

Annual report 2023

Vita Collective Foundation

Vita Collective Foundation

Key figures for 2022 **2023**

Pensioners¹⁾

6,676
7,508

Active members

148,657
149,738

Net returns on asset investments

-9.8%
5.7%

Affiliated employers

24,916
27,133

Assets in CHF million

17,947
19,237

Maximum interest earned
on savings capital

2.90% **1.20%**

1) Pensioners on own balance sheet

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Dr. Marcel Oertig



Dr. Florian Herzog



Dr. Werner Wüthrich

“Fair and sustainable occupational retirement provision”

We celebrated the 20th anniversary of Vita Collective Foundation in 2023. The Foundation has long been one of the most important providers of occupational benefits insurance in Switzerland. We now manage some 19.2 billion Swiss francs on behalf of our 149,738 active insured and 7,508 pensioners, while 27,133 companies have entrusted us with their occupational retirement provision. Thanks to the encouraging development of the investment portfolio, the Foundation ended the financial year with a net performance of 5.7 percent. The coverage ratio also developed positively and amounted to 104.5 percent as at December 31, which improves the Foundation's stability.

Owing to the ongoing reduction of the conversion rate, we have been able to substantially reduce the unwanted redistribution from the active insured to the pensioners in the second pillar in the past few years. According to the concept of

the Occupational Pension Supervisory Committee (OAK), only around 0.42 percent of the pension capital was used to cushion pension losses in 2023.

The sustainable investment of pension assets is an integral part of a fair and secure occupational pension system for all generations. In spring 2023, we therefore sharpened our focus on sustainability aspects in the exercise of our shareholder voting rights. As a member of the Net Zero Asset Owner Alliance, we also reported on our targets and the progress made in this regard for the first time. Our report meets the requirements of the Alliance and was rated “green light”.

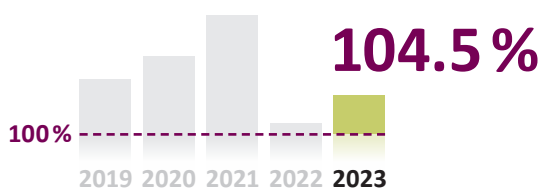
Our aim is to ensure that our insured can look forward to a carefree future. We therefore focus our efforts on making sure that future generations can also rely on the second pillar.

Dr. Marcel Oertig
President of the
Foundation Board

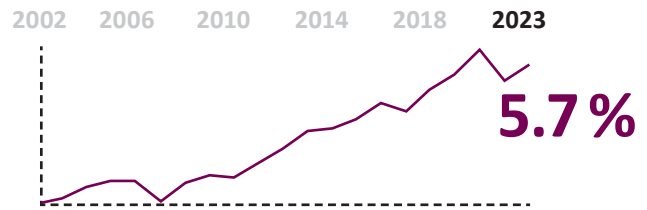
Dr. Florian Herzog
President of the Investment
Commission

Dr. Werner Wüthrich
Managing Director

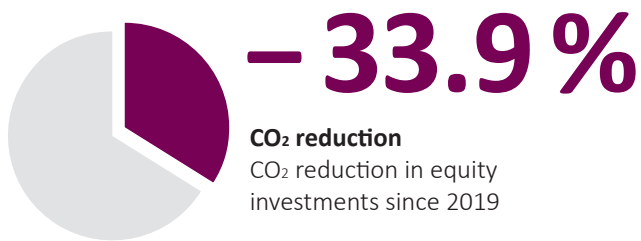
Vita Collective Foundation 2023



Coverage ratio
Development of coverage ratio over the last five years



Performance
Cumulative net performance over the last 20 years



CO₂ reduction
CO₂ reduction in equity investments since 2019

Who are our customers?

Distribution by sector (top three, rounded)

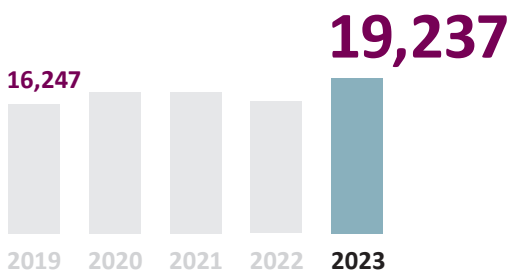
1,740
Business consulting



880
Audit and tax consulting



690
Programming activities



Total assets
Development of total assets in CHF million over the last five years

from January 1, 2023 **5.7%** from January 1, 2024 **5.6%**

Reduction of redistribution
Reduction of all-inclusive conversion rate

Highlights of the year

Ensuring fair and secure occupational retirement provision for all generations: In 2023, Vita Collective Foundation strengthened its corporate governance, intensified its focus on sustainability, and substantially reduced the redistribution from the active insured to the pensioners.

Foundation Board and committees

February

Stefan Wyss has been representing the interests of the employers on the Foundation Board of Vita Collective Foundation since February 2023. Since the end of October, he has also served as President of the Business Development Committee. Sandro Doudin has been the new President of the Investment Commission since the end of October.



