus of 17.7%, the Swiss stock market (API) showed an above-average performance. Also comparatively very good results were achieved last year by the stock markets of Germany (DAX: 29.1%), Greece (+33.4%), Japan (Nikkei 225: 122.9%) as well as the threshold countries Thailand (+35.8%) and the Philippines (+33%).

Gold gained for the twelfth year in succession, even though slightly less so than in previous years (+7.1% in the US).

Of our portfolio the investment categories Properties Abroad (+24.4%) and High-Yield Bonds (+22.3%) showed the best development, which represented 3.1% and 6.9%, respectively, at the end of the year. The three stock categories Switzerland (+17.0%), Abroad (+16.5%) and Emerging Markets (+11.2%), which together represent a share of 10.6% in the portfolio, also performed positively.

Another positive contribution to profit came from Swiss Bonds (+3.2%) and Foreign Currencies (+9.1%), which at year's end accounted for 45.0% and 11.2%, respectively. Only Raw Materials had a negative impact with a performance of -2.1%.

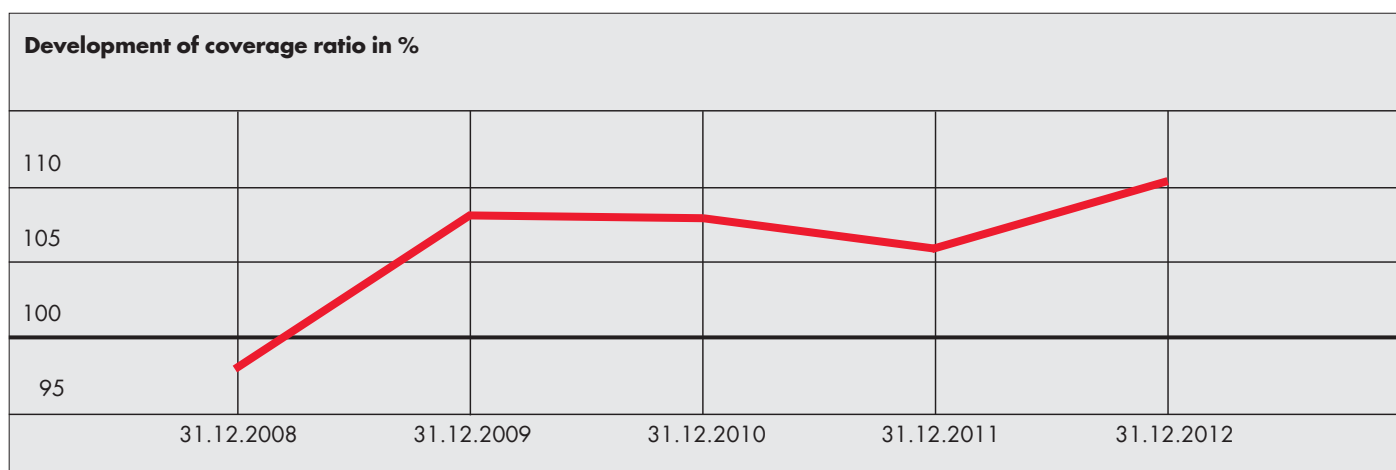
The total yield of the portfolio was +7.2% at the end of the year and thus lay noticeably above the long-term target return. The performance was also in line with the defensively positioned Pictet BVG 25 Index (+7.6%) and the Credit Suisse PK Index (+7.2%). Both these indices comprise a higher rate of stocks, however. Our own benchmark was surpassed by +1.0%.

## Coverage Rate

Last but not least, the satisfactorily positive performance is reflected in the coverage rate which improved in 2012 from 105.4% to 110.2%.

# Development of Coverage Ratio, Reserves

Owing to the overall positive performance of the investment groups the coverage ratio shows a marked increase from 105.2% to 110.2% in the year reported.



## Investment Portfolio; Target Figure and Calculation of Value Fluctuation Reserves

	<b>2012 in CHF</b>	<b>2011 in CHF</b>
Assets	176 204 297	165 080 190
Value fluctuation reserves as of December 31	18 106 517	8 939 298
Target figure for value fluctuation reserves	18 325 247	17 168 340

# Fairness through Transparency

## **Number 1 of Collective Bank Foundations**

A joint venture of the Cantonal Banks and Helvetia Insurances, Swisscanto Supra offers solutions in the extra-mandatory area of occupational benefits, complementing the Swisscanto Collective Foundation. Swisscanto's investment and pension provision know-how, the high-security risk coverage thanks to one of the biggest Swiss insurance companies combined with the strong, trust-based confidence of both population and enterprises in the Cantonal Banks forms the basis for a unique and powerful partnership in the area of occupational benefits for higher management.

## **Core Strengths of the Cantonal Banks**

Surveys over the last years have repeatedly shown the extraordinarily high degree of confidence in the Cantonal Banks among Swiss banks. Furthermore, their branch network is the densest of all Swiss banks: You can reach your personal insurance consultant easily and any time.

The Cantonal Banks combine state-of-the-art financial service management with a tradition of comprehensive safety requirements. For specific tasks they can source their own specialists: In the case of occupational benefits this is Swisscanto Collective Foundation and Swisscanto Supra; Swisscanto Investment Foundation and Helvetia Insurances are additional partners.

## **To Optimize Returns:**

### **Swisscanto Investment Foundation**

Funds of occupational benefits plans demand a highly professional investment strategy which complies with all legal requirements but also satisfies demands for both security and yield. Swisscanto Investment Foundation, a joint venture of the Cantonal Banks as well and the biggest such foundation in Switzerland, is the ideal partner for all fund placements in connection with occupational benefits. A member of the Conference of Managers of Investment Foundations (KGAST), Swisscanto Investment Foundation adheres to the high KGAST standards of quality. In KGAST performance comparisons among different categories of investment foundations Swisscanto Investment Foundation has continuously reached top ranks.

## **For Security: Helvetia Insurances**

Thanks to Helvetia Insurance the risks of death and disability are covered. One of the biggest insurance enterprises in Switzerland, Helvetia Insurance offers comprehensive insurance protection at all times owing to their highly professional risk and claims management.

## **To Maximize Security**

Building on the same pillars of reliability and stability as Swisscanto Supra, Swisscanto Investment Foundation's prudent and professional investment policy aims to optimize returns while maximizing security at the same time. The insured can thus always be certain that their pension assets are in safe hands.

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