



# **Annual financial statements 2019**



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## Foreword

Report by the Chairman of the Board of Trustees on the 2019 financial year of the foundation Swissport Company Pension Scheme ("PVS").

### **PVS Annual financial statements 2019**

These PVS annual financial statements give primarily the monetary picture of our 2019 operations. For the Board of Trustees, the defining event in 2019 was the Asset Liability Management Study (ALM) and its consequences. In special meetings all aspects and key data for PVS were examined and discussed, and the necessary changes were agreed on. This procedure took a lot of time, but in December all board members agreed that it was worth preparing for the bad times during the good times – I write this foreword in the middle of the corona crisis.

### **Asset Liability Management Study (ALM)**

The study was carried out together with the consultancy firm c-alm and occupied the Board of Trustees in several regular and extraordinary meetings. The main questions were

- How can PVS prepare for a long period with negative interest rates and therefore falling yields?
- How can we ensure equitable handling of different generations of beneficiaries?

The figures presented to the Board of Trustees by c-alm sparked lively discussions. The Board of Trustees examined in detail the opportunities and risks associated with each of the decisions set before them. The following decisions were then taken at the November meeting:

- Lowering the technical interest rate: Yield prospects do not allow us to maintain our technical interest rate at 2.5%. A cut to 2% was decided on, in the full knowledge that this is still high in the current fiscal environment.
- Changing from period tables to generation tables for a more precise calculation of life expectancy: The tables calculate longevity. The generation table is the more modern calculation method and is used by most pension funds today.
- Lowering conversion rates: This was the subject that provoked the most discussion. In times when investment returns are sinking and we are all living longer, PVS cannot afford to continue to use conversion rates that are too high in pension calculations. In order to reduce the much-talked-about redistribution from young to old, the Board of Trustees decided to cut conversion rates by around 0.6%.
- Cushioning the effect of reducing conversion rates on people about to retire by making one-off contributions from pension fund assets: Beneficiaries who are about to retire receive a one-off contribution to their retirement savings, which fully compensates for the reduction (those born between 1957 and 1960) or partially (those born between 1961 and 1964). This compensates for the fact that these generations have little opportunity of rebuilding their retirement assets through higher interest rates.

Lowering conversion rates are unpopular decisions that require careful consideration. Granting conversion rates that are too high will only be detrimental to PVS over time. In Switzerland, pensions are guaranteed for life and cannot be reduced. Adjustments to reflect lower investment return expectations must be put in place promptly. Delaying such decisions continually creates new obligations that are too high. Here, too, only the future will show whether the current reductions are sufficient to keep PVS in balance.

In addition to the reductions mentioned above, the Board of Trustees also took a look at insurance benefits for death and disablement. At PVS these are calculated using capital saved from retirement benefits: If capital savings are low, then insurance benefits are also low. The Board of Trustees decided to introduce a lower limit for insurance benefits of 40% of insured salary. For 75% of insured persons this represents an improvement in benefits.

There is reinsurance for these risk insurance policies. Our contract with the current reinsurer, PK Rück, expired end 2019. After a call for tenders, the Board of Trustees decided to place this reinsurance from 1/1/2020 with Zurich Insurance.

In the course of the ALM discussions, the Board of Trustees also dealt with the following points, without making any changes:

- PVS is one of the few pension funds that use different conversion rates for beneficiaries with or without surviving dependants (newly married and unmarried). This was kept unchanged.
- The level of survivor's pensions at PVS is high at 70% compared to other pension funds. This level was kept unchanged.

### **ALM and investment strategy**

In the light of the decisions mentioned above, the Board of Trustees also looked at investment strategy. The strategy was essentially confirmed. PVS continues to rely on highly diversified investments with a high proportion of Swiss real estate, worldwide stocks and bonds. To keep costs down, PVS mostly invests in passive, index-linked vehicles. The Board of Trustees decided on minor changes in the bandwidth of these vessels.

### **PVS 2019**

PVS benefited from an exceptionally good investment year. After the stock market low at the end of 2018, the markets recovered in early 2019 and gave us an excellent investment result of 11.3% (previous year -2.8%). Part of this income was passed on to beneficiaries through a high interest rate on retirement capital of 4.5%. Elements of the ALM were also financed. For example, cushioning the reduction in conversion rates costs around CHF 24 million. Fluctuation reserves were also increased.

The coverage ratio at the end of 2019 was 116.1% (previous year 111.3%)

The number of active participants remained stable in 2019, increasing only by 13 to 4003.

The number of pensioners increased by 48 to 809.

The redesigned homepage ([www.pv-swissport.ch](http://www.pv-swissport.ch)) and articles on the blog in Zurich should bring information on PVS closer to everyone involved in 2019. It is our goal to provide transparent information about PVS and questions relating to the 2nd pillar of old-age provision. We will have to make efforts to do this in the coming years.

### **Board of Trustees 2019**

In early 2019, the election of employee representatives to the Board of Trustees took place. The Zurich location had to find a successor to Margrit Coimbra. She was a member of the Board of Trustees since the creation of PVS in 2003 and made a significant contribution to the success of PVS. Matthias Schmidli was chosen as her successor in the spring.

Ralf Müller and Christian Goepfert were confirmed as employee representatives in Geneva and Basel.

Eva-Maria Kerner resigned from the employer side in September. Eva-Maria was a member of the Board of Trustees for 10 years and chaired the Investment Committee. Peter Lamprecht from Swissport, who is responsible for tax issues within the group, was chosen as successor. Peter also took over as Chairman of the Investment Committee.

With Heinz Giesen and myself, the Board of Trustees is complete on the employer side.

### **Goals and outlook for 2020**

After the many changes in 2019, the Board of Trustees has set the goal for 2020 to revise the regulations and adapt them to today's circumstances. And with more targeted information, young beneficiaries should become more interested in the 2nd pillar. This was before the corona crisis. Corona has, of course, changed the world. The Board of Trustees would nevertheless like to stick to the above goals.

### **Closing remarks**

I would like to thank everyone involved for their committed votes, constant reflection, and the many ideas they also brought to Board of Trustees discussions in 2019.

I would like to thank all beneficiaries for their trust, but also for their understanding of the necessary steps that the Foundation Board had to take in 2019.

Roland Etter  
Chairman of the Board of Trustees

## 2019 annual financial statements

<b>BALANCE SHEET</b>	Index Note	<b>31/12/2019</b> CHF	<b>31/12/2018</b> CHF
<b>ASSETS</b>			
<b>Investments</b>	6.4	<b>946,020,074</b>	<b>860,073,472</b>
Liquidity and money market investments		3,778,332	5,182,449
Receivables from employers	6.10	4,914,767	2,631,201
Receivables from third parties	7.1.1	3,272,529	7,309,440
CHF bonds		121,281,419	117,661,103
Foreign currency bonds, rest of world		45,594,611	43,392,302
Foreign currency corporate bonds, ex Switzerland		23,564,509	49,110,356
USD bonds		34,015,212	0
Emerging market bonds		25,606,050	33,336,357
Mortgages	6.4.1	66,021,500	46,921,800
Swiss equities		97,736,739	75,350,562
European equities (incl. currency hedges)		24,042,010	20,059,591
North American equities		0	21,999,958
Pacific equities (incl. currency hedges)		31,750,060	26,388,249
Sustainable equities (incl. currency hedges)		103,912,664	78,419,851
Emerging market equities		34,408,044	29,859,809
Swiss real estate	6.8.1	324,795,329	301,124,143
Private equity		1,326,300	1,326,300
<b>Prepayments and accrued income</b>	7.1.2	<b>7,764,169</b>	<b>8,082,223</b>
<b>Total assets</b>		<b>953,784,243</b>	<b>868,155,695</b>
<b>LIABILITIES</b>			
<b>Liabilities</b>		<b>14,941,525</b>	<b>6,223,700</b>
Termination benefits		14,136,741	5,374,416
Lump sum payments		750,535	790,233
Other liabilities	7.1.3	54,249	59,052
<b>Accrued liabilities and deferred income</b>	7.1.4	<b>247,790</b>	<b>309,295</b>
<b>Pension liabilities and actuarial reserves</b>		<b>808,545,761</b>	<b>774,469,128</b>
Active participants' liabilities	5.2	414,967,216	418,086,176
Pensioners' liabilities	5.4	369,838,324	320,944,093
Actuarial reserves	5.5	23,740,221	35,438,859
<b>Reserve for fluctuations in asset value</b>	6.3	<b>130,049,167</b>	<b>87,153,572</b>
<b>Dotation capital, non-committed funds/underfunding</b>		<b>0</b>	<b>0</b>
<b>Total liabilities</b>		<b>953,784,243</b>	<b>868,155,695</b>

