

Pensionskasse Georg Fischer

Annual Report 2022

The original German version is the only legally binding version, which has also been examined by the independent auditors.



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Balance sheet as at 31 December 2022

Assets	<i>Note no.</i>	31 December 2022 <i>in CHF</i>	31 December 2021 <i>in CHF</i>
Investments			
Liquid assets	<i>6.4</i>	23,183,264.50	45,586,047.18
Receivables			
Withholding tax		1,952,783.50	1,825,785.41
Receivables from employers	<i>6.11</i>	4,145,786.47	1,845,293.45
Receivables from third parties		941,195.91	922,753.57
Other receivables		18,272.76	18,272.76
		7,058,038.64	4,612,105.19
Securities			
Bonds		230,125,194.71	217,870,064.29
Equities		363,226,817.21	458,648,079.56
Indirectly owned real estate		197,790,343.12	192,097,542.29
Alternative investments		295,755,821.29	306,077,935.88
	<i>6.4</i>	1,086,898,176.33	1,174,693,622.02
Directly owned properties	<i>6.4</i>	413,749,251.00	367,586,576.00
Total investments		1,530,888,730.47	1,592,478,350.39
Prepayments and accrued income		6,178.45	3,097.50
Total assets		1,530,894,908.92	1,592,481,447.89

Balance sheet as at 31 December 2022

	<i>Note</i>	31 December 2022	31 December 2021
Equity and liabilities	<i>no.</i>	<i>in CHF</i>	<i>in CHF</i>
Liabilities			
Outstanding vested termination benefits		7,874,116.00	7,002,873.50
Other liabilities		983,027.27	1,514,223.35
		8,857,143.27	8,517,096.85
Accrued liabilities and deferred income	<i>7.1</i>	1,023,418.44	1,244,583.08
Actuarial capital and actuarial provisions			
Actuarial capital for active members	<i>5.2</i>	526,504,872.00	498,450,297.40
Pensioners' actuarial capital	<i>5.4</i>	600,080,673.00	580,557,463.00
Actuarial provisions	<i>5.5</i>	153,700,000.00	156,870,000.00
		1,280,285,545.00	1,235,877,760.40
Investment fluctuation reserve		240,728,802.21	258,194,994.91
Dotation capital, non-committed funds			
Balance at the beginning of the period		88,647,012.65	0.00
Income surplus/expense surplus		-88,647,012.65	88,647,012.65
		0.00	88,647,012.65
Total equity and liabilities		1,530,894,908.92	1,592,481,447.89

2022 operative account

	Note no.	2022 in CHF	2021 in CHF
Ordinary and other contributions and transfers-in			
Employee contributions	3.2	20,160,292.05	18,644,778.95
Employer contributions	3.2	25,076,949.05	23,619,665.50
One-time payments and purchase amounts	5.2	2,731,920.10	2,903,605.00
		47,969,161.20	45,168,049.45
Transfers-in at entry			
Vested termination benefit transfers		21,525,535.02	20,843,117.93
Repayments of withdrawals for home owner- ship/divorce/disability pension		614,803.10	2,231,300.18
	5.2	22,140,338.12	23,074,418.11
<i>Inflow from contributions and transfers-in at en- try</i>		70,109,499.32	68,242,467.56
Regulatory benefits			
Retirement pensions		-36,244,819.17	-37,337,677.12
Spouse's/divorce pensions		-12,484,383.21	-12,516,386.39
Disability pensions		-1,616,670.40	-1,809,404.35
Child's pensions		-258,050.40	-225,947.25
Lump-sum benefits on retirement	5.2	-12,746,783.70	-10,379,688.60
Lump-sum benefits on death or disability	5.2	0.00	-1,182,215.95
		-63,350,706.88	-63,451,319.66
Termination payments			
Vested termination benefits for leavers		-24,084,412.15	-22,382,307.75
Withdrawals for home ownership/divorce		-1,319,991.40	-2,726,365.73
	5.2	-25,404,403.55	-25,108,673.48
<i>Outflow for benefits and withdrawals</i>		-88,755,110.43	-88,559,993.14
Decrease (+)/increase (-) in actuarial capital			
Decrease/increase in active members' actuarial capital		-12,797,730.14	-19,049,041.11
Return on actuarial capital of active members	5.2	-15,256,844.46	-23,826,829.47
Decrease/increase in pensioners' capital	5.4	-19,523,210.00	45,429,490.00
Decrease/increase in actuarial provisions	5.5	3,170,000.00	14,357,057.20
		-44,407,784.60	16,910,676.62
Insurance cost			
Contributions to Security Fund		-195,591.45	-183,377.10
		-195,591.45	-183,377.10
<i>NET RESULT FROM THE INSURANCE PART</i>		-63,248,987.16	-3,590,226.06

	Note no.	2022 in CHF	2021 in CHF
Carried forward		-63,248,987.16	-3,590,226.06
Net return on investments			
Result from liquidity		-129,297.13	-2,894,604.51
Result from bonds		-21,343,837.10	-3,077,588.44
Result from equities		-62,541,020.17	79,850,269.33
Result from alternative investments		399,088.25	49,018,529.67
Result from indirectly owned real estate		10,839,658.40	13,095,514.88
Result from mortgages		28,160.36	57,918.35
Expenses/income from currency overlay		-2,473,097.24	-240,552.49
Other income/expenses from securities management		-50.88	-31.15
Asset management expenses for securities		-12,101,122.47	-11,978,834.25
Income from third-party asset management		107,293.93	0.00
Result from directly owned properties		45,712,422.23	21,410,380.72
Asset management expenses for directly owned properties		-656,190.41	-739,169.69
Interest on vested termination benefits		-28,829.75	-79,474.35
	<i>6.9</i>	-42,186,821.98	144,422,358.07
Other expenses			
Sundry expenses		-1,270,630.82	-1,594,049.00
	<i>7.2</i>	-1,270,630.82	-1,594,049.00
Other income			
Sundry income		1,372,551.10	1,585,052.66
	<i>7.2</i>	1,372,551.10	1,585,052.66
Administrative expenses			
General administrative expenses		-679,272.54	-525,493.02
Auditor and actuary		-81,644.25	-82,641.45
Regulatory authorities		-18,399.70	-17,852.70
		-779,316.49	-625,987.17
<i>INCOME SURPLUS/EXPENSE SURPLUS BEFORE RELEASING FROM/ ADDING TO INVESTMENT FLUCTUATION RESERVE</i>		-106,113,205.35	140,197,148.50
Increase (-)/decrease (+) in investment fluctuation reserve		17,466,192.70	-51,550,135.85
INCOME SURPLUS/EXPENSE SURPLUS		-88,647,012.65	88,647,012.65

1. General information and organisation

1.1 Legal form and objectives

Georg Fischer Pension Fund is a foundation within the meaning of Article 80 ff. of the Swiss Civil Code. The Foundation has the objective of insuring all employees of the affiliated companies against the economic consequences of retirement, death and disability.

