



Schindler Pension Fund
Annual Report and Financial Statements
as at December 31, 2023



Schindler

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An Overview of the 2023 Financial Year

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

The Pension Fund achieved a performance of +4.21% in 2023, compared with -7.06% in 2022. It also generated surplus income of CHF 91 million, against an expenditure surplus of CHF 148 million the previous year. This surplus income is the product of investment performance combined with the write-back of the provision for measures to compensate for the lower conversion rate.

The actuarial cover ratio in accordance with OPO 2 rose over the year from 116.37% to 121.48%, and is therefore in the middle range of the target bandwidth of 116% to 124%.

The financial cover ratio declined from 116.52% to 114.85%. It is calculated on the basis of liabilities, i.e. pensioners' retirement capital and provisions, valued consistent with the market based on the yield curve (spot interest rates) for Swiss Confederation bonds as at December 31, 2023. This interest rate stood at 0.61% as at the end of 2023. The lower interest rate increases pensioners' retirement capital and actuarial provisions by CHF 108 million, resulting in a financial cover ratio of 114.85%.

2. Interest on Retirement Assets in 2023 / Pension Payments in 2024

Standard interest

In view of the Pension Fund's relatively good performance and its higher cover ratio, the Board of Trustees has decided to pay interest on retirement assets at 3.5% for 2023.

Bonus interest

In view of the higher interest level the Board of Trustees believes that no further reductions in the conversion rate are necessary for the time being. The provision created some time ago for any compensatory measures will therefore be written back. Part of this will be paid out to active insureds as bonus interest of 2.0%.

Total interest

The total interest paid on retirement assets for 2023 will thus be 5.5%.

Since the anticipated target value of the fluctuation reserve was not achieved, the Board of Trustees decided not to increase pensions, and also not to pay any one-off supplementary pensions

3. Key Figures for the Past Five Years

	2023	2022	2021	2020	2019
Number of active insured	4544	4477	4400	4461	4579
Number of pensioners	2378	2445	2504	2510	2499
Balance sheet total	2315 Mio	2251 Mio	2451 Mio	2243 Mio	2162 Mio
Performance	4.21%	-7.06%	10.81%	4.29%	9.83%
Cover ratio	121.48%	116.37%	123.49%	118.45%	115.17%
actuarial interest rate	1.50%	1.50%	1.50%	1.50%	1.50%
financial cover ratio	114.85%	116.52%	111.58%	106.00%	104.28%
act.interest rate financial cover ratio	0.61%	1.52%	-0.10%	-0.46%	-0.45%
Interest on retirement assets	5.50%	1.00%	8.00%	1.50%	2.50%
Conversion rate at age 65	5.15%	5.16%	5.17%	5.18%	5.19%

4. Actuarial Performance

The Pension Fund recorded four deaths and ten new disability cases, four of which concern a partial disability, among active insureds during the year under review.

The costs associated with these risk cases are in the region of the CHF 5.2 million in risk premiums received.

5. Investment Climate

The 2023 investment year was characterized by key rate hikes by most central banks, falling inflation, and very bullish equity markets. The most significant event in Switzerland was probably the acquisition of Credit Suisse by UBS. The number of major Swiss banks has shrunk from five to just one over the past 25 years.

In contrast to short-term interest rates, long-term interest rates in Switzerland contracted sharply, inverting the yield curve for the first time in a long while. This shift in the interest climate resulted in adjustments to discount rates on real estate, reducing property values overall.

The CHF gained major ground against the USD and the EUR towards the end of the year as both currencies fell to new lows.

5.1 Securities

Equities

Swiss equities gained 7.16%, while foreign equities rose by 11.59%. Both results are slightly above the benchmark overall.

Bonds

As long-term yields continue to contract, CHF-denominated and foreign currency (hedged) bonds produced positive results of 5.76% and 3.84% respectively.

Equities and bonds are managed by four portfolio managers under balanced mandates. Three out of these four managers exceeded the benchmark during the year under review.

5.2 Alternative Investments

Private equity

Private equity turned in -2.86% as our unlisted investments have not yet been able to benefit from rising equity valuations. The negative result is attributable primarily to the soft USD and EUR. CHF 14.5 million was called up from the various funds we use. At the same time, the Pension Fund received repayments of CHF 13.6 million, and entered into one new commitment during the year.

Infrastructure

Investments in infrastructure facilities such as solar and wind power plants, hydroelectric power generation, pipelines, port facilities, etc. also achieved a good result in 2023, of 4.38%.

Hedge funds

At -2.64%, performance was negative. Investments are distributed between a total of three funds.

Insurance-linked securities

ILS turned in a performance of 0%. The weak USD and EUR interest rate impacted significantly on what was actually a positive result.

