

**PERSONALVORSORGESTIFTUNG DER
FELDSCHLÖSSCHEN-GETRÄNKEGRUPPE**

2020 Annual Report

(Short Version)

2020 Annual Report

In 2020 pension funds generated an average total return on investment of 3.6%. The decrease in the funding ratio caused by the Corona crisis recovered as from the second quarter, thanks to the positive market trend. Equity markets recovered particularly strongly after the crisis, and at year-end the situation even enabled additional fluctuation reserves to be set aside.

The Personalvorsorgestiftung der Feldschlösschen-Getränkegruppe generated a very encouraging positive **return** on total assets of **3.7%** (previous year 8.3%), which equates to an underperformance of -0.66% compared to the benchmark (+4.37%) The reasons for this are the high liquidity ratio and the more defensive allocation policy followed during the year under review (overweighting of bonds and underweighting of equities). The investments (shares) of the Personalvorsorgestiftung der Feldschlösschen-Getränkegruppe have a below-average weighting due to the demographics of the pension plan's membership (more members drawing pensions than active members).

Income from investments in 2020 amounted to CHF 26.5 million (2019: CHF 55.4 million).

Negative interest rates - In 2020, interest expense (interest on bank balances) amounted to CHF 117,059.51 (2019: CHF 91,077.82). The unchanged interest rate environment significantly impedes liquidity planning, since a sufficiently large volume of liquidity must be available in order to meet obligations, and in particular pension payments, on time.

The **income surplus** at 31 December 2020 amounted to **CHF 24 million**. The **fluctuation reserve** was increased by this amount, ending the year at **CHF 85.78 million**. The target for the fluctuation reserve is CHF 133 million.

In 2020 the minimum BVG interest rate of 1% was applied to the retirement capital of active insured members. The interest expense on savings capital amounted to CHF 2.3 million.

In December 2019 the Board of Trustees decided to keep the **technical interest rate** at **1.5%**. In view of the current interest rate situation, the technical interest rate must be reduced to 1% in the medium term. To address any future reduction, a provision amounting to CHF 2 million per year is set aside. This reserve was increased by a further CHF 2 million and amounted to CHF 4 million at 31.12.2020.

This overall positive situation resulted in a very encouraging **funding ratio** (available pension assets measured on the basis of actuarial obligations) of **113.3%** at 31 December 2020 (previous year 109.4%).

Membership – The number of active members fell year-on-year. At 31 December 2020, the pension fund had 1,180 active members insured (previous year 1,244). The number of pension recipients dropped by 38 to end the year at 1,382.

For more information on the annual financial statements at 31 December 2020 and for details on the number of insured members, please refer to the Annex to the Annual Report.

Ordinance Against Excessive Compensation in Listed Joint-Stock Corporations (OaEC)

The ordinance which came into force on 1 January 2014 requires pension plans to exercise their voting right as shareholders in direct investments and to disclose their voting behaviour. As the Personalvorsorgestiftung der Feldschlösschen-Getränkegruppe engages exclusively in collective investments, it has no investments subject to the OaEC and is accordingly exempt from the obligation to exercise voting rights.

Election of employee representatives to the Board of Trustees

Since the term of office of the **Employee Representatives on the Board of Trustees** expires on 30 June 2020, an election was held for four 4 employee representatives. Voting closed on 31 March 2020. 1,248 voting slips were sent out, and 336 were received by the submission deadline, corresponding to a participation ratio of 26.92%.

The following were elected:

Priska Gautschi (current representative), “Administration” unit
Daniel Berger (current representative), “Customer Supply Chain” unit
Marcel Kiesewetter (current representative), “Production” unit
Ulrich Reinhard (current representative), “Sales” unit

The term of office is from 1 July 2020 to 30 June 2023.

Staff changes

Following the departure of **Ramona Roth** as Head of HR, her successor **Karine Finck**, joined the Board of Trustees as employee representative on 11 December 2020.

2020 also saw a change in the administration team. **Mina Sanfilippo** left at the end of March 2020 for an extended stay abroad. She was succeeded on 1 April 2020 by **Robert Bucher**,

Outlook

Reform of supplementary benefits (SB) effective from 1.1.2021

The reform introduced on 1 January 2021 also includes measures governing occupational pension schemes.