1.2 BVG/LPP registration and registration with the Security Fund

The Foundation is entered in the register of occupational pension funds under reference number SH 0053 and provides at least the statutory benefits.

1.3 Plan statutes and regulations

Plan statutes and regulations	Effective from
Plan Statutes	5 July 2005
Pension Fund Regulations of 24 September 2021	1 January 2022
Partial Liquidation Regulations of 30 June 2009	30 June 2009
Investment Regulations of 28 September 2022	28 September 2022
Regulations Concerning Provisions of 24 September 2021	31 December 2021
Election Regulations of 12 July 2019	1 July 2019
Rules of Procedure of 24 June 2020	1 January 2020
Regulations Concerning the Exercise of Shareholder Rights under VegüV/ORAb of 19 September 2014	1 January 2015

1.4 Highest body, executive management and signatory power

Type	Person	Function
Members of the Board of Trustees – employer representatives	Stefanie Rendler	President from 01/07/2022
	Andreas Häggi*	President until 30/06/2022
	Thomas Hary	Member
	Cristina Milimatti	Member
	Pascal Renfer	Member
	Noel Schreiber	Member
Members of the Board of Trustees – employee representatives	Orio Sargenti*	Vice-president
	Holger Henss*	Member
	Andras Bandi	Member
	Jürgen Harsch	Member
	Reto Zollinger	Member
Pensioner representative	Bernadette Muhle**	
Head of Pension Fund	Amet Bekiri*	Managing Director
Foundation accounting	Georg Fischer AG	

* Joint signing authority with two signatures required. ** No voting rights. Additional people are authorised to sign at the bank/post office

1.5 Auditor

BDO AG, Zurich

1.6 Accredited pension actuary

Allvisa AG, Zurich, contractual partner

Dr Christoph Plüss, executive expert

1.7 Affiliated employers

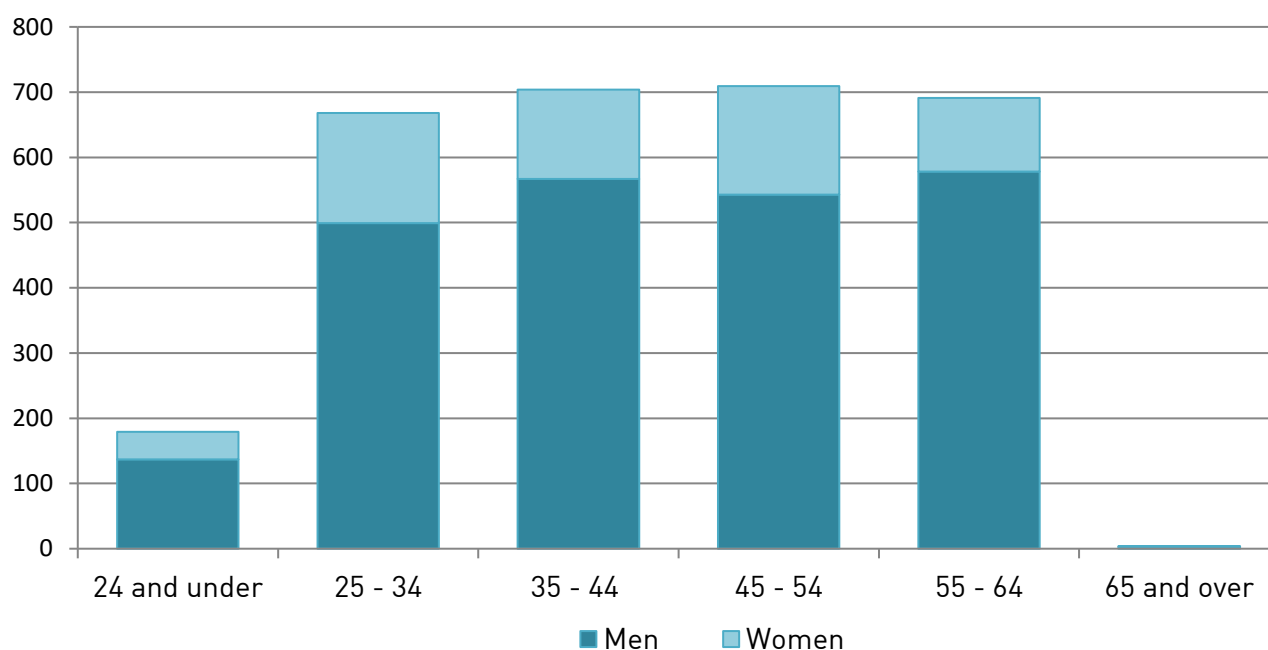
Name	Entry	Number of active members	
		2022	2021
Georg Fischer AG	1 January 1994	132	118
GF Casting Solutions AG	1 January 1993	76	71
Georg Fischer JRG AG	1 January 2008	296	293
Georg Fischer Finanz AG	1 January 1998	4	4
Georg Fischer Rohrleitungssysteme (Schweiz) AG	1 January 1994	78	78
Georg Fischer Rohrleitungssysteme AG	1 January 1991	850	728
Stiftung Eisenbibliothek	1 January 1995	3	3
Stiftung Paradies	1 April 1995	5	5
Georg Fischer Pension Fund	1 January 2000	6	4
Georg Fischer Wavin AG	1 January 1994	209	196
Eisenbergwerk Gonzen AG	1 January 1999	4	3
Verein pro Gonzenbergwerk	1 January 2004	1	1
Disa Industrie AG	1 January 1996	24	26
Elektroarmaturen AG	1 January 1994	7	8
Agie Charmilles SA	1 January 2020	407	382
GF Machining Solutions Services SA	1 January 2020	77	73
GF Machining Solutions Sales Switzerland SA	1 January 2020	111	102
GF Machining Solutions Management SA	1 January 2020	113	121
GF Machining Solutions AG	1 January 2020	543	531
External members	1 January 2020	9	7
As at 31 December		2,955	2,754