Alternative international real estate

Against a backdrop of rising interest rates, international real estate investments produced a markedly negative result of -9.48%.

Alternative bonds

As an alternative to 'normal' bonds, the Pension Fund holds private debt investments via broadly diversified funds. The performance of this asset class came to +1.29%.

5.3 Real Estate

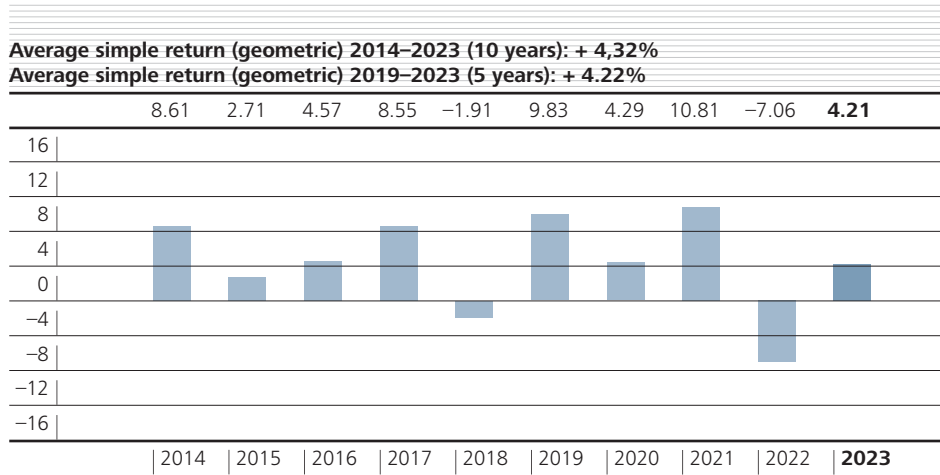
Real estate produced a result of +1.08%. A higher discount rate meant that the Pension Fund's own properties were valued at CHF 8 million or 2.2% lower than a year ago. Indirect real estate investments, held via investment foundations, investment funds and investment companies, generated a modestly positive performance

Real estate project in Schlieren

The call for tenders for the general contractor was posted during the year under review. The construction site was handed over to the general contractor on April 1, 2024. The building phase will take around three and a half years.

6. Pension Fund Performance

Performance 2014 – 2023



Performance on total assets (=net investment income + price gains – price losses) came to +4.21% in 2023, compared with a benchmark figure of +5.84%.

The primary elements in this underperformance were private equity (-2.86% vs. benchmark +13.32%), Swiss real estate (-+1.08% vs. BM +2.00%) and international real estate (-9.48% vs. BM +0.84%).

The following results were achieved in the individual investment segments:

Results of the Individual Investment Segments

In percent	Schindler PF 2023	Benchmark 2023	Schindler PF 2022
CHF bonds	5.76%	4.36%	-9.42%
Foreign currency bonds (hedged)	3.84%	4.27%	-15.65%
Swiss equities	7.16%	6.91%	-17.03%
Foreign equities	11.59%	11.32%	-18.31%
Swiss real estate	1.08%	2.00%	1.89%
Private equity	-2.86%	13.32%	6.07%
Hedge funds	-2.64%	-0.96%	-8.99%
Insurance-linked securities	0.02%	7.36%	-8.11%
Infrastructure	4.38%	9.67%	-0.56%
Alternative internat. real estate	-9.48%	0.84%	0.29%
Alternative bonds	1.29%	2.83%	1.26%

Performance Comparison

With a result of +4.21%, the Schindler Pension Fund underperformed slightly when compared with other pension funds. The mean performance figures for pension fund clients that are calculated and published by UBS came to +4.92% for 2023. That said, since 2007 the Schindler Pension Fund has outperformed this comparison index by an average of around 0.75 percentage points per year.

7. Investment Strategy and Changes in Asset Structure

Investment Strategy

In percent	Strategy	
	2023	Bandwidths
Liquidity	0.5%	0–15.0%
CHF bonds	14.5%	+/-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	18.0%	+/-2.5%
Swiss real estate	33.0%	+/-5.0%
Private equity	7.0%	+/-2.0%
Hedge funds	1.5%	+/-1.5%
Commodities	0.0%	0–2.0%
Insurance-linked securities	1.5%	+/-1.5%
Infrastructure	4.0%	+/-2.0%
Alternative internat. real estate	3.0%	+/-2.0%
Alternative bonds	2.0%	+/-2.0%
	100.0%	