<b>OPERATIVE ACCOUNT</b>	Index Note	<b>2019</b> CHF	<b>2018</b> CHF
<b>Ordinary and other contributions and transfers-in</b>		<b>35,256,674</b>	<b>33,088,568</b>
Employee savings contributions		11,745,853	11,190,038
Employer savings contributions		16,181,570	15,543,888
Employee risk contributions		2,508,303	2,384,047
Employer risk contributions		2,515,825	2,397,529
One-time payments and purchase amounts	7.2.1	2,305,123	1,573,066
<b>Entry lump sum transfers</b>		<b>13,818,315</b>	<b>15,704,677</b>
Termination benefit transfers		12,903,202	14,966,922
Reimbursements of withdrawals for home ownership/divorce	7.2.2	915,113	737,755
<b>Inflow from contributions and entry lump sum transfers</b>		<b>49,074,989</b>	<b>48,793,244</b>
<b>Regulatory benefits</b>		<b>-29,059,483</b>	<b>-23,590,794</b>
Retirement pension benefits		-17,600,338	-16,949,668
Survivors' pensions		-758,882	-699,124
Disability pensions		-1,208,795	-964,976
Children's benefits	7.2.3	-344,588	-238,043
Lump sum payments on retirement		-8,023,504	-4,720,509
Lump sum payments on death or disability		-1,123,376	-18,475
<b>Termination benefits</b>		<b>-37,424,117</b>	<b>-20,717,110</b>
Termination benefits for leavers		-36,255,431	-18,997,887
Withdrawals for encouragement of home ownership/divorce	7.2.4	-1,168,687	-1,719,224
<b>Outflow for benefits and withdrawals</b>		<b>-66,483,600</b>	<b>-44,307,904</b>
<b>Change in pension liabilities, actuarial reserves and contribution reserves</b>		<b>-34,076,633</b>	<b>-16,654,472</b>
Decrease/increase in active participants' liabilities	5.2	19,063,103	-3,526,207
Increase in pensioners' liabilities	5.4	-48,894,231	-8,886,655
Decrease/increase in actuarial reserves	5.5	11,698,638	-274,581
Interest on retirement savings capital	5.2	-15,944,143	-3,967,029
<b>Income from insurance benefits</b>		<b>1,409,306</b>	<b>2,067,086</b>
<b>Insurance cost</b>		<b>-1,964,278</b>	<b>-1,851,460</b>
Risk premium		-1,627,941	-1,553,268
Cost premium		-157,474	-150,251
Contributions to Security Fund		-178,863	-147,941
<b>Net result of insurance activities</b>		<b>-52,040,216</b>	<b>-11,953,506</b>

	Index Note	2019 CHF	2018 CHF
<b>Net return on investments</b>	6.8.2	<b>96,311,142</b>	<b>-25,236,654</b>
Income from liquidity and money market investments		-10,311	-24,372
Income from CHF bonds		4,201,451	400,805
Income from foreign currency bonds, rest of world		2,711,054	-1,423,636
Income from foreign currency corporate bonds, ex Switzerland		4,096,228	-2,136,731
Income from USD bonds		-784,788	0
Income from emerging market bonds		3,855,109	-2,120,589
Income from mortgages		590,758	525,333
Income from Swiss equities		23,053,986	-10,103,103
Income from European equities (incl. currency hedges)		4,144,978	-2,811,335
Income from North American equities (incl. currency hedges)		5,971,168	-1,745,971
Income from Pacific equities (incl. currency hedges)		4,880,670	-4,254,562
Income from sustainable equities (incl. currency hedges)		20,428,428	-7,250,320
Income from emerging market equities		4,863,768	-4,671,732
Income from Swiss real estate	6.8.1	20,117,130	12,298,409
Income from private equity		40,319	0
Investment management costs	6.9	-1,765,698	-1,862,407
Interest on termination benefits		-83,108	-56,443
<b>Other income</b>		<b>2,581</b>	<b>11,825</b>
<b>Other expenses</b>	7.2.5	<b>-296,175</b>	<b>-296,175</b>
<b>Administration expenses</b>	7.2.6	<b>-1,081,736</b>	<b>-1,048,958</b>
General administration		-966,317	-961,960
Auditor and actuary		-94,782	-69,372
Supervisory authorities		-20,638	-17,626
<b>Income surplus/expense surplus before increase / decrease in reserves for fluctuation in asset value</b>		<b>42,895,595</b>	<b>-38,523,467</b>
<b>Increase / decrease in reserves for fluctuation in asset value</b>	6.3	<b>-42,895,595</b>	<b>38,523,467</b>
<b>Income surplus/expense surplus</b>		<b>0</b>	<b>0</b>

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 (ZGB), Article 331 of the Swiss Code of Obligations (OR) 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 Glattbrugg, and is subject to statutory supervision.

PVS's 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 Swissport International AG 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*	16 November 2018	01 January 2019
Regulations on provisions and reserves for fluctuations	15 November 2019	31 December 2019
Organisational Regulations	15 March 2016	01 April 2016
Election Regulations	27 June 2014	01 July 2014
Investment Rules and Regulations	19 September 2017	01 October 2017
- Appendix I	15 November 2019	01 December 2019
- Appendix II	16 November 2018	01 December 2018
- Appendix III	19 September 2017	01 October 2017
Partial Liquidation Regulations	24 November 2009	25 February 2010

\* The Pension Scheme Regulations and its appendices were revised and adopted by the Board of Trustees on 18 February 2020 effective from 01/01/2020.

#### 1.4 Supreme body, management and authorised signatories

As at 31 December 2019, the Board of Trustees comprises the following members:

Employer representatives		Employee representatives/ term of office 1 July 2019 – 30 June 2022	
Roland Etter	Chairman*	Margrit Coimbra	Deputy Chairman* until 30/06/2019
Heinrich-Josef Giesen	Member*	Christian Goepfert	Member*
Eva-Maria Kerner <sup>1)</sup>	Member* until 31/10/2019	Ralf Müller <sup>1)</sup>	Member* Deputy Chairman from 1/11/2019
Peter Lamprecht <sup>1)</sup>	Member* from 1/11/2019	Matthias Schmidli	Member* from 01/07/2019

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



*Management:*

Elisabeth Müller	Managing Director*	Claudia Sommer	Customer Advisor
Reymond Früh	Head of Accounting*	Markus Bleisch	Customer Advisor

\* Collective signatory authority with two signatures required

*1.5 Actuaries, auditors, advisors, supervisory authority*

*Accredited pension actuary*

Livio Cathomen, Mercer (Switzerland) SA, Tessinerplatz 5, 8027 Zurich

*Auditors*

KPMG AG, Badenerstrasse 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, 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 Baggage Sorting AG, Kloten, Canton of Zurich  
PrivatPort S.A., Meyrin, Canton of Geneva  
Swissport Group Services GmbH, Baar, Canton of Zug  
Careport AG, Opfikon, Canton of Zurich  
GVAssistance S.A., Le Grand-Saconnex, Canton of Geneva

There were no changes in the affiliated employers during the year under review.

## 2 Active participants and pensioners

### 2.1 Active participants

	Swissport International		Swissport Zurich		Swissport Basel	
	2019	2018	2019	2018	2019	2018
<b>As at 1 January</b>	<b>109</b>	<b>108</b>	<b>1,836</b>	<b>1,654</b>	<b>516</b>	<b>443</b>
Joined	24	24	466	581	112	177
Left	22	22	403	369	94	97
Retired	4	1	34	23	5	7
Newly disabled	0	0	1	3	0	0
Deaths	0	0	3	4	0	0
<b>As at 31 December</b>	<b>107</b>	<b>109</b>	<b>1,861</b>	<b>1,836</b>	<b>529</b>	<b>516</b>
of which risk insurance only	0	1	206	207	45	37

<b>Retirement savings as at 31 December</b>	<b>28,976,119</b>	<b>30,548,753</b>	<b>197,209,861</b>	<b>194,992,495</b>	<b>41,837,654</b>	<b>40,340,063</b>
of which BVG retirement savings as at 31 December	7,139,473	7,587,817	85,395,662	84,365,927	15,322,291	14,659,389

	Swissport Geneva		Swissport Baggage Sorting		PrivatPort	
	2019	2018	2019	2018	2019	2018
<b>As at 1 January</b>	<b>1,020</b>	<b>954</b>	<b>252</b>	<b>193</b>	<b>15</b>	<b>13</b>
Joined	224	228	33	109	0	5
Left	160	150	63	50	4	3
Retired	9	9	3	0	1	0
Newly disabled	3	3	0	0	0	0
Deaths	1	0	0	0	0	0
<b>As at 31 December</b>	<b>1,071</b>	<b>1,020</b>	<b>219</b>	<b>252</b>	<b>10</b>	<b>15</b>
of which risk insurance only	96	51	15	23	1	3

