



CIEPP CIRCULAR

February 2023

2022, a year geared to the long term

2% interest paid out for 2022

At the end of 2022 the rate of interest paid out on the entire retirement savings capital (accumulated up to the end of 2022, without the year's retirement credits) of insured persons active on 1 January 2023 is **2%**. This rate is 1% higher than the minimum LPP interest rate set by the Federal Council.

The abrupt end of the period of moderate inflation and low, or even negative, rates led to declines of over 15% in the major world share and bond markets. In such a context, the CIEPP's portfolio posts a negative performance of 10.95% for the year 2022.

The central banks, led by the FED, increased the key interest rates at an unprecedented pace and intensity in an attempt to curb runaway inflation caused in particular by the successive monetary creations (financial crises and Covid). Returns on 10-year US Treasury bonds, the main price reference for global financial assets, more than doubled over the year, rising from 1.5% to 3.9%. Growth stocks were the most vulnerable to such an increase; the trading prices of Tesla and Meta shares, for example, fell by 65%.

In this environment, further impacted by geopolitical tensions (conflict in Ukraine and the status of Taiwan), the CIEPP continued to rigorously apply its investment process. It aligned its portfolio with its strategic allocation as part of its annual rebalancing exercise, and invested the net cash inflows generated by its provident activity in the most depreciated assets. The strategic allocation was modified at the end of the year to strengthen the stability of the portfolio. The new strategic allocation is available in the Investment Regulations approved by the Board of Trustees last October. Furthermore, the drop in share values and the rise in bond yields have significantly improved prospects for medium-term returns on assets.

Despite the considerable loss in value suffered in 2022, the CIEPP's situation remains solid. **Its coverage rate¹ is expected to be around 109%** as at 31 December 2022. This will be audited and a final figure will be communicated in the 2022 Annual Report in June.

Despite the difficult context the CIEPP achieved new levels in 2022

The CIEPP, the largest private-law foundation in French-speaking Switzerland, closed the year 2022 with a total balance sheet in excess of 8.2 billion Swiss francs. At the end of 2022, it managed the occupational pension insurance of 10466 companies and independents (+1.17%). The threshold of fifty thousand insured persons was crossed during the year, reaching 50331 (+5.72%). The number of pensioners was 7267 beneficiaries (+4.89%). In 2022, invoiced contributions amounted to more than 434 million francs (+5.25%), representing the highest growth in 10 years.

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

In 2022, the CIEPP strengthened its position as an active and responsible investor.

Thanks to the launch in January 2022 of the second compartment of the Achillea investment fund, the CIEPP has been able to exercise its voting rights on its principal Japanese shares and thus attain a voting depth of over 70% of its allocation in shares. The 2022 report on the votes exercised internationally and in Switzerland will be available in June.

The CIEPP carried out the annual analysis of the sustainability of its portfolio in order to guide its engagement activity. It participated in two shareholders' resolutions in Switzerland in favour of the climate. It is engaged in 42 initiatives internationally, addressing environmental (34), social (18) and governance (3) aspects.

One of the environmental initiatives targeting the main European electricity producers contributed to reducing their CO2 emissions by 139 tonnes per year, the equivalent of three times the emissions of Switzerland. Furthermore, the defence of biodiversity, targeting deforestation and plastic pollution, is now a major thrust of the CIEPP's environmental activism.

With respect to direct real estate, in addition to the development and implementation of new real estate projects that meet the highest sustainability objectives, the CIEPP put into practice its ESG strategy on its existing holdings. In effect, studies were carried out to prepare for the complete renovation of a building containing over 180 apartments in Thônex, and a request for a building permit will be filed shortly with a view to obtaining the THPE Renovation label, and reaching the cantonal objectives for 2050 in terms of the Heat Expenditure Index (HEI) and CO2 emissions.

Insurance certificate and interest rate for 2023

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 2022 after payment of 2% interest, as well as the projected benefits calculated on the basis of an interest rate of 1%.

For the year 2023, the CIEPP's Board of Trustees has set the interest rate at 1% (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 2024 will be definitively fixed in January 2024, on the basis of the results recorded by the CIEPP during 2023.

Web portal for the insured

Since 2021, the e-services portal for insured persons has enabled them, among other things, to handle their administrative questions, carry out different simulations and consult their LPP documents, all in a secure manner. The catalogue of services is being expanded constantly, so don't hesitate to connect!

Renewed composition of the Board of Trustees

In 2022 saw the renewal of the CIEPP's governance. The Board of Trustees, jointly constituted, is composed of the following persons: Aldo Ferrari, chairman; Bruna Campanello; Anna Gabriel Sabaté; Luc Dupuis; one member is in the process of being appointed, for the employee representatives; Ivan Slatkine, vice-chairman; Michel Rossier; Pascal Schwab; Robert Zoells and Olivier Sandoz for the employer representatives.

Contact

For any information or updating of your data, the administration department of our head office or 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