

## Staff memorandum

Leica Pensionskasse

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Valid for all members of the Leica Pension Fund

Re **Latest information from the Leica Pension Fund**

Dear Sir/Madam

The Board of Trustees of the Leica Pension Fund formally closed the 2021 financial year at its meeting on 11 May 2022. As usual, we would like to provide you below with the most important information on the completed reporting year and on the start of the new year.

### **Financial Statements 2021**

The Foundation Board unanimously approved the annual report and the annual financial statement 2021. It re-elected the auditors - KPMG AG, St. Gallen - for another year.

The past year closed with an income surplus (before the formation of fluctuation reserves) of CHF 71.8 million. The very positive result was mainly due to gains on investments (CHF 66.2 million, or investment performance of 9.9%).

CHF 35.7 million of the annual profit was used to increase the fluctuation reserves to the target value of 19.5% of the pension capital. The remaining CHF 36.1 million will be carried forward to the new account in 2022 as free foundation funds.

The coverage ratio of the pension fund improved from 113.6% to 125.6% in 2021.

Detailed information on the annual financial statements and the annual report can be found on our website [www.pk-leica.ch](http://www.pk-leica.ch). The complete annual financial statement can be viewed on request by appointment at the pension fund office.

There are no requirements on the part of the supervisory authorities.

### **Status at the end of May 2022**

The performance of the investments from 01.01.2022 to 31.05.2022 was -4.3%. The approximate coverage ratio thus decreased from 125.6% to 119.2% at the end of May. The weak state of the financial markets has continued in the month of June so far.

By the end of May, equity investments had suffered setbacks of around -13%. Parallel to this, bond investments also lost considerable value (CHF bonds -8.0%, bonds in foreign currencies -6.5%). This development was caused by the strong rise in inflation, the expectation of higher interest rates as well as the generally gloomy economic outlook (mainly due to the war in Ukraine and renewed problems in the supply chains).

At the end of February, due to the escalation in Ukraine, the Investment Commission decided to return the performance-related overweight in equity investments to the neutral positioning according to the investment strategy. The success of the asset investments is also stabilised by the moderately positive performance of the investments in real estate, infrastructure and insurance-linked securities. Investments in commodities developed very positively. However, the effect for the Leica Pension Fund is very small, as only about 1.5% of the assets are held in commodities due to their highly speculative nature.

As of the end of May, the Foundation still had an estimated coverage ratio of 119.2% and thus the full necessary fluctuation reserves, despite the difficult development of the assets. It is thus well equipped to cope with the highly volatile events on the financial markets that are still foreseeable.

Yours sincerely

Leica Pensionskasse



Fritz Nufer  
Managing Director