<b>Retirement savings as at 31 December</b>	<b>101,185,122</b>	<b>98,261,172</b>	<b>21,619,035</b>	<b>23,442,342</b>	<b>709,904</b>	<b>1,436,271</b>
of which BVG retirement savings as at 31 December	41,961,358	41,121,134	10,909,735	11,887,379	346,892	621,998

	Swissport Group Services GmbH		Careport AG		GVAssistance S.A.	
	2019	2018	2019	2018	2019	2018
<b>As at 1 January</b>	<b>66</b>	<b>72</b>	<b>102</b>	<b>78</b>	<b>74</b>	<b>60</b>
Joined	20	13	10	28	45	23
Left	24	17	61	3	24	9
Retired	0	0	1	1	1	0
Newly disabled	0	1	0	0	0	0
Deaths	0	1	0	0	0	0
<b>As at 31 December</b>	<b>62</b>	<b>66</b>	<b>50</b>	<b>102</b>	<b>94</b>	<b>74</b>
of which risk insurance only	1	1	1	4	22	5

<b>Retirement savings as at 31 December</b>	<b>11,686,602</b>	<b>13,022,200</b>	<b>3,794,580</b>	<b>8,472,991</b>	<b>7,948,339</b>	<b>7,569,891</b>
of which BVG retirement savings as at 31 December	3,307,537	3,525,512	1,726,888	4,085,196	3,547,894	3,458,682

	Total PVS		Change compared with previous year
	2019	2018	
<b>As at 1 January</b>	<b>3,990</b>	<b>3,575</b>	<b>415</b>
Joined	934	1,188	-254
Left	855	720	135
Retired	58	41	17
Newly disabled	4	7	-3
Deaths	4	5	-1
<b>As at 31 December</b>	<b>4,003</b>	<b>3,990</b>	<b>13</b>
of which risk insurance only	387	332	55
<b>Retirement savings as at 31 December</b>	<b>414,967,216</b>	<b>418,086,178</b>	<b>-3,118,962</b>
of which BVG retirement savings as at 31 December	169,657,730	171,313,034	-1,655,304

Breakdown by BVG age as at 31 December	Women		Men		Total	
	2019	2018	2019	2018	2019	2018
18 – 24	164	141	223	237	387	378
25 – 34	381	372	773	753	1,154	1,125
35 – 44	314	331	695	712	1,009	1,043
45 – 54	367	374	534	557	901	931
55 – 65	242	218	310	295	552	513
<b>Total</b>	<b>1,468</b>	<b>1,436</b>	<b>2,535</b>	<b>2,554</b>	<b>4,003</b>	<b>3,990</b>

The average age of all active participants is 40.2 (previous year: 40.2).

## 2.2 Pensioners

Pension or benefit type – no. of recipients	Women		Men		Total	
	2019	2018	2019	2018	2019	2018
Retirement pension benefits	242	230	399	377	641	607
Disability pensions	28	29	37	36	65	65
Spouse's pensions	34	32	8	5	42	37
Children's benefits	35	29	26	23	61	52
<b>Total</b>	<b>339</b>	<b>320</b>	<b>470</b>	<b>441</b>	<b>809</b>	<b>761</b>

Pension type – development	Total	Change		Total
	31/12/2019	New	Left	31/12/2018
Retirement pension benefits	641	35	1	607
Disability pensions	65	4	4	65
Spouse's pensions	42	5	0	37
Children's benefits	61	9	0	52
<b>Total</b>	<b>809</b>	<b>53</b>	<b>5</b>	<b>761</b>

### 3 Implementation of objectives

#### 3.1 Characteristics of the pension plans

PVS's Pension Scheme Regulations consist of two parts, the Benefit Regulations and the pension plans. The Benefit Regulations apply to all PVS beneficiaries. These regulations set out the general terms and conditions of the benefits, the funding principles, the type and amount of benefits and further general provisions.

#### **Benefit Regulations**

All employees subject to the Swiss Federal Act on Old Age, Survivors' and Invalidity Pension Provision (BVG) are admitted to the pension scheme. In addition, on the basis of an appendix to the Benefit Regulations external membership of the pension scheme is possible for employees after they have left an affiliated company.

The regulatory benefits awarded are based on defined contributions.

Entitlement to ordinary old-age pension benefits arises at the age of 63. It is possible to draw old-age pension benefits early up to five years before the ordinary pension age. The old-age 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. The conversion rates for the retirement pensions depend on the age and marital status of the beneficiary.

The disability pension is 5.7% of the projected retirement savings at the age of 63. An interest rate of 1.25% is used for the projection and the disability pension is payable for life.

The spouse's pension is 70% of the full disability pension or retirement pension. Participants with a registered partnership are treated as equivalent to married participants. On written request, PVS will grant benefits equivalent to a spouse's pension for the life partner if the conditions set out in the regulations are met. In the event of death of an unmarried active participant who has not designated a life partner, a lump sum payable at death in the amount of the participant's existing retirement savings will be paid.

The orphan's benefit and the disabled person's children's benefit are each 10% of the participant's last insured salary, or in the case of orphans where both parents are deceased 15% of the participant's last insured salary. The retired person's children's benefit is 10% of the last insured salary, but no more than CHF 5,400 per year.

#### **Pension plans**

The pension plans regulate the determination of the insured salary and the distribution of contributions between the employer and the employee for the basic and the supplementary pension plan.

All employees subject to the BVG are admitted to the basic pension plan.

All management employees with an individual contract of employment whose annual salary including year-end bonus exceeds 7.5 times the minimum AHV retirement pension are admitted to the supplementary pension plan. For part-time employees, this amount is reduced in proportion to the percentage of full-time hours worked.

Each pension plan has an option to make a higher employee contribution.

PVS has the following pension plans (each in a basic and a supplementary version):

- The "Standard" and "Standard Plus" pension plans for all Swissport companies in Switzerland (excluding Swissport Baggage Sorting AG)
- The "Standard" and "Standard Plus" pension plans for Swissport Baggage Sorting AG

Participants with the "Standard" pension plan pay a savings contribution of 6% (7% at Swissport Baggage Sorting AG) of the insured salary; those with the "Standard Plus" pension plan pay a savings contribution of 9%. The employer pays a savings contribution of 9% of the insured salary for each pension plan (8% at Swissport Baggage Sorting AG).

From 1 January 2014, the savings contribution for participants aged 25 to 34 whose place of work is Zurich and for all basic pension plan participants with an individual employment contract is 2.8% for employees and 4.2% for the employer. For participants from Swissport Baggage Sorting AG, it is 3.25% and 3.75%, respectively.

The insured salary for basic pension plan purposes is the participant's salary including any year-end bonus, less the coordination amount. The coordination amount is 20% of the reported salary, up to a maximum of 50% of the maximum AHV retirement pension.

The insured salary for supplementary pension plan purposes is the participant's salary including any year-end bonus, less the coordination amount. The coordination amount is 7.5 times the minimum AHV retirement pension. For part-time employees, the coordination amount is reduced in proportion to the percentage of full-time hours worked. Any salary components insured via the supplementary pension plan are not insured via the basic pension plan.

### *3.2 Financing, financing method*

The retirement credits in the "Standard" pension plan are 15% of the insured salary for the basic pension plan and 21% for the supplementary pension plan. In the "Standard Plus" pension plan they are 18% for the basic pension plan (17% at Swissport Baggage Sorting AG) and 24% for the supplementary pension plan.

For participants aged 25 to 34 whose workplace is Zurich and for all participants with an individual employment contract, the retirement credits for the basic plan in the "Standard" pension plan are 7%. In the "Standard Plus" pension plan they are 11.7% (11.25% at Swissport Baggage Sorting AG).

The distribution of the contributions between the employer and the employee varies depending on the pension plan.

The contribution for the risk insurance is 2.5% of the insured salary and is financed equally by the employer and the employees.

The administration costs, the costs for investments and the contributions to the Security Fund are paid by PVS.

### *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 agreement applicable to this financial year expires at the end of 2019. This agreement was renewed on 20 June 2019 for the period 2020 to 2022.

At its meeting on 15 November 2019, the Board of Trustees determined that current pensions will not be increased in line with inflation. This decision is based on the currently low level of inflation and the values of generational accounting. In addition, pensioners receive the technical interest rate of currently 2.0% on their actuarial reserves.