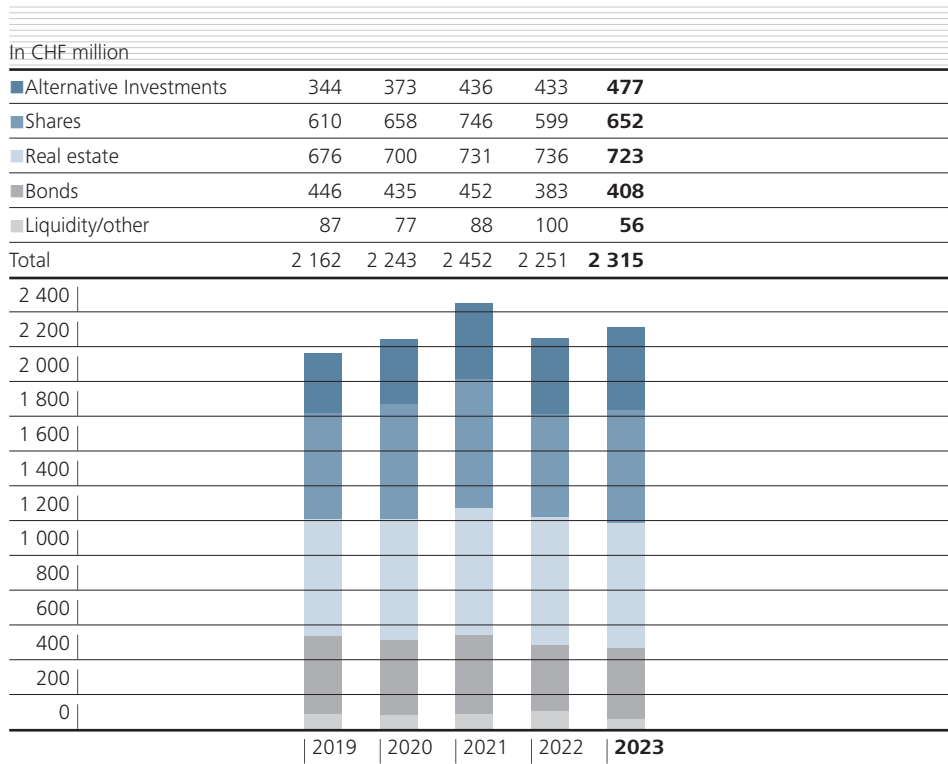
The investment strategy gives the following distribution across the four basic sectors:

Par-value investment /bonds	19.0%
Shares	29.0%
Swiss real estate	33.0%
Alternative investments	19.0%
	100.0%

The investment strategy was left unchanged as of January 1, 2023.

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 2023. 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. ESG Report

The Board of Trustees adopted the Pension Fund's second ESG (Environment, Social and Governance) report in fall 2023. The detailed report is available on the website (www.schindler-pk.ch). This time a total of 87% of total assets could be evaluated against ESG criteria, compared with 78% previously. The assets that were not evaluated are primarily indirect real estate investments, or fund investments that are not assessed. The equities and bonds that were evaluated maintained their AA ESG rating as calculated by MSCI.

As a result of the latest ESG report, Klima-Allianz Schweiz boosted the Pension Fund's rating by two grades, from red to light green.

10. Revision of Pension Fund Rules Effective January 1, 2024

Effects of AHV 21 state pension reforms

The previously used term 'final age' has been replaced by 'retirement age'. Retirement age is reached on the first of the month after reaching the age of 65. If they continue to work for the company after reaching retirement age, the insured person may apply to maintain their insurance, but no further employer or employee contributions will be paid.

Partial retirement may be taken in a maximum of three steps. The number of possible lump-sum withdrawals has increased from two to three. Retirement benefits fall due for payment in full if the applicable annual salary falls below the entry threshold.

New Data Protection Act

The Pension Fund has extended the information on data protection in the Rules to reflect the introduction of the new Data Protection Act.

11. Implementation of the new Data Protection Act

The fully revised Data Protection Act (DPA) came into force on September 1, 2023. At its meeting in August the Board of Trustees appointed Aurélien Pasquier, Data Protection Officer at Schindler Switzerland, as the Pension Fund's new Data Protection Advisor. Working alongside Mr Pasquier, the Pension Fund has implemented all of the new Act's requirements.

12. Portal for Active Insureds Replaces Paper Mail

The Connect|Insured portal for insureds was launched in the summer of 2023. The majority of insureds have already registered and are now receiving Pension Fund documents in electronic form. The degree of success to date encouraged the Pension Fund to pursue digitalisation still further. From 2024 onwards the Pension Fund will therefore provide all correspondence via the portal. This includes insurance certificates, information for insureds and proposals under the WEF home ownership promotion scheme.

13. Changes to the Board of Trustees

Long-standing trustee and employee representative Adriano Linguanotto stepped down from the Board of Trustees and the Investment Committee at the end of 2023. Gregorio Garcia, who has served to date as a substitute member, took his place as employee representative effective January 1, 2024. The Board of Trustees appointed Mike Weidlich as the new member of the Investment Committee.