Sustainability

March

Since 2023, Vita Collective Foundation has been putting greater emphasis on sustainability aspects in the exercise of its shareholder voting rights. It demands transparency in social, environmental and labor law topics as well as in reporting on sustainable business practices.

Please see the sustainability report for more information.

Senior housing

October

Vita Collective Foundation invests strategically in forward-looking housing and living space that ensures a carefree life for the elderly. In 2023, it developed a concept for measuring the social sustainability of its residential complexes.

vita.ch/seniorhousing



Reduction of redistribution

December

Owing to the ongoing reduction in the conversion rate, Vita Collective Foundation has been able to substantially reduce the redistribution since 2019. According to the concept of the Occupational Pension Supervisory Committee (OAK-BV), only around 0.42 percent of the pension capital was used to cushion pension losses in 2023.

Governance

December

The management of Vita Collective Foundation was delegated to SST Vita Dienstleistungs AG, whose internal control system (ICS) has been certified since 2021. The adequacy of the ICS in accordance with ISAE 3402 Type 2 was confirmed in 2023.

Please see the governance report for more information.



Investment performance

December

The 2023 investment year was dominated by inflation and decisions on monetary policy by the central banks. A year-end rally on the capital markets ensured the encouraging development of the investment portfolio. Vita Collective Foundation ended the financial year with a net return of 5.7 percent.

Balance sheet and operating statement

Balance sheet

Assets

in CHF	Notes	12 / 31 / 2023	12 / 31 / 2022
Investments		19,229,680,170	17,939,536,907
Cash and cash equivalents and money market investments	6.4	357,889,924	583,733,999
Investments with the employer	6.10	187,900,224	174,831,822
Other receivables	7.1	153,921,982	164,064,150
Bonds	6.4	5,441,250,969	5,203,898,019
Equities	6.4	6,037,098,304	5,252,731,261
Real estate	6.4	3,287,588,832	3,037,280,999
Alternative investments	6.4	1,877,196,843	1,889,835,680
Infrastructure	6.4	551,733,934	463,772,037
Mortgages	6.4	1,336,413,599	1,239,015,872
Investments in affiliates	6.4	100,000	100,000
Foreign currency hedging	6.6.2	177,571,646	55,220,645
Hedging from derivatives transactions	6.4	-178,986,087	-124,947,576
Accrued income and deferred expenses	7.2	8,009,885	7,109,810
Total assets		19,237,690,054	17,946,646,717

Liabilities

in CHF	Notes	12 / 31 / 2023	12 / 31 / 2022
Liabilities		553,481,812	514,413,880
Vested benefits and pensions	7.3	268,524,345	222,683,205
Other liabilities	7.3	284,957,467	291,730,674
Accrued expenses and deferred income	7.4	1,895,038	2,243,864
Employers' contribution reserves	6.10	157,281,001	172,545,659
Pension capital and technical provisions		17,670,466,214	17,093,228,786
Pension capital of active insured	5.3.2	13,974,763,251	13,650,741,490
Pension capital of pensioners	5.4	2,949,462,313	2,682,283,139
Technical provisions	5.6	746,240,650	760,204,157
Value fluctuation reserve	6.3	799,818,696	93,399,490
Uncommitted funds of pension schemes	7.7	54,697,293	70,765,039
Uncommitted funds of Foundation / funding deficiency		0	0
At beginning of period		0	473,108,821
Expenditure surplus (-) / income surplus (+)		0	-473,108,821
Endowment capital		50,000	50,000
Total liabilities		19,237,690,054	17,946,646,717

Operating statement

in CHF	Notes	01/01–12/31/2023	01/01–12/31/2022
Regular and other contributions and purchases		1,434,228,703	1,357,758,803
Contributions by employees		576,427,995	550,133,255
Contributions by employers		710,193,025	674,702,118
Withdrawal from employers' contribution reserves to finance contributions	6.10	- 20,190,986	- 16,853,322
Withdrawal from uncommitted funds of pension schemes	7.7	- 15,666,899	- 10,238,766
Single contributions and purchase amounts	5.3.2	164,833,592	125,241,765
Capital contributions to employers' contribution reserves	6.10	18,631,977	34,773,754
Benefits brought into scheme		1,414,474,651	1,693,490,224
Vested benefits	5.3.2	1,375,288,879	1,633,158,953
Deposits upon takeover of portfolios of insured to			
Uncommitted funds of pension schemes	7.7	4,489,348	27,903,246
Actuarial reserves of pensioners	5.4	763,135	2,056,764
Incoming advance withdrawals for home ownership promotion / divorce	5.3.2	33,933,289	30,371,261
Incoming contributions and benefits brought into scheme		2,848,703,354	3,051,249,027
Regulatory benefits		- 715,951,249	- 671,784,488
Retirement pensions		- 245,126,751	- 232,114,809
Survivors' pensions		- 21,067,059	- 20,062,684
Disability pensions		- 47,309,014	- 46,773,034
Lump-sum payments on retirement	5.3.2	- 360,402,058	- 314,378,530
Lump-sum payments on death and disability		- 42,046,368	- 58,455,431
Departure payments		- 1,841,133,761	- 1,684,579,993
Vested benefits paid to departing insured	5.3.2	- 1,743,673,552	- 1,606,591,763
Transfer of additional funds upon collective withdrawal		- 18,626,593	- 7,994,635
Advance withdrawals for home ownership promotion / divorce	5.3.2	- 70,740,341	- 60,519,273
Actuarial reserves for pensions on contract termination		- 8,093,275	- 9,474,322
Outgoing benefits and advance withdrawals		- 2,557,085,010	- 2,356,364,481
Reversal (+)/ formation (-) of pension capital, technical provisions and contribution reserves		- 545,905,024	- 1,147,132,329
Reversal (+)/ formation (-) of pension capital of active insured	5.3.2	- 170,514,686	- 515,792,123
Reversal (+)/ formation (-) of pension capital of pensioners	5.4	- 267,179,174	- 284,562,896
Reversal (+)/ formation (-) of technical provisions	5.6	13,963,507	23,800,135
Reversal (+)/ formation (-) of uncommitted funds of pension schemes	7.7	16,067,746	- 13,476,982
Interest on savings capital	5.3.2	- 153,507,076	- 342,987,255
Reversal (+)/ formation (-) of contribution reserves	6.10	15,264,658	- 14,113,208
Brought forward		- 254,286,680	- 452,247,783

