



Annual Financial Statements 2022

This document is a translation. In the event of any queries about interpretation, the original German document is authoritative.



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Foreword

Environment

The world re-opened at the beginning of 2022 after the Covid-19 pandemic and looked to the future with optimism. Trips were booked once again and the world prepared itself for life as it was before the pandemic. However, this euphoria came to an abrupt halt at the end of February, when Russia invaded Ukraine. Discussions centred round new subjects: energy shortages, supply chain bottle-necks, a boycott of Russia, an increase in energy prices and the associated rise in the rate of inflation in many countries. Everyone was now talking about inflation, something that had been almost forgotten for very many years. The financial markets reacted adversely to the resultant uncertainties. And over the course of the year, central banks abandoned their policy of negative interest rates. Autumn 2022 marked the turning point in interest rates – anti-inflationary policies now took the lead. Although the new uncertainties resulted in new restrictions for certain countries, a major upturn in overall travel was, nevertheless, observed. At the end of 2022, Swiss airports recorded departures and landings at 85% of pre-pandemic landings. The result was that Swissport recommenced recruitment at all 3 of its sites in Switzerland in spring. However, most of the new arrivals were employed by recruitment agencies; consequently the number of active participants in the pension fund increased only slightly (from 3013 at the beginning of 2022 to 3081 at the year end). The industrial dispute at Zurich in the summer of 2022 ended with a new collective labour agreement. The cornerstones of the pension fund were not impacted by the new agreement.

Swissport Pension Fund

2022 was the first complete year in which the the new pension fund regulations and pension plans affected the Swissport pension fund in full. The model developed in 2021 with the “modern” aspects (reduction of the coordination deduction, contributions commencing at age 20 and an increase in the retirement age to 65) proved its worth and only editorial changes were made with the intention of improving clarity.

The change in interest rates brought the work for a pensioner participation model to an abrupt halt. The Board of Trustees is of the opinion that items such as adjustments for pensioners for inflation or adjustments of the actuarial interest rate (upwards for the first time) will dominate discussions in the immediate future.

Investments:

2022 was a difficult year in the financial markets. The various crises prompted a decline in both equity and bond markets. The average return on the investments of Swiss pension funds was about minus 10% (source: CS Pension Fund Index). Thanks to the conservative investment policy of the pension fund, it proved possible to limit the year’s loss to the relatively low figure of minus 5.85%.

The main reason for this comparatively good performance was due primarily to good yields from real estate. In 2022, the proportion of real estate in the overall assets increased from 37.4% to 41.6% mainly as a consequence of the fall in equity and bond values. This is outside the investment strategy and will be the subject of discussions in 2023.

Yields and funded status.

The negative return reduced the reserves for fluctuations in asset values from CHF 150 million at the end of 2021 to CHF 90 at the end of 2022.

The pension fund ended 2022 with a funding ratio of 111.5% (2021: 120.1%).

Interest on retirement capital:

In view of the negative return for the year, the Board of Trustees adopted a resolution to apply the minimum interest rate of 1% defined by the Federal Council on the entire retirement capital.

Changes in the Board of Trustees

The representative of the Geneva employees, Ralf Mueller, retired in the middle of 2022 after many years' service. After her election in May, Charlotte Bruttomesso took up her position as a member of the Board of Trustees in the middle of the year. The representative of Basel employees, Christian Goepfert, left Swissport at the end of September. The election of Françoise Wehrle-Chkhartishvili was uncontested and she was appointed as the representative of Basel employees in the Board of Trustees.

Outlook:

It is difficult to make any predictions for 2023. The aviation industry continues to show signs of a recovery. This is expected to cause the number of active insured persons in the PVS to increase by about 100 to 200 persons.

Financial markets are still volatile. It is still impossible to put a figure on the effects of UBS' take-over of CS at the end of March with any certainty. What is clear, however, is that the pension scheme will lose one of its banks, as the main banking partners were CS, UBS and the Zürcher Kantonalbank. The loss in value incurred by the pension fund due to the CS securities held in the index funds was 0.1% of the overall sum invested.

The end of negative interest rates also raises the question of an increase in the actuarial interest rate. The pension fund is adopting a "wait and see" attitude to trends in the coming months. No improvements are expected at the present time .

What is certain is that the Board of Trustees will be taking a hard look at the effects of inflation on pensions. The extent to which there will be scope for adjustments for inflation will depend on investment performance. A variety of models will also be possible and will have to be discussed during the course of the year.

2022 was yet another challenging year. This time not because of the pandemic, but mainly because of financial markets. I would like to take this opportunity to thank everyone who helped steer the pension fund safely through the year, in spite of losses.

Roland Etter
Chairman of the Board of Trustees

2022 Annual Financial Statements

BALANCE SHEET	Index	31 December 2022	31 December 2021
	Notes	CHF	CHF
ASSETS			
Investments	6.4	868,177,082	962,830,149
Liquidity and money market investments		5,515,594	5,654,586
Receivables from employers	6.10	2,047,043	2,089,506
Receivables from third parties	7.1.1	2,614,996	2,251,703
CHF bonds		85,838,791	111,249,593
Foreign currency bonds, rest of world		3,200,613	45,801,527
Foreign currency corporate bonds, ex Switzerland		19,852,685	24,078,387
USD bonds (incl. currency hedges)		31,890,464	36,242,550
Emerging market bonds		0	7,524,450
Mortgages	6.4.1	63,958,500	65,655,500
Swiss equities		86,788,019	107,180,296
European equities (incl. currency hedges)		48,751,186	51,491,681
North American equities		17,550,777	0
Pacific equities (incl. currency hedges)		26,997,437	12,625,826
Sustainable equities (incl. currency hedges)		74,511,021	90,688,233
Emerging market equities		9,090,437	11,235,662
Swiss real estate	6.8.1	361,456,637	360,262,381
Private equity		1,326,300	1,326,300
Commodities		26,786,582	27,471,968
Prepayments and accrued income	7.1.2	9,377,096	9,379,766
Total assets		877,554,178	972,209,915
LIABILITIES			
Liabilities		9,416,162	14,251,447
Termination benefits		8,031,989	11,096,532
Home ownership/divorce		103,921	0
Lump sum payments		1,189,631	3,084,189
Other liabilities	7.1.3	90,621	70,726
Accrued liabilities and deferred income	7.1.4	211,482	213,505
Pension liabilities and actuarial reserves		778,306,846	797,627,444
Active participants' liabilities	5.3	339,938,515	363,108,854
Pensioners' liabilities	5.5	420,017,605	416,905,590
Actuarial reserves	5.6	18,350,726	17,613,000
Reserve for fluctuations in asset value	6.3	89,619,688	160,117,519
Dotation capital, non-committed funds/underfunding		0	0
Total liabilities		877,554,178	972,209,915

OPERATIVE ACCOUNT	Index Note	2022 CHF	2021 CHF
Ordinary and other contributions and transfers-in		25,774,392	28,634,572
Employee savings contributions		10,033,974	10,448,827
Employer savings contributions		10,693,912	12,853,609
Employee risk contributions		2,148,705	2,178,672
Employer risk contributions		2,147,339	2,182,752
One-time payments and purchase amounts	7.2.1	752,062	965,836
Pension fund contributions		3,000	0
Contributions to the Security Fund		-4,600	4,876
Entry lump sum transfers		10,938,660	4,618,150
Termination benefit transfers		10,238,789	3,879,166
Reimbursements of withdrawals for home ownership/divorce	7.2.2	699,871	738,984
Inflow from contributions and entry lump sum transfers		36,713,052	33,252,722
Regulatory benefits		-31,779,350	-47,780,899
Retirement pension benefits		-20,641,352	-19,417,755
Survivors' pensions		-833,615	-786,818
Disability pensions		-1,151,023	-1,044,640
Children's benefits	7.2.3	-287,421	-250,894
Lump sum payments on retirement		-8,865,939	-24,730,044
Lump sum payments on death or disability		0	-1,543,828
Lump-sum payments on death of a pensioner		0	-6,920
Termination benefits		-37,752,433	-39,105,833
Termination benefits for leavers		-37,047,227	-37,488,920
Withdrawals for encouragement of home ownership/divorce	7.2.4	-705,206	-1,616,913
Outflow for benefits and withdrawals		-69,531,783	-86,886,733
Change in pension liabilities, actuarial reserves and contribution reserves		19,320,598	10,824,828
Decrease in active participants' liabilities	5.3	26,522,350	77,495,304
Increase in pensioners' liabilities	5.5	-3,112,015	-41,168,476
Increase in actuarial reserves	5.6	-737,726	-6,534,107
Interest on retirement savings capital	5.3	-3,352,011	-18,967,893
Income from insurance benefits		2,772,656	1,075,759
Insurance cost		-2,292,867	-2,415,014
Risk premium		-2,044,242	-2,151,744
Cost premium		-100,999	-106,590
Contributions to Security Fund		-147,626	-156,680
Net result of insurance activities		-13,018,344	-44,148,439