Erika Neumann left the Board of Trustees as at December 31, 2023, following a change of role. Dominique Widmer has been appointed her successor and new employer representative.

On behalf of the Board of Trustees and the Management

Schindler Pension Fund



Adrian Boutellier
Chairman of the Board of Trustees



Antonietta Despeaux
Managing Director

Ebikon, April 2023

Balance Sheet

Assets

In CHF	31.12.2023	in %	31.12.2022	in %
Investments	2 314 358 273.49	100.0	2 250 376 615.16	100.0
Cash and cash equivalents	44 576 800.39	1.9	51 355 175.97	2.3
Assets with employer	8 495 046.51	0.4	8 838 339.92	0.4
Current assets	2 174 705.33	0.1	1 766 856.97	0.1
Total liquid assets	55 246 552.23	2.4	61 960 372.86	2.8
Bonds in CHF/Loans	310 955 450.81	13.4	292 701 006.45	13.0
Foreign currency bonds (hedged)	89 590 211.17	3.9	81 134 477.71	3.6
Foreign currency bonds	7 059 461.26	0.3	9 587 634.85	0.4
Total bonds	407 605 123.24	17.6	383 423 119.01	17.0
Real estate, property in co-ownership	459 876 200.00	19.9	476 463 400.00	21.2
Construction accounts	10 901 138.80	0.5	9 319 310.55	0.4
Indirect real estate, CH	251 852 967.25	10.9	250 351 022.94	11.1
Total real estate	722 630 306.05	31.2	736 133 733.49	32.7
Swiss equities	243 145 238.33	10.5	230 817 164.56	10.3
Foreign equities	408 826 712.19	17.7	367 986 765.67	16.4
Total equities	651 971 950.52	28.2	598 803 930.23	26.6
Private equity	178 079 106.42	7.7	181 906 088.26	8.1
Hedge funds	27 641 258.21	1.2	33 114 857.79	1.5
Insurance-linked securities	31 090 164.97	1.3	31 885 200.33	1.4
Infrastructure	96 264 256.67	4.2	75 834 016.58	3.4
Alternative internat. real estate	56 262 741.01	2.4	60 558 099.91	2.7
Alternative bonds	48 268 285.27	2.1	49 180 737.85	2.2
Total alternative investments	437 605 812.55	18.9	432 479 000.72	19.2
Mixed funds	39 298 528.90	1.7	37 576 458.85	1.7
Accrued income	864 057.78	0.0	150 421.65	0.0
Assets from insurance contracts	21 786.00	0.0	23 521.00	0.0
Total assets	2 315 244 117.27	100.0	2 250 550 557.81	100.0

Liabilities

In CHF	31.12.2023	in %	31.12.2022	in %
Accounts payable	18 091 917.24	0.8	17 102 499.53	0.8
Vested benefits and pensions	11 956 981.40	0.5	11 784 649.45	0.5
Mortgages	5 800 000.00	0.3	5 800 000.00	0.3
Other liabilities	334 935.84	0.0	-482 149.92	-0.0
Accrued liabilities	1 331 954.67	0.1	560 817.46	0.0
Employer contribution reserve	22 000 000.00	1.0	22 000 000.00	1.0
Retirement capital and actuarial provisions	1 871 816 352.30	80.8	1 899 828 455.50	84.4
Retirement capital, active insureds	1 044 518 901.30	45.1	991 904 583.50	44.1
Pensioners' retirement capital	794 077 451.00	34.3	811 333 872.00	36.1
Actuarial provisions	33 220 000.00	1.4	96 590 000.00	4.3
Fluctuation reserves	402 003 893.06	17.4	311 058 785.32	13.8
Foundation capital	0.00	-	0.00	-
Balance at beginning of period	0.00	-	0.00	-
Income / expenditure surplus	0.00	-	0.00	-
Total liabilities and equity	2 315 244 117.27	100.0	2 250 550 557.81	100.0