## 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, operative account 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:

<b>Investment category</b>	<b>Valuation method</b>
<b>Interest-bearing investments</b>	
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
Emerging market bonds	Market value
Mortgages	Nominal value minus required value adjustment
<b>Equities</b>	
Swiss equities	Market value
European equities	Market value
Pacific equities	Market value
Sustainable equities	Market value
Emerging market equities	Market value
<b>Swiss real estate</b>	
	Market value
<b>Alternative investments</b>	
	Market value

Assets denominated in foreign currencies are translated at the exchange rate on the reporting date; expenses and income are translated at the respective 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 reinsured its risks for death and disability benefits in full since 1 January 2011. The current reinsurance cover up to end 2019 with PKRück Lebensversicherung für die betriebliche Vorsorge AG, Vaduz was not renewed. The 2019 annual premium was CHF 1,785,415. The reinsured death and disability benefits are transferred to PVS in the form of cash payments. As a consequence, PKRück does not hold any actuarial reserves for PVS's current pensions.

Profit participation is calculated in accordance with the reinsurance contract concluded. It is credited to the operating result.

### Changes in retained earnings

Retained earnings for the accounting periods 2011–2013 and 2014–2016 have been definitively concluded.

<b>Accounting period 2017–2019</b>	<b>CHF</b>
Risk premium – profit-forming share	1,943,023
Charges to retained earnings due to death benefits	-108,157
Charges to retained earnings due to disability benefits	-344,045
<b>Retained earnings as at 31/12/2019 before provisions</b>	<b>1,490,821</b>
Provisions for claims outstanding	-2,024,257
Credit from PKRück stop-loss cover	533,436
<b>Retained earnings as at 31/12/2019 after provisions</b>	<b>0</b>

The period 2017–2019 will be closed off on 31 December 2021 at the earliest; the period will be kept open for even longer depending on the number of cases still open

PVS has fully reinsured its risks for death and disability benefits from 1 January 2020 with a three-year contract with Zurich Lebensversicherungs-Gesellschaft AG, Zurich.

This insurance was taken out with profit sharing.

Profit participation is determined every three years based on a loss-dependent excess formula. If the contract is not cancelled, it continues to run for a further year. In the event of a claim, no compensation is transferred, but current benefits are transferred to the foundation on a quarterly basis.

## 5.2 Development and return on savings capital in defined contribution plans

	2019 CHF	2018 CHF
<b>Savings capital as at 1 January</b>	<b>418,086,176</b>	<b>410,592,941</b>
<b>Decrease/increase in active participants' liabilities</b>	<b>-19,063,103</b>	<b>3,526,207</b>
Employee savings contributions	11,745,853	11,190,038
Employer savings contributions	16,181,570	15,543,888
One-time payments and purchase amounts	2,305,123	1,573,066
Termination benefit transfers	12,856,223	14,665,327
Reimbursements of withdrawals for home ownership/divorce	915,113	737,755
Transfer of retirement savings capital of IV pension recipients	202,256	67,511
Increase in capital for payments pursuant to Article 17 FZG	224	0
Termination benefits for leavers	-36,255,431	-18,997,887
Withdrawals for encouragement of home ownership/divorce	-1,168,687	-1,719,224
Decrease as a result of lump sum payments on retirement	-8,023,504	-4,720,509
Decrease as a result of lump sum payments on death or disability	-1,123,376	-713
Decrease as a result of retirement, death or disability	-16,698,468	-14,813,046
<b>Interest on retirement savings capital</b>	<b>15,944,143</b>	<b>3,967,029</b>
<b>Total active participants' liabilities on 31 December</b>	<b>414,967,216</b>	<b>418,086,176</b>
Interest rate on retirement savings pursuant to BVG	1.00%	1.00%
Interest rate on all retirement savings	4.00%	1.00%

Under Article 7 of the Benefit Regulations, the Board of Trustees can determine the interest rate on the retirement savings of active participants for the past year after learning the annual profit and loss. In the reporting year, an interest rate of 0% was applied for benefit calculations or disbursements made in the course of 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 2019. An interest rate of 4.00% was applied to all retirement savings in the reporting year.

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

	31/12/2019 CHF	31/12/2018 CHF
Total retirement savings	414,967,216	418,086,176
of which BVG retirement savings	169,657,730	171,313,034

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



#### 5.4 Development of actuarial reserves for pensioners

	<b>2019</b>	<b>2018</b>
	<b>CHF</b>	<b>CHF</b>
<b>Actuarial reserves as at 1 January</b>	<b>320,944,093</b>	<b>312,057,438</b>
<b>Increase in pensioners' liabilities</b>	<b>48,894,231</b>	<b>8,886,655</b>
Increase as a result of retirement, death and disability	16,698,468	14,813,046
Deposit of IV disability capital	46,979	301,595
Decrease as a result of pension payments	-19,912,603	-18,851,811
Transfer to savings capital of active participants	-202,256	-67,511
Lump-sum payments on death of pensioner	0	-17,762
Technical interest paid	8,634,780	7,912,519
Pension losses	5,097,555	2,667,609
Loss from increase in life expectancy	0	1,359,316
Loss due to change in technical basis and technical interest rate	37,771,053	0
Actuarial loss (+) / profit (-)	760,255	769,653
<b>Total pensioners' liabilities as at 31 December</b>	<b>369,838,324</b>	<b>320,944,093</b>

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:

<b>Retirement, death and disability and form of benefit</b>	<b>2019</b>		<b>2018</b>	
	<b>CHF</b>	<b>%</b>	<b>CHF</b>	<b>%</b>
<b>Savings capital upon retirement, death and disability</b>	<b>25,845,348</b>		<b>19,534,268</b>	
of which pensions	16,698,468	65%	14,813,046	76%
of which withdrawn as a lump-sum payment	9,146,880	35%	4,721,222	24%

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

<b>Pensioners' liabilities</b>	<b>31/12/2019</b>	<b>31/12/2018</b>	<b>Change compared with previous year</b>
	<b>CHF</b>	<b>CHF</b>	
Actuarial reserves for old-age pensioners	328,334,149	284,303,929	44,030,220
Actuarial reserves for disability pensions	23,503,493	21,597,173	1,906,320
Actuarial reserves for spouse's/life partner's pensions	16,077,470	13,477,450	2,600,020
Actuarial reserves for children's benefits	1,923,212	1,565,541	357,671
<b>Total pensioners' liabilities</b>	<b>369,838,324</b>	<b>320,944,093</b>	<b>48,894,231</b>

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 return on the savings capital of active participants and the actuarial interest rate on pensioners' liabilities, including strengthening of the longevity risk, 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 2019, the 10-year generational accounting balance according to the accredited pension actuary's calculation was as follows:

Year	Pensioners' liabilities CHF as at 31/12	Active participants' liabilities CHF as at 31/12	Generational accounting balance CHF	Return for active participants	Actuarial interest for pensioners plus additional 0.5% until 2011
2010	110,524,307	457,528,902	-2,285,975	2.00%	4.00%
2011	147,823,293	453,223,258	-3,047,905	2.00%	4.00%
2012	180,850,752	437,032,050	-2,351,976	1.75%	3.00%
2013	205,498,414	425,848,021	-2,125,543	2.00%	3.00%
2014	230,115,290	423,632,581	1,662,098	3.75%	3.00%
2015	255,652,708	408,544,218	-2,506,664	2.00%	3.00%
2016	292,814,607	401,594,159	-3,003,346	2.00%	3.00%
2017	312,057,438	410,592,941	6,166,065	4.50%	2.50%
2018	320,944,093	418,086,176	-4,660,010	1.00%	2.50%
2019	369,838,324	414,967,216	5,431,075	4.00%	2.50%
<b>Total</b>			<b>-6,722,181</b>		

### 5.5 Composition of, development of and explanation regarding actuarial reserves

Composition	31/12/2019 CHF	31/12/2018 CHF	Change compared with previous year
<b>Actuarial reserves</b>			
Provision for special events	15,420,280	28,981,859	-13,561,579
Provision for the conversion rate	8,319,941	6,457,000	1,862,941
<b>Total actuarial reserves</b>	<b>23,740,221</b>	<b>35,438,859</b>	<b>-11,698,638</b>

The "provision for special events" served in 2018 to cushion future conversions to new technical principles. It was first created in 2017 in order to be able to finance the costs of reducing the technical interest rate to 2%. This has been written back as a result of the reduction in the technical interest rate to 2%. The newly created provision corresponds in total to the one-off contributions as of 31 December 2019 for the (partial) compensation of the reduction in the conversion rate, which will be credited as of 1 January 2020 to the retirement assets for those born in 1964 and before.

The provision for the conversion rate covers the additional financing requirements arising as a result of regulatory conversion rates that have not been not been actuarially set. The provision is set aside for those people who have reached the age of 55. A provision is recognised for these people to cover the expected financing requirements for their retirement at retirement age.

