



# CIEPP CIRCULAR

February 2022

## 2021, an exceptional anniversary year!

### 3.25% interest paid out for 2021

At the end of the CIEPP's 60th anniversary year, the interest rate paid on the entire retirement savings capital (accumulated up to the end of 2021) of the active insured as of 1 January 2022 was **3.25%**. This rate was 2.25% higher than the LPP minimum interest rate set by the Federal Council. Furthermore, the Board of Trustees also decided to grant a 13th month pension to all pensioners benefiting from a retirement pension as at 31 December 2021 (a specific communication will be sent to these beneficiaries).

The CIEPP's assets increased by over 10% in 2021 to reach CHF 8.998 billion thanks to a return on its investments of some 8.6%, generating a record capital gain of more than CHF 700 million. This result was built up during the first part of the year through stimulus packages, liquidity injections and access to vaccination. These measures led to a strong economic recovery, enabling companies to return to profitability levels achieved before the health crisis.

Fears about inflation and signs of economic weakness in emerging markets - especially in China, where housing construction companies are overindebted - contributed to increasing market volatility in the second half of the year. The US central bank, the Fed, changed tack by announcing an accelerated reduction in the injection of liquidities through its asset purchasing programme, leaving the door open for interest rate hikes from 2022. These elements did not, however, dent the appetite of investors.

The main stock markets continued their upward trend, following US stocks which achieved their best performance since 1999, appreciating by 30% over the year.

The CIEPP rigorously applied its investment process by rebalancing its portfolio on its strategic allocation, enabling it to invest on average in over 40% in shares throughout the year.

The strong financial performance of 2021 will thus make it possible to increase the accounts of the active insured by 3.25%, to pay a thirteenth month pension to retired pensioners, and to achieve a **coverage rate<sup>1</sup> expected to be around 126%**. The latter will be audited and communicated definitively in the annual report for 2021, next June.

### The CIEPP is strong and continued to grow in 2021

The CIEPP, the largest private law foundation in French-speaking Switzerland, closed the year 2021 with a total balance sheet exceeding 8.99 billion Swiss francs. At the end of 2021, it managed the occupational pension insurance of 10 345 companies and independents (+2.49%), namely a total of 47 609 insured persons (+4.47%). The number of pensioners was 6928 beneficiaries (+4.53%). In 2021, contributions invoiced amounted to more than 412 million francs (+3.57%).

### Legal and regulatory modifications from 2022

As at 1 January 2022, the CIEPP's pension regulations were adapted to comply with a change in legislation with respect to the revision of the law on disability insurance (AI) entitled 'Continuous AI Development'. In particular, these regulatory modifications bring about a new pension system. Articles 41 and 116 of the pension regulations were amended. Only those beneficiaries whose entitlement to pension arises as of 1 January 2022 are concerned by the new legal and regulatory provisions. The applicable transitional provisions remain reserved.

## The CIEPP's ESG (Environmental, Social and Governmental) policy

In 2021, the CIEPP continued its efforts to integrate sustainability into its investments.

The Achillea investment fund launched at the beginning of 2021 with the aim of exercising voting rights on North American companies was expanded with the launch planned in January 2022 of a second compartment covering all Japanese equities. The Achillea fund will thus make it possible to achieve voting coverage of over 70% of the CIEPP's equity allocation. Our Foundation is strengthening its dialogue with companies and further encouraging change.

An analysis of the sustainability of the Foundation's equity portfolio is carried out every year in order to guide the engagement activity. In 2021, the CIEPP participated in 33 international shareholders' initiatives. A majority of these (17) focused on preservation of the environment. Social activism was also intense through 13 initiatives, including the fight against forced labour in the Uighur region and in the supply chains of the technology industry.

As a sustainable and responsible investor, the CIEPP continued to examine the ESG field, notably with respect to bond and real estate investments.

## Pension certificate and interest rate for 2022

The certificate issued and available on our online services for persons insured with the CIEPP (a paper version can be supplied on request) shows the status of the retirement account as at 31 December 2021 after payment of interest at 3.25%, as well as the expected benefits calculated on the basis of an interest rate of 1%.

For the year 2022, the CIEPP's Board of Trustees has set the interest rate at 1% (the same as the minimum LPP rate). The rate effectively granted on the retirement accounts of active persons insured with the Fund at 1 January 2023 will be definitively fixed in January 2023, on the basis of the results recorded by the CIEPP for 2022.

## Web portal for the insured

Since its launch in March 2021, the online services for the insured have met with great success, as demonstrated by thousands of registrations on the platform and a new mode of communication with our insured persons. The list of documents issued and accessible via this portal has expanded constantly and will continue to do so in 2022. Today for example, you can consult the pension certificate, the vested benefits contribution, or confirmation of buy-in used. We would also like to remind you that this secure space also enables you to run different simulations and to communicate with our teams.

## Contact

For any information and updating of your data, the administration department of our head office or our agencies is at your disposal.

### Glossary

<sup>1</sup>Coverage rate: this makes it possible to calculate the degree of financing for all the Fund's commitments at a given time.

### Agencies

Bulle	Rue Condémine 56	1630 Bulle	T 026 919 87 40
Fribourg	Rue de l'Hôpital 15	1701 Fribourg	T 026 350 33 79
Neuchâtel	Av. du 1 <sup>er</sup> -Mars 18	2001 Neuchâtel	T 032 727 37 00
Porrentruy	Ch. de la Perche 2	2900 Porrentruy	T 032 465 15 80

### Headquarters

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CIEPP

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de Prévoyance Professionnelle

ZKBV - Zwischenbetriebliche Kasse für Berufliche Vorsorge  
CIPP - Cassa Interaziendale di Previdenza Professionale