



Helvetia Switzerland

*Annual  
Report  
2016*

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

Your Swiss Insurer.



## 2016: a year of growth.

It is no exaggeration to say that the 2016 financial year was the most successful year in the short history of Helvetia LOB Invest Group Foundation. When, in one year, pension fund capital almost quadruples from CHF 5.5 million to CHF 19.9 million, the number of associated companies increases by a factor of 2.5 from 22 to 55 and the number of insured persons climbs from 73 to 219, there is no doubt that Helvetia LOB Invest is meeting a genuine market need for occupational benefit schemes. This is no great surprise given record-low interest rates. After all, customers who join Helvetia LOB Invest can benefit from participating in financial markets over the long term through the semi-autonomous business model.

However, it is particularly pleasing to see that several large companies have also decided to benefit from a semi-autonomous solution by joining. It also helps that the insured persons are active participants; Helvetia LOB Invest does not currently have to pay out retirement pensions.

On the investment front, the core/satellite approach followed by the LOB-Mix Plus 30 investment group has proven its value. Its performance of 6.1%, after costs have been deducted, versus the benchmark's performance of 3.1% is even more impressive given that costs are not taken into account for the benchmark. No wonder that Helvetia LOB-Mix Plus 30 stands head and shoulders above its peers in the KGAST comparison of index-linked investment groups. It was also a good decision to add the Swiss Shares Smart Beta vehicle to the portfolio: it played a significant role in optimising returns and reducing volatility.

However, growth on such a large scale can affect a collective foundation negatively too. Its coverage rate may become diluted because reserves have not yet been built up for newly associated members. That makes it even more gratifying that Helvetia LOB Invest's coverage rate was stable last year and remains very solid. The slight reduction from 106.08% to 105.86% is within normal limits; prudent and forward-looking investment policies prevented the feared dilution effect.

The Board of Foundation, Executive Management and employees of Helvetia LOB Invest Group Foundation will continue to do everything to ensure that the foundation grows at a healthy pace. We would like to thank you for the trust that you have shown in the foundation – whether you recently joined us or have been associated with us for several years.



Donald Desax  
President of the Board  
of Foundation



Dr. iur. Stefano Beros  
Managing Director

# Contents.

**4 Financial statements 2016**

4 Balance sheet

5 Operating account

**7 Explanatory notes to the  
financial statements**

**16 Auditor's report**

# Financial statements 2016.

## Balance sheet

in CHF	31.12.2016	31.12.2015
<b>Assets</b>		
Cash and cash equivalents	749 613.38	338 301.56
Receivables from affiliated employers	295 771.50	38 913.00
Receivables from Helvetia	115 736.22	0.00
Collective investments with mixed instruments	21 200 424.70	5 976 368.35
Investments	22 361 545.80	6 353 582.91
Prepayments and accrued income	4 193.50	0.00
<b>Total</b>	<b>22 365 739.30</b>	<b>6 353 582.91</b>
<b>Liabilities</b>		
Termination benefits and pensions	218 430.35	114 147.70
Liabilities to Helvetia	0.00	101 660.80
Other liabilities	6 659.20	2 612.60
Liabilities	225 089.55	218 421.10
Accrued liabilities and deferred income	862 546.80	40 571.90
Employer's contribution reserves	243 893.45	242 680.10
Pension capital of active participants	18 794 840.50	5 467 602.70
Actuarial reserves	1 030 729.00	9 809.00
Pension liabilities and actuarial reserves	19 825 569.50	5 477 411.70
Reserve for fluctuations in asset value	1 164 280.87	336 740.96
Non-committed funds of pension plans	44 359.13	37 757.15
<b>Non-committed foundation funds</b>		
Balance at the beginning of the period	0.00	0.00
Income/expense surplus	0.00	0.00
Balance at the end of the period	0.00	0.00
<b>Total</b>	<b>22 365 739.30</b>	<b>6 353 582.91</b>

