

**Member Update No. 48**

03 June 2019

Dear Members,

The Board of Trustees would like to inform you about important events in the last year as well as about the 2018 annual financial statements and report back on the current year.

**The key points in brief**

- Funding ratio as of 31 December 2018: 111.3% (previous year: 116.6%)
- Funding ratio as of 30 April 2019: 118.2%
- Performance in 2018: -2.8% (PY: +9.9%)
- Performance as of 30/4/2019: +6.74% (benchmark: +7.04%)
- Number of active members as of 31 December 2018: 3,990 (PY: 3,575)
- Number of pensioners as of 31 December 2018: 761 (PY: 724)

**2018 annual financial statements**

At its meeting on 22 May 2019, the Foundation Board adopted the 2018 annual financial statements of Swissport Employee Pension Scheme ("PVS"), which were audited by the independent auditor KPMG AG, Zurich and were recommended for approval.

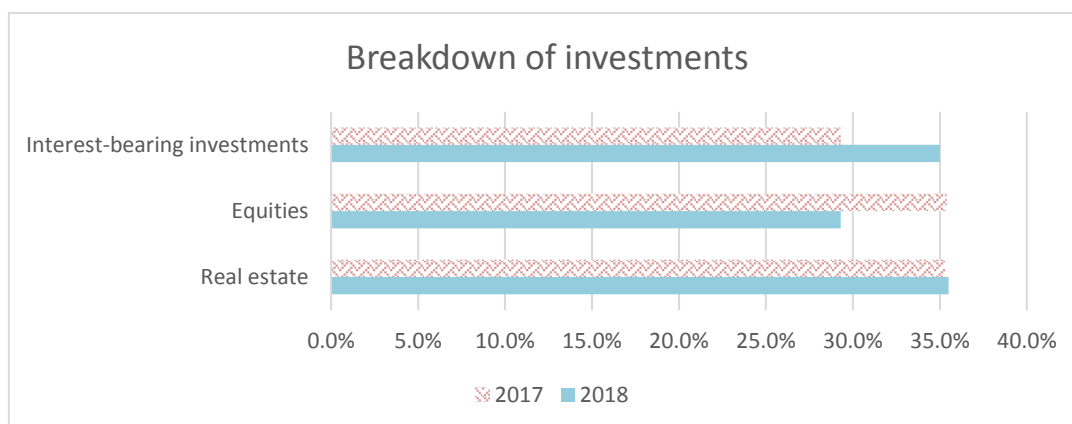
Following a very good 2017, it was necessary to weather the turbulence on the investment markets in 2018 with as little damage as possible. PVS's high funding ratio helped it to analyse the situation without haste and only then act. This certainly helped to keep our earnings above the industry average.

PVS's assets fell from CHF 882 million to CHF 860 million in 2018. This was primarily due to the slump in equities towards the end of the year. This investment category represented around 29.3% of PVS's total investments at the end of 2018. This is in line with the long-term investment strategy, which was also maintained in the difficult year of 2018. Our real estate investments, which account for 35% of invested assets provided good positive returns, thereby helping to improve our investment performance.

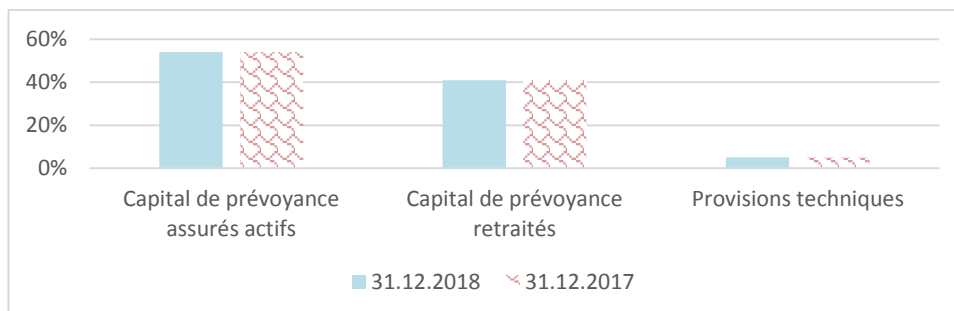
At -2.8%, performance in 2018 was disappointing compared with +9.9% in 2017. Compared with the industry average of -3.26% (UBS Pension Fund Index), PVS nevertheless did comparatively well.