	Index Note	2022 CHF	2021 CHF
Net return on investments	6.8.2	-56,323,871	65,143,631
Income from liquidity and money market investments		33,864	-209,719
Income from CHF bonds		-12,422,598	-2,585,024
Income from foreign currency bonds, rest of world		-1,868,624	1,116,950
Income from foreign currency corporate bonds, ex Switzerland		-3,974,010	-510,116
Income from USD bonds (incl. currency hedges)		-4,839,233	1,108,367
Income from emerging market bonds		-296,534	-394,771
Income from mortgages		633,534	696,171
Income from Swiss equities		-19,690,370	20,160,841
Income from European equities (incl. currency hedges)		-1,924,869	5,876,331
Income from North American equities (incl. currency hedges)		-4,470,476	0
Income from Pacific equities (incl. currency hedges)		-1,218,076	1,203,759
Income from sustainable equities (incl. currency hedges)		-14,228,716	17,575,612
Income from emerging market equities		-2,056,509	56,760
Income from Swiss real estate	6.8.1	11,995,855	24,219,127
Income from private equity		36,474	38,065
Income from commodities		-661,976	-1,647,305
Investment management costs	6.9	-1,286,775	-1,496,422
Interest on termination benefits		-84,832	-64,994
Other income		6,005	3,068
Other expenses	7.2.5	-296,175	-296,175
Administration expenses	7.2.6	-865,446	-960,981
General administration		-734,002	-811,277
Auditor and actuary		-111,800	-128,889
Supervisory authorities		-19,644	-20,815
Expense/income surplus before increase in reserve for fluctuations in asset value		-70,497,831	19,741,104
Decrease/increase in reserve for fluctuations in asset value	6.3	70,497,831	-19,741,104
Income surplus/expense surplus		0	0

The figures shown are mathematically rounded. The total may, therefore, vary from the sum of the individual figures.

Note

1 General information and organisation

1.1 Legal form and purpose

The Swissport Employee Pension Scheme (“PVS”) is a foundation within the meaning of Article 80 ff. of the Swiss Civil Code (CC), Article 331 of the Swiss Code of Obligations (CO) and Article 48 (2) of the Swiss Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVG). It was established by Swissport International AG. The foundation has its registered office at the domicile of Swissport International AG in Opfikon, Switzerland, and is subject to statutory supervision.

PVS' objective is to provide an occupational pension scheme within the framework of the Swiss Federal Act on Old Age, Survivors' and Invalidity Pension Provision (BVG) and its implementation provisions to insure the personnel of the founding company and companies closely economically or financially linked to it, as well as their dependants and survivors against the economic consequences of old age, death and disability.

1.2 BVG registration and registration with the Security Fund

In accordance with the declaratory ruling of 24 February 2004, the pension scheme was entered in the Cantonal Register of Occupational Pension Schemes of the Canton of Zurich under register number ZH 1377 with effect from 1 January 2004. The pension fund is subject to the Vested Benefits Act and is thus affiliated to the Security Fund.

1.3 Plan statutes and regulations

PVS was established through a public deed dated 15 September 2003 and was entered in the Commercial Register of Canton of Zurich on 14 November 2003.

Details of the regulations

Regulation	Adopted on	Effective from
Pension Scheme Regulations	25 November 2021	01 January 2022
Notes 1 and 2 (CR and marginal amounts)	25 November 2021	01 January 2022
Pension plan, main plan monthly salary	25 November 2021	01 January 2022
Pension plan supplementary plan	01 June 2021	01 January 2022
Pension plan hourly paid staff	10 March 2022	01 January 2022
Partial Liquidation Regulations	24 November 2009	25 February 2010
Regulations on provisions and reserves for fluctuations	25 November 2021	31 December 2021
Organisational Regulations	22 September 2022	22 September 2022
Election Regulations	02 June 2022	01 July 2022
Investment rules (incl. Annex I, II and III)	15 November 2022	01 December 2022
Mortgage guidelines (variable and fixed rate mortgages)	15 November 2022	15 November 2022

1.4 Supreme body, management and authorised signatories

As at 31 December 2022, the Board of Trustees comprises the following members:

Employer representatives		Employee representatives/ term of office 1 July 2022 – 30 June 2025			
Roland Etter	Chairman*	Christian Goepfert	Member* until 30/09/2022		
Heinrich-Josef Giesen	Member*	Ralf Mueller	Deputy Chairman to 30/06/2022		
Peter Lamprecht ¹⁾	Member* 01/11/2019	from Matthias Schmidli ¹⁾	Deputy 01/07/2019	Chairman*	from
		Charlotte Bruttomesso	Member* from 01/07/2022		
		Françoise Wehrle- Chkhartishvili	Member* from 01/10/2022		

¹⁾ Member of the Investments Committee

Management

Patrick Achermann Director*
Claudia Sommer Customer Adviser
Cécile Holdener Account Manager*

* Collective signatory authority with two signatures required

1.5 Actuaries, auditors, advisers, supervisory authority

Accredited pension actuary as defined by Article 53(2) BVG

Executing accredited pension actuary Livio Cathomen
Contracting party

Mercer (Switzerland) SA, 8027 Zurich.

Auditors

KPMG AG, Badenerstr. 172, 8004 Zurich

Investment controller

Markus Schneider, PensionTools GmbH, Galtbergstrasse 1A, 8625 Gossau

Supervisory authority

Supervisory Authority for BVG Pensions and Foundations of the Canton of Zurich (BVS), Neumühlequai 10, 8090 Zurich

1.6 Affiliated employers

The following employers that are closely economically or financially linked to Swissport International AG are affiliated to PVS:

Swissport International AG, Headquarters, Opfikon ZH
Swissport International AG, Zurich operations, Zurich Airport, Canton of Zurich
Swissport International AG, Basel operations, Basel Airport, Canton of Basel-Stadt
Swissport International AG, Geneva operations, Geneva Airport, Canton of Geneva
Swissport Executive Aviation SA (previously PrivatPort S.A.), Meyrin GE
GVAssistance S.A., Le Grand-Saconnex, Canton of Geneva

The insured persons of Swissport Baggage Sorting AG were transferred to Swissport International AG Zürich Airport Operations in Opfikon as a result of the merger. The company has been deleted from the commercial register.

2 Active participants and pensioners

2.1 Active participants

	Swissport International		Swissport Zurich		Swissport Basel	
	2022	2021	2022	2021	2022	2021
As at 1 January	129	140	1349	1639	470	489
Joined	39	36	413	43	175	44
Left	38	44	299	241	132	48
Retired	1	2	34	88	16	14
Disability cases	0	1	3	0	1	1
Deaths	0	0	1	4	0	0
As at 31 December	129	129	1,425	1,349	496	470
of which risk insurance only	0	1	4	2	3	0

Retirement savings as at 31 December	27,201,734	33,233,179	183,226,444	171,261,074	40,295,003	43,136,485
of which BVG retirement savings						
as at 31 December	7,576,432	8,385,757	83,387,620	74,793,124	15,130,117	15,652,095

	Swissport Geneva		Swissport Baggage Sorting		Swissport Executive Aviation SA	
	2022	2021	2022	2021	2022	2021
As at 1 January	819	955	165	200	8	9
Joined	274	22	0	2	4	3
Left	137	109	165	26	1	3
Retired	24	46	0	9	0	1
Invalidity cases	5	3	0	1	0	0
Deaths	0	0	0	1	0	0
As at 31 December	927	819	0	165	11	8
of which risk insurance only	5	1	0	0	0	1

