



CIEPP CIRCULAR

February 2025

2024 – a sustainable growth?

3% interest paid out for 2024

At the end of 2024 the rate of interest paid out on the entire retirement savings capital (accumulated up to the end of 2024, without the year's retirement credits) of insured persons active on 1 January 2025 is **3%**. This rate is 1.75% higher than the minimum LPP interest rate set by the Federal Council.

Thanks to the deflationary process that began in 2022, inflation rates neared and even passed the central banks' target of 2% at the end of 2024, enabling them to reverse their monetary policy. The first to cut its prime rate was the SNB in March, followed three months later by the ECB and by the Fed in September. At year's end, after four interest rate cuts, the CHF and EUR prime rates stood at 0.5% and 3%, respectively. The Fed made three rate reductions, from 5.5% to 4.5%.

Driven by lower interest rates, shares did extremely well, led by US technology and financial stocks. Nvidia (+191%), Meta (+78%), Tesla (+75%), Amazon (+56%), JPM (+52%), Google (+46%) and Apple (+41%) were the main contributors to the buoyant performance of the world equity index, which gained 25.7% in CHF. Overperforming US equities, which rose by 33.4% in CHF, owed their strength to the robust US economy and AI-generated expectations. Donald Trump's re-election in November galvanised the US market, which added a further 7% during the November election month. The weighting of US stocks in the global equity index has now passed the 70% mark.

Swiss equities underperformed, adding a mere 6.2% despite hefty domestic interest rate cuts and overperforming CHF bonds, which increased by 5.4%. The Swiss equity index was particularly hard hit by Nestlé's 21% drop. Excluding Nestlé, the rest of the index was up by 11%, in line with European shares. Two-year Swiss government bonds ended the year with a slightly negative yield to maturity (-0.08%).

Risk factors like political and geopolitical tensions and rising government deficits and indebtedness had little impact on the financial markets in 2024. However, they were a clear factor behind the appreciation of bitcoin and gold, up sharply by 130% and 30%, respectively, in CHF.

As for indirect real estate, the Swiss market thrived on the falling interest rates and declining vacancy rates, with the index of listed funds adding 17.5%.

The opening of the Spark Campus, a building of over 35,000m² located in Plan-les-Ouates (Geneva) and designed for training and professional reintegration, marks a major step (to the tune of some CHF 195 million) in the CIEPP's development of real estate investments.

Apart from US Treasury bonds hedged in CHF (-1.8%), all asset classes held by the CIEPP ended 2024 in positive territory. This extraordinary year generated a performance of 8.87%, enabling the accounts of active insured persons to grow by 3% and expanding the value fluctuation reserve. **The CIEPP's coverage rate¹, which should be around 119%**, will be audited with a definitive figure provided next June, in the 2024 annual report.

An allocation change was made to international equities in October for valuation reasons. The modification consisted of strengthening global small and mid-cap equities at the expense of the largest companies.

Evolution of the CIEPP in 2024

The CIEPP closes the year 2024 with a total balance sheet increase of CHF 740 million, at over CHF 9.5 billion. At the end of 2024, it managed the occupational pension insurance of 10 558 companies and independents, namely a total of 51 252 insured persons. The number of pensioners was 8149 beneficiaries. In 2024, contributions invoiced amounted to more than CHF 460 million.

The CIEPP's ESG (Environmental, Social and Governmental) policy

In 2024, the CIEPP maintained its shareholder commitment by exercising its voting rights at the general and extraordinary assemblies of all Swiss companies held directly with its global custodian. The Achillea fund, launched by the CIEPP in January 2021 and of which it is the sole shareholder, has also made it possible to exercise voting rights for more than 500 foreign companies, leading to a voting depth totalling 70% of assets invested in equities.

Allocations in Swiss and international equities and Swiss bonds were analysed in depth according to ESG criteria, enabling the CIEPP to play an active role in Ethos' commitment pools and to guide dialogue on issues such as human rights, remuneration and biodiversity.

In terms of direct real estate, the CIEPP pursued its renovation and construction projects and continued to analyse its portfolio with a view to meeting current and future challenges in terms of energy and social issues.

Insurance certificate and interest rate for 2025

The certificate issued and available on our online services for persons insured with the CIEPP shows the status of the retirement account as at 31 December 2024 after payment of 3% interest, as well as the projected benefits calculated on the basis of an interest rate of 1.25%.

For the year 2025, the CIEPP's Board of Trustees has set the interest rate at 1.25% (the same as the minimum LPP rate). The rate effectively granted on the retirement accounts of active persons insured with the Fund at 1 January 2026 will be definitively fixed in January 2026, on the basis of the results recorded by the CIEPP during 2025.

Web portal for the insured

The e-services portal for insured persons enables them, among other things, to handle their administrative questions, carry out different simulations and consult their LPP documents, all in a secure manner. Dear insured persons, don't hesitate any longer to log in!

Board of Trustees

In 2024, Philipp Müller joined the CIEPP's Board of Trustees as employee representative. The Board of Trustees currently comprises the following members: Aldo Ferrari, chairman; Bruna Campanello; Anna Gabriel Sabaté; Luc Dupuis and Philipp Müller, for the employee representatives; Ivan Slatkine, vice-chairman; Christelle Schultz, Michel Rossier; Pascal Schwab and Robert Zoells for the employer representatives.

Contact

For any information or updating of your data, the administration department of our head office or of our agencies is at your disposal.

Glossary

¹Coverage rate: this makes it possible to calculate the degree of financing for all the Fund's commitments at a given time.

Agencies

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CIEPP

Caisse Inter-Entreprises
de Prévoyance Professionnelle

ZKBV - Zwischenbetriebliche Kasse für Berufliche Vorsorge
CIPP - Cassa Interaziendale di Previdenza Professionale