



Helvetia Switzerland

Management Report 2014

Helvetia LOB Invest Group Foundation for Employee Pensions.

Your Swiss Insurer.



2014: Clear upward trend and good prospects.

Dear readers,

The financial year 2014 was positive in every respect. Last year, we reported very optimistically on the successful launch of the new pool solution, and today we can conclude that this optimism is still there, and with good reason!

Helvetia LOB Invest Group Foundation kicked off 2014 with four associated companies and 28 insured persons. By the end of the year, the number of associations had quadrupled to 17 and the number of insured persons had risen to 74. The core satellite approach of the investment group LOB-Mix Plus 30 also developed well and proved its worth, posting a very strong performance of 9.5% as at 31 December 2014.

The interest on retirement savings capital was raised by 0.25% to 1.75% on both the mandatory and extra-mandatory component. Moreover, a particularly attractive benefit in these times of record low interest rates is that customers of Helvetia LOB Invest, which is structured in the form of a semi-autonomous foundation, can participate long term in the foundation's investment success.

The fact that the coverage rate has fallen from 118.6% to 104.3% may, at first glance, appear to be a reason to break our optimism, yet this reduction, as closer inspection reveals, is a consequence of growth; newly associated companies have a full coverage rate on joining the foundation, which temporarily dilutes that of the foundation. In addition, provision had to be made for retirement losses, although they will, for their part, contribute to the foundation's long-term stability. A positive note in this connection is that the coverage rate is still bearing up in the face of these strains, and is still well above 100%, which means that even the reduced coverage rate will have no consequences for customers or insured persons.

We remain optimistic. Helvetia LOB Invest Group Foundation is in good shape. You can be certain that as a customer of Helvetia Invest LOB you are in the best hands. With a sustainable and transparent business model, we are committed to ensuring that the interests of the associated companies and the active participants are optimally safeguarded at all times.

Through your trust and loyalty you, our customers, have played a large part in the success of Helvetia LOB Invest. We would like to sincerely thank you for this and likewise our employees and the Board of Foundation for their hard work!



Donald Desax
President of the Board
of Foundation



Dr. iur. Stefano Beros
Managing Director

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Financial statements 2014.

Balance sheet

in CHF	31.12.2014	31.12.2013
Assets		
Cash and cash equivalents	150 793.98	417 257.93
Accounts receivable	29 117.40	133.09
Receivables from Helvetia	76 702.44	0.00
Collective investments with mixed instruments	5 696 189.30	998 357.30
Investments	5 952 803.12	1 415 748.32
Total	5 952 803.12	1 415 748.32
Liabilities		
Termination benefits and pensions	5 889.65	4 342.75
Liabilities to Helvetia	0.00	188 902.86
Other liabilities	2 285.40	888.90
Liabilities	8 175.05	194 134.51
Accrued liabilities and deferred income	61 257.50	90 999.65
Employer's contribution reserves	92 641.50	0.00
Pension capital of active participants	5 355 452.10	915 757.10
Actuarial reserves	161 718.00	0.00
Pension liabilities and actuarial reserves	5 517 170.10	915 757.10
Reserve for fluctuations in asset value	235 989.67	129 000.00
Non-committed funds of pension plans	37 569.30	37 382.40
Non-committed foundation funds		
Balance at the beginning of the period	48 474.66	209 228.61
Income/expense surplus	-48 474.66	-160 753.95
Balance at the end of the period	0.00	48 474.66
Total	5 952 803.12	1 415 748.32