2. Active members and pensioners

2.1 Active members

	2022	2021
Opening balance	2,754	2,609
Entries	559	446
Age retirements	-68	-54
Disability retirements	-1	-10
Deceased	-5	-3
Exits from the Pension Fund*	-284	-234
Number of members on 31 December**	2,955	2,754
* of which risk insured	12	9
** of which risk insured	33	37

Age structure of the active members



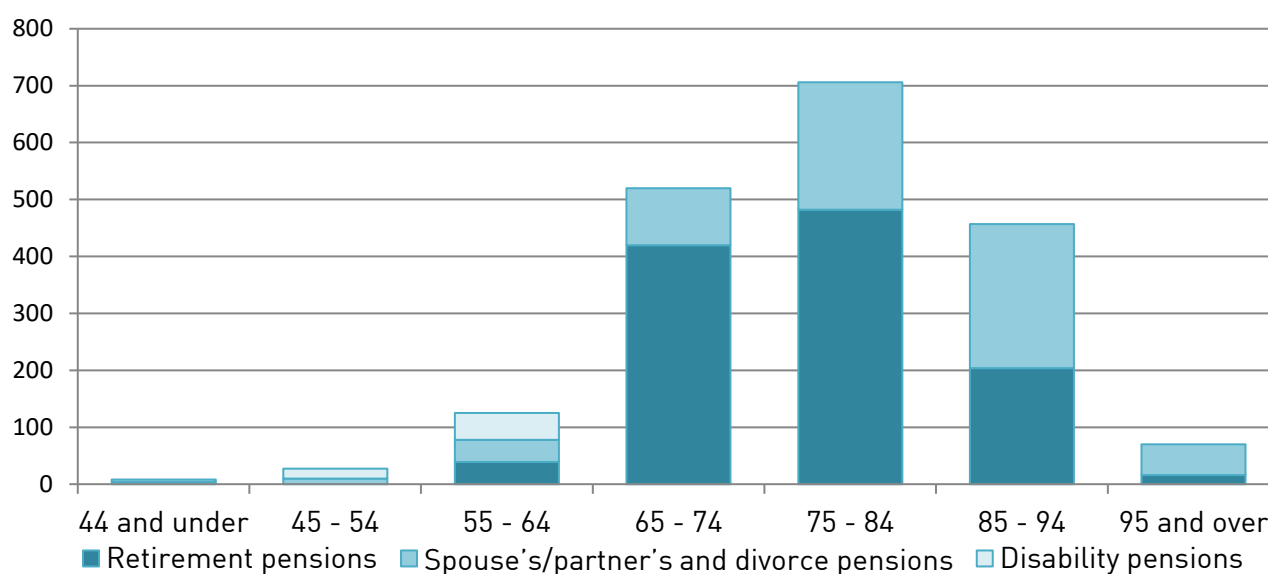
2.2 Pensioners

	2022	2021
Opening balance	2,009	2,057
New additions:		
Retirement pensions	38	0
Disability pensions	1	33
Spouse's/partner's and divorce pensions	38	10
Child's pensions	5	47
Expired pensions	-138	-138
Number of pensions on 31 December	1,953	2,009

The pensions break down as follows:

	2022	2021
Retirement pensions	1,161	1,173
Disability pensions	68	80
Spouse's/partner's and divorce pensions	684	712
Child's pensions	40	44
Number of pensions on 31 December	1,953	2,009

Age structure of the pensioners



3. Implementation of objectives

3.1 Characteristics of the pension plan

The pension plan is governed by the Pension Fund Regulations of 24 September 2021. Saving capital earned at 3.0% in 2022 (previous year: 5.0%). The actuarial interest rate for the calculation of the actuarial capital for pensioners has been 2% since 31 December 2018.

The retirement pension is calculated individually based on the existing savings capital and the age-dependent conversion rate. Lump-sum payments of the entire savings capital are possible; withdrawals are taken into account. Members who have reached the age of 58 are entitled to retirement benefits.

The disability benefit is equal to 60% of the pensionable salary but at least the amount arising as a result of the projected savings capital until retirement age (from event; savings credits without interest) and the conversion rate at the retirement age. At the retirement age, the disability pension is reassessed and then corresponds to the retirement pension that is calculated on the basis of the notionally updated savings credits with interest and with the conversion rate at the retirement age.

In the case of a death benefit, the spouse's pension is equal to 60% of the disability or retirement pension.

The pensionable salary is equal to the target annual salary less a co-ordination deduction of 30% of the applicable salary. The co-ordination deduction is restricted to 6/8 of the maximum AHV/AVS pension (CHF 28,680). Since January 2021, the maximum co-ordination amount has been CHF 21,510.00 and the maximum pensionable salary has been CHF 114,720.00.

The risk contribution of 2% of the pensionable salary is financed by the members at 1% and the employers at 1%.

3.2 Financing, financing method

Georg Fischer Pension Fund is financed as a defined contribution system. The total revenue consists of a savings contribution and a risk contribution and is calculated as a percentage of the pensionable salary. The member can choose between three different savings plans (Regulations, Financing A3 Appendix). The employers make a regulatory contribution of 135% of the employee contributions based on the standard pension plan.

The active members can purchase pension increases in line with the Regulations. The pension purchase may be partially funded by the employer.

3.3 Further information on pension plan activities

The fund did not provide any non-regulatory benefits during the financial year.

4. Significant accounting policies and valuation methods, consistency

4.1 Statement of compliance with Swiss GAAP FER 26

The bookkeeping, accounting and valuation is carried out in compliance with the legal requirements of the Swiss Code of Obligations (OR/CO) and the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG/LPP). The financial statements consisting of the balance sheet, operative account and notes present a true and fair view of the financial situation within the meaning of the law on occupational pensions and comply with the legal requirements of Swiss GAAP FER 26.

4.2 Significant accounting policies and valuation methods

4.2.1 Securities

The securities are valued at market values as at the balance sheet date or at the latest known NAV (net asset value) (alternative investments and real estate investment foundations). The realised and unrealised price gains and losses arising are recognised through profit or loss. Real estate shares and funds in Switzerland and abroad are also deemed to be securities.