At present, an **insured individual** who loses their job **after reaching their 58th year** automatically leaves the pension plan and must transfer their retirement capital to a vested benefits account. As a rule, vested benefits foundations pay no pensions on retirement, and only pay out the capital. Due to the SB reform, these individuals can now remain with their existing pension plan provided their employment was terminated by the employer. They also have the same rights as other insured members (interest, conversion rate, pension). Article 1.2 of the directive on occupational pension plans for unemployed persons has been amended. An insured individual who voluntarily, i.e. of their own volition, terminates their employment after

reaching age 58, is only entitled to the retirement benefit or, if they take up new employment, to the vested termination benefit. They cannot continue to be insured under the pension plan.

With respect to **advance withdrawals for home ownership**, a less restrictive rule for repaying advance withdrawals comes into force on 1 January 2021. The permissible time frame for repayments will be lifted, and repayment is permitted until the individual becomes entitled to retirement benefits.

In order to conform to this change in the law, at its meeting on 8 May 2020 the Board of Trustees decided to reduce the voluntary retirement age set by the Personalvorsorgestiftung der Feldschlösschen-Getränkegruppe from 60 (men) and 59 (women) to 58 as of 1 January 2021. The regulations have been amended accordingly.

Adjustment to conversion rate

Active insured members were informed back in September 2019 that the conversion rate for statutory retirement (men 65 / women 64) will be reduced from 5.9% to 5.1% as from 1 January 2022. The Board of Trustees has adopted measures to cushion the impact of pension losses.

Note - The pension fund's home page www.pvs-feldschloesschen.ch provides information on contributions and benefits, the pension fund regulations, forms and contact details, as well as the latest news and key figures.

We hope this Annual Report has provided you with valuable information and that you enjoy reading it. Stay safe!

**Personalvorsorgestiftung der
Feldschlösschen-Getränkegruppe**

Patrik Füeg, Chairman of the Board of Trustees
Susanne Baumberger, Head of Administration

Rheinfelden, May 2021

BALANCE SHEET	31.12.2020	31.12.2019
	CHF	CHF
ASSETS		
Investments	694'492'997.18	682'177'166.11
Cash and cash equivalents	11'985'421.60	11'866'356.88
Receivables	724'808.90	476'331.80
Employers' current account	4'003'970.60	4'571'894.65
Swiss Life current account	1'733'491.30	1'729'834.50
Securities		
Fund Money Market	39'239'442.80	9'626'812.95
Bonds CHF	229'292'494.60	227'641'567.60
Foreign currency bonds (hedged)	41'883'633.10	40'677'735.95
Equities CHF	55'442'286.07	53'870'457.77
Equities foreign (hedged)	83'688'123.25	75'035'833.85
Equities foreign Small Cap	23'888'465.40	22'736'690.80
Equities Emerging Markets	23'403'682.20	21'851'117.20
Real estate fund units	179'207'177.36	212'092'532.16
Prepayments and accrued income	3'486.00	2'091.00
Assets from insurance contracts	39'403'363.00	38'573'672.00
Total Assets	733'899'846.18	720'752'929.11
LIABILITIES		
Liabilities	2'866'358.75	3'314'628.90
Termination benefits and pensions	2'866'358.75	3'314'628.90
Accrued liabilities and deferred income	624'292.97	657'603.35
Non-actuarial reserve	727'766.85	727'766.85
Insurance capital and actuarial reserves	643'898'098.00	654'280'086.00
Retirement savings capital of active insureds	244'408'316.00	240'578'418.00
Retirement savings capital of pensioners	331'457'586.00	348'853'177.00
Actuarial reserves	68'032'196.00	64'848'491.00
Fluctuation reserve	85'783'329.61	61'772'844.01
Non-committed funds	0.00	0.00
At start of period	0.00	0.00
Income / Expense surplus	24'010'485.60	25'895'570.20
Increase / Decrease of fluctuation reserve	-24'010'485.60	-25'895'570.20
Total Liabilities	733'899'846.18	720'752'929.11

