



## Schindler Pension Fund

Annual Report and Financial Statements  
as at December 31, 2021



**Schindler**



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# An Overview of the 2021 Financial Year

## 1. Financial Position of the Schindler Pension Fund / Cover Ratio

The Pension Fund achieved a very pleasing performance of +10.81% in 2021, up from +4.29% in 2020. This resulted in an income surplus of CHF 116.5 million for the financial year as a whole (2020: income surplus of CHF 62.3 million). This is attributable to the performance of the Fund's assets.

The *actuarial* cover ratio in accordance with OPO 2 increased from 118.45% to 123.49% over the year, and is thus in the upper range of its target bandwidth of 116% to 124%.

The *financial* cover ratio also rose substantially, from 106.0% to 111.58%. This is calculated by discounting financial liabilities, i.e. pensioners' retirement capital and provisions, by the risk-free rate of return. The reference point for the risk-free interest rate is the yield on 10-year Confederation bonds. This was -0.10% as at the end of 2021. The lower interest rate increases pensioners' retirement capital and actuarial provisions by CHF 161.7 million, producing a financial cover ratio of 111.58%.

## 2. Interest on Retirement Assets in 2021 / Pension Payments in 2022

In view of the performance achieved by the Pension Fund, and the cover ratio, the Board of Trustees has decided to pay interest on retirement assets at the rate of 8.0% for 2021.

It also decided not to adjust pensions in 2022. However, to reflect the past year's investment performance, in the first quarter of 2022 pensioners will nonetheless receive a one-off supplementary pension amounting to twice their regular monthly pension.

## 3. Key Figures for the Past Five Years

	2021	2020	2019	2018	2017
Number of active insured	4400	4461	4579	4566	4439
Number of pensioners	2504	2510	2499	2470	2531
Balance sheet total	2451 Mio	2243 Mio	2162 Mio	1983 Mio	2031 Mio
Performance	10.81%	4.29%	9.83%	-1.91%	8.55%
Cover ratio	123.49%	118.45%	115.17%	111.56%	116.24%
actuarial interest rate	1.50%	1.50%	1.50%	2.50%	2.50%
financial cover ratio	111.58%	106.00%	104.28%	98.17%	101.44%
act.interest rate financial cover ratio	-0.10%	-0.46%	-0.45%	0.00%	0.00%
Interest on retirement assets	8.00%	1.50%	2.50%	1.00%	2.50%
Conversion rate at age 65	5.17%	5.18%	5.19%	5.20%	6.00%

#### **4. Actuarial Performance**

The Pension Fund recorded three deaths and nine new disability cases among active insureds during the year under review. A further three disability cases are still outstanding, because the federal disability insurance authority has not yet issued any rulings for them.

For the first time in several years the costs attached to these risk cases exceeded incoming risk premiums, of CHF 5.2 million.

#### **5. Investment Climate**

With the exception of the Emerging Markets, persistently low interest rates generated another surge on the equity markets in 2021. Many share indices closed the year at new highs or thereabouts, the markets having dipped only slightly in response to each new COVID-19 variant. Sharp rises in raw materials costs in combination with supply and skills shortages fuelled inflation in the USA and Europe. Up to the autumn of 2021 this also pushed interest rates higher, although they settled back again towards the end of the year. In Switzerland, yields on 10-year Confederation bonds remained stubbornly negative.

In the course of the year, the USD advanced from 0.88 to 0.92 against the CHF, while the EUR softened continually to end 2021 close to parity at 1.03.

#### **5.1 Securities**

##### **Equities**

Swiss equities gained 22.8% in total, foreign equities 21.5%. Both results are in line with those of the benchmark.

##### **Bonds**

Against a backdrop of rising yields, CHF-denominated and foreign currency (hedged) bonds produced negative results of -1.0% and -2.0% respectively. Relatively short durations kept the associated losses in check, however.

Equities and bonds are managed by four portfolio managers under balanced mandates. All four of them outperformed the benchmark during the reporting year.

## **5.2 Alternative Investments**

### **Private Equity**

After a slightly disappointing prior-year performance Private Equity turned in an outstanding +38.7% for the year under review. Various funds profited from lively IPO activity, and the Pension Fund participated in the market launches of Rivian (USA) and Coupang (South Korea), to name just two. Overall, CHF 35 million was called up from the different funds we use, while we also received repayments of CHF 26 million. The Pension Fund entered into new commitments totalling CHF 55 million in 2021.

### **Infrastructure**

Investments in infrastructure facilities such as solar and wind power plants, hydroelectric power generation, pipelines, port facilities, etc. exceeded expectations with a performance of +8.1%. The Pension Fund entered into a new commitment of CHF 20 million.

### **Hedge Funds**

At +2.3% performance was modestly positive. Investments are distributed between three managers in total.

### **Insurance-Linked Securities**

ILS once again closed the period in the red, at -1.4%. One fund had been terminated in 2020, and ILS holdings were trimmed back further in 2022.

### **Alternative International Real Estate**

Real estate investments abroad, the majority of which are in retail and commercial space, recovered well from their 2020 setback to generate a performance of +6.2%.

### **Alternative Bonds**

As an alternative to 'normal' bonds, the Pension Fund invests in private corporate debt via broadly diversified funds. This segment generated a pleasing performance of +8.0%.

### **5.3 Real Estate**

Real estate produced a result of +6.5%. Both our own properties and our indirect real estate investments (investment foundations, funds and investment companies) contributed to another positive performance.

#### **Mooshüslistrasse 6 and 14 Real Estate Project in Emmen**

In the course of 2021 two long-term leases were signed for a small animal veterinary practice and a health centre. All of the space in the two buildings is now rented out.

#### **Real Estate Project in Schlieren**

After the private development plan for the site became legally effective in the autumn of 2020, the Pension Fund submitted the building application in the summer of 2021. As the schedule stands construction is due to begin in the first half of 2023.

