

Helvetia LOB Invest Group Foundation
for Employee Pensions

helvetia.ch/lob-invest-foundation

Annual Report 2017.

simple. clear. helvetia 
Your Swiss Insurer



2017: an encouraging year for performance, growth and interest rates.

As a semi-autonomous foundation, the Helvetia LOB Invest collective foundation offers its customers participation in financial markets. Especially in times of record low interest rates, as at present, and for some time now, more attention is being given to investment markets, with the semi-autonomous pension fund model becoming even more attractive.

The stock market performed exceptionally well in 2017. Between the accelerating global business cycle and the dearth of investments, risky investments saw above-average price gains (MSCI World +14% in CHF and SPI +20%). Industrialised nations enjoyed strong growth across the board, with low inflation, while business and consumer sentiment continued to improve, and unemployment rates dropped worldwide. Markets also responded calmly to announcements by central banks that they intended to abandon their ultra-expansive monetary policies. Government bond yields therefore remained astonishingly stable, only climbing a little in the US in 2017. The much-feared bond market sell-off was nowhere to be seen. Nevertheless, riskier high-yield bonds still outperformed government bonds by a wide margin due to the flourishing economy.

With the Core-Satellite approach of the LOB-Mix Plus 30 investment group, the Helvetia LOB Invest collective foundation provides an ideal balance between returns, risk and safety. This investment group also proved itself with excellent results in 2017: the very good performance of 8.4% in 2017, after deduction of costs/total expense ratio, significantly outperformed the relevant benchmark. In the KGAST Performance Comparison (KGAST = Conference of Managers of Investment Foundations), the investment group takes top place both in the one-year and 3-year comparison.

This strong performance by the LOB-Mix Plus 30 investment group, combined with the Foundation's stable financial situation, has made it possible to grant additional interest of 0.5% on the entire retirement savings capital. Retirement savings capital attracts interest at 1.5% – a figure that is 50% higher than the minimal interest rate stipulated by the Federal Council. Customers benefit in turn from the positive performance on financial markets.

Another key indicator for the shape of an employee benefit scheme foundation is the coverage rate. This has always remained stable since the Foundation was launched; it stood at 106.2% at the end of 2017, even slightly higher than in the prior year, with a technical interest rate of 2.5%. These stable figures are partly due to the above-mentioned outstanding performance, but also to the prudent management of the Foundation with regard to the acceptance and provision policy.

In light of all this positive news, it is no surprise that the data reported with regard to growth is entirely satisfactory: at CHF 35 million, pension assets have almost doubled, as has the number of associated companies (from 55 to almost 100). The number of insured persons has accordingly risen from 219 to around 480.

The security of the pension assets entrusted to us is always at the forefront for the Helvetia LOB Invest collective foundation. While this means that we should continue to aim at satisfactory growth figures, this should never be done at the price of an unacceptable risk. This is because we wish to maintain the trust of our customers – your trust – just as much as the positive figures. We very much appreciate that you continue to place this trust in us.



Michael Siber
President of the Board
of Foundation



Dr. iur. Stefano Beros
Managing Director

Contents

4 Financial statements 2017

4 Balance sheet

5 Operating account

7 Explanatory notes to the financial statements

16 Auditor's report

The annual report of the Helvetia LOB Invest Group Foundation is published in German, French, Italian and English. Should the French, Italian or English versions deviate from the original German text, the German text shall be binding.

Financial statements 2017.