in CHF	Notes	01/01–12/31/2023	01/01–12/31/2022
Brought forward		- 254,286,680	- 452,247,783
Income from insurance benefits		247,923,225	269,942,905
Insurance benefits		239,157,902	258,689,709
Profit shares from insurance policies		8,765,324	11,253,196
Insurance costs		- 257,527,160	- 257,047,533
Insurance premiums			
Risk premiums		- 156,685,339	- 148,682,918
Cost premiums		- 69,806,470	- 68,934,367
Security Fund contributions		- 6,890,441	- 7,063,841
Single contributions to insurance companies	5.3.2	- 24,144,910	- 32,366,407
Net result from insurance activities		- 263,890,615	- 439,352,411
Net result from investments		976,013,682	- 1,849,800,201
Income from cash and cash equivalents and money market investments	6.8	1,014,027	1,760,636
Income from investments with the employer	6.8	2,202,902	1,974,401
Interest on vested benefits	6.8	- 5,011,971	- 4,524,419
Income from bonds	6.8	259,472,853	- 781,379,166
Income from equities	6.8	616,729,908	- 1,103,197,273
Income from real estate	6.8	- 69,408,534	- 7,052,567
Income from alternative investments	6.8	- 33,712,080	73,046,056
Income from infrastructure	6.8	- 22,180,498	43,586,593
Income from mortgages	6.8	19,144,064	5,416,988
Income from investments in affiliates	6.8	275,000	250,000
Income from currency hedging	6.8	303,479,194	18,544,653
Asset management costs	6.8	- 95,991,184	- 98,226,103
Other income		1,255,917	1,258,763
Income from services rendered	7.5	1,255,917	1,258,763
Other expenses	7.6	- 1,654,431	- 1,464,863
Administrative costs	5.1	- 5,305,347	- 7,193,017
General administration		- 4,696,931	- 6,306,723
Marketing and advertising		- 369,276	- 618,993
Auditors and pension actuary		- 102,593	- 127,486
Supervisory authorities		- 136,547	- 139,815
Income / expenditure surplus before formation / reversal of value fluctuation reserve		706,419,206	- 2,296,551,729
Reversal (+) / formation (-) of value fluctuation reserve	6.3	- 706,419,206	1,823,442,908
Income / expenditure surplus		0	- 473,108,821

Notes

1 Principles and organization

First entry in Commercial Register / no. CH-020.7.001.096-8	September 17, 2003
Funding method	Defined contribution plan

1.1 Legal form and purpose

Vita Collective Foundation is a foundation pursuant to Art. 80 et seq. of the Swiss Civil Code.

The purpose of the Foundation is to provide mandatory occupational pension plans for employees and employers as well as their surviving dependents against the consequences of old age, disability and death. Occupational pension plans are provided in accordance with the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) of June 25, 1982, and its implementing ordinances. The Foundation can also provide occupational benefits coverage that exceeds the statutory minimum benefits, including assistance to alleviate the hardship caused by illness, accident, disability or unemployment.