Retirement savings as at 31 December	78,274,101	84,979,633	0	19,745,585	345,144	286,713
of which BVG retirement savings						
as at 31 December	34,040,943	35,197,685	0	9,954,275	143,024	115,716

	GVAssistance S.A.		Continued insurance Art. 47a BVG	
	2022	2021	2022	2021
As at 1 January	70	77	3	0
Joined	41	2	0	4
Left	16	5	0	1
Retired	5	4	0	0
Invalidity cases	0	0	0	0
Deaths	0	0	0	0
As at 31 December	90	70	3	3
of which risk insurance only	3	0	0	1

Retirement savings as at 31 December	7,290,099	7,937,981	2,748,295	2,528,204
of which BVG retirement savings as at 31 December	3,054,344	3,378,224	650,455	644,014

	Total PVS		Change as at previous year
	2022	2021	
As at 1 January	3013	3509	-496
Joined	944	156	788
Left	786	477	-309
Retired	80	164	84
Invalidity cases	9	6	-3
Deaths	1	5	4
As at 31 December	3081	3013	68
of which risk insurance only	15	6	9

Retirement savings as at 31 December	339,380,820	363,108,854	-23,728,034
of which BVG retirement savings as at 31 December	143,982,936	148,120,890	-4,137,954

Breakdown by BVG age as at 31 December	Women		Men		Total	
	2022	2021	2022	2021	2022	2021
18 – 24	66	29	118	69	184	98
25 – 34	276	262	537	513	813	775
35 – 44	227	248	634	627	861	875
45 – 54	269	293	443	463	712	756
55 – 65	206	209	305	300	511	509
Total	1,044	1,041	2,037	1,972	3,081	3,013

The average age of all active participants is 41.2 (previous year: 42.9).

2.2 Pensioners

Pension or benefit type – No. of recipients	Women		Men		Total	
	2022	2021	2022	2021	2022	2021
Retirement pension benefits	329	314	467	456	796	770
Disability pensions	28	27	51	43	79	70
Spouse's pensions	40	35	9	8	49	43
Children's benefits	32	33	23	23	55	56
Total	429	409	550	530	979	939

Pension type – development	Total	Change		Total
	31 December 2022	New	Left	31 December 2021
Retirement pension benefits	796	34	8	770
Disability pensions	79	9	0	70
Spouse's pensions	49	6	0	43
Children's benefits	55	0	1	56
Total	979	49	9	939

3 Implementation of objectives

3.1 *Explanation of the pension regulations and pension plans*

The PVS Pension Regulations consist of two parts, the pension regulations and the pension plans. The Pension Regulations regulate the general provisions of benefits, the principles of financing and contain other general provisions.

Pension regulations/pension plans

All employees subject to the Swiss Federal Act on Old Age, Survivors' and Invalidity Pension Provision (BVG) are admitted to the pension scheme.

The regulatory benefits are based on the defined contribution and the defined benefit plan.

All employees subject to the BVG are insured for the risks of death and disability from 1 January after reaching the age of 17 and for retirement provision from 1 January after reaching the age of 19.

Entitlement to ordinary old-age pension benefits arises on reaching the age of 64 (women) or 65 (men). It is financed according to the defined contribution system. It is possible to draw retirement pension benefits prematurely from the age of 58 at the earliest. The retirement pension benefits may be drawn in the form of a one-off lump sum payment, a lifelong retirement pension or a combination of the two benefit types. The conversion rates for the retirement pensions depend on the age and marital status of the beneficiary. The amount of the retirement child pension is 20% of the individual retirement pension.

The Foundation also provides benefits in the event of disability, death and termination from the Foundation. In the event of disability, it pays disability and disabled person's children's pensions, as well as exemption from contributions; in the event of death, it pays spouse's/life partner's pensions and orphans' pensions, as well as a lump-sum death benefit. The disability pension corresponds to the likely retirement pension but not less than 40% of the insured salary, and the spouse's/life partner's pension 70% of the disability or retirement pension. The disabled person's children's pension and the orphans' pension are defined as a percentage of the insured salary. The insured salary is specified in the relevant pension plan.

3.2 *Financing, financing method*

The Foundation collects savings and cost contributions. The savings contributions are used to finance the retirement credits, the cost contributions to finance the disability and death benefits and to cover the costs. The costs for the asset investments are provided from the Foundation's funds. The financing of both the savings and the cost contributions is regulated in the respective pension plan.

3.3 *Further information on pension plan activities*

PVS has signed a service agreement with PFS Pension Fund Services AG for management and administration. The contract valid during the financial year expires at the end of 2022 but was extended for a further year by mutual agreement.

At its meeting on 15 November 2022, the Board of Trustees determined that current pensions will not be increased in line with inflation.

4 Significant accounting policies and valuation methods, consistency

4.1 Statement of compliance with Swiss GAAP FER 26

PVS's accounts are prepared in accordance with the guidelines of Swiss GAAP FER 26 as amended on 1 January 2014.

4.2 Significant accounting policies and valuation methods

The bookkeeping, accounting and valuation comply with the provisions of the Swiss Code of Obligations and the Swiss Federal Act on Old Age, Survivors' and Invalidity Pension Provision (BVG). The annual financial statements consisting of the balance sheet, operating statement and notes present a true and fair view of the financial situation, within the meaning of the law on occupational pensions. The assets are valued as follows in the annual financial statements:

Investment category	Valuation method
Interest-bearing investments	
Liquidity and money market investments	Nominal value/market value
Receivables	Nominal value minus required value adjustment
CHF bonds	Market value
Foreign currency bonds, rest of world	Market value
Foreign currency corporate bonds, ex Switzerland	Market value
USD bonds	Market value
Mortgages	Nominal value minus required value adjustment
Equities	
Swiss equities	Market value
European equities	Market value
North American equities	Market value
Pacific equities	Market value
Sustainable equities	Market value
Emerging market equities	Market value
Swiss real estate	
	Market value
Alternative investments	
	Market value

Assets denominated in foreign currencies are converted at the exchange rate on the reporting date; expenses and income are converted at the relevant daily exchange rate.

4.3 Changes in accounting policy and in bookkeeping

No changes in accounting policy were made.

5 Actuarial risks/risk benefit coverage/funding ratio

5.1 Type of risk benefit coverage, reinsurance

Personalvorsorge Swissport is a semi-autonomous pension fund. It has re-insured its risks for death and disability benefits in full since 1 January 2011.

With effect from 1 January 2020, PVS has taken out full reinsurance with Zurich Insurance for the risks of death and disability for participants who have not yet reached the normal retirement age; the agreement has a duration of three years. In the event of disability, it takes over the benefits until death or the normal retirement age. Death benefits are paid in the form of a pension or a lump sum.

This insurance was taken out with profit sharing. Profit participation is determined every three years based on a loss-dependent excess formula. The contract was extended for a further three years until 2025. If the contract is not terminated, it continues to run for a further year.

5.2 Notes on assets and liabilities from insurance agreements

The actuarial reserves for the payments to be made by Zurich Insurance amount to CHF 246,692.45 at the end of 2022 (previous year CHF 230,113.80).

5.3 Development and return on savings capital in defined contribution plans

	2022 CHF	2021 CHF
Savings capital as at 1 January	363,108,854	421,636,265
Decrease in active participants' liabilities	-26,522,350	-77,495,304
Employee savings contributions	10,033,974	10,448,827
Employer savings contributions	10,693,912	12,853,609
One-time payments and purchase amounts	752,062	965,836
Termination benefit transfers	10,238,789	3,879,166
Termination benefit transfers retirement savings for disability pensioners	-211,000	- 19,123
Reimbursements of withdrawals for home ownership/divorce	699,871	738,984
Temporary disability pensioners	557,695	0
Termination benefits for leavers	-37,047,227	-37,488,920
Withdrawals for the promotion of home ownership/divorce	-705,206	-1,616,913
Lump sum payments on retirement	-8,865,939	-24,730,044
Lump sum payments on death or disability	0	-1,543,828
Decrease as a result of retirement, death or disability	-12,669,281	-40,982,898
Interest on retirement savings capital	3,352,011	18,967,893
Total active participants' liabilities on 31 December	339,938,515	363,108,854
Interest rate on all retirement savings	1.00%	5.00%
Interest rate on retirement savings pursuant to BVG	1.00%	1.00%

According to the pension fund regulations, the Board of Trustees can determine the interest rate for the retirement assets of active insured persons for the past year once the annual result becomes known. In the reporting year, an interest rate of 1% was taken into account for changes in staff levels during the year. The final decision on the interest rate on retirement savings was taken at the meeting of the Board of Trustees on 15 November 2022. An interest rate of 1% was applied to all retirement savings in the reporting year (PY 5.00%).