Balance sheet

in CHF	31.12.2017	31.12.2016
Assets		
Cash and cash equivalents	849 172.43	749 613.38
Receivables from affiliated employers	977 815.45	295 771.50
Receivables from Helvetia	159 678.19	115 736.22
Collective investments with mixed instruments	38 281 038.80	21 200 424.70
Investments	40 267 704.87	22 361 545.80
Prepayments and accrued income	0.00	4 193.50
Total	40 267 704.87	22 365 739.30
Liabilities		
Termination benefits and pensions	1 090 598.10	218 430.35
Other liabilities	19 612.90	6 659.20
Liabilities	1 110 211.00	225 089.55
Accrued liabilities and deferred income	821 819.55	862 546.80
Employer's contribution reserves	199 785.30	243 893.45
Pension capital of active participants	33 118 498.75	18 794 840.50
Pensioners' pension assets	737 313.00	0.00
Actuarial reserves	2 005 012.00	1 030 729.00
Pension liabilities and actuarial reserves	35 860 823.75	19 825 569.50
Reserve for fluctuations in asset value	2 229 220.84	1 164 280.87
Non-committed funds of pension plans	45 844.43	44 359.13
Non-committed foundation funds		
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
Total	40 267 704.87	22 365 739.30

Operating account

in CHF	2017	2016
Employee contributions	1 722 461.50	719 563.90
Employer contributions	1 973 733.55	940 547.30
– withdrawal from the employer-paid contribution reserves to finance contributions	–58 137.25	0.00
One-time contributions and purchase amounts	327 844.50	5 199.40
Transfers to employer-paid contribution reserve	0.00	0.00
Benefits from the security fund	16 290.95	6 037.30
Ordinary and other contributions and transfers-in	3 982 193.25	1 671 347.90
Vested benefit transfers	14 851 026.30	13 196 371.00
Transfers following take-over of participants to		
– non-committed funds	1 257.50	6 389.78
– employer-paid contribution reserve	12 837.95	0.00
Entry lump-sum transfers	14 865 121.75	13 202 760.78
Inflow from contributions and entry lump-sum transfers	18 847 315.00	14 874 108.68
Retirement pensions	–33 789.45	0.00
Disability pensions	–16 774.00	–16 774.00
Capital benefits on retirement and death	–415 122.00	–325 674.55
Regulatory benefits	–465 685.45	–342 448.55
Vested benefits for leavers	–2 726 261.65	–1 039 462.55
Withdrawals for encouragement of home ownership / divorce	–316 277.00	0.00
Termination benefits	–3 042 538.65	–1 039 462.55
Outflow for benefits and withdrawals	–3 508 224.10	–1 381 911.10
Decrease/increase in pension assets of active participants	–14 034 267.05	–13 142 032.80
Decrease/increase of pensioners' coverage capital	–737 313.00	0.00
Decrease/increase in actuarial reserves	–974 283.00	–1 020 920.00
Decrease/increase in non-committed funds of pension plans	–1 257.50	–6 389.78
Rate of interest on capital from the pension fund (ordinary)	–289 391.20	–185 205.00
Rate of interest on capital from the pension fund (additional)	–146 620.90	0.00
Decrease/increase in contribution reserves	45 299.30	0.00
Decrease/increase in pension liabilities, actuarial reserves and contribution reserves	–16 137 833.35	–14 354 547.58
Insurance benefits	53 166.50	20 953.50
Insurance surpluses	13 586.10	5 894.30
Income from insurance benefits	66 752.60	26 847.80
Insurance premiums		
– Risk premiums	–592 731.20	–283 678.70
– Cost premiums	–180 793.40	–74 355.20
Contributions to guarantee fund	–19 765.30	–6 694.60
Insurance cost	–793 289.90	–364 728.50
Net result of insurance activities	–1 525 279.75	–1 200 230.70

Operating account (continued)

in CHF	2017	2016
Income from investments in securities	3 020 262.00	1 211 733.20
Interest rate income on accounts receivable	20 251.89	11 906.95
Interest expense for liabilities	-4 534.00	-3 955.65
Interest expense for employer-paid contribution reserves	-1 191.15	-1 213.35
Interest on non-committed funds of pension plans	-227.80	-212.20
Asset management expenses	-418 364.57	-327 589.12
Net income from investments	2 616 196.37	890 669.83
Founder's contribution	0.00	1 150 000.00
Other income	4 906.80	27.70
Other income	4 906.80	1 150 027.70
General administrative expenses	-6 292.40	-1 906.60
Auditors and pension fund actuary	-17 784.55	-5 248.80
Supervisory authority	-6 806.50	-5 771.52
Administrative expense	-30 883.45	-12 926.92
Income/expense surplus before decrease/increase in reserves for fluctuations in asset value	1 064 939.97	827 539.91
Decrease/increase in reserves for fluctuations in asset value	-1 064 939.97	-827 539.91
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 01.12.2017