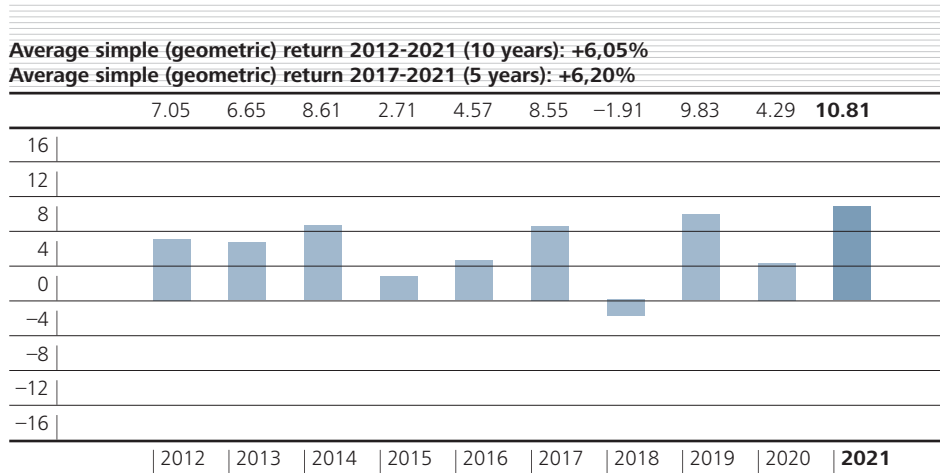
#### **Impact of COVID-19 on Rental Income**

Around 90% of the income from the Pension Fund's own real estate is generated from housing, which has not been impacted by coronavirus measures. In the commercial sector, one property containing a restaurant was affected by the lockdown. An agreement on rent during lockdown was reached with the restaurant management.



## 6. Pension Fund Performance

### Performance 2012 – 2021



Performance on total assets (=net investment income + prices gains – price losses) came to 10.81% in 2021, compared with a benchmark figure of 10.84%.

Although this result corresponded to that of the reference index overall, there were major deviations with some asset classes. At +6.2% international real estate, for example, lagged markedly behind the benchmark of listed real estate companies, which posted +31.3%. Alternative bonds, meanwhile, fared relatively well. They closed the period at +8.0%, against a benchmark of -1.8%. Private equity reported a performance of 38.7% and thus also far outperformed its benchmark of 24.2%.



The following results were achieved in the individual investment segments:

### Results of the Individual Investment Segments

In %	Schindler PF		Schindler PF
	2021	Benchmark 2021	2020
CHF bonds	<b>-1.04%</b>	-0.60%	0.54%
Foreign currency bonds (hedged)	<b>-2.01%</b>	-2.13%	6.35%
Swiss equities	<b>22.76%</b>	23.17%	5.06%
Foreign equities	<b>21.51%</b>	22.17%	7.17%
Swiss real estate	<b>6.48%</b>	7.32%	7.67%
Private equity	<b>38.66%</b>	24.17%	-3.01%
Hedge funds	<b>2.26%</b>	2.52%	-1.43%
Insurance-linked securities	<b>-1.36%</b>	-1.82%	-0.34%
Infrastructure	<b>8.13%</b>	9.93%	-1.96%
Alternative internat. real estate	<b>6.24%</b>	31.13%	-5.40%
Alternative bonds	<b>8.04%</b>	-1.77%	-2.85%

### Performance Comparison

With a result of 10.8% the Schindler Pension Fund once again beat the average when compared with other pension funds. The mean performance figures for pension fund clients that are calculated and published by Switzerland's two major banks came to 8.1% (UBS) and 8.2% (CS) for 2021. The Schindler Pension Fund has outperformed both benchmarks by an average of around 0.7 percentage points every year since 2007.

## 7. Investment Strategy and Changes in Asset Structure

### Investment Strategy

In %	Strategy	
	2021	Bandwidths
Liquidity	1.0%	0–15.0%
CHF bonds	15.5%	+/-10.0%
Foreign currency bonds (hedged)	4.0%	+/-2.5%
Foreign currency bonds	0.0%	0-5.0%
Swiss equities	11.0%	+/-2.5%
Foreign equities	16.5%	+/-2.5%
Swiss real estate	33.0%	+/-5.0%
Private equity	6.0%	+/-2.0%
Hedge funds	2.0%	+/-2.0%
Commodities	0.0%	0–2.0%
Insurance-linked securities	3.0%	+/-2.0%
Infrastructure	3.0%	+/-2.0%
Alternative internat. real estate	3.0%	+/-2.0%
Alternative bonds	2.0%	+/-2.0%
	100.0%	

#### The investment strategy gives the following distribution across the four basic sectors:

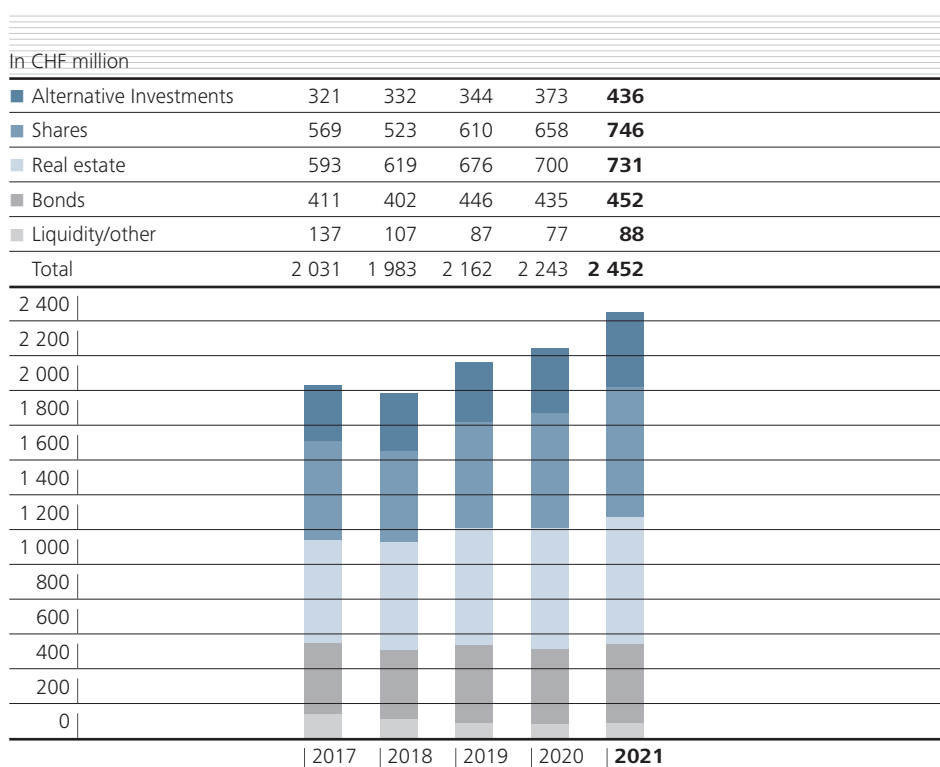
Par-value investment /bonds	20.5%
Shares	27.5%
Swiss real estate	33.0%
Alternative investments	19.0%
	100.0%