4.2.2 Foreign currency calculation

Income and expenses in foreign currencies are translated at the respective daily exchange rates. Assets and liabilities in foreign currencies are valued at year-end exchange rates. The resulting exchange rate gains and losses are recognised through profit or loss.

4.2.3 Properties

The directly owned properties and the directly owned building rights on directly owned land are measured by Wüest Partner AG using the discounted cash flow method (DCF). The properties are each inspected every three years or after completion of extensive renovation work. In the years in between, desktop valuations are made. The discount rates are determined by valuation experts according to the macro and micro location and real estate segment. The average discount rate in 2022 was 2.76% (range of 2.5% to 3.1%) (previous year: 2.95% with a range of 2.7%–3.3%).

The stake (co-ownership share) in International Center Cointrin at Geneva Airport (ICC) is recognised on the basis of the DCF valuation provided by the management Privera each year.

The market value of the properties calculated using the DCF method is reduced by the expected costs to sell.

4.2.4 Actuarial capital and actuarial provisions

Actuarial capital and actuarial provisions are determined annually on the basis of generally accepted principles and generally available actuarial tables. The actuarial reserves necessary as at 31/12/2022 were calculated on the basis of the actuarial tables BVG/LPP (Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans) 2020 / generation table / 2% (previous year: BVG/LPP 2020 / generation table / 2%).

4.2.5 Investment fluctuation reserve

The necessary target value of the investment fluctuation reserve is determined according to what is known as the financial-economic method. The target level of the investment fluctuation reserve is expressed as a percentage of the commitments. When choosing the safety level (98.63%), the structural risk capacity of the pension fund is taken into account. The target value corresponds to 19.3% of the pension capital and amounts to CHF 247,095 thousand as at 31 December 2022. The investment fluctuation reserves are available to the amount of CHF 240,729 thousand.

4.2.6 Other assets and liabilities

Other assets and liabilities are recognised at nominal values.

4.2.7 Changes in valuation, accounting and financial reporting principles

At the meeting of 21 November 2022, the Board of Trustees decided to change the methodology for calculating the investment fluctuation reserve. What is known as the financial-economic method is now used, which measures the amount of the investment fluctuation reserve as a function of the obligations. The details of the calculation are explained in point 6.3.

5. Actuarial risks/risk benefit coverage/funded status

5.1 Type of risk benefit coverage

As an autonomous pension fund, Georg Fischer Pension Fund covers all risks itself.

5.2 Development of and return on savings capital in the defined contribution plan

The level of the return on the savings capital is decided by the Board of Trustees taking account of the financial situation and current circumstances on the capital market. Interest on savings capital was 3.0% in the reporting year (previous year: 5.0%).

Development of and return on savings capital	2022 CHF'000	2021 CHF'000
Opening balance of savings capital	498,450	455,574
Savings credits	41,141	37,493
Transfers-in from transitional provisions	8,157	8,492
Interest on savings capital	15,257	23,827
Purchases	2,732	2,904
Vested termination benefit transfers	21,526	20,843
Repayment of withdrawals for home ownership/divorce/disability cases	615	2,231
Vested termination benefits for leavers	-24,084	-22,382
Withdrawals for home ownership/divorce	-1,320	-2,726
Lump-sum benefits on retirement	-12,747	-10,380
Decrease as a result of retirement	-23,468	-15,197
Termination as a result of death	-1,186	0
Termination as a result of disability	1,757	-2,818
Previous year and obligation from Art. 17 FZG/LFLP	-325	590
Savings capital as at 31 December	526,505	498,450

5.3 Total retirement savings capital in accordance with BVG/LPP

Total BVG/LPP retirement savings capital	2022 CHF'000	2021 CHF'000
Retirement savings capital BVG/LPP (shadow accounting) on 31 December	235,512	229,879
Savings credits	1.00%	1.00%

5.4 Development of mathematical reserves for pensioners

	2022	2021
	CHF'000	CHF'000
Opening balance of mathematical reserves	580,557	625,987
Change in mathematical reserve for retirement pensions	20,638	-43,817
Change in mathematical reserve for AHV bridge pensions	65	-42
Change in mathematical reserve for invalidity pensions	-967	-1,350
Change in mathematical reserve for spouse's/partner's and divorce pensions	2,775	-3,670
Change in mathematical reserve for child's pensions	223	-235
Change in mathematical reserve for savings capital exemption	-651	176
Change in retirement savings capital for invalidity pensions	-2,561	3,509
Actuarial reserves as at 31/12	600,081	580,557

Pursuant to the decision of the Board of Trustees of 5 December 2022, the current pensions for the year 2023 have not been adjusted for inflation. Due to the negative performance and the intended equal treatment of active members and pensioners, pension adjustments as at 01/01/2023 will be waived.

5.5 Composition, development and explanation of the actuarial provisions

	2022	2021
	CHF'000	CHF'000
Retirement losses	35,940	34,020
Provision for insurance risks	8,400	7,810
Provision for GF Pension Fund transitional provisions	37,440	46,160
Provision for GFMS Pension Fund transitional provisions	7,420	9,400
Provision for reduction in actuarial interest rate	57,560	54,220
Pending disability cases	6,940	5,260
Total actuarial provisions	153,700	156,870

Provision for retirement losses: To be able to finance the difference between the actuarially correct conversion rate and the regulatory conversion rate, a provision on the actuarial capital is recognised for all active members and temporary recipients of disability pensions who will reach the BVG/LPP age of 55 from the following calendar year.

Provision for insurance risks: The regulatory risk contributions collected annually, provided they correspond to the actuarially correct risk premium, cover the claims from the risk of death and disability to be expected on average in the long term; fluctuations in the risk pattern occurring in the short term can, however, only be incompletely absorbed, which is why a separate provision is recognised to cover these risks.

The level of provision necessary for insurance risk is 4.0% of total pensionable salaries plus 20 times the maximum disability pension.

Provision for transitional provisions for members who were insured in the Georg Fischer Pension Fund before 1 January 2020: The provision was recognised due to the transfer of the members of the GF Machining Solutions Pension Fund. The level of the provision was set so that the funded status of the Pension Fund and of GF Machining Solutions Pension Fund as at 31 December 2019 matched. The funds set aside will be distributed to the group of recipients in accordance with the transitional provisions in the Pension Fund Regulations in the following years. No interest is paid on this provision.

