



Helvetia Switzerland

*Annual  
Report  
2015*

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

Your Swiss Insurer.



## 2015: Upward trend continues.

In financial year 2015, Helvetia LOB Invest was able to continue to establish itself at a stable level. Following the disproportionately strong growth in the previous year, consolidation took place in 2015. It is especially pleasing that, despite the further increase in the number of associated companies, the coverage rate has not fallen prey to the "dilution effect". In 2015, we succeeded in increasing the coverage rate from 104.3% to 106.1%.

The Board of Foundation spares no efforts to create sustainable and stable financial structures in the Foundation, enabling the pension conversion rate in the extra-mandatory area to be lowered along with the technical interest. Both of these are measures that serve to maintain the benefit coverage and are therefore in the interests of all active participants.

The Foundation is to be afforded added impetus with various supporting measures relating to investment and tariffs as well as sales. Hence, on the investment front, for example, the insurance model has been made more attractive through the use of the Swiss Shares Smart Beta Dynamic 100 investment group. The innovative approach of this investment group can be attributed to the implementation

of an alternative indexing concept, with the aim of surpassing the yield/return of the SPI in the long term. Overall, this leads to maximisation of the yield/return, while at the same time reducing the risk.

Despite 2015 being a turbulent investment year, we were still able to generate a yield/return of 0.5% in the LOB-Mix Plus 30 investment group.

In our attempt to ensure that the Board of Foundation is equally represented by employer and employee representatives in future, we were able to claim our first success, with Michael Sieber replacing the current member of the Board of Foundation Uwe Jockers as an employer representative from 1 January 2016. We would like to congratulate the newly elected Board of Foundation.

You can be certain that the Board of Foundation, management and employees of Helvetia LOB Invest will also do everything in the future to justify the trust placed in them.



Donald Desax  
President of the Board  
of Foundation



Dr. iur. Stefano Beros  
Managing Director

# Contents.

**4 Financial statements 2015**

4 Balance sheet

5 Operating account

**7 Explanatory notes to the  
financial statements**

**16 Auditor's report**

# Financial statements 2015.

## Balance Sheet

in CHF	31.12.2015	31.12.2014
<b>Assets</b>		
Cash and cash equivalents	338 301.56	150 793.98
Accounts receivable	38 913.00	29 117.40
Receivables from Helvetia	0.00	76 702.44
Collective investments with mixed instruments	5 976 368.35	5 696 189.30
Investments	6 353 582.91	5 952 803.12
<b>Total</b>	<b>6 353 582.91</b>	<b>5 952 803.12</b>
<b>Liabilities</b>		
Termination benefits and pensions	114 147.70	5 889.65
Liabilities to Helvetia	101 660.80	0.00
Other liabilities	2 612.60	2 285.40
Liabilities	218 421.10	8 175.05
Accrued liabilities and deferred income	40 571.90	61 257.50
Employer's contribution reserves	242 680.10	92 641.50
Pension capital of active participants	5 467 602.70	5 355 452.10
Actuarial reserves	9 809.00	161 718.00
Pension liabilities and actuarial reserves	5 477 411.70	5 517 170.10
Reserve for fluctuations in asset value	336 740.96	235 989.67
Non-committed funds of pension plans	37 757.15	37 569.30
<b>Non-committed foundation funds</b>		
Balance at the beginning of the period	0.00	48 474.66
Income/expense surplus	0.00	-48 474.66
Balance at the end of the period	0.00	0.00
<b>Total</b>	<b>6 353 582.91</b>	<b>5 952 803.12</b>