### 5.6 Conclusions of the last actuarial report

The last actuarial report was prepared as at 31 December 2017. The accredited pension actuary confirmed in the report that

- 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 financing of the actuarial risks is sufficient;
- PVS uses the latest actuarial principles with a technical interest rate of 2.5%, which is higher than the technical interest rate recommended by the accredited pension actuary;
- the pension fund has nevertheless set aside sufficient provisions to reduce the technical interest rate to 2.0%, which is why the accredited pension actuary's recommendation with regard to this interest rate does not have a direct impact on the funding ratio.

At its meeting on 18 February 2020 the Board of Trustees decided, based on the 2019 annual financial statements, not to draw up an actuarial report.

### 5.7 Actuarial principles and other significant actuarial assumptions

The calculation principles are based on the BVG 2015 generational table projected to 2019 (previous year: mortality table) at a technical interest rate of 2.0% (previous year 2.5%). 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.

### 5.8 Adaptation of technical principles

At its meeting on 15 November 2019, the Board of Trustees decided to apply the BVG 2015 generational table technical principles with effect from 31 December 2019, and to lower the technical interest rate to 2%.

### 5.9 Funded status under article 44 BVV 2

	31/12/2019 CHF	31/12/2018 CHF	Change compared with previous year
Total assets at market value	953,784,243	868,155,695	
less liabilities	-14,941,525	-6,223,700	
less accrued liabilities and deferred income	-247,790	-309,295	
<b>Non-committed assets (NCA)</b>	<b>938,594,928</b>	<b>861,622,700</b>	<b>76,972,228</b>
Active participants' liabilities	414,967,216	418,086,176	
Pensioners' liabilities	369,838,324	320,944,093	
Actuarial reserves	23,740,221	35,438,859	
<b>Required pension liabilities (RPL)</b>	<b>808,545,761</b>	<b>774,469,128</b>	<b>34,076,633</b>
<b>Funding surplus under article 44(1) BVV 2 (NCA - RPL)</b>	<b>130,049,167</b>	<b>87,153,572</b>	<b>42,895,595</b>
<b>Funded status under article 44(1) BVV 2 (NCA x 100 / RPL)</b>	<b>116.1%</b>	<b>111.3%</b>	

The funded status under article 44(1) BVV 2 was 116.1% as at the balance sheet date (previous year 111.3%).

## 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's 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 two to 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
	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	Swisscanto Index Bond Fund USA Govt.	Zürcher Kantonalbank
Emerging market bonds	Lazard Emerging Markets Local Debt Fund	Lazard Asset Management
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	UBS (CH) IF Equities Europe Passive II I-X	UBS AG, Global Asset Mgmt
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	
Sustainable equities	Swisscanto IPF Index Equity World ex CH Responsible N	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
	Helvetia AST Real Estate Switzerland	Helvetia Collective Investment Unit

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) BVV2 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 coherent explanation of compliance with Article 50(1) to (3) BVV 2 in the notes to the annual financial statements. The statutory maximum proportion of real estate of 30% was exceeded by 4.3 percentage points as at 31/12/2019.

Investment category	31/12/2019 CHF	% of total assets	SAA	Range	Article 55 BVV 2	31/12/2018 CHF	% of total assets
<b>Real estate</b>	<b>324,795,329</b>	<b>34.3%</b>	<b>33%</b>	<b>28–38%</b>	<b>30%</b>	<b>301,124,143</b>	<b>35.0%</b>
Swiss real estate	324,795,329	34.3%	33%	28–38%		301,124,143	35.0%

If the pension fund can coherently 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 28% to a maximum of 38% with strategic value of 33%. On the basis of the ALM study carried out in 2019, 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. Rental income from real estate investments is also above the currently applicable technical interest rate of 2.0%.

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 technical 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 2.80% and an investment strategy risk of 6.0%. It amounts to 20.1% (previous year: 18.8%) of pension liabilities and actuarial reserves.

Required reserve for fluctuations in asset value	2019 CHF	2018 CHF	Change compared with previous year
Reserve for fluctuations in asset value as at 1 January	87,153,572	125,677,039	-38,523,467
Allocation to debit / withdrawal in favour of the operative account	42,895,595	-38,523,467	81,419,062
<b>Reserve for fluctuations in asset value as per balance sheet as at 31 December</b>	<b>130,049,167</b>	<b>87,153,572</b>	<b>42,895,595</b>
<b>Required reserve for fluctuations in asset value</b>	<b>162,517,698</b>	<b>145,600,196</b>	<b>16,917,502</b>
Reserve deficit in the reserve for fluctuations in asset value	-32,468,531	-58,446,624	25,978,093

#### 6.4 Breakdown of investments into investment categories

Investment category	31/12/2019 CHF	% of total assets	SAA	Range	Article 55 BVV 2	31/12/2018 CHF	% of total assets
<b>Interest-bearing investments</b>	<b>328,048,929</b>	<b>34.7%</b>	<b>39%</b>	<b>22-61%</b>	<b>100%</b>	<b>305,545,008</b>	<b>35.5%</b>
Liquidity and money market investments	3,778,332	0.4%	1%	0-10%		5,182,449	0.6%
Receivables	8,187,296	0.9%	n/a			9,940,641	1.2%
CHF bonds	121,281,419	12.8%	15%	12-18%		117,661,103	13.7%
Foreign currency bonds, rest of world	45,594,611	4.8%	5%	3-7%		43,392,302	5.0%
Foreign currency corporate bonds, ex Switzerland	23,564,509	2.5%	3%	1-5%		49,110,356	5.7%
USD bonds	34,015,212	3.6%	4%	0-6%		0	0.0%
Emerging market bonds	25,606,050	2.7%	3%	1-5%		33,336,357	3.9%
Mortgages	66,021,500	7.0%	8%	5-10%		46,921,800	5.5%
<b>Equities</b>	<b>291,849,517</b>	<b>30.9%</b>	<b>28%</b>	<b>18-40%</b>	<b>50%</b>	<b>252,078,020</b>	<b>29.3%</b>
Swiss equities	97,736,739	10.3%	9%	6-11%		75,350,562	8.8%
European equities (incl. currency hedges)	24,042,010	2.5%	2%	1-3%		20,059,591	2.3%
North American equities	0	0.0%	0%	0-4%		21,999,958	2.6%
Pacific equities (incl. currency hedges)	31,750,060	3.4%	3%	2-4%		26,388,249	3.1%
Sustainable equities (incl. currency hedges)	103,912,664	11.0%	11%	8-13%		78,419,851	9.1%
Emerging market equities	34,408,044	3.6%	3%	1-5%		29,859,809	3.5%
<b>Real estate</b>	<b>324,795,329</b>	<b>34.3%</b>	<b>33%</b>	<b>28-38%</b>	<b>30%</b>	<b>301,124,143</b>	<b>35.0%</b>
Swiss real estate	324,795,329	34.3%	33%	28-38%		301,124,143	35.0%
<b>Alternative investments</b>	<b>1,326,300</b>	<b>0.1%</b>	<b>0%</b>	<b>0-1%</b>	<b>15%</b>	<b>1,326,300</b>	<b>0.2%</b>
Private equity	1,326,300	0.1%	0%	0-1%		1,326,300	0.2%
<b>Total investments</b>	<b>946,020,074</b>	<b>100.0%</b>	<b>100.0%</b>			<b>860,073,472</b>	<b>100.0%</b>

SAA = strategic asset allocation (investment strategy)

Foreign currencies	SAA proportion	Net proportion as at 31/12/2019	BVV 2 limit	BVV 2 article
Foreign currencies (without hedging)	35.0%	25.0%	30%	55e

The investment limits under Articles 54, 54a and 54b BVV 2 were complied with.

Currency hedges	31/12/2019 CHF	% of total assets	SAA	Range	31/12/2018 CHF	% of total assets
<b>Total</b>	<b>61,741,270</b>	<b>6.5%</b>	<b>6.6%</b>	<b>1-27%</b>	<b>57,068,778</b>	<b>6.6%</b>
EUR	22,984,670	2.4%	2.4%	0-5%	20,433,898	2.4%
USD	0	0.0%	0.0%	0-14%	0	0.0%
JPY	26,878,946	2.8%	3.0%	1-5%	25,528,141	3.0%
GBP	11,877,654	1.3%	1.2%	0-3%	11,106,739	1.3%

As of 31 December 2019, there were no bandwidth violations.

#### 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 on request only. The maximum loan is 70% (or 65% for holiday properties) of the market value or a maximum of CHF 1,500,000.

On retirement, the loan must be repaid to 65% of the market value.