The investment strategy was modified slightly as of January 1, 2021. Par value securities (CHF-denominated bonds and insurance-linked securities) were each trimmed by one percentage point in favour of Swiss equities and international real estate. A further adjustment has been made for 2022. The Board of Trustees decided to reduce par-value investments and insurance-linked securities again, by 1.5 and 1.0 percentage points respectively. Foreign equities are being boosted by 1.5 percentage points and private equity by 1.0 percentage point.

In addition, from January 1, 2022, onwards the proportion of foreign currencies in the portfolio has been cut via an overlay mandate from approx. 32% to 25%.

The following chart illustrates how the Pension Fund's assets, and their composition, have changed over the past five years.

### Asset Performance / Asset Structure



### 8. Exercise of Shareholder Voting Rights

The Pension Fund exercised the shareholder voting rights attached to around 30 individual stocks in 2021. The Board of Trustees is supported in this by Inrate Ltd, as proxy advisor. The Pension Fund publishes the way in which it votes on its website.

### 9. New ESG Regulation

The Board of Trustees also examined the issue of sustainable investment policy in 2021. The result was a new ESG (Environment, Social and Governance) Regulation that entered into force as of January 1, 2022. It governs how the Pension Fund will apply ESG criteria to traditional investments, alternative investments and its own real estate in the future. The Regulation can be found on our website at [www.schindler-pk.ch](http://www.schindler-pk.ch). The Pension Fund has been addressing ESG matters for some time now. For many years we have made cutting carbon emissions a priority, especially where our own real estate is concerned. For example, during renovations as long ago as 2009 and 2012 we installed solar panels to provide hot water, and the new construction projects in Emmen and Schlieren have been/will be built to Minergie standards. The Pension Fund is currently considering installing solar panels on five properties. The Board of Trustees will continue to take a close interest in these matters, and in the future the Pension Fund will produce an annual ESG report that describes the individual measures that have been taken.

## 10. Revision of Schindler Foundation Rules Effective January 1, 2022

The Pension Fund Rules have been revised in accordance with the new legal provisions that apply to invalidity insurance. They have also been amended in all languages to ensure the consistent use of gender-neutral language.

On behalf of the Board of Trustees and the Management

Schindler Pension Fund



**Adrian Boutellier**  
Chairman of the Board of Trustees



**Mario Passerini**  
Managing Director

Ebikon, April 2022

# Balance Sheet

## Assets

In CHF	31.12.2021	in %	31.12.2020	in %
<b>Investments</b>	<b>2 450 403 174.07</b>	<b>100.0</b>	2 242 622 123.64	100.0
Cash and cash equivalents	32 622 194.71	1.3	26 339 307.74	1.2
Assets with employer	7 092 261.25	0.3	8 627 111.88	0.4
Current assets	2 242 628.98	0.1	2 111 251.76	0.1
<b>Total liquid assets</b>	<b>41 957 084.94</b>	<b>1.7</b>	37 077 671.38	1.7
Bonds in CHF/Loans	347 087 901.24	14.2	337 942 112.81	15.1
Foreign currency bonds (hedged)	92 279 361.68	3.8	84 474 941.25	3.8
Foreign currency bonds	12 455 297.23	0.5	12 761 055.05	0.6
<b>Total bonds</b>	<b>451 822 560.15</b>	<b>18.4</b>	435 178 109.11	19.4
Real estate, property in co-ownership	470 482 500.00	19.2	451 840 700.00	20.1
Construction accounts	7 912 962.65	0.3	4 323 520.60	0.2
Indirect real estate, CH	252 106 695.64	10.3	243 930 515.10	10.9
<b>Total real estate</b>	<b>730 502 158.29</b>	<b>29.8</b>	700 094 735.70	31.2
Swiss equities	304 967 389.18	12.4	259 945 989.15	11.6
Foreign equities	441 126 805.37	18.0	397 724 429.10	17.7
<b>Total equities</b>	<b>746 094 194.55</b>	<b>30.4</b>	657 670 418.25	29.3
Private equity	163 048 036.62	6.7	112 013 304.38	5.0
Hedge funds	32 079 529.92	1.3	25 477 332.61	1.1
Commodities	0.00	–	70 096.98	0.0
Insurance-linked securities	58 699 725.19	2.4	67 938 527.08	3.0
Infrastructure	67 848 990.22	2.8	58 501 499.32	2.6
Alternative internat. real estate	60 139 367.64	2.5	55 621 728.99	2.5
Alternative bonds	54 261 541.40	2.2	53 133 532.19	2.4
<b>Total alternative investments</b>	<b>436 077 190.99</b>	<b>17.8</b>	372 756 021.55	16.6
<b>Mixed funds</b>	<b>43 949 985.15</b>	<b>1.8</b>	39 845 167.65	1.8
<b>Accrued income</b>	<b>933 754.32</b>	<b>0.0</b>	158 601.40	0.0
<b>Assets from insurance contracts</b>	<b>37 357.00</b>	<b>0.0</b>	46 048.00	0.0
<b>Total assets</b>	<b>2 451 374 285.39</b>	<b>100.0</b>	2 242 826 773.04	100.0