Provision for transitional provisions of the former members of the GF Machining Pension Fund: This provision is recognised in order to be able to mitigate the reduction of the regulatory conversion rate from 6.00% to 5.50% realised on 1 January 2020 and the increase in the retirement age for women from 64 to 65. The transitional provision described in the Regulations is taken into account here.

Provision for reduction in the actuarial interest rate: The Pension Fund recognises an actuarial provision for the reduction of the actuarial interest rate for pensioners to 1.0%. When calculating the level of the actuarial provision, the actuarial capital of the pensioners is taken into account but not the increase in the actuarial provisions for active members.

Provision for pending disability cases: This provision is formed to provide security for the financial consequences of disability cases under investigation, i.e. of disability cases already reported to the Federal IV/Al. The level of this provision is equal to the available actuarial capital of all disability cases under investigation.

Mitigating measures: Mitigating measures were recognised for people born from 1951 to 1956 from the former Fondazione di previdenza della ditta AGIE SA, who are entitled to protection of vested rights due to the irrevocable choice on retirement. This provision was used for the last time in the 2020 financial year.

<i>Change in actuarial provisions:</i>	2022	2021
	CHF'000	CHF'000
Retirement losses	1,920	2,210
Provision for insurance risks	590	390
Provision for GF Pension Fund transitional provisions	-8,720	-9,750
Provision for GFMS Pension Fund transitional provisions	-1,980	-1,800
Provision for reduction in actuarial interest rate	3,340	-8,200
Pending disability cases	1,680	3,150
Mitigating measures	0	-357
Total increase (+)/decrease (-)	-3,170	-14,357

5.6 Conclusions of the last actuarial report

The Board of Trustees has commissioned an actuarial report from the accredited pension actuary to be prepared on the basis of the audited 2021 financial statements. In their last actuarial report as at 31 December 2021, the accredited pension actuary confirmed that:

- the actuarial interest rate (taking account of the actuarial provisions) and the actuarial principles used are appropriate as at the reporting date;
- the occupational benefits institution offers security that it can fulfil its obligations as at the reporting date;
- the regulatory and actuarial requirements on benefits and financing comply with the relevant legal requirements;
- the measures taken to cover the actuarial risks are adequate.

5.7 Coverage ratio under Art. 44 BWV 2/OPP 2

	2022	2021
	CHF'000	CHF'000
Assets (total assets)	1,530,895	1,592,478
Liabilities	-8,857	-8,517
Accrued liabilities and deferred income	-1,023	-1,245
Net pension assets (PA)	1,521,014	1,582,717
Actuarial capital and actuarial provisions (AC)	1,280,286	1,235,878
Coverage ratio (PA as a % on AC)	118.8%	128.1%

6. Investments

6.1 Organisation of investment activities, investment advisor, investment manager and Investment Regulations

The Board of Trustees as the highest body is responsible for medium- and long-term investment. It has set out the organisation of the asset management and the expertise of the bodies entrusted with this in the Investment Regulations.

The Board of Trustees has appointed an investment committee and a building commission and has tasked the Portfolio Management Department of the Georg Fischer Pension Fund (until 30/04/2022 the Portfolio Management Department of Georg Fischer AG) with an overlay mandate on the management of securities assets and tasked Georg Fischer Finanz AG with the protection of owners' interests in the real estate investments.

With regard to implementing the relevant provisions of the Ordinance of Federal Law against Excessive Remuneration in Listed Companies Limited by Shares (VegüV/ORAb), the Board of Trustees has set up a voting rights committee. The voting rights committee has exercised Georg Fischer Pension Fund's shareholder rights since 1 January 2015. The summary report pursuant to Art. 23 VegüV/ORAb is published at <http://pk.georgfischer.com/en.html>.

Investment committee	Mads Joergensen	Chair, Group CFO
	Orio Sargenti	Vice Chair of the Board of Trustees
	Stefanie Rendler	President of the Board of Trustees from 01/07/2022
	Andreas Häggi	President of the Board of Trustees until 30/06/2022
	Paul Czaj	Member of the Board of Trustees of Durach-Stiftung
	Thomas Hary	Member of the Board of Trustees
	Pascal Renfer	Member of the Board of Trustees
	Bernadette Muhle	Pensioner representative without voting rights
Voting rights committee	Richard Furrer	Pensioner representative
	Richard Keller	Former Chair of the Board of Trustees
	Rudolf Werner	Chair of the Pensioners' Association
Building commission	Stefanie Rendler	President of the Board of Trustees from 01/07/2022
	Andreas Häggi	President of the Board of Trustees until 30/06/2022
	Susanne Eigenheer	Authorised owner's representative from 01/07/2022
	Beat Gallmann	Authorised owner's representative until 30/06/2022
	Holger Henss	Member of the Board of Trustees
	Reto Zollinger	Member of the Board of Trustees
	Jürgen Harsch	Member of the Board of Trustees
	Property management and accounting	Schaeppi Grundstücke Verwaltungen KG

The sub-fund asset managers are:

Portfolio Management Department of the Georg Fischer Pension Fund (until 30/04/2022 the Portfolio Management Department of Georg Fischer AG)	Liquidity, bonds, foreign currencies, indirect real estate investments and alternative investments, overlay transactions and hedges
UBS Global Asset Management:	Passive mandates (Swiss equities and Swiss ESG bonds)
Credit Suisse (Schweiz) AG	Passive mandates (foreign ESG equities and foreign currency bonds)
zCapital AG:	Swiss small- and mid-cap equities, dividend-paying securities
GAM Investment Management (Switzerland) AG	Swiss small- and mid-cap equities
Pictet Asset Management SA	Swiss equities, dividend-paying securities

Details are set out in the asset management agreements. Bank Julius Bär & Co. AG acts as the global custodian. PPCmetrics AG is tasked with investment controlling for securities.

UBS AG, Credit Suisse (Schweiz) AG and Bank Julius Baer & Co. AG are FINMA-regulated banks. zCapital AG, GAM Investment Management (Switzerland) AG and Pictet Asset Management SA are FINMA-regulated asset managers. The Portfolio Management Department of the Georg Fischer Pension Fund is not subject to regulation by FINMA.

All people of the Georg Fischer Pension Fund and the Georg Fischer Group entrusted with asset management have signed the Charter of the Swiss Association of Pension Funds (ASIP) regarding ethics in asset management.