INCOME STATEMENT

	01.01.-31.12.2020	01.01.-31.12.2019
	CHF	CHF
Ordinary and other contributions and transfer-ins	30'764'773.45	25'408'059.80
Employees' contributions	10'531'511.14	9'784'080.33
Employers' contributions	14'506'925.17	13'480'405.47
One-time payments and purchase amounts	5'726'337.15	2'143'574.00
Entry lump sum transfers	4'718'500.65	9'012'806.70
Termination benefit transfers	4'247'500.65	8'822'116.80
Payments for early withdrawal home ownership/divorce	471'000.00	190'689.90
<i>Inflow from contributions and entry lump-sum transfers</i>	<i>35'483'274.10</i>	<i>34'420'866.50</i>
Regulatory benefits	-34'432'102.75	-35'748'201.40
Retirement pensions	-18'867'354.70	-19'501'627.20
Survivors' pension	-8'094'676.75	-8'263'202.60
Disability pensions	-1'673'938.75	-1'731'082.50
Lump-sum payments on retirement	-5'601'545.55	-6'152'020.30
Lump-sum payments on death	-194'587.00	-100'268.80
Termination benefits	-17'179'372.20	-12'696'229.05
Termination benefits on leaving	-16'493'761.05	-11'636'237.40
Withdrawals for home ownership/divorce	-685'611.15	-1'059'991.65
<i>Outflow for benefits and withdrawals</i>	<i>-51'611'474.95</i>	<i>-48'444'430.45</i>
Decrease/Increase of insurance capital, actuarial reserves and contribution reserves	11'181'395.59	-18'086'431.35
Change in insurance capital for active members	-1'517'307.85	-6'197'721.30
Change in insurance capital, pensiones	17'395'591.00	16'083'603.00
Change in assets for insurance contracts	829'691.00	-5'011'598.00
Change in actuarial reserves	-3'183'705.00	-20'695'391.00
Interest on savings capital	-2'312'590.15	-2'244'269.70
Interest expense, vested benefits and bridging pensions	-30'283.41	-21'054.35
Income from insurance benefits	4'380'410.80	4'865'689.95
Insurance benefits	4'380'270.80	4'865'385.95
Surplus from insurances	140.00	304.00
Insurance expense	-102'032.15	-294'161.20
Insurance premium	0.00	-191'246.00
Contributions to Security Fund	-102'032.15	-102'915.20
Net result from insurance activities	-668'426.61	-27'538'466.55
Net return on assets	25'252'456.67	53'990'328.36
Interest income on bank balances	0.00	0.00
Interest on bank balances	-117'059.51	-91'077.82
Interest income on employers' current account	8'319.45	18'437.00
Income Swiss Life	0.00	0.00
Income from investments	26'551'767.45	55'425'798.15
Administrative expense for assets	-1'190'570.72	-1'362'828.97
Reversal/formation of non-technical provisions	0.00	0.00
Other income	3'548.75	3'386.65
Other earnings	3'548.75	3'386.65
Other expenses	-38'860.24	-55'618.95
Administrative expense	-538'232.97	-504'059.31
Own administrative costs	-400'356.30	-391'834.00
Auditors	-28'271.25	-27'732.75
Occupational pension plan experts	-75'492.35	-61'382.50
Supervisory authorities	-9'731.10	-7'894.35
Legal advice, other consulting services and external IT services	-22'009.55	-13'242.25
Fees, levies, contributions	-2'372.42	-1'973.46
Result before reversal / recognition of fluctuation reserve	24'010'485.60	25'895'570.20
Increase / Decrease of fluctuation reserve	-24'010'485.60	-25'895'570.20
Expense / Income surplus	0.00	0.00

Notes to 2020 Financial Statements

Legal form and purpose

The purpose of the pension fund is to provide an occupational pension plan under the terms of the BVG and its implementation provisions, in order to insure employees of Feldschlösschen Getränke AG and companies which have close economic or financial ties to it and are affiliated to the pension fund, as well as their family and survivors, against the economic consequences of old age, death and disability.

The pension fund can provide benefits beyond the minimum benefits defined by the BVG, including support benefits in emergencies such as illness, accident and loss of employment.

The fund complies with the obligations of the BVG and is entered in the Occupational Pension Scheme Register and Supervisory Authority of the Canton of Aargau under Number 0232.