## Liabilities

In CHF	31.12.2021	in %	31.12.2020	in %
<b>Accounts payable</b>	<b>15 302 174.25</b>	<b>0.6</b>	<b>20 417 722.38</b>	<b>0.9</b>
Vested benefits and pensions	9 054 980.55	0.4	14 196 414.16	0.6
Mortgages	5 800 000.00	0.2	5 800 000.00	0.3
Other liabilities	447 193.70	0.0	421 308.22	0.0
<b>Accrued liabilities</b>	<b>836 952.38</b>	<b>0.0</b>	<b>1 754 148.98</b>	<b>0.1</b>
<b>Employer contribution reserve</b>	<b>22 000 000.00</b>	<b>0.9</b>	<b>22 000 000.00</b>	<b>1.0</b>
<b>Retirement capital and actuarial provisions</b>	<b>1 954 161 935.35</b>	<b>79.7</b>	<b>1 856 145 052.10</b>	<b>82.8</b>
Retirement capital, active insureds	978 682 322.35	39.9	921 646 571.10	41.1
Pensioners' retirement capital	857 065 613.00	35.0	852 218 481.00	38.0
Actuarial provisions	118 414 000.00	4.8	82 280 000.00	3.7
<b>Fluctuation reserves</b>	<b>459 073 223.41</b>	<b>18.7</b>	<b>342 509 849.58</b>	<b>15.3</b>
<b>Foundation capital</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>-</b>
Balance at beginning of period	0.00	-	0.00	-
Income / expenditure surplus	0.00	-	0.00	-
<b>Total liabilities and equity</b>	<b>2 451 374 285.39</b>	<b>100.0</b>	<b>2 242 826 773.04</b>	<b>100.0</b>

# Operating Account

## Operating Account

In CHF	2021	2020
<b>Ordinary and other contributions and deposits</b>	<b>88 465 790.45</b>	89 483 518.25
Employee savings contribution	32 527 236.75	33 052 415.00
Employee risk contribution	1 877 122.35	1 912 068.65
Employee contributions to administrative costs	749 288.65	763 871.25
<b>Total employee contributions</b>	<b>35 153 647.75</b>	35 728 354.90
Employer savings contribution	40 122 985.45	41 035 963.85
Risk contribution/cont. for early retirement Employer	3 172 377.25	3 244 106.50
Employer contribution to administrative costs	747 169.45	764 159.75
<b>Total employer contributions</b>	<b>44 042 532.15</b>	45 044 230.10
Third-party contributions	3 555 095.75	3 025 646.10
Lump-sum deposits and AVCs	5 714 514.80	5 685 287.15
<b>Benefits brought in</b>	<b>20 158 177.26</b>	16 068 131.03
Vested benefits deposited	18 855 831.81	14 475 828.18
Inpayment of advances rel. to home ownership/divorce	1 302 345.45	1 592 302.85
<b>Inflow from contribs and vested benefits brought in</b>	<b>108 623 967.71</b>	105 551 649.28
<b>Benefits under regulations</b>	<b>-84 415 729.55</b>	-78 822 728.70
Retirement pensions	-46 130 499.50	-45 731 933.40
Survivors' pensions	-12 437 022.80	-12 390 220.65
Disability pensions	-2 724 426.20	-2 225 457.65
Misc. benefits under regulations	-2 698 791.05	-1 653 908.40
Lump-sum retirement benefits	-20 180 653.15	-16 419 902.10
Lump-sum death/disability benefits	-244 336.85	-401 306.50
<b>Withdrawal benefits</b>	<b>-49 203 136.35</b>	-44 777 186.60
Vested benefits upon withdrawal	-43 965 554.90	-39 622 809.75
Advance withdrawals: home purchase/divorce	-5 237 581.45	-5 154 376.85
<b>Outflows for benefits and advance withdrawals</b>	<b>-133 618 865.90</b>	-123 599 915.30
<b>Write back/additions to retirement cap., actuarial provs.</b>	<b>-98 016 883.25</b>	-8 937 539.85
Additions to/write-back of ret. cap., active insureds	10 894 136.40	14 059 273.25
Additions to/write-back of ret. cap., pension recipients	-4 847 132.00	-6 381 310.00
Addition to/write back of actuarial provisions	-36 134 000.00	-3 460 000.00
Interest on savings capital	-67 929 887.65	-13 155 503.10
<b>Income from insurance benefits</b>	<b>15 891.20</b>	21 464.10
<b>Insurance expense</b>	<b>-367 902.00</b>	-369 307.00
Insurance contract	-8 691.00	-9 201.00
Contributions to the Guarantee Fund	-359 211.00	-360 106.00
<b>Net result from insurance portion</b>	<b>-123 363 792.24</b>	-27 333 648.77



## Operating Account

In CHF	2021	2020
<b>Net investment income</b>	<b>240 770 201.05</b>	90 747 043.76
Income from liquid assets	2 734.60	-1 535 066.07
Income from CHF bonds	-3 548 047.47	2 004 994.32
Income from foreign currency bonds (hedged)	-1 748 891.60	4 825 756.46
Income from foreign currency bonds	-8 200.67	349 343.18
Income from real estate, property in co-ownership	34 461 011.88	41 827 033.07
Income from indirect Swiss real estate	17 049 336.13	12 224 933.56
Income from Swiss equities	59 194 072.95	12 937 437.65
Income from foreign equities	82 083 860.29	34 985 944.88
Income from private equity	51 147 992.83	1 566 363.06
Income from hedge funds	1 363 548.46	264 953.61
Income from commodities	-59 841.37	-38 631.64
Income from insurance-linked securities	-14 407.58	980 989.08
Income from infrastructure	5 220 946.03	303 014.42
Income Alternative internat. real estate	3 734 125.78	-2 226 674.31
Income Alternative bonds	5 182 723.40	183 082.39
Income from mixed funds	4 524 005.87	213 042.17
Income from securities lending	29 808.40	51 673.55
Interest on vested benefits (arrears) / misc.	-214 243.25	-198 160.81
Portfolio management expense	-17 630 333.63	-17 972 984.81
<b>Other income</b>	<b>351 209.11</b>	172 316.08
Management fee revenue	164 752.10	167 155.30
Other revenue	186 457.01	5 160.78
<b>Administrative expense</b>	<b>-1 194 244.09</b>	-1 265 692.90
General administrative expense	-1 116 088.64	-1 187 835.60
Occupational pensions expert	-33 144.65	-32 575.50
Auditors	-33 760.70	-35 195.60
Supervisory authorities	-11 250.10	-10 086.20
<b>Surplus income / expense before addition to FR</b>	<b>116 563 373.83</b>	62 320 018.17
<b>Write back/additions of fluctuation reserve</b>	<b>-116 563 373.83</b>	-62 320 018.17
<b>Surplus income / expense</b>	<b>0.00</b>	0.00

# Notes

## I Principles and Organization

### Legal Form

Foundation

### Foundation Objectives

The object of the Schindler Pension Fund is to provide occupational pension provision within the framework of the deed of foundation, the Pension Fund Rules and the provisions of the Swiss Occupational Pensions Act (OPA) for employees and their families and survivors, insuring them against the financial consequences of old age, disability and death.