6.2 Use of expansions of investment possibilities (Art. 50 (4) BVV 2/OPP 2) with coherent explanation of compliance with certainty and risk allocation (Art. 50 (1) to (3) BVV 2/OPP 2)

The expansion option under Art. 50 (4) BVV 2/OPP 2 is used for properties. As at 31 December 2022 around 39.9% (previous year: 35.1%) of the assets were invested in real estate. Annex 1 to the Investment Regulations valid from 28 September 2022 provides for a target value of 39% for real estate as a whole and 26% for directly owned properties.

The Board of Trustees considers this use of the extension under Art. 50 BVV 2/OPP 2 expedient, as the return on real estate in the current investment environment is high and stable. The Foundation holds 831 rental properties (previous year: 772) spread over 69 buildings at 41 locations with a focus on the Zurich area and north-western Switzerland. The portfolio is thus broadly diversified. At 2.87% (previous year: 3.15%), the vacancy loss is well below the benchmark of 5%.

Geographical breakdown of real estate in Switzerland	2022	
	CHF'000	in %
Directly owned properties in Switzerland	413,749	100
of which in the cantons of Aargau, Bern and Solothurn	66,856	16
of which in the cantons of Basel-Landschaft and Basel-Stadt	51,651	12
of which in the Canton of Zurich	225,284	54
of which in the cantons of Thurgau, St Gallen and Graubünden	17,266	4
of which in the cantons of Geneva and Vaud	52,692	13

Extensions of the investment opportunities pursuant to Art. 50 para. 4 BVV2 are also made use of in the area of alternative investments. This applies to listed interest-bearing investments, the repayment of which in whole or in part is subject to conditions which, since 2015, have no longer been regarded as bonds but as alternative investments pursuant to Art. 53 BVV2 para. 3a. In the case of these investments, the collectivity provided for in Art. 53 para. 4 was waived. Diversification, on the other hand, is ensured. The Board of Trustees does not consider it appropriate to hold these investments as collective investments. Investing in collective investments would incur additional costs without any benefit apparent to the Board of Trustees.

Furthermore, in the case of alternative investments, the possibility of expansion in accordance with Art. 50 para. 4 BVV2 is also used when limiting the percentage investment volume. According to BVV2 a maximum of 15% may be invested in alternative investments. As at 31 December 2022 around 19.32% (previous year: 19.22%) of assets were invested in this investment category. This expansion was decided upon in order to keep the investments in bonds, which currently have a poor risk-return profile, at a low level. Alternative investments are very broadly diversified, both by provider and by asset class.

6.3 Target investment fluctuation reserve and calculation of the reserve

The Board of Trustees has set the following longer-term targets:

Obligations	2022		2021	
		CHF'000		CHF'000
Actuarial capital for active members		526,505		n/a
Pensioners' actuarial capital		600,081		n/a
Actuarial provisions		153,700		n/a
Reference value of actuarial capital		1,280,286		n/a
Investment fluctuation reserve target	19.30%	247,095	16.20%	258,195
Investment fluctuation reserve recognised	18.80%	240,729	16.20%	258,195
Investment fluctuation reserve shortfall	0.50%	6,366	0.00%	0

According to the new financial-economic methodology, the target value of the value fluctuation reserve is CHF 247,095 thousand. The recognized investment fluctuation reserve amounts to CHF 240,729 thousand. Using the practitioner method used last year, the target investment fluctuation reserve would be CHF 236,456 thousand.

6.4 Breakdown of investments by investment category

	31 December 2022				31 December 2021		
	Value 31/12	in % of assets	Tar- get value %	Range of investment strategy %	Value 31/12	in % of assets	Limit Art. 55 BW 2/OPP 2
Values in CHF'000							
Liquid assets CHF	16,990	1.11%			40,027	2.51%	
Liquid assets in foreign currency (incl. FX forward purchases)	2,960	0.19%			2,793	0.18%	
Market value of FX forward transactions and options from currency overlay**	3,234	0.21%			2,766	0.17%	
Total liquidity	23,183	1.51%	2	0 - 10	45,586	2.86%	
Passive investments in CHF bonds	-	0.00%	3		70,904	4.45%	
Passive investments in CHF bonds Medium	56,634	3.70%	2	10 - 15	-	0.00%	
CHF bonds (buy and hold)	80,539	5.26%	5		75,552	4.74%	
Active investments in CHF bonds	15,676	1.02%	2		11,439	0.72%	
Passive investments in foreign currency bonds	10,865	0.71%	2	2 - 6	27,447	1.72%	
Active investments in foreign currency bonds	66,412	4.34%	2		32,528	2.04%	
Total bonds	230,125	15.03%	16		217,870	13.68%	
Passive investments in Swiss equities	38,391	2.51%	3		39,361	2.47%	
Swiss equities (buy and hold)	37,081	2.42%	3	7 - 12	48,923	3.07%	
Active investments in Swiss equities	77,373	5.05%	4		84,653	5.32%	
Small/mid-cap Swiss equities	34,221	2.24%	3	2 - 4	46,715	2.93%	
Swiss dividend-paying securities	46,837	3.06%	4	3 - 5	61,665	3.87%	
Increase in derivatives exposure (purchasing futures)	-	0.00%			-	0.00%	
Increase in derivatives exposure (options)	(12,843)	(0.84%)			(1,340)	(0.08%)	Equities
Total Swiss equities excluding purchase of futures	233,902	15.28%	17	12 - 20	281,316	17.67%	50%
Passive investments in foreign equities	77,361	5.05%	6	5 - 15	91,402	5.74%	
Active investment in foreign equities	51,963	3.39%	5		85,930	5.40%	
Increase in derivatives exposure	(0)	(0.00%)			(0)	(0.00%)	
Total foreign equities	129,325	8.45%	11	5 - 15	177,332	11.14%	
ILS	47,841	3.13%		0 - 4	46,280	2.91%	
Private Equity incl. infrastructure	87,901	5.74%		0 - 7	81,929	5.14%	
CLO	31,822	2.08%		0 - 4	35,857	2.25%	
Credit products incl. SSL	128,192	8.37%		0 - 13	142,012	8.92%	
Market value of FX forward transactions from currency overlay for alternative investments	-	0.00%			-	0.00%	
Total alternative investments	295,756	19.32%	15	10 - 25	306,078	19.22%	15%
Indirectly owned real estate in Switzerland	196,895	12.86%	13	10 - 17	191,214	12.01%	30%
Increase in derivatives exposure	(0)	(0.00%)			(0)	(0.00%)	
Indirectly owned real estate in other countries	895	0.06%	0		884	0.06%	10%
Directly owned properties in Switzerland	413,749	27.03%	26	23 - 29	367,587	23.08%	30%
Current account balance with employer	4,146	0.27%			1,845	0.12%	
Receivables from third parties	941	0.06%			923	0.06%	
Receivables/withholding tax	1,971	0.13%			1,844	0.12%	
Total non-current assets	1,530,888	100.00%			1,592,478	100.00%	
Prepayments and accrued income	6	0.00%			3	0.00%	
Total assets	1,530,895	100.00%			1,592,481	100.00%	

Alternative assets are largely invested in diversified collective investments in accordance with Art. 53 (2) BWV 2/OPP 2. See section 6.2 for exception.