Affiliated employers

	31.12.2020	31.12.2019
Active members		
Feldschlösschen Getränke AG	412	419
Feldschlösschen Supply Company AG, from 1.10.2014	655	675
Carlsberg Supply Company AG	110	146
Delegate employees (Carlsberg Group's Global Mobility Programme)	3	4
Total	1,180	1,244

Membership

	31.12.2020	31.12.2019
Active members		
Men	967	1,005
Women	213	239
Total	1,180	1,244
Of which insured under the Plus plan	153	157

	31.12.2020	31.12.2019
Pension recipients		
Old age pension recipients	744	768
Disability pension recipients	73	76
Widows and widowers	531	546
Orphans / children's pensions	34	30
Total	1,382	1,420

Pension plan

The pension plan is based on a defined contribution scheme for *retirement provisions*. The fund offers two plans for retirement provisions (Basic plan and Plus plan). Under the Basic plan, the employee pays retirement contributions of 40% and the employer 60%. Under the Plus plan, the employee's and employer's contributions are the same (50/50).

Disability and death benefits (*risk provision*) are defined as a percentage of the insured salary (defined benefit scheme). The contributions are financed 40% by the insured member and 60% by the employer.

Actuarial risks / risk coverage

As an autonomous pension fund, the Personalvorsorgestiftung der Feldschlösschen-Getränkegruppe bears the risk itself for the regulatory benefits of the risk provision (disability and death) and retirement provisions.

Insurance contracts

Swiss Life – pension agreement

Part of the pension stock from some former pension funds is still fully reinsured with Swiss Life. The fund is the policyholder and pays the pension to pensioners on a monthly basis. Pensioners have no direct claims on Swiss Life.

The corresponding repurchase value (assets from insurance contracts) is CHF 39,4 million.

Actuarial principles

The regulatory principles and calculations for the actuarial balance sheet are based on the actuarial principles set forth in the LOB 2015 / PT 2015 (so-called period table).

The technical rate of interest is 1.5%.

To provide for the increase in life expectancy and other anticipated changes, a *provision for changes in principles* is recognised and set aside.

Since the Personalvorsorgestiftung der Feldschlösschen-Getränkegruppe bears the pension losses resulting from the excessively high actuarial conversion rate, a *conversion rate provision* is recognised.

As the foundation itself bears the actuarial risks in the event of death and invalidity, a *risk fluctuation fund* must be managed to offset actuarial fluctuations (death and disability cases do not follow the expected trend).

Provision for reduction in conversion rate – temporary provision as part of the stabilisation measures adopted by the Board of Trustees.

Provision for reduction of technical interest rate – Due to the current interest rate situation, the technical interest rate must be reduced over the medium term to auf 1%. To this end, a provision for technical interest rate was set aside.

	31.12.2020	31.12.2019
Changes in principles	8,122,405	6,841,946
Conversion rate	28,664,595	27,977,399
Risk fluctuation fund	11,245,196	12,029,146
Reduction in conversion rate	16,000,000	16,000,000
Reduction in technical interest rate	<u>4,000,000</u>	<u>2,000,000</u>
Total technical provisions	68,032,196	64,848,491

Funding ratio pursuant to Art. 44 BVV2

Mr Stephan Gerber, an actuarial expert with SLPS AG, conducts an annual review under the terms of Art. 52e Para. 1.a BVG. The review of the year ended 31 December 2020 produced the following findings:

The actuarial balance sheet at 31 December 2020 shows an actuarial surplus of CHF 24,010,485. The funding ratio is 113.3%. The Personalvorsorgestiftung der Feldschlösschen-Getränkegruppe has no underfunding within the meaning of Art. 44 BVV2.

	31.12.2020	31.12.2019
Required retirement capital and technical provisions	<u>643,898,098</u>	<u>654,280,086</u>
Retirement capital and technical provisions	643,898,098	654,280,086
Fluctuation reserve	85,783,329	61,772,844
Pension fund capital, non-committed funds	0	0
Funds available to cover regulatory obligations	<u>729,681,427</u>	<u>716,052,930</u>
Funding ratio	113.3%	109.4%

Accounting and valuation principles

Bookkeeping, balancing of accounts and valuation complies with the provisions of the Swiss Code of Obligations and the BVG. The annual statements consisting of the balance sheet, income statement and notes provide a true and fair view of the financial situation as required by law. The applied accounting principles comply with the Swiss GAAP FER 26 accounting standard which among other things require statements to be drawn up at market values and require no other reserves apart from those technically necessary. Noncommitted funds may be reported only when all reserves in the required amount have been augmented.