### Registered Under the Occupational Pensions Act (OPA)

Yes, reg. no.: LU 0144

### Deed

December 11, 1990

### Pension Fund Rules

January 1, 2021, revised as of January 1, 2022

### Organizational and Election Regulations

December 1, 2018

### Investment Regulations

January 1, 2015, revised as of January 1, 2022

### Regulations on the Creation of Provisions and Reserves

December 31, 2019

### Regulations Relating to Partial Liquidation

December 1, 2009

### Rules on the Exercise of Shareholder Voting Rights

January 1, 2015

### Board of Trustees for the 2019 – 2021 period of office

Employer representatives	Employee representatives
Adrian Boutellier*, Chairman	Martin Allgäuer, SDB
Peter Bergsma, until 31.7.2021	Hugo Baumann*, Ebi off.
Bernhard Gisler	Moritz Blum, LWF
Georg Jenni*	Adriano Linguanotto*, S-ZH
Renate Lang, as from 1.8.2021	Bernhard Megert, S-BE
Erika Neumann	Angela Schmidlin, SSC, until 30.4.2021
Günter Schäuble*	Rosanna Ramoni, SSC, ab 7.9.2021
Sabine Schibli	Mike Weidlich, ASZ

\* Member of the Investment Committee

## Management

Mario Passerini, Managing Director  
Antonietta Despeaux, Dep. Managing Director

## Signing Authority

Joint with a minimum of two signatures. Only trustees who are members of the Investment Committee are authorized to sign. One signature must come from among the employer representatives, one signature from among the employee representatives.

## Accredited Pensions Actuary

Toptima AG, Aarau (contracting partner), Pascal Renaud (actuary-in-charge)

## Auditors

PricewaterhouseCoopers AG, Zurich

## Supervisory Authority

Zentralschweizer BVG- und Stiftungsaufsicht (ZBSA) (office of occupational pension provision and foundation supervision for central Switzerland), Lucerne

## Affiliated Companies

Company	Number of insured 31.12.2021	Number of insured 31.12.2020	Change
Schindler Elevator Ltd., Ebikon	2 526	2 615	-89
Schindler Management Ltd., Ebikon	327	315	12
Building Minds Technology AG	3	3	0
Schindler IT Services AG, Ebikon	109	123	-14
Schindler Digital Group AG, Ebikon	0	37	-37
Inventio AG, Hergiswil	28	31	-3
Schindler Supply Chain Europe AG, Hergiswil	409	406	3
AS Elevators Ltd., Küsnacht	834	768	66
Schindler Repro AG, Ebikon	19	19	0
Schindler Berufsbildung, Ebikon	115	120	-5
Schindler Pension Fund, Ebikon	6	6	0
Schindler Vorsorge AG, Ebikon	2	2	0
Schindler Holding AG, Hergiswil	16	16	0
External insureds	6	1	5
<b>Total</b>	<b>4 400</b>	<b>4 462</b>	<b>-62</b>

Schindler Digital Group AG was dissolved and its employees re-employed by a number of other Schindler entities.

## II Active Insureds and Pensioners

### Active Insureds

	31.12.2021	31.12.2020	Change
Men	3 667	3 743	-76
Women	733	718	15
<b>Total</b>	<b>4 400</b>	<b>4 461</b>	<b>-61</b>
<b>as per 1.1.2021/2020</b>	<b>4 461</b>	<b>4 579</b>	
New members	414	346	
Withdrawals	-386	-357	
Retirements	-84	-100	
Disability cases	-2	-3	
Deaths	-3	-4	
<b>as per 31.12.2021/2020</b>	<b>4 400</b>	<b>4 461</b>	

### Pensioners

	31.12.2021	31.12.2020	Change
Retirement pensions	1 654	1 635	19
Disability pensions	76	74	2
Surviving spouse's pen.	711	740	-29
Divorcing pen.	6	6	0
Children's / orphans' pen.	57	55	2
<b>Total</b>	<b>2 504</b>	<b>2 510</b>	<b>-6</b>

## III How the Objective is Fulfilled

### Organizational Structure

Autonomous pension fund

### Insured benefits

	2021	2020
Maximum pensionable salary	172 080	170 640
Coordination deduction	-14 340	-14 220
Maximum insured salary	157 740	156 420
Max. disability pension (60%)	94 644	93 852
Max. surv. spouse's pen. (36%)	56 786	56 311
Max. children's / orphans' pen.	18 929	18 770
Retirement pension	Division of contributions (standard plan)	
Distribution of contributions		
Employer	55.8%	55.8%
Employee	44.2%	44.2%

## IV Valuation and Accounting Policies / Consistency

### Valuation Policies

**Listed securities** are carried at their market value as at December 31, 2021 and **alternative investments** at their latest reported values. Real estate is valued by Wüest Partner using the DCF method and an average discount rate of 2.72% (2020: 2.89%).

The DCF method is also used to value properties held in co-ownership (valuers: PRIVERA, Wüest Partner).

### Accounting Policies / Consistency

Bookkeeping, accounting and valuations all comply with the requirements of the Swiss Code of Obligations (CO) and the Swiss Occupational Pensions Act (OPA). The annual financial statements, consisting of the balance sheet, operating account, and notes convey the actual financial position of the Pension Fund in accordance with legislation on occupational pension provision, and comply with Swiss GAAP ARR.

Portfolio management expense (the TER cost ratio) is recognized in accordance with Directive 02/2013 issued by the Occupational Pension Supervisory Commission. Details of portfolio management expense are given in the Notes.

## V Actuarial Risks / Risk Cover / Cover Ratio

### Actuarial Risks

Actuarial risks are borne independently by the Pension Fund.