Operating Account

Operating Account

In CHF	2023	2022
Ordinary and other contributions and deposits	85 586 547.85	84 682 405.90
Employee savings contribution	33 613 368.80	32 811 464.65
Employee risk contribution	1 926 787.20	1 886 029.25
Employee contributions to administrative costs	768 305.40	752 200.70
Total employee contributions	36 308 461.40	35 449 694.60
Employer savings contribution	41 152 736.15	40 311 366.60
Employer risk contribution	3 246 209.40	3 177 726.60
Employer contribution to administrative costs	764 596.85	748 433.60
Total employer contributions	45 163 542.40	44 237 526.80
Employer contribution for early retirement	259 982.00	1 035 348.00
Lump-sum deposits and AVCs	3 854 562.05	3 959 836.50
Benefits brought in	17 577 113.57	18 537 172.90
Vested benefits deposited	16 037 563.17	17 650 787.35
Inpayment of advances rel. to home ownership/divorce	1 539 550.40	886 385.55
Inflow from contribs and vested benefits brought in	103 163 661.42	103 219 578.80
Benefits under regulations	-89 402 363.07	-85 745 808.76
Retirement pensions	-45 949 532.35	-46 149 707.11
Survivors' pensions	-12 007 888.10	-12 137 459.90
Disability pensions	-2 221 289.10	-2 366 714.45
Misc. benefits under regulations	-2 074 910.30	-12 654 606.90
Lump-sum retirement benefits	-25 854 810.37	-12 069 262.10
Lump-sum death/disability benefits	-1 293 932.85	-368 058.30
Withdrawal benefits	-43 243 916.65	-42 026 533.35
Vested benefits upon withdrawal	-37 322 167.05	-36 361 119.70
Advance withdrawals: home purchase/divorce	-5 921 749.60	-5 665 413.65
Outflows for benefits and advance withdrawals	-132 646 279.72	-127 772 342.11
Write back/additions to retirement cap., actuarial provs.	28 012 103.20	54 333 479.85
Additions to/write-back of ret. cap., active insureds	-1 165 652.85	-3 771 108.15
Additions to/write-back of ret. cap., pension recipients	17 256 421.00	45 731 741.00
Addition to/write back of actuarial provisions	63 370 000.00	21 824 000.00
Interest on savings capital	-51 448 664.95	-9 451 153.00
Income from insurance benefits	9 073.20	15 891.20
Insurance expense	-292 083.00	-368 986.00
Insurance contract	-1 735.00	-13 836.00
Contributions to the Guarantee Fund	-290 348.00	-355 150.00
Net result from insurance portion	-1 753 524.90	29 427 621.74

Operating Account

In CHF	2023	2022
Net investment income	93 832 983.43	-176 281 792.96
Income from liquid assets	10 937 507.07	-3 389 716.81
Income from CHF bonds	17 413 731.91	-30 762 744.06
Income from foreign currency bonds (hedged)	3 432 994.55	-14 999 052.71
Income from foreign currency bonds	-505 509.20	-1 326 009.56
Income from real estate, property in co-ownership	5 687 286.64	17 597 210.78
Income from indirect Swiss real estate	6 178 152.75	-1 845 449.94
Income from Swiss equities	17 405 091.00	-47 462 918.28
Income from foreign equities	42 881 123.20	-82 107 070.08
Income from private equity	-1 515 743.89	22 334 885.45
Income from hedge funds	-304 594.27	-2 588 995.37
Income from insurance-linked securities	357 934.61	-2 383 759.54
Income from infrastructure	5 583 769.82	-2 047 029.09
Income Alternative internat. real estate	-5 055 020.54	-33 083.60
Income Alternative bonds	1 460 219.98	718 671.25
Income from mixed funds	2 540 552.89	-5 961 277.56
Income from securities lending	3 625.55	22 215.45
Mortgage interest/interest on vested benefits	-207 573.30	-194 659.25
Portfolio management expense	-12 460 565.34	-21 853 010.04
Other income	197 825.21	167 506.05
Management fee revenue	164 984.70	164 864.80
Other revenue	32 840.51	2 641.25
Administrative expense	-1 332 176.00	-1 327 772.92
General administrative expense	-1 252 763.60	-1 236 172.72
Occupational pensions expert	-29 644.45	-44 412.85
Auditors	-35 501.15	-35 889.95
Supervisory authorities	-14 266.80	-11 297.40
Surplus income / expense before write back/additions of fluctuation reserve	90 945 107.74	-148 014 438.09
Write back/additions of fluctuation reserve	-90 945 107.74	148 014 438.09
Surplus income / expense	0.00	0.00

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 Swiss occupational pension legislation (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, 2023, revised as at January 1, 2024

Organizational and Election Regulations

December 1, 2018

Investment Regulations

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 2022 – 2024 period of office

Employer representatives	Employee representatives
Adrian Boutellier*, Chairman	Martin Allgäuer*, SIS
Bernhard Gisler	Michael Schmidt, EBI
Georg Jenni*	Moritz Blum, SBB
Renate Lang	Adriano Linguanotto*, S-ZH, until 31.12.2023
Erika Neumann, until 31.12.2023	Bernhard Megert, S-BE
Günter Schäuble*	Rosanna Ramoni, SCS
Sabine Schibli	Mike Weidlich*, ASZ
Dominique Widmer, as of 01.01.2024	Gregorio Garcia, S-GR, as of 01.01.2024