5.4 Total retirement savings capital in accordance with the law on occupational pensions

	31 December 2022 CHF	31 December 2021 CHF
Total retirement savings	339,938,515	363,108,854
of which BVG retirement savings	144,247,712	148,120,890

The retirement savings of pending disability cases are included in these amounts.

5.5 Development of actuarial reserves for pensioners

	2022 CHF	2021 CHF
Actuarial reserves as at 1 January	416,905,590	375,737,114
Increase in pensioners' liabilities	3,112,015	41,168,476
Increase as a result of retirement, death and disability	12,669,281	40,982,898
Deposit of IV disability capital	211,000	19,123
Temporary disability pensioners	-557,695	0
Decrease as a result of pension payments	-22,913,411	-21,500,107
Actuarial interest	5,653,000	7,926,427
Loss due to change in actuarial basis and actuarial interest rate	0	11,244,329
Actuarial loss (+)/profit (-)	8,049,840	2,495,806
Total pensioners' liabilities as at 31 December	420,017,605	416,905,590

The "Increase as a result of retirement, death and disability" item is equal to the savings capital of new pensioners at the date of the event.

The following form of benefit was chosen for retirement, death and disability:

Retirement, death and disability and form of benefit	2022		2021	
	CHF	%	CHF	%
Savings capital upon retirement, death and disability	21,535,220		67,263,691	
of which pensions	12,669,281	59%	40,982,898	61%
of which withdrawn as a lump-sum payment	8,865,939	41%	26,280,793	39%

The breakdown of pensioners' liabilities by pension type was as follows on the balance sheet date:

Pensioners' liabilities	31/12/2022 CHF	31/12/2021 CHF	Change compared with previous year
Actuarial reserves for retirement pensioners	371,213,690	373,836,936	-2,623,246
Actuarial reserves for disability pensions	30,004,282	25,602,515	4,401,767
Actuarial reserves for spouse's/life partner's pensions	16,939,967	15,730,896	1,209,071
Actuarial reserves for children's benefits	1,859,666	1,735,243	124,423
Total pensioners' liabilities	420,017,605	416,905,590	3,112,015

The Board of Trustees has decided to undertake 10-year generational accounting, so that the annual decision on adjustments to current pensions can be made on a sound basis. The generational accounting is intended to quantify the effective transfer of accumulated funds between the active participants and the pensioners. To this end, the difference between the interest on the savings capital of active participants and the actuarial interest rate on pensioners' liabilities is calculated and added to or subtracted from the previous year's balance. Any further potential transfers between the active participants and pensioners are not recognised in the accounting.

A negative generational accounting balance indicates a transfer of accumulated funds in favour of pensioners and means that the current pensions cannot be adjusted until this transfer amount has been offset. As at 31 December 2022, the decision was taken not to recalculate the generational accounting balance as this would still remain in negative territory because of the performance in 2022.

5.6 Composition of, development of and explanation regarding actuarial reserves

Composition	31 December 2022 CHF	31 December 2021 CHF	Change compared with previous year
Actuarial reserves			
Provision for special events	760,726	658,000	102,726
Provision for the conversion rate	17,590,000	16,955,000	635,000
Total actuarial reserves	18,350,726	17,613,000	737,726

The provision for special events as at 31/12/2021 in the amount of CHF 760,726 corresponds to the difference between the accounting of Checkport pensioners with the actuarial interest rate of 1.5% and 0%.

The provision for the conversion rate covers the additional financing requirements arising as a result of regulatory conversion rates that have not been actuarially set. The provision is set aside for those people who have reached the age of 55. Provisions are made for the expected financing requirements for these persons upon retirement at the normal retirement age.

5.7 Conclusions of the last actuarial report

The last actuarial report was prepared as at 31 December 2020. The accredited pension actuary confirmed in the report that

- the actuarial bases used are appropriate. However, in his view, the actuarial interest rate is too high and exceeds the upper limit according to FRP4. He recommended a reduction to a maximum of 1.75%. The security of the fund is not at risk at present.
- the pension fund offers security that it can fulfil its obligations as at the reporting date;
- the underwriting provisions on benefits and financing in accordance with the regulations comply with the relevant legal requirements;
- the measures taken are sufficient to cover the underwriting risks;
- the reserve for fluctuations in asset value has been accumulated to 86% of the defined target value.

5.8 Actuarial principles and other significant actuarial assumptions

The calculation principles are based on the BVG 2020, the generational tables (previous year: BVG 2020, generational tables) at an actuarial interest rate of 1.5%, (previous year 1.5%). The calculations have been made in accordance with the Principles and Guidelines for Accredited Actuaries of the Swiss Association of Actuaries and the Swiss Chamber of Pension Actuaries using the “closed-fund” principle.

5.9 Adaptation of actuarial principles

None

5.10 Funded status under article 44 BVV 2

	31/12/2022 CHF	31/12/2021 CHF	Change compared with previous year
Total assets at market value	877,554,178	972,209,915	
less liabilities	-9,416,162	-14,251,447	
less accrued liabilities and deferred income	-211,482	-213,505	
Non-committed assets (NCA)	867,926,534	957,744,963	-89,818,429
Active participants' liabilities	339,938,515	363,108,854	
Pensioners' liabilities	420,017,605	416,905,590	
Actuarial reserves	18,350,726	17,613,000	
Required pension liabilities (RPL)	778,306,846	797,627,444	-19,320,598
Funding surplus under article 44 (1) BVV 2 (NCA - RPL)	89,619,688	160,117,519	-70,497,831
Funded status under article 44 (1) BVV 2 (NCA x 100/ RPL)	111.5%	120.1%	

After taking account of the assets and liabilities resulting from insurance contracts, the funded status is 111.5%

6 Explanatory notes on investments and net return on investments

6.1 Organisation of investment activities, investment advisor, investment manager and investment rules and regulations

The Investment Rules and Regulations set out the division of responsibility, powers and control functions between the Board of Trustees and the Investments Committee.

Board of Trustees

The Board of Trustees is responsible for deciding on PVS' investment strategy and on the asset management institutions that implement the investment strategy. For the purpose of ongoing monitoring, it appoints an Investments Committee consisting of two members, one of whom is an employer's representative and one an employee's representative.

Investments Committee

The Investments Committee is responsible for implementing and monitoring the investment strategy, weighting the investment categories within the ranges and monitoring the portfolio managers and the office. The Investments Committee generally meets every three months.

Category	Asset management mandated to	Portfolio manager
Money market investments	Syz AM (CH) Liquidity Mgmt – CHF	GAM Investment Management
CHF bonds	Syz AM (CH) Track – CHF Bonds	GAM Investment Management
	Syz AM (CH) Track Government Bonds	GAM Investment Management
	Swisscanto Bond Tot. Market Ind. Domestic	Zürcher Kantonalbank
Foreign currency bonds, rest of world	CSIF Bond Aggr. Rest World Currency Index	Credit Suisse (Schweiz) AG
Foreign currency corporate bonds, ex Switzerland	Swisscanto Bond Corp World hedged CHF	Zürcher Kantonalbank
USD bonds	UBS (CH) Inst. Fund-Bonds USD Inflation-I.	UBS AG, Global Asset Mgmt
Mortgages	Mortgages to beneficiaries and third parties	PFS Pension Fund Services
Swiss equities	CSIF Switzerland Total Market Index Blue	Credit Suisse (Schweiz) AG
	Swisscanto Equity Small & Mid Caps	Zürcher Kantonalbank
European equities	Swisscanto (CH) Ind Eq Fund MSCI UK	Zürcher Kantonalbank
	UBS (CH) IF Equities Europe Passive II I-X	UBS AG, Global Asset Mgmt
North American equities	Rize Cybersecurity	
	Swisscanto (CH) IPF I Index Equity Fund Small Cap World ex CH	Zürcher Kantonalbank
Pacific equities	UBS (CH) IF Equities Pacific (ex Japan) Passive II I-X	UBS AG, Global Asset Mgmt
	UBS (CH) IF Equities Japan Passive II I-X	
Foreign equities	Swisscanto IPF Index Equity World ex CH Responsible Class – NTH-	Zürcher Kantonalbank
Emerging market equities	Swisscanto Equity Emerging Markets	Zürcher Kantonalbank
Swiss real estate	Turidomus Collective Investment Unit	Pensimo Management AG
	Adimora Collective Investment Unit	Pensimo Management AG
	CS 1A Immo PK	Credit Suisse (Schweiz) AG
	SPA Real Estate Switzerland	Swiss Prime Site Group AG
Commodities	CSIF II Gold Blue DB Class hedged	Credit Suisse (Schweiz) AG

The institutions entrusted with the asset management meet the requirements and procedure for admission pursuant to Occupational Pension Supervisory Commission Directive D-01/2014. Compliance with Article 48f (2) to (5) BVV 2 is assured. All asset management institutions are authorised by FINMA or have a comparable authorisation abroad.