### Retirement Assets, Active Insureds

In CHF million	31.12.2021	31.12.2020	Change
Retirement assets	978.7	921.6	57.1
of which			
BVG retirement assets	389.1	386.9	2.2

## Changes in Retirement Assets

In CHF million	2021	2020
Retirement assets as at 1.1	921.6	922.6
Vested benefits brought in	18.9	14.5
Purchased benefits (AVCs)	5.7	5.7
Retirement credits	72.6	73.9
Advances: home ownership and divorce (net)	-3.9	-3.6
Vested benefits paid out	-44.0	-39.6
Lump-sum retirement benefits	-20.2	-16.4
Reclass. ret. assets, retirement pensions	-37.5	-45.6
Reclass. ret. assets, disability / death	-2.0	-2.7
Interest on retirement assets	67.9	13.1
Adjustment to FZG 17 / divers	-0.4	-0.3
<b>Retirement assets as at 31.12</b>	<b>978.7</b>	<b>921.6</b>

## Interest on Retirement Assets

In %	
2006	3.25%
2007	4.00%
2008	1.50%
2009	2.00%
2010	2.00%
2011	2.00%
2012	1.50%
2013	1.80%
2014	5.80%
2015	2.05%
2016	1.55%
2017	2.50%
2018	1.00%
2019	2.50%
2020	1.50%
<b>2021</b>	<b>8.00%</b>

## Pensioners' Cover Capital

In CHF million	31.12.2021	31.12.2020	Change
Cover capital	857.1	852.2	4.9

## Pension Adjustments

Pensions were not increased in the period from 2003 to 2021. In view of the excellent performance recorded in 2021, a one-off supplementary pension will be paid in the first quarter of 2022. This amounts to twice the regular monthly pension.

## Actuarial Report

Last produced: December 31, 2021

Actuarial basis: OPA 2015 generational table

Actuarial interest rate: 1.5% (previously 1.5%)

## Cover Ratio Pursuant to Art. 44 OPO 2

In %	
31.12.2007	115.95%
31.12.2008	99.40%
31.12.2009	104.92%
31.12.2010	106.49%
31.12.2011	102.99%
31.12.2012	107.34%
31.12.2013	111.39%
31.12.2014	115.55%
31.12.2015	114.44%
31.12.2016	113.49%
31.12.2017	116.24%
31.12.2018	111.56%
31.12.2019	115.17%
31.12.2020	118.45%
<b>31.12.2021</b>	<b>123.49%</b>

## Changes to Actuarial Basis and Assumptions

As in 2020, pensioners' retirement capital was calculated according to the actuarial basis of the OPA 2015 generational table and an actuarial interest rate of 1.5%.

## Composition, Changes in, and Notes on Actuarial Provisions

In CHF	31.12.2021	31.12.2020
Prov. outstanding pension cases	<b>3 500 000</b>	6 130 000
Prov. risk fluctuation fund	<b>13 000 000</b>	13 000 000
Prov. retirement losses	<b>20 420 000</b>	18 150 000
Prov. reduction actuarial int. rate	<b>9 000 000</b>	45 000 000
Prov. pension increase	<b>9 994 000</b>	0
Prov. for Measures to Comp.Lower Conv. Rate	<b>62 500 000</b>	0
	<b>118 414 000</b>	82 280 000

## Provision for Outstanding Pension Cases

This provision contains the retirements assets and potential retirement capital required for pension cases that have not yet been resolved.



### **Provision for Fluctuations in Risk, Active Insureds**

According to the risk analysis conducted by the accredited pensions actuary, there is a 90% probability that anticipated total risk will amount to less than CHF 18.1 million. Once the risk premiums under the Pension Fund Rules (approx. CHF 5.1 million) have been deducted, CHF 13 million is required according to the actuarial basis that we apply.

### **Provision for Retirement Losses**

Conversion rates are too high in comparison with the actuarial base and therefore require a provision of CHF 20.4 million.

### **Provision for the Reduction in the Actuarial Interest Rate**

The actuarial interest rate was reduced from 2.5% to 1.5% with effect from December 31, 2019. In addition, the Regulations on the Creation of Provisions and Reserves provide for the creation of a variable provision for a possible further reduction in the actuarial interest rate. Its target level is based on an actuarial interest rate calculated according to the following formula: yield on 10-year Confederation bonds, plus a structural supplement of 1.5 percentage points. This means that the provision would be reduced again if the general interest level were to rise. As at December 31, 2021, this provision stood at CHF 9 million.

### **Provision for Pension Increases**

In view of the excellent performance recorded in 2021, the Board of Trustees decided to pay pensioners a one-off supplementary pension in the first quarter of 2022. This amounts to twice their regular monthly pension. The provision corresponds to this amount.

### **Provision for Measures to Compensate for the Lower Conversion Rate**

The current conversion rate is based on an actuarial interest rate of 2.5%. Since the actuarial interest rate for calculating retirees' retirement capital was set at 1.5%, what are known as retirement losses are incurred for each insured who retires. Reducing these losses would require the conversion rate to be lowered. The Board of Trustees has therefore formed a working group to examine this issue. The provision is intended to provide one-off credits to compensate for the loss of benefits resulting from any reduction in the conversion rate. The Board of Trustees will probably decide on the future of the conversion rate in the course of 2022.

## VI Notes Pertaining to the Investments and the Net Investment Result

### Investment Regulations

January 1, 2015, revised as at January 1, 2022

### Board of Trustees

The Board of Trustees takes primary responsibility for the investment of assets.

### Investment Committee

The Investment Committee comprises five members. Its task is to supervise the investment activities of the portfolio managers. It is also responsible for transactions in the Satellites portfolio (mainly alternative investments, indirect real estate holdings, and special foreign equity funds).

### Global Custodian

The depository for the safekeeping of securities is Credit Suisse

### Securities

Manager	Portfolio type
Credit Suisse (FINMA)	Mixed mandate
SwissLife Asset Management (FINMA)	Mixed mandate
Bank Vontobel (FINMA)	Mixed mandate
Zürcher Kantonalbank (Finma)	Mixed mandate (passive)
UBS Anlagefonds (FINMA)	Foreign equities

### Swiss Real Estate

The Pension Fund's own properties are managed externally by HIG Asset Management AG. Indirect real estate investments are effected via investment companies, investment funds and investment foundations.

### Alternative International Real Estate

Investments are made via listed or unlisted funds.