• Election rules

01.01.2006, last revised on 01.06.2015

• Pension fund regulations

01.01.2013, last revised on 01.01.2017

• Partial liquidation regulations

01.01.2013

• Provisions regulations

01.01.2011, last revised on 01.12.2017

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

• Employer representatives

- Michael Siber, Chairman
- Olivier Annaheim, Member from 19.05.2017

• Employee representative

- Rebecca Luperto, Vice President from 19.05.2017

• Foundation representative (interim)

- Regine Zülch, Member

• Other authorised signatories

- Stefano Beros
- Claudia Gast Baumann
- Daniel Meyer
- Daniela Rogenmoser
- Carmen Steiner

As at 19.05.2017, employer representative Olivier Annaheim and employee representative Rebecca Luperto were elected as new members of the Board of Foundation. They replace the outgoing Board of Foundation members Donald Desax and Thomas Klaiber. With effect from 19.05.2017, the presidency passed from Donald Desax to the former vice-president Michael Siber.

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	2017	2016
As at 31.12. prior year	55	22
Entries	39	35
Exits	0	-2
As at 31.12. year under review	94	55

2. Active participants and pensioners

2.1 Active participants

Number	2017	2016
As at 31.12. prior year	219	73
Entries	333	174
Departures	-75	-27
Retirements	-3	-1
As at 31.12. year under review	474	219

2.2 Pensioners

Number	2017	2016
Old-age pensioner		
Initial sum	0	0
Additions	2	0
Departures	0	0
Death	0	0
Final sum of old-age pensioners	2	0
Recipients of disability pension		
Initial sum	1	0
Additions	0	1
Departures	0	0
Death	0	0
Final sum of recipients of disability pension	1	1
Final sum of pensioners	3	1

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

Cash and cash equivalents	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 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 Comments on assets and liabilities from insurance contracts

The unrecognised reinsured mathematical pension reserve for disability pensions amounts to CHF 650,000.

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

in CHF	2017	2016
Savings capital at the end of the prior year	18 794 840.50	5 467 602.70
Savings contributions of employee/employer	2 919 196.10	1 301 420.00
Exemption from savings premiums	36 392.50	4 179.50
Vested benefit transfers / one-time contributions	15 178 870.80	13 201 570.40
Vested benefits for leavers and on termination of the contract	-2 726 261.65	-1 039 462.55
Lump-sum payments on retirement	-415 122.00	-325 674.55
Withdrawals for encouragement of home ownership / divorce	-316 277.00	0.00
Decrease as a result of retirement, death or disability	-642 531.70	0.00
Rate of interest on capital from the pension fund (ordinary)	289 391.20	185 205.00
Savings capital at the end of the year under review	33 118 498.75	18 794 840.50
Interest on LOB mandatory savings capital	1.00%	1.25%
Interest on LOB extra-mandatory savings capital	1.00%	1.25%

5.4 Total retirement savings capital in accordance with LOB

in CHF	31.12.2017	31.12.2016
Retirement savings capital in accordance with LOB (shadow account)	20 691 743.35	11 888 744.60
LOB minimal interest rate	1.00%	1.25%

5.5 Development of mathematical reserves for pensioners

in CHF	31.12.2017	31.12.2016
As at 01.01.	0.00	0.00
Increase/decrease	737 313.00	0.00
As at 31.12.	737 313.00	0.00

5.6 Composition, development and explanation of actuarial reserves

in CHF	31.12.2017	31.12.2016
Provision for retirement losses	1 408 241.00	1 030 729.00
Provisions for fluctuations in risk experience	15 864.00	0.00
Provisions for increase in life expectancy	3 687.00	0.00
Provisions for reduction of the technical interest rate	577 220.00	0.00
Total actuarial reserves	2 005 012.00	1 030 729.00

The actuarial reserves are valid from 01.12.2017 pursuant to the current provisions and reserves regulations and take account of the submitted capital options. Pursuant to a resolution by the Board of Foundation of 16.11.2017, provisions are made for reduction of the technical interest rate to 2% as of 31.12.2017.