6.2 *Expansion of investment possibilities (Article 50 (4) BVV 2) with coherent explanation of compliance with certainty and risk allocation (Article 50(1) to (3) BVV 2)*

The Board of Trustees must provide a conclusive explanation of compliance with Article 50 (1) to (3) BVV 2 every year in the notes to the annual financial statements. The statutory maximum proportion of real estate of 30% was exceeded by 11.6 percentage points as at 31 December 2022.

Investment category	31 Decem- ber 2022	% of total	SAA		Article 55 BVV 2	31 Decem- ber 2021	% of total
	CHF	assets	Range			CHF	assets
Real estate	361,456,637	41.6%	36%	30–43%	30%	360,262,381	37.4%
Swiss real estate	361,456,637	41.6%	36%	30–43%		360,262,381	37.4%

If the pension fund can conclusively explain its compliance with paragraphs (1) to (3) in the notes to the annual financial statements, based on its regulations it may expand its investment possibilities in accordance with Articles 53 (1) to (4), 54, 54a, 54b (1), 55, 56, 56a (1) and (5) and 57 (2) and (3).

According to the strategy in Appendix I of the current Investment Rules and Regulations, there is a range for real estate from a minimum of 30% to a maximum of 43% with strategic value of 36%. At its meeting on 15 November 2022, the Board of Trustees decided to maintain these requirements and to exceed the BVV 2 limits. The regular dividend payments from the collective investment units ensure, among other things, that PVS remains liquid. The income from the real estate investments is also above the currently applicable actuarial interest rate of 1.5%.

Art. 53 (4) BVV 2 was extended by making a non-diversified investment in physical gold. This investment acts as a stabilising factor with a certain protection against inflation. The product deployed was chosen with care and is monitored on an ongoing basis by the investments committee. The value of the Commodities CSIF II Gold Blue Class DB Hedged fund is CHF 26,786,582 as at 31.12.22.

6.3 *Target reserve for fluctuations in asset value and calculation of the reserve*

Reserves for fluctuations in asset value serve to cushion against asset price fluctuations. They are intended to prevent underfunding from occurring as a result of volatility.

The required target reserve for fluctuations in asset value is calculated using the financial-economic method. In the financial-economic method, the reserve for fluctuations in asset value is calculated based on the risk-and-return characteristics of the investment categories in the investment strategy which, with sufficient certainty, enables a required minimum interest rate equal to the actuarial interest rate and coverage of the investment costs. The target reserve for fluctuations in asset value is expressed as a percentage of the obligations.

It is based on a horizon of three years, a security level of 98%, an expected return from the investment strategy of 3.25% and an investment strategy risk of 6.0%. It amounts to 18.3% (previous year: 20.1%) of pension liabilities and actuarial reserves.

Required reserve for fluctuations in asset value	2022 CHF	2021 CHF	Change com- pared with previous year
Reserve for fluctuations in asset value as at 1 January	160,117,519	140,376,415	19,741,104
Allocation at the expense of the operating statement	-70,497,831	19,741,104	-90,238,834
Reserve for fluctuations in asset value as per bal- ance sheet as at 31 December	89,619,688	160,117,519	-70,497,831
Required reserve for fluctuations in asset value	142,430,153	160,323,116	-17,892,963
Reserve deficit in the reserve for fluctuations in asset value	-52,810,465	-205,597	-52,604,868

6.4 Breakdown of investments into investment categories

Investment category	31 Decem- ber 2022 CHF	% of total assets	SAA	Range	Article 55 OPO 2	31 Decem- ber 2021 CHF	% of total assets
Interest-bearing investments	214,918,686	24.8%	27%	10–48%	100%	300,547,802	31.2%
Liquidity and money market investments	5,515,594	0.6%	1%	0–10%		5,654,586	0.6%
Receivables	4,662,039	0.5%	n/a			4,341,209	0.5%
CHF bonds	85,838,791	9.9%	8%	5–11%		111,249,593	11.6%
Foreign currency bonds, rest of world	3,200,613	0.4%	3%	0–5%		45,801,527	4.8%
Foreign currency corporate bonds, ex Switzerland	19,852,685	2.3%	3%	0–5%		24,078,387	2.5%
USD bonds (incl. currency hedges)	31,890,464	3.7%	4%	0–6%		36,242,550	3.8%
Emerging market bonds	0	0.0%	0%	0%		7,524,450	0.8%
Mortgages	63,958,500	7.4%	8%	5–11%		65,655,500	6.8%
Equities	263,688,877	30.4%	34%	17–48%	50%	273,221,698	28.4%
Swiss equities	86,788,019	10.0%	10%	7–13%		107,180,296	11.1%
European equities (incl. currency hedges)	48,751,186	5.6%	5%	3–9%		51,491,681	5.3%
North American equities	17,550,777	2.0%	4%	2–6%		0	0.0%
Pacific equities (incl. currency hedges)	26,997,437	3.1%	3%	0–5%		12,625,826	1.3%
Sustainable equities (incl. currency hedges)	74,511,021	8.6%	11%	5–13%		90,688,233	9.4%
Emerging market equities	9,090,437	1.0%	1%	0–2%		11,235,662	1.2%
Real estate	361,456,637	41.6%	36%	30–43%	30%	360,262,381	37.4%
Swiss real estate	361,456,637	41.6%	36%	30–43%		360,262,381	37.4%
Alternative investments	28,112,882	3.2%	3%	0–13%	15%	28,798,268	3.0%
Private equity	1,326,300	0.2%	0%	0–1%		1,326,300	0.1%
Commodities, hedged	26,786,582	3.1%	3%	0–6%		27,471,968	2.9%
Commodities	0	0.0%	0%	0–6%		0	0.0%
Total investments	868,177,082	100.0%	100.0%			962,830,149	100.0%

SAA = strategic asset allocation (investment strategy)

Foreign currencies	SAA pro- por- tion	Net proportion as at 31/12/2022	BVV 2 limit	BVV 2 arti- cle
Foreign currencies (without hedging)	11.3%	9.6%	30%	55e

The investment limits under Articles 54, 54a and 54b OPO 2 were met.

Currency hedges	31/12/2022 CHF	% of total assets	SAA	Range	31 December 2021 CHF	% of total assets
Total	44,650,601	5.1%	4.7%	0–7.2%	86,460,920	9.0%
EUR	6,479,637	0.7%	0.6%	0–0.6%	7,539,798	0.8%
USD	18,312,091	2.1%	2.0%	0%	33,194,706	3.4%
JPY	0	0.0%	0.0%	0–2.3%	7,688,180	0.8%
GBP	19,858,873	2.3%	2.1%	0–4.3%	38,038,236	4.0%

All the ranges were observed as at 31 December 2022.

6.4.1 Mortgages

The mortgages are mortgages to beneficiaries of PVS and to third parties. PVS grants beneficiaries and third parties first mortgages on houses and flats that are owner occupied for the whole of the year and on holiday properties for own use in Switzerland. The maximum loan is 70% (or 65% for holiday properties) of the market value or a maximum of CHF 1,500,000.