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.

PVS grants variable and 1 to 10-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. Interest rates for fixed-rate mortgages are set daily and are based on the middle rate of the ZKB SWAP rates plus 1.15%. The minimum interest for the terms 1 to 5 years is 0.50%; for the terms 6 to 10 years, 0.75%

The mortgage portfolio was as follows in the reporting year:

<b>Changes in the mortgage portfolio</b>	<b>2019 CHF</b>	<b>2018 CHF</b>
<b>As at 1 January</b>	<b>46,921,800</b>	<b>41,970,800</b>
New mortgages	20,161,700	5,477,000
Mortgages terminated	-958,000	-500,000
Increases	0	0
Amortisations	-104,000	-26,000
<b>As at 31 December</b>	<b>66,021,500</b>	<b>46,921,800</b>
of which fixed-rate mortgages	64,159,000	45,192,300

  

<b>Number of borrowers</b>	<b>2019</b>	<b>2018</b>
Active participants	16	20
Pensioners	47	42
Former beneficiaries	8	8
Third parties	60	34
<b>As at 31 December</b>	<b>131</b>	<b>104</b>

  

<b>Average loan amount</b>	<b>50.0%</b>	<b>48.3%</b>
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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 31/12/2019 CHF
			Value in CHF	Value in CHF	
Sale on 22/12/2020	EUR	11,800,000	1.0878	1.0842	
			12,836,040	12,793,354	<b>42,686</b>
Sale on 22/12/2020	EUR	9,400,000	1.0878	1.0842	
			10,225,320	10,191,316	<b>34,004</b>
Sale on 22/12/2020	JPY	2,150,000,000	0.009015	0.008868	
			19,382,250	19,066,227	<b>316,023</b>
Sale on 22/12/2020	JPY	881,000,000	0.009015	0.008868	
			7,942,215	7,812,719	<b>129,496</b>
Sale on 22/12/2020	GBP	5,200,000	1.2737	1.2636	
			6,623,240	6,570,617	<b>52,623</b>
Sale on 22/12/2020	GBP	4,200,000	1.2737	1.2636	
			5,349,540	5,307,037	<b>42,503</b>
<b>Total open forward foreign exchange contracts as at 31/12/2019</b>			<b>62,358,605</b>	<b>61,741,270</b>	<b>617,335</b>

The above forward foreign exchange contracts are covered by investments in EUR equities, JPY equities and sustainable equities and were concluded via Zürcher Kantonalbank (counterparty).

## 6.6 Open commitments

	Commitment CHF	Utilisation CHF	Open on 31/12/2019
Turidomus Collective Investment Unit - Urban & Mixed-use	50,250,000	45,256,155	4,993,845
<b>Total</b>	<b>50,250,000</b>	<b>45,256,155</b>	<b>4,993,845</b>

## 6.7 Market value and counterparties 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 2019 bonds with a value of CHF 15,139,772 were on loan from the fund units attributable to PVS, corresponding to a lending ratio of 32.56%.



## 6.8 Explanatory notes on net return on investments

The income from investments is detailed in the operative account. Further details are provided below.

### 6.8.1 Details on real estate

	Income in CHF 2019	Assets in CHF as at 31/12/2019	Income in CHF 2018	Assets in CHF as at 31/12/2018
<b>Turidomus Collective Investment Unit</b>	<b>15,880,449</b>	<b>263,641,480</b>	<b>11,991,850</b>	<b>241,835,679</b>
<b>Casareal investment group</b> <i>of which purchased</i>	<b>8,393,550</b>	<b>130,549,377</b> 2,326,328	<b>7,236,836</b>	<b>123,619,131</b>
Distribution	3,789,632		3,890,772	
Change in net asset value	4,603,918		3,346,064	
<b>Proreal investment group</b> <i>of which purchased</i>	<b>6,956,774</b>	<b>87,712,563</b>	<b>5,313,392</b>	<b>84,098,523</b>
Distribution	3,342,734		3,498,210	
Change in net asset value	3,614,040		1,815,182	
<b>Urban &amp; Mixed-use investment group</b> <i>of which purchased</i>	<b>530,125</b>	<b>45,379,540</b> 10,731,390	<b>-558,378</b>	<b>34,118,025</b> 24,768,225
Distribution	0		0	
Change in net asset value	530,125		-558,378	
<b>Adimora Collective Investment Unit</b>				
<b>Omega investment group</b> <i>of which purchased</i>	<b>724,571</b>	<b>14,751,443</b> 1,860,494	<b>737,043</b>	<b>12,522,478</b>
Distribution	356,100		310,770	
Change in net asset value	368,471		426,273	
<b>CS 1A Immo PK</b> <i>of which sold/purchased</i>	<b>1,569,100</b>	<b>16,837,650</b>	<b>-1,025,950</b>	<b>15,872,050</b>
Distribution	603,500		603,500	
Change in net asset value	965,600		-1,629,450	
<b>CSIF Switzerland Real Estate</b> <i>of which sold/purchased</i>	<b>107,975</b>	<b>0</b> -2,299,826	<b>-1,012,782</b>	<b>2,299,826</b> 2,441,835
Real. gain/loss on sale	107,975		-1,594,869	
Distribution			724,096	
Change in net asset value			-142,009	
<b>Swiss Prime Collective Investment Unit</b>				
<b>SPA investment group</b> <i>of which purchased</i>	<b>652,501</b>	<b>19,605,364</b>	<b>497,921</b>	<b>18,952,863</b> 5,484,300
Distribution	0		0	
Change in net asset value	652,501		497,921	
<b>Helvetia Collective Investment Unit</b>				
<b>Swiss real estate investment group</b> <i>of which purchased</i>	<b>325,218</b>	<b>9,959,392</b>	<b>283,657</b>	<b>9,641,247</b> 6,222,193
Distribution	0		0	
Distribution remuneration	7,073		13,031	
Change in net asset value	318,145		270,626	
<b>Total real estate</b>	<b>19,259,814</b>	<b>324,795,329</b>	<b>11,471,739</b>	<b>301,124,143</b>
<i>TER costs recognised under income</i>	<i>857,316</i>		<i>826,670</i>	
<i>Total net income from Swiss real estate as per the operative account</i>	<i>20,117,130</i>		<i>12,298,409</i>	

The real estate assets are indirect investments via the Turidomus, Adimora, Swiss Prime and Helvetia 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:

<b>Net income from investments</b>	<b>2019 CHF</b>	<b>Perform. in %</b>	<b>2018 CHF</b>	<b>Perform. in %</b>
<b>Interest-bearing investments</b>	<b>14'659'501</b>	<b>4.7%</b>	<b>-4,779,190</b>	<b>-1.7%</b>
Liquidity and money market investments	-10,311	-0.1%	-24,372	-0.3%
CHF bonds	4,201,451	3.5%	400,805	0.2%
Foreign currency bonds, rest of world	2,711,054	6.3%	-1,423,636	-3.2%
Foreign currency corporate bonds, ex Switzerland	4,096,228	8.7%	-2,136,731	-4.1%
USD bonds	-784,788	-2.3%	0	-
Emerging market bonds	3,855,109	11.0%	-2,120,589	-6.8%
Mortgages	590,758	1.1%	525,333	1.2%
<b>Equities</b>	<b>63,342,998</b>	<b>25.3%</b>	<b>-30,837,023</b>	<b>-10.7%</b>
Swiss equities	23,053,986	30.7%	-10,103,103	-11.8%
European equities (incl. currency hedges)	4,144,978	20.8%	-2,811,335	-12.0%
North American equities	5,971,168	27.6%	-1,745,971	-7.7%
Pacific equities (incl. currency hedges)	4,880,670	18.6%	-4,254,562	-13.9%
	20,428,42			
Sustainable equities (incl. currency hedges)	8	26.0%	-7,250,320	-8.2%
Emerging market equities	4,863,768	16.4%	-4,671,732	-13.5%
<b>Real estate</b>	<b>20,117,130</b>	<b>6.2%</b>	<b>12,298,409</b>	<b>3.9%</b>
Swiss real estate	20,117,130	6.2%	12,298,409	3.9%
<b>Alternative investments</b>	<b>40,319</b>	<b>3.1%</b>	<b>0</b>	<b>0.0%</b>
Private equity	40,319	3.1%	0	0.0%
<b>Total net income from investments</b>	<b>98,159,948</b>	<b>11.3%</b>	<b>-23,317,804</b>	<b>-2.8%</b>