Operating account

in CHF	2014	2013
Employee contributions	332 219.25	103 684.10
Employer contributions	419 617.25	139 455.10
One-time contributions and purchase amounts	55 000.00	0.00
Transfers to employer-paid contribution reserve	179 476.35	0.00
Benefits from the security fund	672.40	0.00
Ordinary and other contributions and transfers-in	986 985.25	243 139.20
Termination benefit transfers	3 960 799.85	1 428 414.55
Transfers following take-over of participants to		
– non-committed funds	0.00	37 196.95
– employer-paid contribution reserve	274.35	0.00
Entry lump sum transfers	3 961 074.20	1 465 611.50
Inflow from contributions and entry lump sum transfers	4 948 059.45	1 708 750.70
Termination benefits for leavers	-227 600.70	-529 287.75
Withdrawals for encouragement of home ownership/divorce	-46 563.40	-190 500.00
Termination benefits	-274 164.10	-719 787.75
Outflow for benefits and withdrawals	-274 164.10	-719 787.75
Decrease/increase in pension assets of active participants	-4 380 319.00	-899 149.50
Decrease/increase in actuarial reserves	-161 718.00	0.00
Decrease/increase in non-committed funds of pension plans	0.00	-37 196.95
Rate of interest on capital from the pension fund	-59 376.00	-16 607.60
Decrease/increase in contribution reserves	-92 024.95	0.00
Decrease/increase in pensioners' liabilities, actuarial reserves and contribution reserves	-4 693 437.95	-952 954.05
Insurance surpluses	4 522.40	0.00
Income from insurance benefits	4 522.40	0.00
Insurance premiums		
– Risk premiums	-165 085.90	-40 406.70
– Cost premiums	-34 121.00	-11 320.90
Contributions to guarantee fund	-2 344.50	-888.90
Insurance cost	-201 551.40	-52 616.50
Net result of insurance activities	-216 571.60	-16 607.60

in CHF	2014	2013
Income from investments in securities	350 764.00	13 066.85
Interest income on accounts receivable	6 025.16	814.75
Interest expense for liabilities	-1 203.70	-2 603.10
Interest expense for employer-paid contribution reserves	-616.55	0.00
Interest on non-committed funds of pension plans	-186.90	-185.45
Asset management expenses	-79 772.00	-21 007.50
Net income from investments	275 010.01	-9 914.45
Other income	9 911.60	2 981.80
Other income	9 911.60	2 981.80
General administrative expenses	0.00	-2 046.00
Auditors and pension fund actuary	-4 685.00	-3 051.00
Supervisory authority	-5 150.00	-3 116.70
Administrative expense	-9 835.00	-8 213.70
Income/expense surplus before decrease/increase in reserves for fluctuations in asset value	58 515.01	-31 753.95
Decrease/increase in reserve for fluctuations in asset value	-106 989.67	-129 000.00
Income/expense surplus after decrease/increase in reserves for fluctuations in asset value	-48 474.66	-160 753.95

Explanatory notes to the financial statements.

1 General information and organisation

1.1 Legal form and objectives

Helvetia LOB Invest Group Foundation (hereinafter referred to as LOB Invest) for Employee Benefit Schemes is a mutual collective foundation established by Helvetia Swiss Insurance Company Ltd within the meaning of Art. 80 et seq. of the Swiss Civil Code (ZGB). It was founded in December 2005 under the name Helvetia Patria LOB Invest Group Foundation for Employee Benefit Schemes. Its purpose is to provide occupational benefits for employees and employers on retirement, in case of earning disability and in the event of death for their surviving dependants.

The pension is paid primarily in accordance with LOB and other social security legislation. The foundation can however grant benefit coverage over and above the mandatory insured benefits.

1.2 Registration for LOB and the guarantee fund

Helvetia LOB Invest Group Foundation is registered within the meaning of the provisions of LOB in the Register for Occupational Benefit Schemes (Register No.BS-0430). It is subject to the Vesting Law (LVOB) and is therefore affiliated to the LOB Guarantee Fund (No. C1.0124).

1.3 Plan statutes and regulations

■ Foundation instrument

21.12.2005, last revised on 26.11.2010

■ Organization rules

01.01.2013

■ Investment rules and regulations

05.12.2006, last revised on 01.01.2013

■ Election rules

01.01.2006

■ Pension fund regulations

01.01.2013, last revised on 01.01.2014

■ Partial liquidation regulations

01.01.2013

■ Provisions regulations

01.01.2011, last revised on 01.12.2014

1.4 Supreme body, management and signing authority

The members of the Board of Foundation, the managing company Helvetia Swiss Life Insurance Company Ltd (hereinafter referred to as Helvetia) and any other authorised signatories have a collective authority to sign with dual signature authority. The managing company can designate further authorised signatories for the conduct of daily business.