Amortisation payments for variable mortgages are possible at any time, but must be at least CHF 10,000. Fixed-rate mortgages cannot be amortised during the term of the loan.

If a contract is concluded for a term beyond the ordinary AHV retirement age, the mortgage loan may only exceed 65% of the market value if the affordability is guaranteed by the second income of a co-owner who has co-signed the contract and who has not already exceeded the ordinary AHV retirement age or reaches it during the term of the contract.

If a participant leaves PVS or receives all of their old-age benefits in the form of a lump-sum payment on retirement, the mortgage can be continued on the same terms. If ownership of the mortgaged property is transferred, the loan is to be repaid on the sale date.

The following applies in the event of early termination: if the contract was concluded after 1 December 2021 and the initial term was 11 years or more, PVS waives a prepayment penalty if there is a sale of the pledged property to third parties outside the group of family members up to and including a third degree of kinship and limits the costs incurred to a processing fee of CHF 1,000.

In all other cases – if, where the mortgage is terminated before it expires, the interest rate currently offered for the remaining term of the fixed-rate mortgage is lower than the contractually agreed interest rate – the difference for the remaining term of the loan becomes due for payment by the mortgage borrower, which is at a minimum, i.e. even if the interest rate currently offered is higher, the percentage margin of 1.15% (prepayment penalty). In any event, a processing fee of CHF 400 will be charged.

PVS grants variable and 2 to 15-year fixed-rate mortgages. The interest rate for variable mortgages is determined by the Board of Trustees on the basis of market conditions and was 1.9% in the reporting year.

The interest rates for fixed mortgages are based on current market conditions and are calculated from an average of selected fixed-rate mortgage providers. A minimum interest payment must be paid at this time, the amount of which is defined by the Investment Committee. The draw-down of the loan amount may be deferred for up to 12 months. In this case, the Swissport Pension Fund charges a surcharge from the fourth month. For new business to third parties, only 11 to 15-year mortgages may be offered; contracts with shorter terms are also offered for beneficiaries and existing external customers.

The mortgage portfolio was as follows in the reporting year:

Changes in the mortgage portfolio	2022 CHF	2021 CHF
As at 1 January	65,655,500	67,708,500
New mortgages	500,000	0
Mortgages terminated	-1,790,000	-2,308,000
Increases	320,000	305,000
Amortisations	-727,000	-50,000
As at 31 December	63,958,500	65,655,500
of which fixed-rate mortgages	62,844,000	64,516,000

Number of borrowers	2022	2021
Active participants	12	13
Pensioners	50	50
Former beneficiaries	5	6
Third parties	59	60
As at 31 December	126	129

Average loan amount	45.3%	48.2%
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6.5 Current (open) financial derivative instruments

In accordance with the Investment Rules and Regulations in force, investments in foreign currencies are hedged. The following forward foreign exchange contracts were open on the balance sheet date:

Forward foreign exchange contract	Currency	Amount in local currency	Conclusion forward rate	Current forward rate	Gain/loss as at 31/12/2022 CHF
			Value in CHF	Value in CHF	
Sale on 21/12/2023	EUR	6,670,000	0.9684	0.9715	
			6,459,228	6,479,637	20,409
Sale on 21/12/2023	USD	20,503,000	0.8892	0.8931	
			18,231,268	18,312,091	80,823
Sale on 21/12/2023	GBP	18,381,700	1.1084	1.0804	
			20,374,277	19,858,873	-515,404
Total open forward foreign exchange contracts as at 31/12/2022			45,064,773	44,650,601	-414,172

The above forward foreign exchange transactions are covered by investments in USD bonds, European equities and Pacific equities and were concluded through the Zürcher Kantonalbank (the counter-party).

6.6 Open commitments

There are no outstanding capital commitments.

6.7 Market value and counter-parties in securities lending

In accordance with the resolution by the Board of Trustees in 2009, PVS transferred all investments into investments with no securities lending during the course of 2010.

The only exception is the investment in "Swisscanto (CH) Index Bond Fund Total Market AAA-BBB Domestic CHF Class N", Swiss security no. 11704507, which permits securities lending within the fund. According to information provided by the fund management company, as at 31 December 2022 bonds with a value of CHF 14,052,576 were on loan from the fund units attributable to PVS, corresponding to a lending ratio of 35.31%.

6.8 Explanatory notes on net return on investments

The income from investments is detailed in the operating statement. Further details are provided below.

6.8.1 Details on real estate

	Income CHF 2022	Assets in CHF as at 31/12/2022	Income in CHF 2021	Assets in CHF as at 31/12/2021
Turidomus Collective Investment Unit				
Unit	12,835,367	306,456,857	19,058,962	302,520,102
Casareal investment group	5,358,965	149,253,460	10,707,224	147,819,823
<i>of which purchased</i>		0		0
Distribution	3,925,328		3,925,328	
Change in net asset value	1,433,637		6,781,896	
Proreal investment group	6,014,402	106,037,397	6,760,238	103,746,278
<i>of which purchased</i>		0		10,625,753
Distribution	3,723,284		3,723,284	
Change in net asset value	2,291,118		3,036,954	
Urban & Mixed-use investment group	1,462,000	51,166,000	1,591,500	50,954,000
<i>of which purchased</i>		0		0
Distribution	1,250,000		1,250,000	
Change in net asset value	212,000		341,500	
Adimora Collective Investment Unit				
Unit				
Omega investment group	653,631	18,819,406	1,261,802	18,641,390
<i>of which purchased</i>		0		2,297,787
Distribution	475,615		475,615	
Change in net asset value	178,016		786,187	
CS 1A Immo PK	-3,439,950	13,639,100	1,810,500	17,622,200
<i>of which sold/purchased</i>				
Distribution	543,150		543,150	
Change in net asset value	-3,983,100		1,267,350	
Swiss Prime Collective Investment Unit				
Unit				
SPA investment group	1,062,585	22,541,274	1,135,447	21,478,689
<i>of which purchased</i>				
Distribution	0		0	
Change in net asset value	1,062,585		1,135,447	
Helvetia Collective Investment Unit				
Swiss real estate investment group	2,805	0	96,108	0
<i>of which sold</i>		0		-5,175,956
Real. Gain on sale	0		89,572	
Distribution remuneration	2,805		6,536	
Change in net asset value	0		0	
Total real estate	11,114,439	361,456,637	23,362,819	360,262,381
<i>TER costs recognised under income</i>	<i>881,416</i>		<i>856,308</i>	
<i>Total net income from Swiss real estate</i>				
<i>as per the operating statement</i>	<i>11,995,855</i>		<i>24,219,127</i>	

The real estate assets are indirect investments via the Turidomus, Adimora and Swiss Prime collective investment units (CIUs) and the Credit Suisse CS 1A Immo PK investment fund for institutional investors. The investments in Turidomus are divided into claims on the Casareal investment group (residential property), claims on the Proreal investment group (commercial property) and claims on the Urban & Mixed-use investment group.

6.8.2 Overall investment performance

The performance, broken down by individual investment category, is as follows according to our calculations:

Net income from investments	2022 CHF	Perform. in %	2021 CHF	Perform. in %
Interest-bearing investments	-22,733,601	-8.8%	-778,142	-0.2%
Liquidity and money market investments	33,864	0.2%	-209,719	-0.7%
CHF bonds	-12,422,598	-12.6%	-2,585,024	-2.2%
Foreign currency bonds, rest of world	-1,868,624	-10.4%	1,116,950	2.5%
Foreign currency corporate bonds, ex Switzerland	-3,974,010	-16.6%	-510,116	-2.1%
USD bonds (incl. currency hedges)	-4,839,233	-13.4%	1,108,367	2.1%
Emerging market bonds	-296,534	-7.7%	-394,771	-5.8%
Mortgages	633,534	1.0%	696,171	1.0%
Equities	-43,589,016	-14.4%	44,873,303	20.3%
Swiss equities	-19,690,370	-18.4%	20,160,841	23.1%
European equities (incl. currency hedges)	-1,924,869	-0.0%	5,876,331	15.3%
North American equities	-4,470,476	-22.3%	0	0.0%
Pacific equities (incl. currency hedges)	-1,218,076	-5.2%	1,203,759	10.3%
Sustainable equities (incl. currency hedges)	-14,228,716	-17.8%	17,575,612	25.1%
Emerging market equities	-2,056,509	-18.4%	56,760	0.4%
Real estate	11,995,855	3.1%	24,219,127	6.8%
Swiss real estate	11,995,855	3.1%	24,219,127	6.8%
Alternative investments	-625,502	-2.3%	-1,609,240	-5.4%
Private equity	36,474	2.8%	38,065	2.9%
Commodities	-661,976	-2.5%	-1,647,305	-5.7%
Total net income from investments	-54,952,264	-5.9%	66,705,048	7.1%

The performance was calculated using the time-weighted return (TWR) method and is reported net (i.e. after deduction of costs for indirect investments).