“Indirectly owned real estate in other countries” includes a collective illiquid investment. This is permitted pursuant to the Investment Regulations, Appendix 2 and approved by the Board of Trustees. However, no new investments are permitted to be made in it.

The indirectly owned real estate investment category is mainly implemented via collective investments. Investments are implemented via real estate investment foundations (100%). Georg Fischer Pension Fund holds units in a total of 10 real estate investment funds. In the view of the Board of Trustees, the indirectly owned real estate investment category is broadly diversified. The choice of several investment funds facilitates broad diversification for Georg Fischer Pension Fund regarding the types of real estate, geographical distribution and, last but not least, with respect to counterparty risk.

Total limits incl. short put exposure increases

	Value 31 December 2022	in % of assets	Tar- get value	Range of investment strategy %	Value 31 Decem- ber 2021	in % of assets	Limit Art. 55 BWV 2/OPP 2
Values in CHF'000			%				
<i>FX forward hedges</i>	159,890	10.4%			190,338	12.0%	
Total foreign currencies*	290,109	19.0%		10 - 20	286,913	18.0%	30%
Total nominal values	404,612	26.4%			452,199	28.4%	
Total tangible assets	1,110,314	72.5%			1,141,622	71.7%	
Total equities	376,069	24.6%	28		459,988	28.9%	50%
Total equities and alternative investments	671,825	43.9%	43		766,066	48.1%	65%

* Amount in each case after deduction of the foreign exchange forwards

** For the directly attributable FX forwards, the market values are posted in the corresponding categories

6.5 Financial Market Infrastructure Act

Georg Fischer Pension Fund is subject to the Financial Market Infrastructure Act (FinfraG/LIMF). The implementation of the obligations arising from FinfraG/LIMF is governed by the Investment Regulations. The global custodian fulfils the reporting obligations and is responsible for complying with documentation obligations. The global custodian, Bank Julius Bär & Co. AG, has a right of recourse to the assets in its custody.

6.6 Breakdown of the open derivatives as at 31 December 2022

	Contract value in CHF'000	Market value 31 December 2022 in CHF'000	Contract value in CHF'000	Market value 31 December 2021 in CHF'000
Foreign exchange forwards (purchases and sales)	159,890	3,234	190,338	2,766
Options on Swiss equities	53,152	-2,617	60,740	-8,165
Short calls (single stocks)	4,610	-121	2,900	-61
Short calls (SMI)	35,700	-2,009	56,500	-8,081
Short puts (single stocks)	12,843	-488	1,340	-23
Options on foreign equities	6,789	-327	20,045	-4,198
Short call (S&P)	6,789	-327	20,045	-4,198
Options on foreign currencies	-	0	13,500	-46
Short calls	-	0	13,500	-46
Total	219,831	290	284,623	-9,644

The liquidity necessary for the derivatives increasing exposure is guaranteed.

The underlying securities necessary for the exposure reducing derivatives are available.

During the financial year, the following types of derivatives were used:

- Short calls on Swiss equities (single stocks and SMI),
- Short calls on foreign equities (S&P)
- Short puts on Swiss equities (single stocks and real estate investments)
- Short calls on foreign currencies for alternative investments, foreign currency bonds and currency overlay
- Short puts on foreign currencies for alternative investments, foreign currency bonds and currency overlay
- Foreign exchange forwards USD, EUR, GBP
- Futures SMI

6.7 Open commitments

As at the balance sheet date, there were outstanding capital commitments for private equity investments to the amount of CHF 30,740 thousand for infrastructure assets to the amount of CHF 1,261 thousand and for credit products/CLO to the amount of CHF 42,874 thousand.

All commitments have been made throughout the financial year within the limits set by the Board of Trustees.

6.8 Market value and counterparties in securities lending

As in the previous year, there was securities lending within the passive mandates during 2022.

6.9 Information on net return on investments

	2022		2021	
	Value in CHF	Return	Value in CHF	Return
Result from interest income on liquidity	-129,297	n/a	-2,894,605	n/a
Result from CHF bonds	-12,724,444	-7.8%	-2,761,147	-1.8%
Result from FW bonds	-8,619,393	-10.5%	-316,442	-0.2%
Result from Swiss equities incl. hedges	-38,537,290	-14.0%	51,589,431	18.0%
Result from foreign equities incl. hedges	-24,003,731	-15.6%	28,260,838	14.9%
Result from alternative investments	399,088	-2.5%	49,018,530	17.6%
Result from indirectly owned real estate	10,839,658	4.9%	13,095,515	5.8%
Currency overlay	-2,473,097		-240,552	
Other income/expense	-51		-31	
Retrocessions	199,387		150,553	
Income from third-party asset management	107,294		0	
Global custody fees/other fees	-220,615		-234,863	
Internal asset management	-764,313		-856,027	
External asset management expenses	-513,233		-605,048	
Cost indicator of transparent collective investments	-10,010,058		-8,978,263	
Transaction costs/tax	-756,211		-1,427,723	
Mortgage interest of employees	0		0	
Third-party mortgage interest	0		0	
Impairment on mortgage loans/restructuring commission	28,160		57,918	
Total income from securities accounting	-87,178,145		123,858,085	
Net rental income before management expenses	12,575,230		11,297,488	
Renovation work/investments/sales	-13,025,482		-11,347,225	
Revaluation of properties	46,162,675		21,460,118	
Management expenses for properties	-656,190		-739,170	
Total income from property accounting	45,056,232	10.9%	20,671,211	5.6%
External asset controlling	-36,080		-27,464	
Separate investment admin. expense	-36,080		-27,464	
Interest on termination payments	-28,830		-79,474	
Total result from investments	-42,186,822	-2.7%	144,422,358	10.0%

Transaction costs/taxes as well as costs from transparent collective investments are shown separately. Within the securities categories, this is taken into account in the respective result accordingly.