5.7 Conclusions of the last actuarial report

In the actuarial expert opinion as at 31.12.2017 dated 12.03.2018, the pension fund actuary confirms, based on a review of the foundation's financial situation as of 31.12.2017, that the foundation is in a position to meet its obligations pursuant to Article 52e (1a) LOB and that the regulatory actuarial provisions with regard to benefits and funding comply with the legal requirements.

5.8 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%.

5.9 Changes in actuarial principles and assumptions

There are no changes compared with the prior year.

5.10 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.

5.11 Coverage rate according to Art. 44 OOB2

in CHF	31.12.2017	31.12.2016
Balance sheet assets	40 267 704.87	22 365 739.30
Liabilities and accrued liabilities and deferred income	-1 932 030.55	-1 087 636.35
Employer-paid contribution reserve	-199 785.30	-243 893.45
Available pension fund assets	38 135 889.02	21 034 209.50
Pension fund capital of active participants	33 118 498.75	18 794 840.50
Pensioners' pension assets	737 313.00	0.00
Actuarial reserves	2 005 012.00	1 030 729.00
Non-committed funds of pension plans	45 844.43	44 359.13
Pension liabilities, actuarial reserves and non-committed funds of pension plans	35 906 668.18	19 869 928.63
Coverage rate in %	106.21	105.86

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 01.12.2017. 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 11.68% according to a resolution by the Board of Foundation.

in CHF	2017	2016
Reserve for fluctuations in asset value as at 01.01.	1 164 280.87	336 740.96
Increase/decrease charged to the operating account	1 064 939.97	827 539.91
Reserve for fluctuations in asset value as at 31.12.	2 229 220.84	1 164 280.87
Target reserve for fluctuations in asset value (rounded)	4 471 225.00	2 739 095.00
Reserve deficit/surplus	2 242 004.16	1 574 814.13

6.4 Breakdown of investments into investment categories

	2017				2016			
	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	
Cash and cash equivalents								
Bank deposits	10.00%	0.00%	20.00%	849 172.43	2.11%	749 613.38	3.35%	
Collective investments								
HAST LOB-Mix Plus 30 ¹	90.00%	80.00%	100.00%	38 281 038.80	95.07%	21 200 424.70	94.81%	
Receivables								
Receivables from Helvetia	0.00%	0.00%	15.00%	159 678.19	0.40%	115 736.22	0.52%	
Accounts receivable								
Receivables from affiliated employers ²	0.00%	0.00%	5.00%	977 815.45	2.43%	295 771.50	1.32%	
Total investments	100.00%			40 267 704.87	100.00%	22 361 545.80	100.00%	
Operating assets								
Prepayments and accrued income				0.00		4 193.50		
Total				40 267 704.87		22 365 739.30		

¹ Alternative investments account for 4.89% of HAST LOB-Mix Plus 30 as of 31.12.2017 (prior year: 11.10%). This corresponds to a market value of CHF 1,967,645 (prior year: CHF 2,353,247).

² Receivables from affiliated employers consist solely of employee and employer contributions that were unpaid as of the balance sheet date.

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.