## Operating account

in CHF	2016	2015
Employee contributions	719 563.90	331 740.75
Employer contributions	940 547.30	390 897.05
One-time contributions and purchase amounts	5 199.40	0.00
Transfers to employer-paid contribution reserve	0.00	150 000.00
Benefits from the security fund	6 037.30	5 153.40
Ordinary and other contributions and transfers-in	1 671 347.90	877 791.20
Vested benefit transfers	13 196 371.00	101 502.10
Transfers following take-over of participants to		
– Non-committed funds	6 389.78	0.00
Entry lump-sum transfers	13 202 760.78	101 502.10
<b>Inflow from contributions and entry lump-sum transfers</b>	<b>14 874 108.68</b>	<b>979 293.30</b>
Disability pensions	-16 774.00	0.00
Capital benefits on retirement and death	-325 674.55	0.00
Regulatory benefits	-342 448.55	0.00
Vested benefits for leavers	-1 039 462.55	-641 340.70
Termination benefits	-1 039 462.55	-641 340.70
<b>Outflow for benefits and withdrawals</b>	<b>-1 381 911.10</b>	<b>-641 340.70</b>
Decrease/increase in pension assets of active participants	-13 142 032.80	-25 527.00
Decrease/increase in actuarial reserves	-1 020 920.00	151 909.00
Decrease/increase in non-committed funds of pension plans	-6 389.78	0.00
Rate of interest on capital from the pension fund	-185 205.00	-86 623.60
Decrease/increase in contribution reserves	0.00	-150 000.00
Decrease/increase in pension liabilities, actuarial reserves and contribution reserves	-14 354 547.58	-110 241.60
Insurance benefits	20 953.50	5 806.00
Insurance surpluses	5 894.30	13 129.70
Income from insurance benefits	26 847.80	18 935.70
Insurance premiums		
– Risk premiums	-283 678.70	-132 840.70
– Cost premiums	-74 355.20	-32 776.10
Contributions to guarantee fund	-6 694.60	-2 614.80
Insurance cost	-364 728.50	-168 231.60
<b>Net result of insurance activities</b>	<b>-1 200 230.70</b>	<b>78 415.10</b>

in CHF	2016	2015
Income from investments in securities	1 211 733.20	93 621.70
Interest rate income on accounts receivable	11 906.95	1 210.84
Interest expense for liabilities	-3 955.65	-4 140.75
Interest expense for employer-paid contribution reserves	-1 213.35	-38.60
Interest on non-committed funds of pension plans	-212.20	-187.85
Asset management expenses	-327 589.12	-59 907.25
Net income from investments	890 669.83	30 558.09
Founder's contribution	1 150 000.00	0.00
Other income	27.70	805.30
Other income	1 150 027.70	805.30
General administrative expenses	-1 906.60	-184.40
Auditors and pension fund actuary	-5 248.80	-3 614.80
Supervisory authority	-5 771.52	-5 228.00
Administrative expense	-12 926.92	-9 027.20
Income/expense surplus before decrease/increase in reserves for fluctuations in asset value	827 539.91	100 751.29
Decrease/increase in reserves for fluctuations in asset value	-827 539.91	-100 751.29
Income/expense surplus after decrease/increase in reserves for fluctuations in asset value	0.00	0.00

# 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 Life 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 01.01.2016

#### ■ Election rules

01.01.2006, last revised on 01.06.2015

#### ■ Pension fund regulations

01.01.2013, last revised on 01.01.2016

#### ■ Partial liquidation regulations

01.01.2013

#### ■ Provisions regulations

01.01.2011, last revised on 01.01.2016

### 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
- Thomas Klaiber, Member
- Philipp Ammann, Member to 30.11.2016
- Regine Zülch, Member from 01.12.2016

##### ■ Employer representative

- Michael Siber, Vice President

##### ■ 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	2016	2015
As at 31.12. prior year	22	17
Entries	35	6
Exits	-2	-1
<b>As at 31.12. year under review</b>	<b>55</b>	<b>22</b>

## 2 Active participants and pensioners

### 2.1 Active participants

Number	2016	2015
As at 31.12. prior year	73	74
Entries	174	20
Departures	-27	-21
Retirements	-1	0
<b>As at 31.12. year under review</b>	<b>219</b>	<b>73</b>

### 2.2 Pensioners

Number	2016	2015
Recipients of disability pension		
Initial sum	0	0
+ additions	1	0
- departures	0	0
<b>Final sum of recipients of disability pension</b>	<b>1</b>	<b>0</b>

## 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 life insurance contract with Helvetia Swiss Life Insurance Company Ltd, dated 31.01.2013.

### 3.1 Characteristics of the benefit 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>Prepayments and accrued 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 life 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	2016	2015
Savings capital at the end of the prior year	5 467 602.70	5 355 452.10
Savings contributions of employee/employer	1 301 420.00	559 559.60
Exemption from savings premiums	4 179.50	5 806.00
Vested benefit transfers/one-time contributions	13 201 570.40	101 502.10
Vested benefits for leavers and on termination of the contract	-1 039 462.55	-641 340.70
Lump-sum payments on retirement	-325 674.55	0.00
Rate of interest on the savings capital	185 205.00	86 623.60
<b>Savings capital at the end of the year under review</b>	<b>18 794 840.50</b>	<b>5 467 602.70</b>
Interest on LOB mandatory savings capital	1.25%	1.75%
Interest on LOB extra-mandatory savings capital	1.25%	1.75%

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

in CHF	31.12.2016	31.12.2015
Retirement savings capital in accordance with LOB (shadow account)	11 888 744.60	2 821 208.50
LOB minimal interest rate	1.25%	1.75%

### 5.4 Development of mathematical reserves for pensioners

In the year under review and in the prior year, the foundation had no pensioners whose pensions are paid directly by the foundation.