1.2 BVG registration and Security Fund

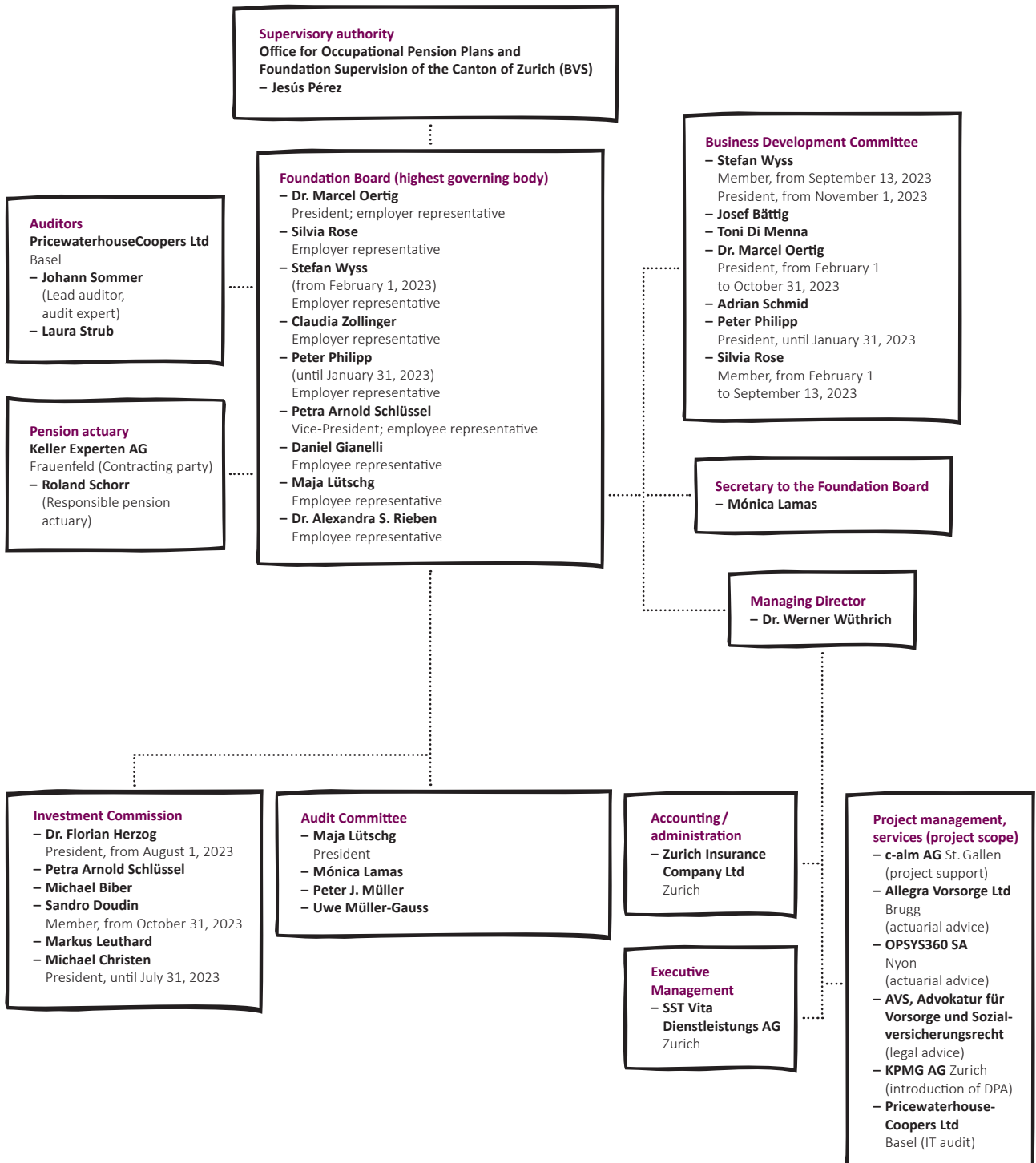
Vita Collective Foundation is registered (registration number ZH 1446) in accordance with the provisions of the BVG and affiliated with the Security Fund.

1.3 Deeds and regulations

Vita Collective Foundation has the legal form of a foundation and was established by public deed of June 13, 2003. The current deed, dated March 9, 2021, has been in force since August 27, 2021 (approval by supervisory authority).

Valid regulations as at 12/31/2023	Date of resolution	Entry into force	Version
Rules of organization of Foundation Board	November 16, 2021	November 1, 2021	2/2021
Regulations on Foundation Board elections	June 8, 2021	July 1, 2021	2/2021
Pension regulations	November 16, 2022	January 1, 2023	1/2023
Investment regulations	November 16, 2021	January 1, 2022	1/2022
Regulations on the formation of provisions	March 9, 2021	December 31, 2020	1/2020/2021
Regulations on partial liquidation	November 17, 2020	January 1, 2020	1/2020
Governance regulations	November 15, 2017	January 1, 2018	1/2018

1.4 Highest governing and executive bodies, management and signatory powers



Foundation Board Committees

Vita Collective Foundation has three standing committees:

- a) Audit Committee (AC)
- b) Business Development Committee (BDC)
- c) Investment Commission (IC)

Signatory powers

The Foundation Board appoints the persons who are authorized to sign on behalf of the Foundation. The members of the Foundation Board and the other authorized signatories are authorized to sign jointly with a minimum of two signatures.

1.5 Governance

1.5.1 Risk management, loyalty, transparency and control system

Governance of a collective foundation serves as a statutory and de facto regulatory framework. It has to ensure that the foundation is correctly managed and controlled by clearly allocating tasks, powers, responsibility and control to the legal and governing bodies. The aim is to meet the needs of the diverse stakeholder groups within the multi-level structures of a collective foundation.

Governance, risk management and compliance should contribute equally to securing the consistent management and security of the collective foundation.

1.5.2 Risk management

Just like a company, a collective foundation is exposed to a diversity of risks. Vita Collective Foundation therefore introduced a holistic risk management system in 2017. The relevant risks are identified, analyzed and assessed. Causes are investigated and measures and controls are identified. A multi-level annual process is applied to monitor the risks. The risk management system is constantly adjusted to change.