## Operating account

in CHF	2015	2014
Employee contributions	331 740.75	332 219.25
Employer contributions	390 897.05	419 617.25
One-time contributions and purchase amounts	0.00	55 000.00
Transfers to employer-paid contribution reserve	150 000.00	179 476.35
Benefits from the security fund	5 153.40	672.40
Ordinary and other contributions and transfers-in	877 791.20	986 985.25
Termination benefit transfers	101 502.10	3 960 799.85
Transfers following take-over of participants to – employer-paid contribution reserve	0.00	274.35
Entry lump sum transfers	101 502.10	3 961 074.20
<b>Inflow from contributions and entry lump sum transfers</b>	<b>979 293.30</b>	<b>4 948 059.45</b>
Termination benefits for leavers	-641 340.70	-227 600.70
Withdrawals for encouragement of home ownership/divorce	0.00	-46 563.40
Termination benefits	-641 340.70	-274 164.10
<b>Outflow for benefits and withdrawals</b>	<b>-641 340.70</b>	<b>-274 164.10</b>
Decrease/increase in pension assets of active participants	-25 527.00	-4 380 319.00
Decrease/increase in actuarial reserves	151 909.00	-161 718.00
Rate of interest on capital from the pension fund	-86 623.60	-59 376.00
Decrease/increase in contribution reserves	-150 000.00	-92 024.95
Decrease/increase in pensioners' liabilities, actuarial reserves and contribution reserves	-110 241.60	-4 693 437.95
Insurance benefits	5 806.00	0.00
Insurance surpluses	13 129.70	4 522.40
Income from insurance benefits	18 935.70	4 522.40
Insurance premiums		
– Risk premiums	-132 840.70	-165 085.90
– Cost premiums	-32 776.10	-34 121.00
Contributions to guarantee fund	-2 614.80	-2 344.50
Insurance cost	-168 231.60	-201 551.40
<b>Net result of insurance activities</b>	<b>78 415.10</b>	<b>-216 571.60</b>

in CHF	2015	2014
Income from investments in securities	93 621.70	350 764.00
Interest rate income receivables of affiliated employers	1 210.84	6 025.16
Interest expense for liabilities	-4 140.75	-1 203.70
Interest expense for employer-paid contribution reserves	-38.60	-616.55
Interest on non-committed funds of pension plans	-187.85	-186.90
Asset management expenses	-59 907.25	-79 772.00
Net income from investments	30 558.09	275 010.01
Other income	805.30	9 911.60
Other income	805.30	9 911.60
General administrative expenses	-184.40	0.00
Auditors and pension fund actuary	-3 614.80	-4 685.00
Supervisory authority	-5 228.00	-5 150.00
Administrative expense	-9 027.20	-9 835.00
Income/expense surplus before decrease/increase in reserves for fluctuations in asset value	100 751.29	58 515.01
Decrease/increase in reserve for fluctuations in asset value	-100 751.29	-106 989.67
Income/expense surplus after decrease/increase in reserves for fluctuations in asset value	0.00	-48 474.66

# 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

#### ■ Organisation rules

01.01.2013

#### ■ Investment rules and regulations

05.12.2006, last revised on 01.01.2015

#### ■ Election rules

01.01.2006, last revised on 01.06.2015

#### ■ Pension fund regulations

01.01.2013, last revised on 01.01.2015

#### ■ 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
- 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	2015	2014
As at 31.12. prior year	17	4
Entries	6	13
Exits	-1	0
<b>As at 31.12. year under review</b>	<b>22</b>	<b>17</b>

## 2 Active participants and pensioners

### 2.1 Active participants

Number	2015	2014
As at 31.12. prior year	74	28
Entries	20	66
Resignations	-21	-20
Retirements	0	0
<b>As at 31.12. year under review</b>	<b>73</b>	<b>74</b>

### 2.2 Pensioners

In the year under review 2015 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

<b>Cash and cash equivalents</b>	Par value
<b>Securities</b>	Market value
<b>Accounts receivable</b>	Par value less amortisation
<b>Accrued liabilities and deferred income</b>	Par value