1.4.1 Interim Board of Foundation

■ Foundation representatives

- Donald Desax, Chairman
- Philipp Ammann, Member
- Uwe Jockers, Member
- Thomas Klaiber, Member

■ Other authorised signatories

- Stefano Beros, Managing Director

1.5 Actuaries, auditors, advisors, supervisory authority

■ Auditors

KPMG AG, Zurich

■ Pension fund actuary

Ernst Sutter, Beratungsgesellschaft für die zweite Säule AG, Basel

■ Supervisory authority

BVG- und Stiftungsaufsicht beider Basel (BSABB)

1.6 Affiliated employers

Number	2014	2013
As at 31.12. prior year	4	0
Entries	13	4
Exits	0	0
As at 31.12. year under review	17	4

2 Active participants and pensioners

2.1 Active participants

Number	2014	2013
As at 31.12. prior year	28	0
Entries	66	31
Resignations	-20	-3
Retirements	0	0
As at 31.12. year under review	74	28

2.2 Pensioners

In the year under review 2014 there were no pensioners.

3 Implementation of objectives

Affiliation with the foundation is carried out by means of the conclusion of an affiliation contract between the employer and the foundation. The affiliated companies form separate pension plans within the foundation. The pension benefits agreed for the individual pension plans are guaranteed by means of a collective insurance contract with Helvetia Swiss Life Insurance Company Ltd, dated 31.01.2013.

3.1 Characteristics of the pension plan

Every pension plan has its own benefit plan as part of the mandatory occupational benefit scheme. The retirement benefits are based on the defined contribution plan and the risk benefits on either the defined benefit plan or the defined contribution plan, depending on the pension plan and benefits.

3.2 Financing, financing methods

Financing is governed separately for each pension plan. As a rule, the financing of the benefit costs is carried out by the employees and employers, whereby the employer must meet at least 50% of such costs.

4 Significant accounting policies and valuation methods, consistency

4.1 Statement of compliance with Swiss GAAP FER 26

The accounts are prepared in accordance with the special accounting recommendations of Swiss GAAP FER 26, version dated 01.01.2014.

4.2 Significant accounting policies and valuation methods

4.2.1 Accounting policies

The financial statements give a true and fair view of the assets, financial position and results of operations within the meaning of Swiss law and Swiss GAAP FER 26.

4.2.2 Valuation methods

Liquid funds	Par value
Securities	Market value
Accounts receivable	Par value less amortisation
Prepayments and accrued income	Par value

5 Actuarial risks/risk benefit coverage/coverage rate

5.1 Type of risk benefit coverage, re-insurance

The risks of old age, death and disability as well as the cost-of-living adjustment for LOB risk benefits are guaranteed for every pension plan by means of a collective insurance contract with Helvetia, dated 31.01.2013. The policyholder and beneficiary is the foundation. The longevity risk (incl. death after retirement) is borne by the foundation itself.

5.2 Development and rate of interest on the savings capital in the defined contribution plan

in CHF	2014	2013
Savings capital at the end of the prior year	915 757.10	0.00
Savings contributions of employee/employer	550 957.50	190 522.70
Termination benefit transfers/one-time contributions	4 103 525.60	1 428 414.55
Termination benefits for leavers and on termination of the contract	-227 600.70	-529 287.75
Withdrawals for encouragement of home ownership/divorce	-46 563.40	-190 500.00
Rate of interest on the savings capital	59 376.00	16 607.60
Savings capital at the end of the year under review	5 355 452.10	915 757.10
Interest on LOB mandatory savings capital	1.75%	1.50%
Interest on LOB non-mandatory savings capital	1.75%	1.50%

5.3 Total retirement savings capital in accordance with LOB

in CHF	31.12.2014	31.12.2013
Retirement savings capital in accordance with the LOB (shadow account)	2 851 086.90	527 268.55
LOB minimal interest rate	1.75%	1.50%

5.4 Composition, development and explanation of actuarial reserves

in CHF	31.12.2014	31.12.2013
Provision for retirement losses	161 718.00	0.00
Total actuarial reserves	161 718.00	0.00

The actuarial reserves will be valid from 01.12.2014 according to the current provisions and reserves regulations and take account of the submitted capital options. As there were no pensioners as of the balance sheet date, only the reserves for retirement losses will currently have to be increased.