1.5.3 Internal control system (ICS)

The ICS is concerned with operational risks and forms part of the risk management system of Vita Collective Foundation. Operating performance can jeopardize the achievement of defined business and process objectives. The material processes are recorded systematically and in detail so that they can be monitored logically with suitable controls.

1.6 Affiliated employers

	2023	2022
As at 01/01	24,916	23,682
Additions	4,049	3,186
Departures	-1,832	-1,952
As at 12/31	27,133	24,916

+2'217  IN 2023

2 Active insured and pensioners

2.1 As at 12/31

	12 / 31 / 2023		12 / 31 / 2022	
Total number of active members	149,738		148,657	
Active insured	143,861		143,102	
Occupationally disabled insured	5,877		5,555	
Total number of pensioners	17,828	7,508¹⁾	17,545	6,676¹⁾
Retirement pensions	12,729	7,124	12,065	6,314
Retired persons' children's pensions	252	226	252	225
Partners' pensions	1,477	155	1,508	133
Orphans' pensions	327	3	350	4
Disability pensions	2,560	0	2,653	0
Disabled persons' children's pensions	483	0	717	0

1) of which pensioners included in the Foundation's balance sheet (from January 1, 2016)

2.2 Portfolio development

Active insured	2023	2022
As at 01 / 01	143,102	137,170
Entries	33,834	38,507
Retirements	-1,817	-1,767
Deaths	-168	-196
Departures/exits	-31,090	-30,612
As at 12 / 31	143,861	143,102

	Retirement pensions	Retired persons' children's pensions	Partners' pensions	Orphans' pensions	Disability pensions	Disabled persons' children's pensions
As at 01 / 01 / 2022	11,388	225	1,457	351	2,622	679
New pensions from own portfolio	846	78	40	47	324	92
Pensions from takeovers	34	0	71	4	24	1
Deaths	-191	0	-60	-6	-72	-19
Departures/exits	-12	-51	0	-46	-245	-36
As at 12 / 31 / 2022	12,065	252	1,508	350	2,653	717
As at 01 / 01 / 2023	12,065	252	1,508	350	2,653	717
New pensions from own portfolio	958	60	87	22	244	73
Pensions from takeovers	0	0	1	0	12	1
Deaths	-192	0	-93	-1	-50	-15
Departures/exits	-102	-60	-26	-44	-299	-293
As at 12 / 31 / 2023	12,729	252	1,477	327	2,560	483

3 Achievement of purpose

3.1 Description of pension plans

The purpose of the Foundation is fulfilled in that employers willing to affiliate with the Foundation join the Foundation under affiliation contracts. With the affiliation contract, a pension fund is established.

The administration committee approves the pension regulations enacted by the Foundation Board. The administration committee also adopts a pension plan that sets out the type and scope

of the occupational benefits, the contributions of the insured and the employer, and the provisions specific to the pension fund. The administration committee enacts the pension regulations and pension plan.

3.2 Financing

Contributions are financed by the employers and the employees. The employers' contribution amounts to at least 50%.

4 Valuation and accounting principles, consistency

4.1 Confirmation of conformity of the accounts with Swiss GAAP FER 26

Accounting, reporting and valuation practices comply with the provisions of the Swiss Code of Obligations (OR) and the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). The annual financial statements comprising the balance sheet, operating statement and notes portray the actual financial position of the Foundation as defined in the occupational benefits legislation and comply with the provisions of Swiss GAAP FER 26.

4.2 Accounting and valuation principles

The accounting and valuation principles follow the provisions of Art. 47, 48 and 48a of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV 2). The standards of Swiss GAAP FER 26 (true and fair view) apply in all other respects. The following valuation principles are applied:

Securities and derivative financial instruments

Securities (money market, bonds, equities, infrastructure, real estate, collective mortgages and alternative investments) and derivative financial instruments are measured at market value.

Foreign currency translation

Assets and liabilities in foreign currency are measured at year-end rates. Any translation differences are recognized in the income statement.

Mortgages and investments in affiliates

Mortgages (direct investments – mortgages) and investments in affiliates are recognized at nominal value, less any impairment.

Pension capital and technical provisions

Pension capital and technical provisions are calculated by the pension actuary every year in accordance with accepted principles.

Other assets and liabilities

Other assets and liabilities are recognized in the balance sheet at nominal value.

All amounts in Swiss francs are rounded to the nearest franc in the annual financial statements and the notes. This may lead to small rounding differences.

4.3 Changes to valuation, bookkeeping and accounting principles

The valuation, bookkeeping and accounting principles did not change in any way.

5 Actuarial risks / risk coverage / coverage ratio

5.1 Type of risk coverage / reinsurance

The Foundation took out a group life insurance agreement with Zurich Life Insurance Company Ltd (Zurich) to cover the actuarial risks of death and disability. The Foundation is the policyholder and beneficiary. The Foundation bears the investment risk, and since January 1, 2016, it has also borne the risk of longevity.