6.9 Explanatory notes on the asset management costs

Investment management costs	2022 CHF	2021 CHF	Change from previous year
Securities accounting costs	19,817	19,817	0
Investment advisory costs	49,004	56,153	-7,149
Management fees for mortgages to beneficiaries	70,103	71,282	-1,179
Bank charges for direct investments	2,983	3,090	-107
Stamp duty	16,620	0	16,620
Transaction costs for collective investments	8,763	89,654	-80,891
Custody fees/management fees for collective investments	182,259	264,120	-81,861
Cost indicators of collective investments	937,226	992,306	-55,080
Total administration cost of investments	1,286,775	1,496,422	-209,647

Reported asset management costs	2022 CHF	2021 CHF
Asset management costs recognised directly in the operative account	349,549	504,116
Sum of all recognised cost indicators for collective investment schemes in CHF as per the operating statement	937,226	992,306
Total asset management costs reported in the operating statement	1,286,775	1,496,422
Total of all asset management costs as reported in the operating statement in percentage of cost-transparent investment schemes	0.148%	0.155%

Transparent collective investment schemes

Provider and product name	Market value 31/12/2022 CHF	TER in %	TER in CHF
Swiss & Global; Syz AM (CH) Liquidity Mgmt - CHF	119,555	0.10%	120
Swiss & Global; Syz AM (CH) Track – CHF Bonds	46,041,068	0.06%	27,625
Credit Suisse AG; CSIF Bond Aggr.Global ex G4 ex CHF	3,200,613	0.0045%	144
UBS (CH) Inst. Fund - Bonds USD Inflation-linked Passive I-X	31,959,307	0.01%	3,196
Credit Suisse AG; CSIF Switzerland Total Market Index Blue	65,682,089	0.002%	1,314
Pensimo; Adimora Collective Investment Unit – Omega	18,819,406	0.26%	48,930
Pensimo; Turidomus Collective Investment Unit – Casareal	149,253,460	0.23%	343,283
Pensimo; Turidomus Collective Investment Unit – Proreal	106,037,397	0.15%	159,056
Pensimo; Turidomus Collective Investment Unit - Urban & Mixed-use	51,166,000	0.16%	81,866
Credit Suisse 1a Immo PK	13,639,100	0.68%	92,746
Swiss Prime Site Group; SPA Real Estate Switzerland	22,541,274	0.69%	155,535
Credit Suisse AG; CSIF II Gold Blue DB Class hedged	26,786,582	0.0874%	23,411
Total transparent collective investment scheme costs			937,226

The TER costs reported are gross, i.e. they do not take reimbursements into account. The following reimbursements accrued:

Provider and product name	Reimbursement 2022 CHF	Reimbursement 2021 CHF
Lazard Asset Management Schweiz AG; Lazard Emerging Markets Local Debt Fund, sales commission	746	8,189
Helvetia Collective Investment Unit; Real Estate Switzerland, distribution remuneration	2,805	6,536
Total	3,551	14,725

If these reimbursements are taken into account, the asset management costs decrease to CHF 1,283,224 (previous year: CHF 1,481,698) and represent 0.148% (previous year: 0.154%) of cost-transparent investments.

The cost transparency ratio is 100% (previous year: 100%)

Additional collective investment schemes with CS, UBS and ZKB are made in the Z, I-X and N class funds without any inherent costs (with fees charged separately).

6.10 Comments on investments in an employer's enterprise

Receivables from employers	31 Decem- ber 2022 CHF	31 December 2021 CHF	Change com- pared with previous year
Swissport International AG	278,396	309,909	-32,810
Swissport International AG, Zurich operations	978,206	890,242	87,964
Swissport International AG, Basel operations	238,963	238,103	860
Swissport International AG, Geneva operations	502,878	483,716	19,162
Swissport Baggage Sorting AG	0	113,968	-113,968
Swissport Executive Aviation SA	5,723	6,881	-1,158
GVAssistance S.A.	41,927	47,213	-5,286
Current account employer	950	-526	1,476
Total receivables from employers	2,047,043	2,089,506	-42,463

The receivables from employers include the contribution statements of the affiliated employers for the month of December 2022. They were all paid in January 2023.

7 Comments on other balance sheet and operating statement positions

7.1 Balance sheet

Assets

7.1.1 Receivables from third parties

	31/12/2022 CHF	31/12/2021 CHF
Receivables for continuing insurance	3,811	6,198
Current account insurance company	363,785	186,209
Refundable withholding tax	2,241,398	2,059,296
Outstanding interest on mortgages	6,003	0
Total receivables	2,614,996	2,251,703

7.1.2 Prepayments and accrued income

	31/12/2022 CHF	31/12/2021 CHF
Turidomus Casareal dividend	3,925,328	3,925,328
Turidomus Proreal dividend	3,723,284	3,723,284
Turidomus Urban & Mixed-use distribution	1,250,000	1,250,000
Adimora Omega dividend	475,615	475,615
Other	2,869	5,539
Total prepayments and accrued income	9,377,096	9,379,766

Equity and liabilities

7.1.3 Other liabilities

The amount includes various outstanding invoices for the reporting year that were paid in 2023.

7.1.4 Accrued liabilities and deferred Income

The "accrued liabilities and deferred income" item primarily includes the contribution to the security fund, outstanding charges for management, provisions for the fees of the supervisory authority (the Occupational Pension Supervisory Committee) and the expenses for the audit for the reporting year.

7.2 Operative account

7.2.1 One-time payments and purchase amounts

	2022 CHF	2021 CHF	Change compared with previous year
Voluntary payments by employees	752,062	965,836	-213,774
Total one-time payments and purchase amounts	752,062	965,836	-213,774

7.2.2 Reimbursements of withdrawals for home ownership/divorce

	2022 CHF	2021 CHF	Change compared with previous year
Voluntary repayments of withdrawals for home ownership	137,361	472,046	-334,685
Payments received from divorce entitlements	552,319	155,223	397,096
Voluntary repayments of assignments on divorce	10,191	111,715	-101,524
Total reimbursements of withdrawals for home ownership/divorce	699,871	738,984	-39,113

Two people made voluntary repayments of home ownership withdrawals (previous year: 7). A total of 8 (previous year: 2) people had part of the retirement savings of divorced spouses paid into their individual retirement savings. In addition, 1 (previous year: 2) person made a voluntary repayment of an assignment on divorce.

7.2.3 Children's benefits

	2022 CHF	2021 CHF	Change compared with previous year
Pensioner's children's benefits	133,424	129,134	4,290
Orphan's benefits	32,174	35,334	-3,160
Disabled person's children's benefits	121,823	86,426	35,397
Total children's benefits	287,421	250,894	36,527

7.2.4 Withdrawals for encouragement of home ownership/divorce

	2022 CHF	2021 CHF	Change compared with previous year
Withdrawals for encouragement of home ownership	325,711	1,269,290	-943,579
Transfer of retirement savings to divorced spouses	379,495	347,623	31,872
Total withdrawals for encouragement of home ownership/divorce	705,206	1,616,913	-911,707

In addition a total of 5 (previous year: 17) persons made use of the option of a home ownership encouragement withdrawal. The average home ownership encouragement withdrawal was CHF 65,142 (previous year: CHF 74,664).

A total of 7 (previous year: 10) persons who had part of their individual retirement savings transferred to the pension fund of their divorced spouse.

7.2.5 Other expenses

The "Share of Swissport Health Management" item contains PVS's share of the health management expenses of affiliated employers. In accordance with the resolution by the Board of Trustees of 12 July 2007, PVS makes a CHF 225,000 cost-sharing payment annually towards the employers' health management expenses, with the following conditions:

- The employers affiliated to PVS commit to expenditure of at least the same amount.
- Health management prepares an implementation plan for the use of the cost-sharing payment.