All assets are measured at fair value (market value) on the balance sheet date, based on the rates provided by the depositaries. The provisions of Article 48 BVV2 and Swiss GAAP FER 26.3 also apply.

Fluctuation reserve

The target for the fluctuation reserve is defined by the external investment expert in the course of a risk capability audit. This is generally calculated on a yearly basis.

An audit was conducted as at 31 December 2020. For current asset investments this calculation results in a target fluctuation reserve of 20.6% of the tied-up retirement capital (security level 99%, for a time horizon of two years).

	31.12.2020	31.12.2019
Fluctuation reserve at 1.1.	61,772,844	35,877,274
Allocation charged to the income statement	<u>24,010,485</u>	<u>25,895,570</u>
Fluctuation reserve acc. To balance sheet	85,783,329	61,772,844
Target fluctuation reserve	<u>133,000,000</u>	<u>137,400,000</u>
Reserve deficit	- 47,216,670	- 75,627,156

Investment strategy

The Board of Trustees defines the investment guidelines drawing on the services of PPCmetrics AG, Zurich, as consultant. The investment strategy is influenced by risk capability, demographics and the projected outflow of liquidity. At the end of the reporting year, all investment categories were within the strategic bandwidths.

Presentation of asset investments by investment category

Asset investments / risk distribution

Investment category	Portfolio	Internal	UBS	Credit Suisse	Swisscanto Assetimmo Cité du Levant	Total 31.12.2020	Effective share	Strategy
		CHF	CHF	CHF	CHF	CHF	%	%
Receivables, current accounts, Accrued income and prepaid expenses		6'465'757	-	-	-	6'465'757	0.9%	---
Liquidity / CHF money market		-	11'941'150	39'283'715	-	51'224'864	7.0%	0 - 10%
Equities CHF		-	-	55'442'286	-	55'442'286	7.6%	4 - 10%
Equities foreign (hedged)		-	-	83'688'123	-	83'688'123	11.4%	6 - 14%
Equities foreign Small Cap		-	-	23'888'465	-	23'888'465	3.3%	1 - 5%
Equities Emerging Markets		-	-	23'403'682	-	23'403'682	3.2%	1 - 5%
Bonds CHF		-	-	268'695'858	-	268'695'858	36.6%	32 - 52%
Foreign currency bonds (hedged)		-	-	41'883'633	-	41'883'633	5.7%	2.5 - 7.5%
Real estate fund units		-	-	-	179'207'177	179'207'177	24.4%	20 - 36%
		6'465'757	11'941'150	536'285'762	179'207'177	733'899'846	100.0%	

Explanation of net result from asset investments

	Total 2019	Total 2020	Fund Money Market	Bonds CHF	Foreign currency bonds (hedg.)	Equities CHF	Equities Emerging Markets	Equities foreign (hedged)	Equities Small Cap	Real estate fund units
	CHF	CHF	CHF	CHF	CHF	CHF	CHF	CHF	CHF	CHF
Income from interest on bank balances	-	-	-	-	-	-	-	-	-	-
Interest on bank balances	-91'078	-117'060	-	-	-	-	-	-	-	-
Income from interest on employers' current account	18'437	8'319	-	-	-	-	-	-	-	-
Income Swiss Life	-	-	-	-	-	-	-	-	-	-
Realised income from investments	9'323'435	9'837'082	512'963	2'670'961	912'796	1'347'313	534'013	1'649'232	411'731	1'798'073
Unrealised exchange rate gains	46'102'363	16'714'686	-700'469	-81'336	614'336	781'255	1'217'108	7'581'659	895'568	6'406'565
Foreign currency losses	-	-	-	-	-	-	-	-	-	-
Income from real estate	-	-	-	-	-	-	-	-	-	-
Administrative expense for assets										
Key cost figures in CHF for coll. Investments	-1'046'231	-889'231	-30'557	-5'941	-2'702	-1'046	-17'925	-2'108	-17'567	-811'385
Credit Suisse asset management fee	-208'226	-195'688 *	-	-	-	-	-	-	-	-
Global Custody Credit Suisse fees	-42'296	-44'158 *	-	-	-	-	-	-	-	-
Investment consulting and controlling fees	-57'620	-52'881 *	-	-	-	-	-	-	-	-
Expenses for securitisation consulting	-	-	-	-	-	-	-	-	-	-
Other bank expenses	-8'456	-8'613 *	-	-	-	-	-	-	-	-
Net return on assets	53'990'328	25'252'457	-218'063	2'583'684	1'524'430	2'127'522	1'733'196	9'228'783	1'289'732	7'393'253