5.5 Development of the mathematical reserve for pensioners

There were no pensioners in the year under review and in the prior year.

5.6 Conclusions of the last actuarial report

The pension fund actuary confirms based on a review of the foundation's financial situation as at 31.12.2014 that the foundation offers the security that it can meet its obligations (Article 52e (1a) LOB).

5.7 Actuarial principles and other significant actuarial assumptions

The foundation has concluded a collective life insurance contract to cover the risks of death and disability as well as the cost-of-living adjustment for LOB risk benefits. The actuarial basis is the collective insurance tariff of Helvetia Swiss Life Insurance Company Ltd approved by FINMA. The foundation will bear the longevity risk of old age itself, for which the principles of LOB 2010 will be applied with a technical interest rate of 3%.

5.8 Changes in actuarial principles and assumptions

There are no changes compared with the prior year.

5.9 Employer-paid contribution reserves with renounced use

The regulatory provisions of Helvetia LOB Invest stipulate that the employer may make contributions to the employer-paid contribution reserves with renounced use in the event of underfunding.

5.10 Coverage rate according to Art. 44 OOB2

in CHF	31.12.2014	31.12.2013
Balance sheet assets	5 952 803.12	1 415 748.32
Liabilities and accrued liabilities and deferred income	-69 432.55	-285 134.16
Employer-paid contribution reserve	-92 641.50	0.00
Available pension fund assets	5 790 729.07	1 130 614.16
Pension fund capital of active participants	5 355 452.10	915 757.10
Actuarial reserves	161 718.00	0.00
Non-committed funds of pension plans	37 569.30	37 382.40
Pension liabilities, actuarial reserves and non-committed funds of the pension plans	5 554 739.40	953 139.50
Coverage rate in %	104.25%	118.62%

6 Explanatory notes on investments and net result of investments

6.1 Organisation of investment activities, investment advisors and investment managers, investment rules and regulations

The organisation of investments is set out in the investment rules and regulations, dated 05.12.2006, which were last amended on 01.01.2013. The Board of Foundation, the Investment Commission and the management are entrusted with organising investments. The assets of the foundation are invested in the investment groups LOB-Mix Plus 25 and LOB-Mix Plus 30 of the Helvetia Investment Foundation.

6.2 Target reserve for fluctuations in the foundation's asset value and calculation of the reserve

The target value of the reserves for fluctuations in asset value of the collective investments is defined according to the investment strategy. The target reserve for fluctuations in asset value has been determined on the basis of financial calculations and set according to a resolution by the Board of Foundation.

in CHF	2014	2013
Reserve for fluctuations in asset value as at 01.01.	129 000.00	0.00
Increase/decrease charged to the operative account	106 989.67	129 000.00
Reserve for fluctuations in asset value as at 31.12.	235 989.67	129 000.00
Target reserve for fluctuations in asset value (rounded)	734 770.00	129 000.00
Reserve deficit/surplus	498 780.33	0.00

6.3 Breakdown of investments into investment categories

	2014		2013	
	Market value pursuant to balance sheet in CHF	Share in per cent	Market value pursuant to balance sheet in CHF	Share in per cent
Cash and cash equivalents				
– Bank deposits	150 794	2.58%	417 258	29.48%
Collective investments				
– HAST LOB-Mix Plus 25	61 365	1.05%	55 505	3.92%
– HAST LOB-Mix Plus 30	5 634 824	96.37%	942 852	66.60%
Total investments	5 846 983	100.00%	1 415 615	100.00%
Operating assets				
– Accounts receivable	105 820		133	
Total	5 952 803		1 415 748	

The specifications for the individual limits pursuant to Art. 54, 54a and 54b as well as Art. 55 OOB2 are included. In 2013 the Board of Foundation decided to invest any funds to be newly invested in the product HAST LOB-Mix Plus 30. The investment groups shall invest the assets while adhering to the principles and guidelines for capital investments of employee benefits institutions set out in the Federal Law on the Occupational Old-Age, Survivors' and Disability Benefit Plans (LOB) and the accompanying implementing decrees and in compliance with the relevant practice of the supervisory authority. The relevant investment restrictions are stipulated in the Ordinance on the Occupational Old-Age Survivors' and Disability Benefit Plans (OOB2), section 3 "Investment of the Assets" (Art. 49 to 59). Only collective investments are made and no direct investments in shares.