* Member of the Investment Committee

Management

Antonietta Despeaux, Managing Director
Mario Passerini, Deputy 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
Reto Tognina, auditor-in-charge

Supervisory Authority

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

Affiliated Companies

Company	Number of insureds 31.12.2023	Number of insureds 31.12.2022	Change
Schindler Elevator Ltd., Ebikon	2 543	2 503	40
Schindler Management Ltd., Ebikon	371	403	-32
Building Minds Technology AG, Hergiswil	4	3	1
Inventio AG, Hergiswil	27	26	1
Schindler Supply Chain Europe Ltd., Ebikon	472	457	15
AS Elevators Ltd., Küssnacht	937	892	45
Schindler Repro Ltd., Ebikon	19	21	-2
Schindler Berufsbildung, Ebikon	130	136	-6
Schindler Pension Fund, Ebikon	6	6	0
Schindler Vorsorge Ltd., Ebikon	2	2	0
Schindler Holding AG, Hergiswil	21	23	-2
External insureds	12	5	7
Total	4 544	4 477	67

II Active Insureds and Pensioners

Active Insureds

	31.12.2023	31.12.2022	Change
Men	3 784	3 740	44
Women	760	737	23
Total	4 544	4 477	67
as per 1.1.2023/2022	4 477	4 400	
New members	508	501	
Withdrawals	-374	-359	
Retirements	-56	-53	
Disability cases	-7	-7	
Deaths	-4	-5	
as per 31.12.2023/2022	4 544	4 477	

Pensioners

	31.12.2023	31.12.2022	Change
Retirement pensions	1 575	1 620	-45
Disability pensions	73	72	1
Surviving spouse's pen.	671	692	-21
Divorcing pen.	5	5	0
Children's / orphans' pen.	54	56	-2
Total	2 378	2 445	-67

III How the Objective is Fulfilled

Organizational Structure

Autonomous pension fund

Insured Benefits

	2023	2022
Maximum pensionable salary	176 400	172 080
Coordination deduction	-14 700	-14 340
Maximum insured salary	161 700	157 740
Max. disability pension (60%)	97 020	94 644
Max. surv. spouse's pen. (36%)	58 212	56 786
Max. children's / orphans' pen.	19 404	18 929
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

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 26.

Valuation Policies

Listed securities are carried at their market value as at December 31, 2023 and **alternative investments** at their latest reported values. Real estate was valued by Wüest Partner using the DCF method and an average discount rate of 2.75% (2021: 2.66%).

The DCF method is also used by appraisers PRIVERA and Wüest Partner to value **properties held in co-ownership**.

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.

Actuarial Basis

As in 2022, pensioners' cover capital was calculated on the basis of the OPA 2020 generational method and an actuarial interest rate of 1.5%.

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	31.12.2023	31.12.2022	Change
Retirement assets	1044.5	991.9	52.6
of which			
BVG retirement assets	405.1	397.6	7.5

Changes in Retirement Assets

In CHF million	2023	2022
Retirement assets as at 1.1	991.9	978.7
Vested benefits brought in	15.8	17.4
Purchased benefits (AVCs)	5.5	4.0
Retirement credits	74.7	73.0
Advances: home ownership and divorce (net)	-5.9	-4.8
Vested benefits paid out	-37.3	-36.4
Lump-sum retirement benefits	-25.9	-12.1
Reclass. ret. assets, retirement pensions	-21.2	-32.5
Reclass. ret. assets, disability / death	-4.5	-4.9
Interest on retirement assets	51.4	9.5
Retirement assets as at 31.12	1044.5	991.9

Interest on Retirement Assets

In %	
2014	5.80%
2015	2.05%
2016	1.55%
2017	2.50%
2018	1.00%
2019	2.50%
2020	1.50%
2021	8.00%
2022	1.00%
2023	5.50%

Pensioners' Cover Capital

In CHF million	31.12.2023	31.12.2022	Change
Cover capital	794.1	811.3	-17.2

Pension Adjustments

Pensions were not increased in the period from 2003 to 2023.

Actuarial Report

Last produced: December 31, 2023

Actuarial basis: OPA 2020 generational method as in 2022

Actuarial interest rate: 1.5% (unchanged)

Cover Ratio Pursuant to Art. 44 OPO 2

In %	
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%
31.12.2021	123.49%
31.12.2022	116.37%
31.12.2023	121.48%

Changes to Actuarial Basis and Assumptions

As in 2022, pensioners' retirement capital was calculated on the actuarial basis of the OPA 2020 generational method and an actuarial interest rate of 1.5%.