### Private Equity

Investments are made primarily via unlisted funds.

### Infrastructure

Investments are made via unlisted funds.

### Hedge Funds

Investments are made via funds of funds.

### Commodities

No further new investments will be made in the commodities segment.

### Insurance-Linked Securities

Investments are made via unlisted funds.

## Alternative Bonds

Investments are made primarily via unlisted funds.

## Open Commitments

The Schindler Pension Fund has the following open commitments in the private equity, hedge funds, infrastructure, international real estate and alternative bonds segments (in CHF millions):

### Open Commitments

Investment category	31.12.2021	31.12.2020
Private equity	120.2	95.1
Hedge funds	17.1	5.7
Infrastructure	30.6	16.0
Alternative internat. real estate	12.8	17.7
Alternative bonds	4.9	5.0
<b>Total Private Equity</b>	<b>185.6</b>	<b>139.5</b>

### Investment Strategy

In %	Strategy 2021	Bandwidths	Status at 31.12.2021	Status at 31.12.2020
Liquidity / other	1.0%	0-15%	1.7%	1.6%
CHF bonds	15.5%	+/-10.0%	14.2%	15.1%
Foreign currency bonds (hedged)	4.0%	+/-2.5%	3.8%	3.8%
Foreign currency bonds	0.0%	0-5.0%	0.5%	0.6%
Swiss real estate	33.0%	+/-5.0%	29.8%	31.2%
Swiss equities	11.0%	+/-2.5%	12.4%	11.6%
Foreign equities	16.5%	+/-2.5%	18.0%	17.7%
Private equity	6.0%	+/-2.0%	6.6%	5.0%
Hedge funds	2.0%	+/-2.0%	1.3%	1.1%
Commodities	0.0%	+/-2.0%	0.0%	0.0%
Ins.-linked securities	3.0%	+/-2.0%	2.4%	3.0%
Infrastructure	3.0%	+/-2.0%	2.8%	2.6%
Alternative internat. real estate	3.0%	+/-2.0%	2.5%	2.5%
Alternative bonds	2.0%	+/-2.0%	2.2%	2.4%
Infrastructure	0.0%	+2.0%	1.8%	1.8%
<b>Total</b>	<b>100.0%</b>		<b>100.0%</b>	100.0%

## Performance

Performance on total assets was +10.81% in 2021 (2020: +4.29%). This is calculated by the global custodian, Credit Suisse.

Net investment income is composed as follows (CHF):

### Investment Income

In CHF	2021	2020
Income from liquid assets	2 735	-1 535 066
Income from CHF bonds	-3 548 047	2 004 994
Income from foreign currency bonds (hedged)	-1 748 892	4 825 757
Income from foreign currency bonds	-8 201	349 343
Income from real estate, property in co-ownership	34 461 012	41 827 033
Income from indirect Swiss real estate	17 049 336	12 224 933
Income from Swiss equities	59 194 073	12 937 438
Income from foreign equities	82 083 860	34 985 945
Income from private equity	51 147 993	1 566 363
Income from hedge funds	1 363 548	264 954
Income from commodities	-59 841	-38 632
Income from insurance-linked securities	-14 408	980 989
Income from infrastructure	5 220 946	303 014
Income Alternative internat. real estate	3 734 126	-2 226 674
Income Alternative bonds	5 182 723	183 082
Income from mixed funds	4 524 006	213 042
Income from securities lending	29 808	51 674
Interest on vested benefits (arrears) / miscellaneous	-214 243	-198 161
Portfolio management expense	-17 630 334	-17 972 985
<b>Net investment income</b>	<b>240 770 200</b>	<b>90 747 043</b>

### Portfolio Management Expense

In CHF	31.12.2021	31.12.2020
<b>Investments</b>	<b>2 451 376 448</b>	<b>2 242 826 773</b>
of which		
cost-transparent investments	2 408 675 960	2 225 438 170
non-transparent investments	42 700 488	17 388 603
% of cost-transparent investments	98.3%	99.2%
	2021	2020
<b>Portfolio management expenses</b>		
Portf. mgmt. expenses booked directly	3 207 119	3 099 083
Indirect TER costs	14 423 215	14 873 901
Book portfolio management expenses	17 630 334	17 972 984
as % of cost-transparent investments	0.73%	0.81%

The expenses of CHF 17.6 million (2020: CHF 18.0 million) reported in the operating account comprise direct costs (custody fees, portfolio manager costs, property management, stamp duty, etc.) and the additional TER (Total Expense Ratio) costs for the funds used. TER costs were generally calculated in accordance with the require-

ments of the Occupational Pension Funds Supervisory Commission, on the basis of year-end holdings. These costs therefore represent a rough estimate. They are relatively high in comparison with other pension funds, and result primarily from an investment strategy with a high proportion of real estate and alternative investments.

No TER costs could be calculated for the following investments. They are therefore classified as 'non-cost-transparent collective investment schemes'.

### Non-Cost-Transparent Collective Investment Schemes

In CHF				
Investment instrument	Provider	ISIN number	31.12.2021	31.12.2020
FRM Commodity Strategies	FRM	KYG579841829	0	70 180
FRM ARS I	FRM	KYG580005901	134 114	324 437
Pinebridge PEP IV	Pinebridge	n.a.	475 058	436 084
Pinebridge Secondary II	Pinebridge	n.a.	394 908	297 108
Paul Capital Secondary IX	Paul Capital	n.a.	1 999 866	1 786 745
Highstar III	Highstar	n.a.	26 996	46 191
Highstar IV	Highstar	n.a.	2 012 755	2 602 114
Ardian Buyout VII	Ardian	n.a.	0	2 835 130
EIP Europ. Property FoF	4IP Mangement	n.a.	2 209 196	2 015 233
JP Morgan Europ. Properties	JP Morgan	n.a.	14 514	28 477
Axa Secondary V	Ardian	n.a.	79 558	75 848
Partners Group Secondary 2020	Partners Group	n.a.	0	216 311
Schroder Adveq Asia V	Schroder Adveq	n.a.	0	1 302 451
Crown Secondaries Opportunities II	LGT	n.a.	0	2 306 971
Access Capital Private Debt Fund II	Access	n.a.	2 765 154	3 045 323
Unigestion Secondary V 2021	Unigestion	n.a.	6 012 060	0
Digital Transformation II 2021	Swisscom	n.a.	1 227 419	0
Crown Co-Investment Opportunity III 2021	LGT	n.a.	1 332 444	0
PG SPK Private Equity Private Markets 2021	Partners Group	n.a.	24 016 446	0
<b>Total</b>			<b>42 700 488</b>	17 388 603

Continued investment in non-transparent collective investment schemes is approved as part of the annual investment policy adoption process.