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

in CHF	31.12.2016	31.12.2015
Provision for retirement losses	1 030 729.00	9 809.00
<b>Total actuarial reserves</b>	<b>1 030 729.00</b>	<b>9 809.00</b>

The actuarial reserves are valid from 01.01.2016 pursuant 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 whose pensions had to be paid directly by the foundation, only the provisions for retirement losses currently have to be increased. The actuarial reserves are calculated by Helvetia Consulta as of 31.12.2016.

## 5.6 Conclusions of the last actuarial report

The pension fund actuary confirms, based on a review of the foundation's financial situation as of 31.12.2014, that the foundation offers the security that it can meet its obligations pursuant to article 52e (1a) LOB. We decided to dispense with an actuarial report for the period ending 31.12.2016. A report will be prepared by the accredited pension actuary as of 31.12.2017.

## 5.7 Actuarial principles and other significant actuarial assumptions

The foundation has concluded a collective insurance agreement 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 2015 will be applied with a technical interest rate of 2.5%.

## 5.8 Changes in actuarial principles and assumptions

The foundation's technical interest rate is 2.5% (prior year: 3.0%). The actuarial basis for the interest rate are the biometric tables LOB 2015, period table 2017 (prior year: LOB 2010, period table 2007).

## 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	31.12.2016	31.12.2015
Balance sheet assets	22 365 739.30	6 353 582.91
Liabilities and accrued liabilities and deferred income	-1 087 636.35	-258 993.00
Employer-paid contribution reserve	-243 893.45	-242 680.10
Available pension fund assets	21 034 209.50	5 851 909.81
Pension fund capital of active participants	18 794 840.50	5 467 602.70
Actuarial reserves	1 030 729.00	9 809.00
Non-committed funds of pension plans	44 359.13	37 757.15
Pension liabilities, actuarial reserves and non-committed funds of pension plans	19 869 928.63	5 515 168.85
<b>Coverage rate in %</b>	<b>105.86</b>	<b>106.11</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 01.01.2016. 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.

### 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 reserve 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	2016	2015
Reserve for fluctuations in asset value as at 01.01.	336 740.96	235 989.67
Increase/decrease charged to the operating account	827 539.91	100 751.29
<b>Reserve for fluctuations in asset value as at 31.12.</b>	<b>1 164 280.87</b>	<b>336 740.96</b>
<b>Target reserve for fluctuations in asset value (rounded)</b>	<b>2 739 095.00</b>	<b>772 150.00</b>
Reserve deficit/surplus	1 574 814.13	435 409.04

### 6.4 Breakdown of investments into investment categories

				2016		2015	
	Strategy in per cent	Lower bandwidth in per cent	Upper bandwidth in per cent	Market value pursuant to balance sheet in CHF	Share in per cent	Market value pursuant to balance sheet in CHF	Share in per cent
<b>Cash and cash equivalents</b>							
Bank deposits	10.00%	0.00%	20.00%	749 613.38	3.35%	338 301.56	5.32%
<b>Collective investments</b>							
HAST LOB-Mix Plus 30 <sup>1</sup>	90.00%	80.00%	100.00%	21 200 424.70	94.81%	5 976 368.35	94.06%
<b>Accounts receivable</b>							
Receivables from affiliated employers <sup>2</sup>	0.00%	0.00%	15.00%	295 771.50	1.32%	38 913.00	0.61%
Receivables from Helvetia				115 736.22	0.52%	–	0.00%
<b>Total investments</b>	<b>100.00%</b>			<b>22 361 545.80</b>	<b>100.00%</b>	<b>6 353 582.91</b>	<b>100.00%</b>
<b>Operating assets</b>							
Prepayments and accrued income				4 193.50		–	
<b>Total</b>				<b>22 365 739.30</b>		<b>6 353 582.91</b>	

<sup>1</sup> Alternative investments account for 11.10% of HAST LOB-Mix Plus 30 as of 31.12.2016 (prior year: 11.54%). This corresponds to a market value of CHF 2,353,247 (prior year: CHF 689,673).

<sup>2</sup> Receivables from affiliated employers consist solely of employee and employer contributions that were unpaid as of the balance sheet date. They are not used for financing and are therefore not considered an investment in the employer. That means they are not viewed as alternative investments.