Composition of / Changes in / Notes on Actuarial Provisions

In CHF	31.12.2023	31.12.2022
Prov. outstanding pension cases	2 800 000	6 500 000
Prov. risk fluctuation fund	9 000 000	9 000 000
Prov. retirement losses	21 420 000	18 590 000
Prov. for Measures to Comp.Lower Conv. Rate	0	62 500 000
	33 220 000	96 590 000

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 14.1 million. Once the risk premiums under the Pension Fund Rules (approx. CHF 5.1 million) have been deducted, a provision of CHF 9 million is required according to the new actuarial basis that we apply.

Provision for Retirement Losses

Conversion rates are too high in comparison with the actuarial basis and therefore require a provision of CHF 21.4 million.

Provision for the Reduction in the Actuarial Interest Rate

A provision for the reduction in the actuarial interest rate must be increased when the low-risk interest rate (the yield on 10-year Confederation bonds), plus a structural premium to take structural risk tolerance into account is lower than the actuarial interest rate applied by the Pension Fund. Based on the Pension Fund's structural risk tolerance, the structural premium on top of the interest rate for low-risk investments has been set at 1.5 percentage points. The low-risk interest rate/yield on 10-year Confederation bonds (0.656%) plus the structural premium of 1.5 percentage points was therefore higher than the actuarial interest rate of 1.5% on the balance sheet date. This means that no provision need be created.

Provision for Pension Increases

The Board of Trustees has decided that pensions will not be increased as of January 1, 2024. No provision for pension increases need be created.

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 pensioners' 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. In view of the changing interest rate climate the Board of Trustees believes that no further reductions in the conversion rate are necessary for the time being. The CHF 62.5 million provision for compensatory measures has therefore been written back.

VI Notes Pertaining to the Investments and the Net Investment Result

Investment Regulations

January 1, 2022

Board of Trustees

The Board of Trustees bears 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.

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	31.12.2023	31.12.2022
Private equity	91.0	101.9
Hedge funds	7.4	13.9
Infrastructure	17.2	27.6
Alternative internat. real estate	5.3	8.9
Alternative bonds	4.4	4.9
Total Private Equity	125.3	157.2

Investment Strategy

In percent	Strategy 2023	Bandwidths	Status at 31.12.2023	Status at 31.12.2022
Liquidity / other	0.5%	0-15%	2.4%	1.9%
CHF bonds	14.5%	+/-10.0%	13.4%	13.1%
Foreign currency bonds (hedged)	4.0%	+/-2.5%	3.9%	3.7%
Foreign currency bonds	0.0%	0-5.0%	0.3%	0.4%
Swiss real estate	33.0%	+/-5.0%	31.2%	32.7%
Swiss equities	11.0%	+/-2.5%	10.5%	10.4%
Foreign equities	18.0%	+/-2.5%	17.7%	16.6%
Private equity	7.0%	+/-2.0%	7.7%	8.2%
Hedge funds	1.5%	+/-1.5%	1.2%	1.5%
Commodities	0.0%	+/-2.0%	0.0%	0.0%
Ins.-linked securities	1.5%	+/-1.5%	1.3%	1.4%
Infrastructure	4.0%	+/-2.0%	4.2%	3.4%
Alternative internat. real estate	3.0%	+/-2.0%	2.4%	2.8%
Alternative bonds	2.0%	+/-2.0%	2.1%	2.2%
Infrastructure	0.0%	+2.0%	1.7%	1.7%
Total	100.0%		100.0%	100.0%

Performance

Performance on total assets was 4.21% in 2023 (2021: -7.06%). This is calculated by the global custodian, Credit Suisse.

Net investment income is composed as follows (CHF):

Investment Income

In CHF	2023	2022
Income from liquid assets	10 937 507	-3 389 717
Income from CHF bonds	17 413 732	-30 762 744
Income from foreign currency bonds (hedged)	3 432 995	-14 999 053
Income from foreign currency bonds	-505 509	-1 326 010
Income from real estate, property in co-ownership	5 687 287	17 597 211
Income from indirect Swiss real estate	6 178 153	-1 845 450
Income from Swiss equities	17 405 091	-47 462 918
Income from foreign equities	42 881 123	-82 107 070
Income from private equity	-1 515 744	22 334 885
Income from hedge funds	-304 594	-2 588 995
Income from commodities	0	0
Income from insurance-linked securities	357 935	-2 383 759
Income from infrastructure	5 583 770	-2 047 029
Income Alternative internat. real estate	-5 055 021	-33 083
Income Alternative bonds	1 460 220	718 671
Income from mixed funds	2 540 553	-5 961 278
Income from securities lending	3 626	22 215
Mortgage interest/interest on vested benefits	-207 573	-194 659
Portfolio management expense	-12 460 565	-21 853 010
Net investment income	93 832 983	-176 281 793