6.10 Information on the asset management expenses

	2022	2021
	in CHF	in CHF
Reported asset management expenses of securities		
Global custody fees/other fees	220,615	234,863
Retrocessions	-199,387	-150,553
External asset management expenses	513,233	605,048
Internal asset management expenses/controlling	800,393	883,491
Income from third-party asset management	-107,294	0
Transaction costs and tax	756,211	1,427,723
Total invoiced costs of securities according to the operative account	1,983,771	3,000,571
Total cost indicators of collective investments	10,010,058	8,978,263
Total costs of securities for the operative account	11,993,829	11,978,834
as a % of the securities pension assets	1.10%	1.02%
Reported asset management expenses of properties	in CHF	in CHF
Asset management costs of properties according to the operative account	656,190	739,170
as a % of the properties pension assets	0.16%	0.20%
Total costs for the operative account	12,650,019	12,718,004
as a % of cost-transparent investments	0.83%	0.80%
Cost-transparent investments as at 31 December	1,520,246,514	1,581,246,597
Non-transparent collective investments as at 31 December	10,642,217	10,307,226
Total investment as at 31 December	1,530,888,730	1,591,553,824
Cost transparency ratio	99.30%	99.35%

Non-transparent collective, holdings as at 31/12/2021

Instrument	Anbieter	ISIN/Valor	Wahrung	Anzahl	Marktwert in CHF	in % der gesamten Vermogensanlagen
ALCENTRA EUROPEAN DIRECT LENDING II	Alcentra Ltd.	9630110	EUR	2'403'250'220.00	2'013'145.50	0.13%
ALCENTRA EUROPEAN DIRECT LENDING III	Alcentra Ltd.	n.a.	EUR	3'970'401'060.00	3'816'295.97	0.25%
ALCENTRA STRUCTURE CREDIT OPPORTUNITIES IV	Alcentra Ltd.	n.a.	USD	3'614'390'940.00	2'992'319.34	0.20%
4IP EUROPEAN REAL ESTATE FUND	4IP Management Ltd.	LU0287626823	EUR	1'854.00	895'228.09	0.06%
FIVE ARROWS GLOBAL LOAN INVESTMENT II	FIVE ARROWS II	n.a.	USD	100'000.00	925'228.00	0.06%
Anteil der intransparenten Anlagen					10'642'216.90	0.70%
				Vorjahr	10'307'226.39	1.04%

The returns for the investments calculated by Bank Julius Bar & Co. AG (the global custodian) are based on the custody account holdings calculated on a daily basis, including the accrued interest attributed to the securities and the liquidity in the individual securities accounts.

For the operating liquidity, which is held in the accounts at Credit Suisse and Postfinance, negative interest amounting to CHF 14 thousand (previous year: CHF 29 thousand) was paid.

6.11 Comments on investments in an employer's enterprise and on employer contribution reserves

As in the previous year, only current account receivables from the employers (contribution invoices) existed, which were paid in full in January 2023.

6.12 Retrocessions

It is agreed with all financial intermediaries concerned that any retrocessions are exclusively due to the Foundation.

7. Comments on other balance sheet and operative account items

7.1 Accrued liabilities and deferred income and vested termination benefits

This primarily comprises the accrued liabilities and deferred income for the Security Fund, asset management, auditing and vested termination benefits for entries from 1 January 2023 that were already transferred to our pension fund in 2022.

7.2 Other expenses/income

The pension fund administration makes the pension payments and performs other services for Stiftung für Wohlfahrtszwecke der Georg Fischer AG and Durach-Stiftung. These pension payments are recognised gross in other expenses and other income.

8. Regulatory authority requirements

There are currently no pending requirements from the regulatory authority.

9. Further information regarding the financial situation

9.1 Partial liquidation

The conditions for partial liquidation were not met 2022.

10. Events after the balance sheet date

There were no events after the balance sheet date that had an impact on the 2022 financial year.

Schaffhausen, 25 April 2023

The Board of Trustees of Georg Fischer Pension Fund

STATUTORY AUDITOR'S REPORT

To the foundation board of Pensionskasse Georg Fischer, Schaffhausen

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pensionskasse Georg Fischer (the Occupational pension scheme), which comprise the balance sheet as at December 31, 2022, the operating accounts for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 3 to 26 of the annual report) comply with Swiss law, the foundation deed and the scheme regulations.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Occupational pension scheme in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Foundation Board's Responsibilities for the Financial Statements

The foundation board is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law, the foundation deed, and the scheme regulations, and for such internal control as the foundation board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Expert in Occupational Benefits for the Financial Statements

The foundation board appoints a statutory auditor as well as an expert in occupational benefits for the audit. The expert in occupational benefits is responsible for evaluating the reserves necessary for underwriting insurance-related risks, consisting of pension liabilities and actuarial reserves. Pursuant to Art. 52c para. 1 let. a of the Swiss Occupational Pension Act (OPA) assessing the evaluation of the pension liabilities and actuarial reserves is not a task of the statutory auditor. In accordance with Art. 52e para. 1 OPA, the expert in occupational benefits also evaluates whether the occupational benefits scheme provides assurance that it can meet its obligations and whether all insurance-related provisions regarding benefits and funding in the scheme regulations comply with the legal requirements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-of-an-occupational-benefit-scheme>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

The foundation board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organization, management and investments are applied. In accordance with Art. 52c paragraph 1 OPA and Art. 35 of the Swiss Occupational Pension Ordinance 2 (OPO 2) we have performed the prescribed procedures.

We have assessed whether

- organisation and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to the size and complexity of the Occupational pension scheme;
- the investment of assets complies with legal and regulatory requirements;
- the occupational pension accounts OPA 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 duties of loyalty are fulfilled and interests are disclosed;
- the non-committed funds have been used in compliance with the legal and regulatory provisions;
- the legally required information and reports have been issued to the supervisory authority;
- the Occupational pension scheme interests are safeguarded in disclosed transactions with related parties.

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

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

Zurich, April 25, 2023

BDO Ltd

Helene Lüscher
Auditor in charge
Licensed Audit Expert

Renzo Ferretti
Licensed Audit Expert

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