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 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.

	2016		2015	
	Yield/return in CHF	Yield/return in %	Yield/return in CHF	Yield/return in %
LOB-Mix Plus 25	–	–	661.40	0.34%
LOB-Mix Plus 30	1 211 733.20	3.13%	92 960.30	–2.80%
Result from capital investments	1 211 733.20	3.13%	93 621.70	–2.79%
Interest rate income on accounts receivable	11 906.95		1 210.84	
Interest expense for liabilities	–3 955.65		–4 140.75	
Interest expenses for employer-paid contribution reserve	–1 213.35		–38.60	
Rate of interest on non-committed funds of pension plans	–212.20		–187.85	
Result from other assets and liabilities	6 525.75		–3 156.36	
Asset management expense	–327 589.12		–59 907.25	
<b>Net return on investments</b>	<b>890 669.83</b>		<b>30 558.09</b>	

## 6.7 Explanation of the asset management expenses

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

in CHF	2016	2015
Sum of all the expense figures for collective investments	281 966.00	57 971.00
Total of the asset management expenses shown in the operating account as a percentage of the cost-transparent investments	1.46%	0.94%
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 receivables from affiliated employers amounting to CHF 295,771.50 (prior year: CHF 38,913.00) are premium assets. In 2016, the foundation levied 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	31.12.2016	31.12.2015
Balance at the beginning of the period	242 680.10	92 641.50
Contributions to the employer-paid contribution reserves	0.00	150 000.00
Transfers-in from new contacts	0.00	0.00
Use for one-time contributions <sup>1</sup>	0.00	0.00
Interest	1 213.35	38.60
<b>Balance at the end of the period</b>	<b>243 893.45</b>	<b>242 680.10</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: until 31.01.2015 at 0.5%, from 01.02.2015 at 0.0%).

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

### 7.1 Explanation of receivables from Helvetia

As at 31.12.2016 there was a current account balance vis-à-vis Helvetia of CHF 115,736.22 (prior year: current account liability of CHF 101,660.80).

### 7.2 Comments on accrued liabilities and deferred income

in CHF	31.12.2016	31.12.2015
One-time contributions of insured persons	416 762.00	0.00
Premiums paid in advance	136 474.80	32 347.90
Other accruals <sup>2</sup>	309 310.00	8 224.00
<b>Total accrued liabilities and deferred income</b>	<b>862 546.80</b>	<b>40 571.90</b>

<sup>2</sup> The item "Other accruals" includes an accrued liability of CHF 300,000 (prior year: CHF 0) for the founder's contribution.

### 7.3 Comments on prepayments and accrued income

in CHF	31.12.2016	31.12.2015
Benefits paid in advance	4 193.50	–
<b>Total prepayments and accrued income</b>	<b>4 193.50</b>	<b>–</b>

### 7.4 Comments on income from insurance benefits

in CHF	2016	2015
Insurance benefits	20 953.50	5 806.00
Insurance surpluses	5 894.30	13 129.70
<b>Total income from insurance benefits</b>	<b>26 847.80</b>	<b>18 935.70</b>

### 7.5 Information on valid regulations regarding surpluses

The foundation is entitled to the profit shares granted from the collective life 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	2016	2015
Risk premiums	276 079.10	129 817.50
Risk premium inflation	7 599.60	3 023.20
Contributions to guarantee fund	6 694.60	2 614.80
Cost premiums	74 355.20	32 776.10
<b>Total insurance cost</b>	<b>364 728.50</b>	<b>168 231.60</b>

## **8 Supervisory authority requirements**

There are no supervisory authority requirements. These financial statements have adopted the supervisory authority's presentation recommendations for explanatory notes to the financial statements.

## **9 Further information regarding the financial situation**

### **9.1 Disclosure of FATCA status**

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 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, 19 May 2017

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



## KPMG AG

### Audit

Badenerstrasse 172  
CH-8004 Zurich

P.O. Box  
CH-8036 Zurich

Telephone +41 58 249 31 31  
Fax +41 58 249 44 06  
Internet [www.kpmg.ch](http://www.kpmg.ch)

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, 2016.

#### *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 system. 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.



*Opinion*

In our opinion, the financial statements for the year ended December 31, 2016 comply with Swiss law and with the foundation's deed of formation and the regulations.

**Report on additional 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 Mühl  
*Licensed Audit Expert*

Zurich, May 19, 2017

*Enclosure:*

- Financial statements comprising balance sheet, operating accounts and notes

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

St. Alban-Anlage 26, 4002 Basel  
T 058 280 1000 (24 h), F 058 280 1001  
[www.helvetia.ch](http://www.helvetia.ch)

**Your Swiss Insurer.**