6.4 Market value and counterparties in securities lending

The foundation only holds collective investments. No statements can be made on any securities lending within the collective investments.

6.5 Comments on net result of investments

It is not possible to break down the results of the mixed instruments into individual investment categories within the mixed instruments. The yields are measured according to the commonly accepted time-weighted rate of return method.

	2014		2013	
	Yield/return in CHF	Yield/return in %	Yield/return in CHF	Yield/return in %
LOB-Mix Plus 25	6 388.20	10.56%	2 351.20	4.40%
LOB-Mix Plus 30	344 375.80	8.02%	10 715.65	1.15%
Result from capital investments	350 764.00	8.08%	13 066.85	3.67%
Interest rate income from liquid funds	0.00		0.00	
Interest income on accounts receivable	6 025.16		814.75	
Interest expense for liabilities	-1 203.70		-2 603.10	
Interest expenses for employer-paid contribution reserves	-616.55		0.00	
Rate of interest on non-committed funds of pension plans	-186.90		-185.45	
Result from other assets and liabilities	4 018.01		-1 973.80	
Asset management expense	-79 772.00		-21 007.50	
Net return on investments	275 010.01		-9 914.45	

6.6 Explanation of the asset management expenses

The reporting and determination of the asset management expense takes place pursuant to the OAK BV instructions dated 23.04.2013.

in CHF	2014	2013
Sum of all the expense figures for collective investments	52 932.00	9 163.00
Total of the asset management expenses shown in the operative account as a percentage of the cost-transparent investments	1.34%	1.48%
Cost transparency ratio	100.00%	100.00%

6.7 Information on valid regulations regarding retrocessions

The foundation's investments are carried out solely by Helvetia Investment Foundation. There is written confirmation by Helvetia Investment Foundation that it does not receive any retrocessions, kick-backs or similar payments from third parties. Within the framework of the agreement between Helvetia LOB Invest Group Foundation, Helvetia Investment Foundation and Helvetia Swiss Life Insurance Company Ltd. Helvetia Investment Foundation pays retrocessions to LOB Invest. The retrocessions are used within the scope of the regulatory provisions.

6.8 Explanation of the employer-paid contribution reserves

in CHF	31.12.2014	31.12.2013
Balance at the beginning of the period	0.00	0.00
Contributions to the employer-paid contribution reserves	179 476.35	0.00
Transfers-in from new contacts	274.35	0.00
Use for one-time contributions ¹	-87 725.75	0.00
Rate of interest	616.55	0.00
Balance at the end of the period	92 641.50	0.00

¹ Use for one-time contributions is only allowed if a declaration of non-objection has been issued by the competent tax authority or in liquidation situations.

The employer-paid contribution reserves earn interest at 0.5% (prior year: 0.5%).

7 Comments on other balance sheet and operative account positions

7.1 Explanation of accounts receivable

in CHF	31.12.2014	31.12.2013
Outstanding premiums	29 117.40	0.00
Withholding tax	0.00	133.09
Total accrued liabilities and deferred income	29 117.40	133.09

As of 31.01. the risk and cost premiums are each owed within 30 days of joining the pension plan. The savings premiums are payable by 31.12. The Foundation monitors whether the premiums are received on time and institutes the necessary claims proceedings in the event of default. Any premium losses incurred by the foundation are borne by the foundation after deduction of the loss cover by the LOB Guarantee Fund.

7.2 Explanation of receivables from Helvetia

As at 31.12.2014 there was a current account balance vis-à-vis Helvetia of CHF 76,702.44 (prior year: current account liability of CHF 188,902.86) from the operating activities.

7.3 Comments on accrued liabilities and deferred income

in CHF	31.12.2014	31.12.2013
One-time contributions of insured persons	15 146.90	80 986.60
Premiums paid in advance	38 600.60	5 053.05
Other accruals	7 510.00	4 960.00
Total accrued liabilities and deferred income	61 257.50	90 999.65

7.4 Comments on income from insurance benefits

in CHF	2014	2013
Insurance benefits	0.00	0.00
Insurance surpluses	4 522.40	0.00
Total income from insurance benefits	4 522.40	0.00

7.5 Information on valid regulations regarding retrocessions

The foundation is entitled to the share of insurance surpluses from the collective insurance contract with Helvetia. The Board of Foundation decides on the appropriation of surpluses. The order of appropriation is dealt with in the pension fund regulations.