### Fluctuation Reserves

The fluctuation reserves are used to offset price losses on investments. Based on the current investment strategy and the low level of interest rates, the target bandwidth has been set at 116% to 124%. The Board of Trustees believes that when the upper target is met there will be sufficient cover for two poor investment years, without the Pension Fund having a shortfall in cover.

## Status of Fluctuation Reserves

In CHF million	31.12.2021	31.12.2020
Ret. capital and actuarial reserves	1 954.2	1 856.1
Fluctuation reserves target for 124% coverage	469.1	445.5
Fluctuation reserves as per balance sheet	459.0	342.6
Reserve deficit	10.1	102.9

### Expansion of Investment Options in Accordance with Art. 50 para. 4 OPO 2

With a share of 17.8% of the overall portfolio, alternative investments exceed the prescribed 15% threshold.

This is within the scope of the investment strategy approved by the Board of Trustees. Alternative investments are distributed across six different asset classes and are thus broadly diversified.

Even with these expanded investment options, the Pension Fund continues to comply with the principles of Art. 50 paras. 1 to 3 OPO 2.

### Retrocessions

The Pension Fund received retrocessions totalling CHF 39,106 from a variety of fund providers during the year under review. This amount was set off against portfolio management expense.

### Depository

Credit Suisse was appointed as the Pension Fund's central depository (global custodian).

### Financial Controlling

Controlling is carried out by the Global Investment Reporting department at Credit Suisse (compliance with bandwidths and quality requirements), as well as by the Treasury department at Schindler Management Ltd (results analysis). The Investment Committee meets at least four times a year. The Board of Trustees meets at least three times a year and, at each meeting, receives a detailed briefing on the results that have been achieved. It also receives monthly reports from the Management, and the annual Financial Controller's report.

The portfolio managers present results to both the Board of Trustees and the Investment Committee on a regular basis.

### Derivative Financial Investments

The use of derivatives is governed by the Investment Regulations and the agreements with portfolio managers. It complies with OPO 2 provisions. The use of derivatives is permitted if the Fund holds the corresponding liquidity or underlying investments and the use of derivatives will not result in the predetermined bandwidths being exceeded. Short selling is forbidden. The following forward foreign exchange transactions remained open as at December 31, 2021.

Pending forward exchange transaction	Rate	Maturity
Sale USD 52 000 000	0.92	05.01.2022

### Securities Lending

The lending of securities is capped at a countervalue of CHF 150 million. As collateral, Credit Suisse deposits equities and/or bonds corresponding to 105% of the value of the loaned securities in a safekeeping account in the name of the Pension Fund.

- Loaned securities as at Dec. 31, 2021      Counterval. CHF 8.6 million
- Contracting partner                              Credit Suisse
- System    Collateral

### Investments in the Employer

The Pension Fund does not make any investments in employer companies. External portfolio managers may, however, buy and sell the shares/participation certificates and bonds issued by Schindler Holding AG. No such securities were held in the investment portfolio of the Pension Fund as at December 31, 2021, however.

The Pension Fund has a current account with Schindler Holding AG that is used to collect contributions. As at December 31, 2021, there was a credit balance of CHF 7.1 million (balance of Schindler Holding AG account plus contributions for December 2021) in favour of the affiliated companies. The rate of interest paid on the account with Schindler Holding AG as at December 31, 2020, was 0.00% p.a. Outstanding contributions were paid in January 2022.

### Pension Fund Governance

The Pension Fund is voluntarily subject to the ASIP Charter. The members of the Board of Trustees and the Managing Director are required to confirm in writing once a year that they have complied with both the ASIP Charter and the specific Schindler Code of Conduct.

### Exercise of Shareholder Voting Rights

In accordance with the Ordinance Against Excessive Remuneration in Listed Companies Limited by Shares (ERCO), the Board of Trustees has adopted rules on the exercise of shareholder voting rights. The Pension Fund exercises the voting rights attached to shares in Switzerland that it holds directly. The Board of Trustees is supported in this by Inrate Ltd, as proxy advisor. The Pension Fund publishes the way in which it has voted on the website.

### Offices Held with External Companies

The following external offices were held by the Pension Fund's Trustees and officers during the year under review:

- Mario Passerini, Trustee of the HIG Anlagestiftung



## VII Notes Pertaining to Other Balance Sheet and Operating Account Items

### Third-Party Contributions

This item contains contributions from companies of CHF 3.6 million, related to compulsory retirements during the year under review.

### Administration Costs

In CHF	2021	2020
<b>Administration costs</b>		
Salary costs	824 258	872 065
Rent	36 833	36 833
IT	164 929	190 455
Printed matter, training, etc.	90 067	88 483
Supervisory authority	11 250	10 086
Accredited pensions actuary	33 145	32 575
Auditors	33 761	35 196
Management fee revenue	-164 752	-167 155
<b>Total administration costs</b>	<b>1 029 491</b>	<b>1 098 538</b>
Number of insureds	6 904	6 972
Administration costs per insured	149	158

### Employer Contribution Reserve

The employer contribution reserve of CHF 22.0 million formed by Schindler Elevator Ltd in 2005 does not earn interest from the Pension Fund.

### Mortgages

Two mortgages totalling CHF 5.8 million were taken out in connection with the purchase of the Libelle property. One of these, for CHF 1.8 million, has been transferred to the property at Winkelriedstrasse 58 in Lucerne. The mortgages run to 2025 and 2028 respectively.

### VIII Conditions Imposed by the Supervisory Authority

The annual financial statements up to the 2020 financial year were approved without any conditions being imposed.

### IX Additional Information Regarding the Foundation's Financial Position

Some securities – up to a maximum of CHF 25 million – are pledged to Credit Suisse as collateral for forward foreign exchange transactions.

### X Events Following the Balance Sheet Date

None.

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