## 5 Actuarial risks/risk benefit coverage/coverage rate

### 5.1 Type of risk benefit coverage, re-insurance

The risks of 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	2015	2014
Savings capital at the end of the prior year	5 355 452.10	915 757.10
Savings contributions of employee/employer	559 559.60	550 957.50
Exemption from savings premiums	5 806.00	0.00
Termination benefit transfers/one-time contributions	101 502.10	4 103 525.60
Termination benefits for leavers and on termination of the contract	-641 340.70	-227 600.70
Withdrawals for encouragement of home ownership/divorce	0.00	-46 563.40
Rate of interest on the savings capital	86 623.60	59 376.00
<b>Savings capital at the end of the year under review</b>	<b>5 467 602.70</b>	<b>5 355 452.10</b>
Interest on LOB mandatory savings capital	1.75%	1.75%
Interest on LOB extra-mandatory savings capital	1.75%	1.75%

### 5.3 Total retirement savings capital in accordance with LOB

in CHF	31.12.2015	31.12.2014
Retirement savings capital in accordance with the LOB (shadow account)	2 821 208.50	2 851 086.90
LOB minimal interest rate	1.75%	1.75%

### 5.4 Composition, development and explanation of actuarial reserves

in CHF	31.12.2015	31.12.2014
Provision for retirement losses	9 809.00	161 718.00
<b>Total actuarial reserves</b>	<b>9 809.00</b>	<b>161 718.00</b>

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. The actuarial reserves have been continued based on the prior year calculations by Helvetia Consulta.

### 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). As the structure of the affiliation contracts has not changed a great deal compared with the prior year, we decided to dispense with an actuarial report for the period ended 31.12.2015.

## 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	31.12.2015	31.12.2014
Balance sheet assets	6 353 582.91	5 952 803.12
Liabilities and accrued liabilities and deferred income	-258 993.00	-69 432.55
Employer-paid contribution reserve	-242 680.10	-92 641.50
Available pension fund assets	5 851 909.81	5 790 729.07
Pension fund capital of active participants	5 467 602.70	5 355 452.10
Actuarial reserves	9 809.00	161 718.00
Non-committed funds of pension plans	37 757.15	37 569.30
Pension liabilities, actuarial reserves and non-committed funds of the pension plans	5 515 168.85	5 554 739.40
<b>Coverage rate in %</b>	<b>106.11%</b>	<b>104.25%</b>

## 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 01.01.2015. 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 group LOB-Mix Plus 30 of the Helvetia Investment Foundation. As of the value date 30.11.2015 the units of the LOB-Mix Plus 25 investment group were sold and from this date onwards they will be invested solely in the LOB-Mix Plus 30 investment group.

### 6.2 Implementation of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO)

Only collective investments are made that do not enable voting rights to be exercised.

### 6.3 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 at 12.92% according to a resolution by the Board of Foundation.

in CHF	2015	2014
Reserve for fluctuations in asset value as at 01.01.	235 989.67	129 000.00
Increase/decrease charged to the operative account	100 751.29	106 989.67
<b>Reserve for fluctuations in asset value as at 31.12.</b>	<b>336 740.96</b>	<b>235 989.67</b>
<b>Target reserve for fluctuations in asset value (rounded)</b>	<b>772 150.00</b>	<b>734 770.00</b>
Reserve deficit/surplus	435 409.04	498 780.33

### 6.4 Breakdown of investments into investment categories

	2015		2014	
	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	338 302	5.36%	150 794	2.58%
Collective investments				
– HAST LOB-Mix Plus 25	0	0.00%	61 365	1.05%
– HAST LOB-Mix Plus 30	5 976 368	94.64%	5 634 824	96.37%
Total investments	6 314 670	100.00%	5 846 983	100.00%
Operating assets				
– Accounts receivable	38 913		29 117	
– Receivables from Helvetia	0		76 702	
<b>Total</b>	<b>6 353 583</b>		<b>5 952 803</b>	

The specifications for the individual limits pursuant to Art. 54, 54a and 54b as well as Art. 55 OOB2 have been observed. 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.