The key figures from the 2018 annual financial statements are set out below:

As of	31/12/2018	31/12/2017
Total assets (CHF, mn)	868.16	890.23



As of	31/12/2018	31/12/2017
Pension capital and technical reserves (CH, mn)	774.47	757.82
▪ of which active members' pension capital	418.09	410.59
▪ of which pensioners' and IV pension recipients' pension capital	320.94	292.81
▪ of which technical reserves	35.44	35.16



Value fluctuation reserve (CHF, mn)	87.15	125.67
Funding ratio	111.3%	116.8%
Investment income (CHF, mn)	-25.24	80.91
Net investment performance	-2.8%	+9.9%
Asset management costs as a percentage of invested assets	0.22%	0.21%
Annual result for the Foundation / profit (CHF, mn)	-38.52	25.37
Interest on active members' retirement savings	1.00%	4.50%
Interest on actuarial reserve for pensions	2.50%	2.50%
Administration costs per person in CHF	224	228

PVS invests to a large extent in indexed investments with low administrative costs and, together with other pension funds managed by PFS AG, has been able to negotiate low-fee asset management contracts with larger banks. The total assets of all participating pension funds form the basis for calculating these fees. The assets of each individual pension fund are managed separately and invested solely in accordance with the instructions of the respective Foundation Board.

PVS's detailed annual report is available on our website: [www.pv-swissport.ch](http://www.pv-swissport.ch)

### Financial markets in 2019 and our Performance

In the new investment year 2019, losses in the previous year on the equity markets have been fully offset by the end of April. Nobody can predict how sustainable this recovery will be. Based on the economic data and the continuing political crises, the risks of another price slump should not be ignored. The political situation and economic indicators suggest that the European Central Bank's low interest phase could last even longer. No interest rate rise by the Swiss National Bank is currently in sight.

The **performance of 6.74%** achieved at the **end of April 2019** meant PVS's **funding ratio** increased to **118.2%** and is thus above its end 2017 level .

### News from the Foundation Board in 2019

The Foundation Board has decided to conduct an asset-liability study with the company c-alm, St. Gallen, in 2019. The idea is to establish the basis for PVS's direction in the next few years. PVS will not be able to avoid adapting to the (low-interest-rate) conditions and moderately shifting its cornerstones in order to continue to secure long-term stability. The Board of Trustees will take appropriate decisions towards the end of the year.

The reinsurance contract with PK Rück expires at the end of 2019. Together with the actuaries, the Board of Trustees is anxious to find a good and cost-effective solution without reducing the benefits for cases of death and disability.

New elections were duly held for the employee representatives on the Foundation Board of Swissport as of 1 July 2019 following a 3-year term in office. The following employee representatives were newly elected or re-elected at the elections:

Employer representatives		Employee representatives/ term of office 1 July 2019 – 30 June 2022	
Roland Etter (re-elected)	Chairman*	Matthias Schmidli (newly elected)	Member*
Heinz Giesen (re-elected)	Member*	Christian Goepfert (re-elected)	Member*
Eva-Maria Kerner (re-elected) <sup>1)</sup>	Member*	Ralf Müller (re-elected) <sup>1)</sup>	Member*

<sup>1)</sup> Member of the Investments Committee

We would like to congratulate Mr Matthias Schmidli on his election and thank Mrs Margrit Coimbra for her many years of valuable service to our Pension Scheme.

This information letter is available for active members on the website <https://www.pv-swissport.ch/>

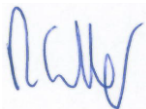
However, information letters are sent to pensioners by post.

The Foundation Board has decided that those pensioners who wish can receive future information in electronic form. We will need your email address for this. If you do prefer to receive the information electronically, please send your email address to [Markus.Bleisch@PFS.ch](mailto:Markus.Bleisch@PFS.ch).

You will be helping us to save paper and postage costs.

Yours sincerely

**For the PVS Board of Trustees**



Roland Etter  
Chairman



Elisabeth Müller  
Manager