



Annual Report 2019 – C&A Group Pension Fund

Dear Member

We wish to inform you about the most important figures, selected items of the balance sheet and operating accounts, and the organisation of our pension fund in the past year:

2019 was an excellent year for investment

About one third of our assets are invested in equities, one third in bonds, and one third in real estate. We generated a return of 12.8% on these investments in 2019. This good return meant we were able to top up the value fluctuation reserve by CHF 12.4 million to CHF 27.2 million. This reserve is necessary to compensate for short-term fluctuations and to benefit in the long term from higher returns on the capital markets. The fluctuation reserve would need to cover a total of 15% of investments. We still lack more than CHF 20 million. We are therefore only able to take limited risks and must in future continue to use our earnings primarily to increase reserves.

Low interest rates have forced us to further reduce the technical interest rate

The fund uses the technical interest rate to discount the promised benefits. The lower the rate, the higher the retirement capital. Pensioners' retirement capital (on the liabilities side of the pension fund balance sheet) increased by CHF 20 million compared to the previous year.

Challenges remain enormous

Our pension fund faces two major challenges: Rising life expectancy results in an increase in the average length of annuity, and the low interest rate environment means that the achievable returns on investments decrease. The saved retirement capital cannot therefore earn the desired interest.

... and corona

The corona crisis has also left its mark on the C&A Group pension fund. We suffered substantial losses on equity investments in March. But in April the markets recovered somewhat. The Foundation Board and the Investment Committee constantly monitor the financial situation. Strong fluctuations on the stock markets have also occurred in the past and will occur again in the future. We do not venture any short-term forecasts but are convinced that our investment strategy is robust and will stand the test of time.

Hans-Peter Gasser remains your contact person for questions regarding the pension fund. He can be reached on 061 205 74 25 or by email at hans-peter.gasser@libera.ch. The complete financial statements and current information can be found online at www.pkca.ch.

Best wishes

For the Foundation Board:

Willi Rohner Christian Wigger

President Vice-President