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

<b>Investment management costs</b>	<b>2019 CHF</b>	<b>2018 CHF</b>	<b>Change from previous year</b>
Securities accounting costs	19,817	19,817	0
Investment advisory costs	222,275	92,085	130,190
Management fees for mortgages to beneficiaries	59,745	48,355	11,390
Bank charges for direct investments	1,639	2,188	-549
Stamp duty	0	1,989	-1,989
Transaction costs for collective investments	5,741	200,305	-194,564
Custody fees/management fees for collective investments	306,656	312,669	-6,013
Cost indicators of collective investments	1,149,825	1,184,999	-35,174
<b>Total administration cost of investments</b>	<b>1,765,698</b>	<b>1,862,407</b>	<b>-96,709</b>

<b>Reported asset management costs</b>	<b>2019 CHF</b>	<b>2018 CHF</b>
Asset management costs recognised directly in the operative account	615,873	677,408
Sum of all recognised cost indicators of collective investment schemes in CHF as per operative account	1,149,825	1,184,999
<b>Total asset management costs reported in the operative account</b>	<b>1,765,698</b>	<b>1,862,407</b>
Total of all asset management costs as reported in the operative account in percentage of cost-transparent investment schemes	0.19%	0.22%

#### Transparent collective investment schemes

<b>Provider and product name</b>	<b>Market value 31/12/2019 CHF</b>	<b>TER in %</b>	<b>TER in CHF</b>
Swiss & Global; Syz AM (CH) Track – CHF Bonds	53,556,804	0.05%	26,778
Swiss & Global; Syz AM (CH) Track – Swiss GVT Bonds	21,226,544	0.13%	27,595
Lazard Asset Management Schweiz AG; Lazard Emerging Markets Local Debt Fund Inst. Class USD	25,606,050	0.93%	238,136
Pensimo; Adimora Collective Investment Unit – Omega	14,751,443	0.34%	50,155
Pensimo; Turidomus Collective Investment Unit – Casareal	130,549,377	0.26%	339,428
Pensimo; Turidomus Collective Investment Unit – Proreal	87,712,563	0.16%	140,340
Pensimo; Turidomus Collective Investment Unit - Urban & Mixed-use	45,379,540	0.08%	36,304
Credit Suisse 1a Immo PK	16,837,650	0.53%	89,240
Swiss Prime Site Group; SPA Real Estate Switzerland	19,605,364	0.74%	145,080
Helvetia Collective Investment Unit; Real Estate Switzerland	9,959,392	0.57%	56,769
<b>Total transparent collective investment scheme costs</b>			<b>1,149,825</b>

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

<b>Provider and product name</b>	<b>Reimbursement 2019 CHF</b>	<b>Reimbursement 2018 CHF</b>
Helvetia Collective Investment Unit; Real Estate Switzerland, distribution remuneration	7,073	13,031
<b>Total</b>	<b>7,073</b>	<b>13,031</b>

If these reimbursements are taken into account, the asset management costs decrease to CHF 1,758,625 (previous year: CHF 1,849,376) and represent 0.186% (previous year: 0.215%) 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

<b>Receivables from employers</b>	<b>31/12/2019 CHF</b>	<b>31/12/2018 CHF</b>	<b>Change compared with previous year</b>
Swissport International AG	258,261	255,702	2,559
Swissport International AG, Zurich operations	2,231,099	1,062,605	1,168,494
Swissport International AG, Basel operations	576,719	267,919	308,800
Swissport International AG, Geneva operations	1,320,660	639,421	681,239
Swissport Baggage Sorting AG	266,918	148,976	117,942
PrivatPort S.A.	7,126	19,876	-12,750
Swissport Group Services GmbH	138,733	132,824	5,909
Careport AG	115,251	60,649	54,602
GVAassistance S.A.	0	43,229	-43,229
<b>Total receivables from employers</b>	<b>4,914,767</b>	<b>2,631,201</b>	<b>2,283,566</b>

The receivables from employers include the contribution calculations for the affiliated employers for the month of December 2019, Zurich, Basel and Geneva operations as well as Baggage Sorting and Careport also for the month of November 2019. The contributions were all paid in full in January 2020.

## 7 Comments on other balance sheet and operative account positions

### 7.1 Balance sheet

#### Assets

##### 7.1.1 Receivables from third parties

	31/12/2019 CHF	31/12/2018 CHF
Refundable withholding tax	3,258,467	7,305,077
Outstanding interest on mortgages	14,062	4,363
<b>Total receivables</b>	<b>3,272,529</b>	<b>7,309,440</b>

##### 7.1.2 Prepayments and accrued income

	31/12/2019 CHF	31/12/2018 CHF
PKRück total claims balance	245,703	374,471
Turidomus Casareal dividend	3,789,632	3,890,772
Turidomus Proreal dividend	3,342,734	3,498,210
Adimora Omega dividend	356,100	310,770
Other	30,000	8,000
<b>Total prepayments and accrued income</b>	<b>7,764,169</b>	<b>8,082,223</b>

#### Equity and liabilities

##### 7.1.3 Other liabilities

The amount includes various outstanding invoices for the reporting year that were paid in 2020.

##### 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 and the accredited pension actuary's report for the reporting year.

### 7.2 Operative account

##### 7.2.1 One-time payments and purchase amounts

	2019 CHF	2018 CHF	Change compared with previous year
Voluntary payments by employees	2,305,123	1,573,066	732,057
Payments by employers	0	0	0
<b>Total one-time payments and purchase amounts</b>	<b>2,305,123</b>	<b>1,573,066</b>	<b>732,057</b>

### 7.2.2 Reimbursements of withdrawals for home ownership/divorce

	2019 CHF	2018 CHF	Change compared with previous year
Voluntary repayments of withdrawals for home ownership	297,600	277,546	20,054
Payments received from divorce entitlements	441,173	370,209	70,964
Voluntary repayments of assignments on divorce	176,340	90,000	86,340
<b>Total reimbursements of withdrawals for home ownership/divorce</b>	<b>915,113</b>	<b>737,755</b>	<b>177,358</b>

Repayments of home ownership encouragement withdrawals were made by 7 people (previous year: 7). A total of 2 (previous year: 3) people had part of the retirement savings of divorced spouses paid into their individual retirement savings. In addition 2 (previous year: 3) people made a voluntary repayment of an assignment on divorce.

### 7.2.3 Children's benefits

	2019 CHF	2018 CHF	Change compared with previous year
Pensioner's children's benefits	105,181	95,415	9,766
Orphan's benefits	47,062	52,193	-5,131
Disabled person's children's benefits	192,345	90,435	101,910
<b>Total children's benefits</b>	<b>344,588</b>	<b>238,043</b>	<b>106,545</b>

### 7.2.4 Withdrawals for encouragement of home ownership/divorce

	2019 CHF	2018 CHF	Change compared with previous year
Withdrawals for encouragement of home ownership	901,669	1,512,465	-610,796
Transfer of retirement savings to divorced spouses	267,018	206,758	60,260
<b>Total withdrawals for encouragement of home ownership/divorce</b>	<b>1,168,687</b>	<b>1,719,224</b>	<b>-550,536</b>

In addition a total of 14 (previous year: 21) people made use of the option of a home ownership encouragement withdrawal. The average home ownership encouragement withdrawal was CHF 64,405 (previous year: CHF 72,022).

A total of 5 (previous year: 8) people 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, this 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

	2019 CHF	2018 CHF	Change compared with previous year
Audit fees	34,801	33,488	1,313
Actuary's fees	59,981	35,884	24,097
Compensation, expenses and training of the Board of Trustees	80,620	64,271	16,349
Administration expenses for PFS AG	862,726	846,996	15,730
Translation and printing expenses	18,879	37,699	-18,820
Pensioners' seminar	0	9,125	-9,125
Supervisory authority fees	20,638	17,626	3,012
Other administration expenses	4,093	3,869	224
<b>Total administration expenses</b>	<b>1,081,736</b>	<b>1,048,958</b>	<b>32,778</b>

Based on the 4,699 (previous year: 4,681) active participants and pensioners (without children's pensions) on 1 January 2019, administrative expenses were CHF 230 (previous year: CHF 224) per beneficiary.

## 8 Supervisory authority requirements

There are no pending requirements imposed by the advisory authority.

## 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

PVS maintains a limited general deed of pledge up to a maximum of CHF 20 million 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 31/12/2019 there were no forward foreign exchange contracts with Credit Suisse (Schweiz) AG.

### 9.3 Audit by the Swiss Federal Tax Administration – demand for repayment of withholding tax on SSgA's MSCI Switzerland Equities CTF

PVS received a letter dated 25 November 2010 from the Swiss Federal Tax Administration. This letter demanded the repayment of withholding tax for 2007 and 2008 that PVS had reclaimed on Equities Switzerland within the MSCI Switzerland Equities CTF.