The administrative costs incurred directly by the Foundation are included in the "Administrative costs" line item in the operating statement.

All other costs incurred by the Foundation are borne by Zurich and are covered by the cost premium. To fund this premium, the Foundation levies a cost contribution on all affiliated pension schemes.

The following table prepared by Zurich provides a breakdown of the cost premium:

in CHF 1,000	2023	2022
Breakdown of cost premium	69,806	68,935
General administration	46,305	40,123
Marketing and advertising	1,180	1,382
Brokers and agents	22,321	27,430

The costs for brokers and agents also include commission paid to Zurich's own sales force.

Together with the costs incurred directly by the Foundation (see operating statement), the total administrative costs are as follows (rounded):

in CHF 1,000	2023	2022
Breakdown of administrative costs	75,111	76,128
General administration	51,002	46,430
Marketing and advertising	1,549	2,001
Brokers and agents	22,321	27,430
Auditors and pension actuary	103	127
Supervisory authorities	137	140

The asset management costs are reported in the operating statement and in note 6.9.

Surplus participation

According to Art. 68a section 2 para. 1 (a) BVG, profit shares from insurance contracts have to be credited to the savings assets of the insured. Deviation from this principle is only possible if the pension commission of the affiliated pension fund passes a corresponding resolution.

A partially autonomous collective foundation can only generate profit shares if the risk experience is positive. Art. 1.3 of the pension regulations of Vita Collective Foundation states that profit shares generated under the group life insurance agreement must be used in accordance with the decision of the Foundation Board.

The Foundation Board has decided: As there is no separate account for every individual pension fund, the profit shares are not allocated in accordance with a specific allocation key, but are credited as income to the operating account.

5.2 Assets and liabilities under insurance agreements

The Foundation's pension obligations can be divided into two categories:

- Liabilities for retirement, partners', orphans' and retired persons' children's pensions that are recognized in the Foundation's balance sheet from January 1, 2016 (see 5.4.)
- Pensioner obligations, reinsured by Zurich Life Insurance Company Ltd; the relevant actuarial reserves are not shown in the Foundation's balance sheet

The actuarial reserves for the pension obligations under the group life insurance agreement with Zurich Life Insurance Company Ltd amount to:

in CHF	12/31/2023	12/31/2022
Actuarial reserve for pensioners	2,113,698,041	2,088,894,576
Retirement pensions	1,178,190,641	1,235,315,891
Retired persons' children's pensions	365,911	452,782
Partners' pensions	276,473,771	274,572,535
Orphans' pensions	10,451,186	10,266,408
Disability pensions	293,321,766	296,379,040
Disabled persons' children's pensions	10,321,957	10,554,094
Premium waivers	344,572,809	261,353,826

5.3 Trend and interest on savings capital in the defined contribution scheme

5.3.1 Vita Classic pension model

Interest principles

Interest is paid on the retirement assets on the basis of the [Vita Classic pension model](#), which was introduced on January 1, 2021, with effect from 2022.

When it comes to interest payments, a distinction is made between the mandatory BVG benefits and the super-mandatory retirement benefits on the one hand, and between the basic interest and additional interest rates on the other. These rates apply for a full calendar year and are communicated [in advance](#). The additional interest is credited to the super-mandatory retirement assets.

How the model works

The **basic interest rate** equals the statutory minimum BVG interest rate.

The **additional interest rate** is calculated in three steps:

1. Calculation of maximum additional interest:

The maximum additional interest based on the coverage ratio was taken from the interest table at the end of November 2022.

2. Calculation of the individual share (of the additional interest): The individual share of the additional interest depends on the year of affiliation with Vita Collective Foundation and is stored in the value fluctuation memory. After five years of affiliation, the affiliation receives the maximum additional interest.

3. Calculation of the actual additional interest:

The actual additional interest is calculated by multiplying the maximum additional interest by the individual share of the formation of the value fluctuation reserve.

The interest table and detailed information on how the model works are provided at vita.ch/retirement-provision-model.

5.3.2 Trend and interest on savings capital

in CHF	2023	2022
Total interest on savings capital (depending on year of affiliation)	1.00%–1.20%	1.70%–2.90%
Interest on mandatory savings capital	1.00%	1.00%
Pension capital of active insured as at 01 / 01	13,650,741,490	12,791,962,112
Formation (+) / reversal (-) of pension capital of active insured	170,514,686	515,792,123
Savings contributions	1,060,821,824	1,007,829,476
IV savings contributions	30,892,485	29,361,240
Single contributions and purchase amounts	164,833,592	125,241,765
Vested benefits	1,131,796,823	1,190,213,530
Vested benefits (takeover of portfolios)	243,492,056	442,945,422
Vested benefits paid to departing insured	-1,743,673,552	-1,606,591,763
of which difference pursuant to FZG Art. 17 ¹⁾	-23,059	5,298
Advance withdrawals for home ownership promotion / divorce	-70,740,341	-60,519,273
Incoming advance withdrawals for home ownership promotion / divorce	33,933,289	30,371,261
Lump-sum payments on retirement	-360,402,058	-314,378,530
Single contributions to insurance companies	-24,144,910	-32,366,407
Transfer to pension capital of pensioners	-296,271,462	-296,319,897
Interest on savings capital	153,507,076	342,987,255
Pension capital of active insured as at 12 / 31	13,974,763,251	13,650,741,490
of which BVG retirement assets	7,352,112,013	7,179,936,247

1) Expenses and income charged to profit and loss that are not included in the operating statement in the item "Reversal (+) / formation (-) of pension capital for active insured."