Portfolio Management Expense

In CHF	31.12.2023	31.12.2022
Investments	2 315 244 117	2 250 550 558
of which		
cost-transparent investments	2 302 026 976	2 243 860 198
non-transparent investments	13 217 141	6 690 360
% of cost-transparent investments	99.4%	99.7%
	2023	2022
Portfolio management expenses		
Portf. mgmt. expenses booked directly	3 111 575	3 080 279
Indirect TER costs	9 348 990	18 772 731
Book portfolio management expenses	12 460 565	21 853 010
as % of cost-transparent investments	0.54%	0.97%

The expenses of CHF 12.5 million (2022: CHF 21.9 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 requirements of the Occupational Pension Funds Supervisory Commission, on the basis of year-end holdings, and thus represent only an approximation. They are relatively high in comparison with other pension funds, and result mainly from an investment strategy with a high proportion of real estate and alternative investments. These costs are nonetheless lower than in the previous year. Private equity TER costs were higher in 2022 because of this asset class's outstanding performance in 2021.

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

Non-Transparent Collective Investment Schemes

In CHF				
Investment instrument	Provider	ISIN number	31.12.2023	31.12.2022
CSA Energy-Transition Infr.L	CS Investment Foundations	CH1170447309	8 986 315	0
Pinebridge PEP IV	Pinebridge	n.a.	96 587	97 112
Pinebridge Secondary II	Pinebridge	n.a.	46 195	68 395
Paul Capital Secondary IX	Paul Capital	n.a.	498 552	996 328
Highstar III	Highstar	n.a.	426	468
Highstar IV	Highstar	n.a.	286 396	1 231 430
4IP Europ. Property FoF	4IP Mangement	n.a.	642 109	2 288 511
Access Capital Private Debt Fund II	Access	n.a.	1 639 337	1 724 881
Crown Secondaries Sp. Opp. III 2023	LGT	n.a.	1 021 224	0
JP Morgan Europ. Properties	JP Morgan	n.a.	0	16 428
Blackrock Private Opportunity V 2022	Blackrock	n.a.	0	266 807
Total			13 217 141	6 690 360

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 level of interest rates, the target bandwidth has been set at 116% to 124%. When the upper end of this target range is reached, the Board of Trustees believes that the Pension Fund will be able to withstand two year of poor investment performance, without having a shortfall in cover.

Status of Fluctuation Reserves

In CHF million		
	31.12.2023	31.12.2022
Ret. capital and actuarial reserves	1 871.8	1 899.8
Fluctuation reserves target for 124% coverage	449.2	455.9
Fluctuation reserves as per balance sheet	402.0	311.1
Reserve deficit	47.2	144.8

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

With a share of 18.9% 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 112,392 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. Derivatives may be used if the Pension Fund holds the corresponding liquidity or underlying investments and the use of derivatives will not result in the set bandwidths being exceeded. Short selling is forbidden. The following forward foreign exchange transactions remained open as at December 31, 2023.

Pending forward exchange transaction	Rate	Maturity
Sale USD 164 320 000	0.877	16.01.2024
Sale USD 6 100 000	0.892	12.02.2024
Sale NOK 15 100 000	0.080	12.02.2024
Sale EUR 66 867 000	0.945	16.01.2024

Securities Lending

The Board of Trustees decided in 2023 to suspend securities lending activities.

Investments in the Employer

The Pension Fund does not make any investments in employer companies. However, external portfolio managers may 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, 2023.

The Pension Fund has a current account with Schindler Holding AG that is used to collect contributions. As at December 31, 2023, there was a credit balance of CHF 8.5 million (balance of Schindler Holding AG account plus contributions for December 2023) in favour of the affiliated companies. The rate of interest paid on the account with Schindler Holding AG as at December 31, 2023, was 0.00% p.a. Outstanding contributions were paid in January 2024.

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

The Board of Trustees has adopted rules on the exercise of shareholder voting rights in accordance with OPA Arts. 71a and 71b. 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 mandates were held by the Pension Fund's Trustees and officers during the year under review:

- Mario Passerini, Trustee of the HIG Anlagestiftung investment foundation

VII Notes Pertaining to Other Balance Sheet and Operating Account Items

Administration Costs

In CHF	2023	2022
Administration costs		
Salary costs	881 374	846 796
Rent	59 774	51 373
IT	209 620	158 684
Printed matter, training, etc.	101 996	179 319
Supervisory authority	14 267	11 297
Accredited pensions actuary	29 644	44 413
Auditors	35 501	35 890
Management fee revenue	-164 985	-164 865
Total administration costs	1 167 191	1 162 907
Number of insureds	6 922	6 922
Administration costs per insured	169	168

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 assumed 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 2022 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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