### 6.5 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.

## 6.6 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.

	2015		2014	
	Yield/return in CHF	Yield/return in %	Yield/return in CHF	Yield/return in %
LOB-Mix Plus 25	661.40	0.34%	6 388.20	10.56%
LOB-Mix Plus 30	92 960.30	-2.80%	344 375.80	8.02%
Result from capital investments	93 621.70	-2.79%	350 764.00	8.08%
Interest rate income receivables of affiliated employers	1 210.84		6 025.16	
Interest expense for liabilities	-4 140.75		-1 203.70	
Interest expenses for employer-paid contribution reserves	-38.60		-616.55	
Rate of interest on non-committed funds of pension plans	-187.85		-186.90	
Result from other assets and liabilities	-3 156.36		4 018.01	
Asset management expense	-59 907.25		-79 772.00	
<b>Net return on investments</b>	<b>30 558.09</b>		<b>275 010.01</b>	

## 6.7 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	2015	2014
Sum of all the expense figures for collective investments	57 971.00	52 932.00
Total of the asset management expenses shown in the operative account as a percentage of the cost-transparent investments	0.94%	1.34%
Cost transparency ratio	100.00%	100.00%

## 6.8 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.

## 6.9 Comments on investments in an employer's enterprise and on employer-paid contribution reserves

### 6.9.1 Investments in the employer's enterprise

The assets for affiliated employers amounting to CHF 38,913.00 (prior year: CHF 29,117.40) are premium assets. In 2015, the foundation levied a default interest of 5% (prior year: 5%). The risk and cost premiums are each owed as at 31.01. or within 30 days after 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.

### 6.9.2. Employer-paid contribution reserves

in CHF	31.12.2015	31.12.2014
Balance at the beginning of the period	92 641.50	0.00
Contributions to the employer-paid contribution reserves	150 000.00	179 476.35
Transfers-in from new contacts	0.00	274.35
Use for one-time contributions <sup>1</sup>	0.00	-87 725.75
Rate of interest	38.60	616.55
<b>Balance at the end of the period</b>	<b>242 680.10</b>	<b>92 641.50</b>

<sup>1</sup> 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 earned interest at 0.5% (prior year: 0.5%) until 31.01.2015. The interest rate was set at 0% from 01.02.2016.

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

### 7.1 Explanation of receivables from Helvetia

As at 31.12.2015 there was a current account balance vis-à-vis Helvetia of CHF 101,660.80 (prior year: current account balance of CHF 76,702.44) from the operating activities.

### 7.2 Comments on accrued liabilities and deferred income

in CHF	31.12.2015	31.12.2014
One-time contributions of insured persons	0.00	15 146.90
Premiums paid in advance	32 347.90	38 600.60
Other accruals	8 224.00	7 510.00
<b>Total accrued liabilities and deferred income</b>	<b>40 571.90</b>	<b>61 257.50</b>

### 7.3 Comments on income from insurance benefits

in CHF	2015	2014
Insurance benefits	5 806.00	0.00
Insurance surpluses	13 129.70	4 522.40
<b>Total income from insurance benefits</b>	<b>18 935.70</b>	<b>4 522.40</b>

### 7.4 Information on valid regulations regarding surpluses

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.

### 7.5 Comments on insurance cost

in CHF	2015	2014
Risk premiums	129 817.50	162 200.40
Risk premium inflation	3 023.20	2 885.50
Contributions to guarantee fund	2 614.80	2 344.50
Cost premiums	32 776.10	34 121.00
<b>Total insurance cost</b>	<b>168 231.60</b>	<b>201 551.40</b>

## **8 Supervisory authority requirements**

There are no supervisory authority requirements.

## **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 2<sup>nd</sup> 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, 10 May 2016

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, 2015.

#### *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.

KPMG AG/SA, a Swiss corporation, is a subsidiary of KPMG Holding AG/SA, which is a member of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss legal entity.







*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, 2015 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  
Auditor in charge*

Christoph Vonder Mühll  
*Licensed Audit Expert*

Zurich, May 12, 2016

*Enclosure:*

- Financial statements comprising balance sheet, operating accounts and notes

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

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**Your Swiss Insurer.**