PVS repaid the withholding tax of CHF 42,276.84 for 2007 and 2008. In a letter to the Swiss Federal Tax Administration (SFTA) dated 22 December 2010, PVS stated that it had repaid the refunded withholding tax for 2007 to 2008 in order to avoid any default interest and to benefit from any compensatory interest. In particular, PVS stated that the payment did not represent recognition of the demand made by the SFTA and that it reserved the right to reclaim this withholding tax again using Form 25 within the three-year deadline.

At the same time, PVS also requested that the SFTA issue a formal order as provided for by Article 42 of the Withholding Tax Act (VStG) in connection with the repayment of the withholding tax for 2007 to 2008.

In a letter dated 26 January 2011, the SFTA stated that several funds were in the same situation and one fund was taking legal action. PVS would subsequently be informed of the decision. No final decision has yet been reached and no SFTA order has been received to date.

Furthermore, PVS has also made a claim for the repayment of the withholding tax of CHF 70,831.26 for 2009, CHF 179,554.30 for 2010, CHF 23,366.00 for 2011, CHF 20,533.33 for 2012 and CHF 24,211.55 for 2013, but has postponed the reimbursement until the matter has been clarified.

The Swiss Federal Supreme Court ruled on a similar case on 7 March 2017. PVS demanded payment of its receivables totalling CHF 318,496.44. Various payments totalling CHF 314,945.31 were received from SSgA in 2017.

The withholding tax for 2007 and 2008 totalling CHF 42,276.84 is currently still outstanding. This had to be repaid to the SFTA in 2010.

A partial repayment of USD 30,951.89 was made with value date 31 January 2020. The Board of Trustees decided not to claim back the remaining amount because the documents requested by the Federal Tax Authority cannot be provided.



## 10 Events subsequent to the balance sheet date

The Careport AG affiliation contract was terminated on 31 March 2020 with deferred effect until the end of May 2020.

On 11 March 2020, the World Health Organisation declared the outbreak of the coronavirus (Sars-CoV-2) to be a pandemic because of its rapid worldwide spread.

More than 150 countries are now affected by the virus.

Many countries have adopted stringent measures to contain the virus or slow it down. The economic consequences of these measures have led to great uncertainty and severe turmoil on the financial markets. As regards the balance sheet date of 31 December 2019, this is an event that requires disclosure after the balance sheet date and it has no impact on the recognition and measurement of assets and liabilities as of the balance sheet date.

The economic consequences of the measures prescribed by the States are enormous for individual sectors and threaten their very existence. Worldwide, Swissport's sales have been reduced to a fraction. Airports are practically at a standstill.

Talks with governments for financial aid are ongoing. Negotiations with the Federal Council are underway for Swissport Switzerland. The Board of Trustees is in constant contact with the management of Swissport. It also continuously monitors claims against the employer. Necessary decisions can be made immediately.

## Auditors' report

Bericht der Revisionsstelle an den Stiftungsrat der

**Personalvorsorge Swissport, Opfikon**

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### **Bericht der Revisionsstelle zur Jahresrechnung**

Als Revisionsstelle haben wir die beiliegende Jahresrechnung der Personalvorsorge Swissport, bestehend aus Bilanz, Betriebsrechnung und Anhang, für das am 31. Dezember 2019 abgeschlossene Geschäftsjahr geprüft.

#### *Verantwortung des Stiftungsrates*

Der Stiftungsrat ist für die Aufstellung der Jahresrechnung in Übereinstimmung mit den gesetzlichen Vorschriften, der Stiftungsurkunde und den Reglementen verantwortlich. Diese Verantwortung beinhaltet die Ausgestaltung, Implementierung und Aufrechterhaltung einer internen Kontrolle mit Bezug auf die Aufstellung einer Jahresrechnung, die frei von wesentlichen falschen Angaben als Folge von Verstössen oder Irrtümern ist. Darüber hinaus ist der Stiftungsrat für die Auswahl und die Anwendung sachgemässer Rechnungslegungsmethoden sowie die Vornahme angemessener Schätzungen verantwortlich.

#### *Verantwortung des Experten für berufliche Vorsorge*

Für die Prüfung bestimmt der Stiftungsrat neben der Revisionsstelle einen Experten für berufliche Vorsorge. Dieser prüft periodisch, ob die Vorsorgeeinrichtung Sicherheit dafür bietet, dass sie ihre Verpflichtungen erfüllen kann und ob die reglementarischen versicherungstechnischen Bestimmungen über die Leistungen und die Finanzierung den gesetzlichen Vorschriften entsprechen. Für die für versicherungstechnische Risiken notwendigen Rückstellungen ist der aktuelle Bericht des Experten für berufliche Vorsorge nach Artikel 52e Absatz 1 BVG in Verbindung mit Artikel 48 BVV 2 massgebend.

#### *Verantwortung der Revisionsstelle*

Unsere Verantwortung ist es, aufgrund unserer Prüfung ein Prüfungsurteil über die Jahresrechnung abzugeben. Wir haben unsere Prüfung in Übereinstimmung mit dem schweizerischen Gesetz und den Schweizer Prüfungsstandards vorgenommen. Nach diesen Standards haben wir die Prüfung so zu planen und durchzuführen, dass wir hinreichende Sicherheit gewinnen, ob die Jahresrechnung frei von wesentlichen falschen Angaben ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen für die in der Jahresrechnung enthaltenen Wertansätze und sonstigen Angaben. Die Auswahl der Prüfungshandlungen liegt im pflichtgemässen Ermessen des Prüfers. Dies schliesst eine Beurteilung der Risiken wesentlicher falscher Angaben in der Jahresrechnung als Folge von Verstössen oder Irrtümern ein. Bei der Beurteilung dieser Risiken berücksichtigt der Prüfer die interne Kontrolle, soweit diese für die Aufstellung der Jahresrechnung von Bedeutung ist, um die den Umständen entsprechenden Prüfungshandlungen festzulegen, nicht aber um ein Prüfungsurteil über die Wirksamkeit der internen Kontrolle abzugeben. Die Prüfung umfasst zudem die Beurteilung der Angemessenheit der angewandten Rechnungslegungsmethoden, der Plausibilität der vorgenommenen Schätzungen sowie eine Würdigung der Gesamtdarstellung der Jahresrechnung. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise eine ausreichende und angemessene Grundlage für unser Prüfungsurteil bilden.

#### *Prüfungsurteil*

Nach unserer Beurteilung entspricht die Jahresrechnung für das am 31. Dezember 2019 abgeschlossene Geschäftsjahr dem schweizerischen Gesetz, der Stiftungsurkunde und den Reglementen.

## Berichterstattung aufgrund weiterer gesetzlicher und anderer Vorschriften

Wir bestätigen, dass wir die gesetzlichen Anforderungen an die Zulassung (Art. 52b BVG) und die Unabhängigkeit (Art. 34 BVV 2) erfüllen und keine mit unserer Unabhängigkeit nicht vereinbaren Sachverhalte vorliegen.

Ferner haben wir die weiteren in Art. 52c Abs. 1 BVG und Art. 35 BVV 2 vorgeschriebenen Prüfungen vorgenommen. Der Stiftungsrat ist für die Erfüllung der gesetzlichen Aufgaben und die Umsetzung der statutarischen und reglementarischen Bestimmungen zur Organisation, zur Geschäftsführung und zur Vermögensanlage verantwortlich.

Wir haben geprüft, ob

- die Organisation und die Geschäftsführung den gesetzlichen und reglementarischen Bestimmungen entsprechen und ob eine der Grösse und Komplexität angemessene interne Kontrolle existiert;
- die Vermögensanlage den gesetzlichen und reglementarischen Bestimmungen entspricht;
- die Alterskonten den gesetzlichen Vorschriften entsprechen;
- die Vorkehren zur Sicherstellung der Loyalität in der Vermögensverwaltung getroffen wurden und die Einhaltung der Loyalitätspflichten sowie die Offenlegung der Interessenverbindungen durch das oberste Organ hinreichend kontrolliert wird;
- die vom Gesetz verlangten Angaben und Meldungen an die Aufsichtsbehörde gemacht wurden;
- in den offen gelegten Rechtsgeschäften mit Nahestehenden die Interessen der Vorsorgeeinrichtung gewahrt sind.

Wir bestätigen, dass die diesbezüglichen anwendbaren gesetzlichen, statutarischen und reglementarischen Vorschriften eingehalten sind.

Wir empfehlen, die vorliegende Jahresrechnung zu genehmigen.

KPMG AG



Erich Meier  
*Zugelassener Revisionsexperte*  
*Leitender Revisor*



Markus Kuhn  
*Zugelassener Revisionsexperte*

Zürich, 15. Mai 2020