* Allocation to indiv. Asset investments not possible

Asset management costs

	31.12.2020	31.12.2019
Total fund assets (market values)	694,492,997	682,177,166
of which:		
Transparent investments	694,492,997	682,177,166
Cost transparency ratio	100%	100%
Directly recognised asset management costs	301,339	316,598
Total of all key cost figures recorded in the income statement in CHF for collective investments	<u>889,231</u>	<u>1,046,230</u>
Total asset management costs recorded in the income statement	<u>1,190,570</u>	<u>1,362,828</u>
as % of cost-transparent asset investments	0.17%	0.20%

Organs

Foundation boards

Employer representatives
Patrik Füg, Chairman
Claude Kirschner
Thomas Metzger
Ramona Roth (until 30.9.2020)
Karine Finck (from 11.12.2020)

Employee representatives
Daniel Berger
Priska Gautschi
Marcel Kiesewetter
Ulrich Reinhard

Investment Committee

Claude Kirschner, Chairman
Patrik Füg
René Steiner
Dieter Neuschwander
Lukas Riesen, PPCmetrics AG, external consultant

Investment Experts / Investment Controlling

PPCmetrics AG, Badenerstrasse 6, 8021 Zürich

Asset management

Global Custodian
Credit Suisse, Zurich

Asset managers
Credit Suisse Asset Management - Fund Money Market
Credit Suisse Asset Management - Swiss bonds
Credit Suisse Asset Management - foreign currency bonds (hedged)
Credit Suisse Asset Management - Swiss Equities
Credit Suisse Asset Management - foreign equities (hedged)
Credit Suisse Asset Management - foreign equities Small Cap
Credit Suisse Asset Management - equities Emerging Markets
Swisscanto Real Estate Investment Fund
Assetimmo Real Estate Investment Fund
Cité du Levant - Real Estate

Administration

Susanne Baumberger, Head of Administration
Mina Sanfilippo, Administration (until 31.3.2020)
Robert Bucher, Administration (from 1.4.2020)

Auditors

Ernst & Young AG, Schanzenstrasse 4a, 3001 Bern

Actuarial expert

Stephan Gerber, SLPS AG, Zentweg 13, 3006 Bern

Supervisory body

Occupational Pension Scheme Register and Supervisory Authority
Canton Aargau (BVSA)

Actuarial audit

The actuarial audit is conducted by actuarial experts as at the end of each calendar year i.e. on the balance sheet date. The actuarial expert, Mr Stephan Gerber, SLPS AG, Berne, issued the report on the actuarial balance sheet as at 31 December 2020 on 8 April 2021 and found that the Personalvorsorgestiftung der Feldschlösschen-Getränkegruppe provided assurance on the balance sheet date that it was able to meet its actuarial obligations.

The regulatory actuarial provisions governing benefits and financing comply with the legal requirements.

The Personalvorsorgestiftung der Feldschlösschen-Getränkegruppe has no underfunding within the meaning of Art. 44 BVV2.

Report of the Auditors

Ernst & Young AG have conducted an audit of the financial statements, overall management, investment management and individual retirement accounts of the Personalvorsorgestiftung der Feldschlösschen-Getränkegruppe for the year ended 31 December 2020. In their opinion, these are in compliance with Swiss law, the Deed of Foundation and the Regulations. Ernst & Young AG recommend that the financial statements be approved.

Further information is available from

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