5.4 Development of actuarial reserves for pensioners in the Foundation's balance sheet

in CHF	2023	2022
Actuarial reserves for pensioners as at 01 / 01 on own balance sheet	2,682,283,139	2,397,720,243
Formation (+) / reversal (-) of actuarial reserves for pensioners	267,179,174	284,562,896
Pension benefits	- 152,300,542	- 136,429,616
Lump-sum payments on death	- 3,117,557	- 1,144,908
Transfer from pension capital of active insured	296,271,462	296,319,897
Pension purchases	763,135	2,056,764
Adjustment to pension actuary's calculation	125,562,676	123,760,759
Actuarial reserves for pensioners as at 12 / 31 on own balance sheet	2,949,462,313	2,682,283,139

Until December 31, 2015, retirement pensions and the related survivors' pensions and retired persons' children's pensions were purchased from Zurich Life Insurance Company Ltd (actuarial reserves pursuant to note 5.2). The pension capital is calculated on the basis of the BVG 2020 Generation Tables and a technical interest rate of 1.50% (section 5.8).

5.5 Adjustment of pensions to inflation (Art. 36 BVG)

Pension funds adjust pensions for which the BVG does not prescribe regular adjustments to inflation as and when permitted by their financial situation. The pension fund's highest governing body decides on any pension adjustments once a year (Art. 36 para. 2 BVG).

The financial situation of Vita Collective Foundation and current developments on the financial markets do not leave any leeway for adjustments to the increase in the cost of living. The implicit interest rates priced into the conversion rates that apply to current retirement pensions are also still higher than the interest credited to the active insured (unfair distribution of Foundation's income). The Foundation Board therefore decided to refrain from any pension increases in the 2023 financial year.

5.6 Composition, changes to and notes on technical provisions

in CHF	2023	2022
Technical provisions as at 01 / 01	760,204,157	784,004,292
Formation (+) / reversal (-) of technical provisions	- 13,963,507	- 23,800,135
Contributions to provisions for retirement losses	- 13,963,507	15,160,301
Withdrawals from interest reserves	0	- 38,960,436
Technical provisions as at 12 / 31	746,240,650	760,204,157
of which provisions for retirement losses	746,240,650	760,204,157

The basis used for the calculation of the required technical provisions was audited by the pension actuary and documented in the regulations on the formation of provisions approved by the Foundation Board.

Provision for conversion rate adjustments (retirement losses)

As the regulatory conversion rates are higher than the conversion rates in the Foundation's actuarial tables, the Foundation suffers retirement losses. These losses are covered as follows by the provision for conversion rate adjustments:

- All active insured and all disabled insured from the age of 58 are taken into account.
- The amount of the provision equals the difference between the retirement assets extrapolated to the regular retirement age and the actuarial reserves needed to cover the regulatory retirement benefits, taking account of any lump-sum withdrawals of benefits. The resulting amount is discounted with the technical interest rate on the reference date for the calculation.
- To calculate the share of lump-sum withdrawals, the management's assumption based on statistics is applied that 40% of retirement benefits are drawn as lump-sum payments.
- The calculation takes account of a future reduction in the conversion rate.

5.7 Last actuarial report of May 16, 2024

In this report, the pension actuary determines that:

Confirmation by pension actuary

As pension actuary, we audited Vita Collective Foundation in accordance with Art. 52e BVG and can issue the following confirmations:

- **Actuarial tables:** The technical interest rate and demographic tables are appropriate.
- **Financial security:** Vita Collective Foundation can provide assurance as at 12/31/2023 that it can fulfill its benefit obligations.
- **Regulatory actuarial provisions:** The regulatory actuarial provisions on benefits and financing correspond to the statutory provisions.
- **Actuarial risks:** The measures implemented to cover the actuarial risks are sufficient.
- **Target value fluctuation reserve:** Based on the selected investment strategy, the target value fluctuation reserve is appropriate from an actuarial viewpoint.

5.8 Actuarial tables and other actuarial assumptions

Actuarial tables	BVG 2020 Generation Tables
Technical interest rate	1.5 %

The Foundation's regulations on the formation of provisions, valid from December 31, 2020, apply.

5.9 Coverage ratio pursuant to Art. 44 BVV 2

A funding deficiency refers to a situation in which a pension fund does not have sufficient pension assets on the reporting date to cover its future pension liabilities as calculated by the pension actuary.

in CHF	12 / 31 / 2023	12 / 31 / 2022
Accrued pension assets	18,470,334,910	17,186,678,275
Gross assets (total assets)	19,237,690,054	17,946,646,717
Liabilities	- 553,481,812	- 514,413,880
Accrued expenses and deferred income	- 1,895,038	- 2,243,864
Employers' contribution reserves	- 157,281,001	- 172,545,659
Uncommitted funds of pension schemes	- 54,697,293	- 70,765,039
Actuarial pension capital	17,670,466,214	17,093,228,786
Coverage ratio pursuant to Art. 44 BVV 2	104.5 %	100.5 %

6 Investments and net investment result

6.1 Organization of investment activities, investment advisors, asset managers and investment regulations

As the highest governing body, the Foundation Board is responsible for the investments. It defines the asset management organization and the powers of the units to whom asset management has been delegated in investment regulations.