The cost-sharing payment was increased to CHF 275,000 excluding VAT as at 1 January 2013 and at the same time given a time limit of until 31 December 2015. In September 2015 it was contractually extended with a three-year term from 1.1.2016. The contract has not been terminated. The contract is extended by one year unless notice is served

7.2.6 Administration expenses

	2022 CHF	2021 CHF	Change compared with previous year
Audit fees	32,950	32,368	582
Actuary's fees	78,849	96,521	-17,672
Compensation, expenses and training of the Board of Trustees	63,324	60,053	3,271
Administration expenses for PFS AG	652,991	722,138	-69,147
Translation and printing expenses	9,349	23,998	-14,649
Supervisory authority fees	19,644	20,815	-1,171
Other administration expenses	8,339	5,088	3,251
Total administration expenses	865,446	960,981	-95,535

Based on the 3,896 (previous year: 4,293) active members and pensioners (excluding children's pensions) on 1 January 2022, administrative expenses were CHF 222 (previous year: CHF 224) per beneficiary.

8 Supervisory authority requirements

As of 28 June 2022 the supervisory authority took note of the 2021 reporting.

9 Further information regarding financial situation

9.1 Retrocessions

In the reporting year, PVS requested that its external asset managers provide information on retrocessions received or paid for the purposes of PVS's account-of-agency duty and the duty of delivery in accordance with Article 400 (1) of the Swiss Code of Obligations, the provisions concerning the transfer of pecuniary benefits under Article 48k of BVV 2 and the corresponding case law of the Swiss Federal Supreme Court (most recently BGE 4A_127/2012 and 4A_141/2012 of 29 October 2012). In the reporting year, no retrocessions were declared by the external asset managers.

9.2 Pledge of assets

A limited general deed of pledge up to a maximum of CHF 20 million is maintained to cover the margins of forward foreign exchange contracts concluded with Credit Suisse (Schweiz) AG. The assets held in safe custody by Credit Suisse are pledged to secure this maximum amount. As at 31/12/2022 there were no forward foreign exchange contracts with Credit Suisse (Schweiz) AG.

10 Events subsequent to the balance sheet date

None.



Swissport Pension Fund, Opfikon

Auditors' report to the Board of Trustees on the 2022 annual financial statements

This report is a translation of the German version. In case of doubt, only the original German version in which the statutory auditor's report is reproduced is authoritative.



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Auditors' report to the Board of Trustees of the Swissport Pension Fund, Opfikon

Report on the audit of the annual financial statements

Audit opinion

We have audited the annual financial statements of Swissport Pension Fund, consisting of the balance sheet as of 31 December 2022, the operating statement for the year ending on that date and the notes, including a summary of the material accounting methods.

In our assessment, the attached annual financial statements meet the provisions of Swiss law, the Deed of Foundation and the Rules and Regulations.

Basis of the audit assessment

We conducted our audit in accordance with Swiss legislation and Swiss auditing standards (SA-CH). Our responsibilities, as defined by these requirements and standards, are described in more detail in the "Auditor's responsibilities for the audit of annual financial statements" section of our report. As required by the stipulations of Swiss law and the standards of our profession, we are independent of the pension fund. We have also met our other professional behavioural obligations in compliance with these requirements.

We are of the opinion that the evidence we obtained during the course of the audit is adequate and appropriate to act as a basis for our audit opinion.

Miscellaneous information

The Board of trustees is responsible for the miscellaneous information. The miscellaneous information includes the information contained in the annual report, but not the information in the annual financial statements and our report on the financial statements.

Our audit opinion on the annual financial statements does not extend to the miscellaneous information and, subsequent to the audit, we do not express any form of inference on the miscellaneous information.

In conjunction with our audit of the financial statements, we have the responsibility for reading the miscellaneous information and assessing whether the miscellaneous information exhibits any material discrepancies from the annual financial statements or the knowledge we derived during the audit, or which appears to be presented in any other materially false way.

If, based on our work, we come to the conclusion that this miscellaneous information constitutes a materially incorrect presentation, we are required to report this fact. We have nothing to report in this context.

Responsibility of the Board of Trustees for the annual financial statements.

The Board of Trustees is responsible for the preparation of the annual financial statements in accordance with the requirements of law, the Deed of Foundation and the Rules and Regulations and for the internal controls which the Board of Trustees judges to be necessary to enable the preparation of annual financial statements free from material false representations due to fraudulent activities or errors.

Responsibilities of the pension actuary for the audit of the annual financial statements

The Board of Trustees appoints an auditor and a pension actuary for the audit. The pension actuary is responsible for the assessment of the provisions required for the actuarial risks. These provisions consist of pension liabilities and actuarial reserves. In accordance with Article 52c (1)(a) BVG (Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans) an audit of the assessment of the pension liabilities and actuarial reserves does not form part of the tasks of the statutory auditor. As required by Article 52e (1) BVG, the pension actuary reviews at regular intervals whether the pension fund provides certainty that it can meet its obligations and whether the actuarial provisions on the benefits and financing contained in the Rules and Regulations regarding benefits and financing meet the legal requirements.

Responsibilities of the auditors for the audit of the annual financial statements

Our objectives are to acquire adequate certainty on whether the annual financial statements as a whole are free from material false representations due to fraudulent activities or errors and to provide a report containing our audit opinion. Adequate certainty is a high degree of certainty, but not a guarantee, that an audit of financial statements conducted in accordance with Swiss law and SA-CH always reveals a material false representation if such a representation exists. False representations can result from fraudulent activities or errors and are judged to be material if it could be reasonably expected from one of them or from all of them that they influence user's financial decisions based on this year's financial statements.

As part of an audit and as required by Swiss law and the SA-CH, during the entire audit we exercise due judgement and maintain a fundamentally critical attitude. In addition:

- we identify and assess the risks of material false representations in the annual financial statements due to fraudulent activities or errors, plan and undertake audit procedures as a reaction to these risks and acquire evidence during the audit that is adequate and appropriate to act as a basis for our audit opinion. The risk that material false representations due to fraudulent activities go undetected is greater than the risk resulting from errors, as fraudulent activities can include collusion, forgeries, intentional incompleteness, misleading representations or the bypassing of internal controls
- we gain an understanding of the internal controls relevant for the planning of audit procedures which are reasonable under the prevailing circumstances. However, we do not gather this information with the purpose of issuing an audit report on the effectiveness of the pension fund's internal controls.
- we assess the appropriateness of the accounting methods applied, as well as the plausibility of the estimates made and presented in the accounting procedures and associated information, with the exception of the pension liabilities and actuarial reserves assessed by the pension actuary.

Amongst other matters, we communicate with the Board of Trustees on significant audit findings, including any notable shortcomings in the internal controls we identify during our audit.

Report on miscellaneous statutory and other legal requirements

The Board of Trustees is responsible for performing the statutory duties and implementing the provisions of the by-laws and the Rules and Regulations relating to organisation, management and investment. We undertook the above-mentioned audits in accordance with Article 52c (1) BVG and Article 35 BVV 2 (Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans 2).

We reviewed whether

- the organisation and management meet the provisions of law and the Rules and Regulations and whether an internal control system appropriate for the size and complexity of the pension fund is in place;
- the investments meet the provisions of law and the Rules and Regulations;
- the BVG retirement accounts meet the legal requirements;
- the precautions to safeguard loyalty in the asset management were taken and whether compliance with the duties of loyalty and the disclosure of conflicts of interest are sufficiently monitored by the highest governing body;
- the non-committed funds or the profit participation from insurance policies were used in accordance with the provisions of law and the Rules and Regulations;
- the information and disclosures required by law were submitted to the supervisory body;
- the interests of the pension fund were safeguarded in the disclosed transactions with related parties.

We confirm that the requirements of the law, the by-laws, and the Rules and Regulations were met.

We recommend approval of these annual financial statements.

KPMG AG

Eric Funk
Certified audit expert
Lead auditor

Larissa Kohler
Certified audit expert

Zurich, 1 June 2023

Annex:

- Annual financial statements consisting of the balance sheet, operating statement and notes