7.6 Comments on insurance cost

in CHF	2014	2013
Risk premiums	162 200.40	39 460.70
Risk premium inflation	2 885.50	946.00
Contributions to guarantee fund	2 344.50	888.90
Cost premiums	34 121.00	11 320.90
Total insurance cost	201 551.40	52 616.50

8 Supervisory authority requirements

There are no supervisory authority requirements. Approval for the financial statements 2013 had not been granted by the time of the audit.

9 Further information regarding the financial situation

9.1 Disclosure of FATCA status

The Helvetia LOB Invest Group Foundation for Employee Pensions is a pension fund and an exempted beneficial owner. It is a non-reporting Swiss financial institution and does not have to register with the US tax authorities.

Regardless of this exemption from the FATCA 2nd pillar provisions, the foundation has taken all the necessary measures to ensure that the management and/or the investment of the foundation's assets with its contracting partners are FATCA-compliant.

10 Events subsequent to the balance sheet date

No events occurred after the balance sheet date that will have a material impact on this financial statement.

Basel, 7 May 2015

Helvetia LOB Invest
Group Foundation for Employee Pensions



Donald Desax
Chair of the Board
of Foundation



Dr. iur. Stefano Beros
Managing Director

Auditor's report.

Source: KPMG AG, Zurich



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Report of the Statutory Auditor to the Board of Foundation of the
Helvetia LOB Invest Group Foundation for Employee Pensions, Basel

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Helvetia LOB Invest Group Foundation for Employee Pensions, which comprise the balance sheet, operating account and notes for the year ended December 31, 2014.

Foundation Board's Responsibility

The Foundation Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and with the foundation's deed of formation and the regulations. This responsibility includes designing, implementing and maintaining an internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Foundation Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibility of the expert in occupational benefits

In addition to the auditor, the Foundation Board appoints an expert in occupational benefits to conduct the audit. The expert regularly checks whether the occupational benefit scheme can provide assurance that it can fulfil its obligations and that all statutory insurance-related provisions regarding benefits and funding comply with the legal requirements. The reserves necessary for underwriting insurance-related risks should be based on the latest report provided by the expert in occupational benefits in accordance with Article 52e paragraph 1 of the Occupational Pensions Act (OPA) and Article 48 of the Occupational Pensions Ordinance 2 (OPO 2).

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Helvetia LOB Invest Group Foundation for Employee Pensions, Basel
Report of the Statutory Auditor
to the Board of Foundation*

Opinion

In our opinion, the financial statements for the year ended December 31, 2014 comply with Swiss law and with the foundation's deed of formation and the regulations.

Reporting on the basis of legal and other requirements

We confirm that we meet the legal requirements on licensing (Article 52b OPA) and independence (Article 34 OPO 2) and that there are no circumstances incompatible with our independence.

Furthermore, we have carried out the audits required by Article 52c paragraph 1 OPA and Article 35 OPO 2. The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organisation, management and investments are applied.

We have assessed whether

- organisation and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to the size and complexity of the foundation;
- funds are invested in accordance with legal and regulatory requirements;
- the occupational pension accounts comply with legal requirements;
- measures have been taken to ensure loyalty in fund management and whether the Governing Body has ensured to a sufficient degree that fund managers fulfil their duties of loyalty and disclosure of interests;
- the available funds or discretionary dividends from insurance contracts have been used in compliance with the legal and regulatory provisions;
- the legally required information and reports have been given to the supervisory authority;
- the pension fund's interests are safeguarded in disclosed transactions with related entities.

We confirm that the applicable legal and statutory requirements have been met.

We recommend that the financial statements submitted to you be approved.

KPMG AG



Stefan Inderbinen
Licensed Audit Expert



Christoph Vonder Mühll
Licensed Audit Expert

Zurich, May 7, 2015

Enclosure:

- Financial statements comprising balance sheet, operating accounts and notes

**Helvetia LOB Invest Group Foundation
for Employee Pensions**

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