	2017	2017	2016	2016
	Yield/return in CHF	Yield/return in %	Yield/return in CHF	Yield/return in %
LOB-Mix Plus 30	3 020 262.00	7.69%	1 211 733.20	3.13%
Result from capital investments	3 020 262.00	7.69%	1 211 733.20	3.13%
Interest rate income on accounts receivable	20 251.89		11 906.95	
Interest expense for liabilities	-4 534.00		-3 955.65	
Interest expenses for employer-paid contribution reserve	-1 191.15		-1 213.35	
Rate of interest on non-committed funds of pension plans	-227.80		-212.20	
Result from other assets and liabilities	14 298.94		6 525.75	
Asset management expense	-418 364.57		-327 589.12	
Net return on investments	2 616 196.37		890 669.83	

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	2017	2016
Sum of all the expense figures for collective investments	375 154.00	281 966.00
Total of the asset management expenses shown in the operating account as a percentage of the cost-transparent investments	1.04%	1.46%
Cost transparency ratio	100.00%	100.00%

6.8 Performance of investments (excluding claims)

in CHF	2017	2016
Total investments on 01.01.	21 950 038.08	6 314 669.91
Total investments on 31.12.	39 130 211.23	21 950 038.08
Investments on average	30 540 124.66	14 132 354.00
Net return on investments	2 616 196.37	890 669.83
Total	8.57%	6.30%

6.9 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.

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

6.10.1 Investments in the employer's enterprise

The receivables from affiliated employers amounting to CHF 977,815.45 (prior year: CHF 295,771.50) are premium assets. In 2017, 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.

6.10.2 Employer-paid contribution reserves

in CHF	31.12.2017	31.12.2016
Balance at the beginning of the period	243 893.45	242 680.10
Contributions to the employer-paid contribution reserves	0.00	0.00
Transfers-in from new contacts	12 837.95	0.00
Use for one-time contributions ¹	-58 137.25	0.00
Interest	1 191.15	1 213.35
Balance at the end of the period	199 785.30	243 893.45

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 accrued interest at 0.5%, as in the prior year.

7. Comments on other balance sheet and operating account positions

7.1 Explanation of receivables from Helvetia

As at 31.12.2017 there was a current account balance vis-à-vis Helvetia of CHF 159,678.19 (prior year: CHF 115,736.22).

7.2 Explanation of deferred income

in CHF	31.12.2017	31.12.2016
One-time contributions of insured persons	216 738.05	416 762.00
Premiums paid in advance	135 190.85	136 474.80
Other accruals ²	469 890.65	309 310.00
Total accrued liabilities and deferred income	821 819.55	862 546.80

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

7.3 Comments on prepayments and accrued income

in CHF	31.12.2017	31.12.2016
Benefits paid in advance	0.00	4 193.50
Total prepayments and accrued income	0.00	4 193.50

7.4 Comments on income from insurance benefits

in CHF	2017	2016
Insurance benefits	53 166.50	20 953.50
Insurance surpluses	13 586.10	5 894.30
Total income from insurance benefits	66 752.60	26 847.80

7.4.1 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.

7.5 Explanation of insurance cost

in CHF	2017	2016
Risk premiums	586 960.70	276 079.10
Risk premium inflation	5 770.50	7 599.60
Contributions to guarantee fund	19 765.30	6 694.60
Cost premiums	180 793.40	74 355.20
Total insurance cost	793 289.90	364 728.50

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 Partial liquidation

In the 2017 year under review there was no partial liquidation, as in the prior year.

9.2 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 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, 15 May 2018

Helvetia LOB Invest
Group Foundation for Employee Pensions



Michael Siber
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

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, 2017.

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, 2017 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 15, 2018

Enclosure:

- Financial statements comprising balance sheet, operating accounts and notes

Helvetia has been a leading Swiss insurance company with customised insurance and pension solutions for companies and private customers since 1858. Helvetia supports a range of social commitments.



Official partner of Swiss-Ski since 2005.



Committed to the protection forest topic since 2012.



Presenting Partner of the Helvetia Swiss Cup since 2016.

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

T 058 280 10 00 (24 h), www.helvetia.ch/lob-invest-foundation



simple. clear. helvetia 
Your Swiss Insurer