The Foundation Board determines the investment strategy with the advisory support of the Investment Commission. The Foundation Board delegates the implementation of the investment strategy and the monitoring of the investments to the Managing Director and the Investment Commission.

Mandates, custodian banks

Collective investments	Zurich Investment Foundation Zurich Invest Ltd Capvis Equity Partners Ltd Credit Suisse Funds AG Rye Harbour CLO, Ltd Assetimmo Immobilien-Anlagestiftung
Asset management, derivatives and US Treasuries	Cardano Risk Management B.V., Rotterdam (NL) <i>The Dutch Authority for the Financial Markets (AFM)</i>
Mortgages	Zurich Invest AG, Zurich <i>Swiss Financial Market Supervisory Authority (FINMA)</i>
Real estate	Banque Cantonale Vaudoise, Lausanne <i>Swiss Financial Market Supervisory Authority (FINMA)</i>
Investment advisory service	Zurich Invest AG, Zurich SIGLO Capital Advisors AG, Zurich PPCmetrics AG, Zurich c-alm AG, St. Gallen
Investment controlling	Complementa AG, St. Gallen
Custodian banks / global custodian	UBS Switzerland AG, Zurich

Requirements to be met by managers and asset managers in the occupational pension business pursuant to Art. 48f BVV 2

Only natural persons or legal entities who are qualified for this task and who are organized in such a manner that they meet the requirements of Art. 51b para. 1 BVG and the rules of Art. 48g to 48l BVV 2 can be subject to Art. 6.1 of the investment regulations. The provisions of Art. 19 et seq. of the investment regulations must be observed. The relevant provisions of the rules of organization also apply.

Loyalty declaration

Vita Collective Foundation is subject to the ASIP charter. As a result, Vita Collective Foundation has adopted governance regulations designed to ensure compliance with the BVG provisions on loyalty and integrity. The members of the governing bodies, the employees of SST Vita Dienstleistungen AG and the external partners who are responsible for the investment, management and control of the pension assets have undertaken to comply with the statutory and regulatory provisions. They sign a declaration every year confirming their compliance with the obligations of integrity and loyalty (Art. 51 BVG and Art. 48f to 48l BVV 2) as well as the Foundation's regulations regarding pecuniary advantages, interest alliances and own-account transactions.

Exercise of voting rights

Vita Collective Foundation actively exercises its voting rights in larger Swiss and foreign companies to protect the interests of its insured, and publishes its voting record on its website at www.vita.ch.

Financial Market Infrastructure Act (FMIA)

The FMIA makes a distinction between small and large financial counterparties. The threshold for a small financial counterparty is CHF 8 billion.

As a pension institution, Vita Collective Foundation qualifies as a financial counterparty. It falls well below the above threshold and is thus classified as a small financial counterparty.

The focus of the FMIA falls on the following duties: the duty to mitigate risks, the duty to provide accounts, and the duty to trade on platforms. Since January 1, 2018, a reporting duty has also applied. Vita Collective Foundation has delegated these tasks to Cardano Risk Management B.V. The delegation and related tasks are set out in the asset management agreement between Vita Collective Foundation and Cardano Risk Management B.V.

6.2 Expanded investment options pursuant to Art. 50 para. 4 BVV 2

The expanded investment options were not exercised in 2023.

6.3 Target and calculation of value fluctuation reserve

Due to the adjustment of the participation model (Vita Classic pension model), the target value fluctuation reserve was set at 12% from January 1, 2021.

in CHF	12/31/2023	12/31/2022
Value fluctuation reserve – target	2,120,455,946	2,051,187,454
Target as % of pension obligations	12.0%	12.0%
Value fluctuation reserve – current	799,818,696	93,399,490
Value fluctuation reserve as at 01/01	93,399,490	1,916,842,398
Formation (+)/reversal (-) of value fluctuation reserve	706,419,206	-1,823,442,908

Calculation methods

The target for the value fluctuation reserve (in percent) is calculated in accordance with the value-at-risk concept, based on normal distribution which takes a holistic approach to the risks and makes provision for the portfolio's diversification effect. The target value fluctuation reserve is defined on the basis of the investment strategy adopted by the Foundation Board. The following parameters apply to the calculation:

- Time frame: 1 year
- Targeted level of security: 95%

6.4 Investments by asset class

	12 / 31 / 2023		Strategy	Band-width	12 / 31 / 2022		BVV 2 limit
	in CHF	in %			in CHF	in %	
Cash and cash equivalents and money market investments	357,889,924	1.89	1.0	0–5	583,733,999	3.32	
Current accounts with banks, post office	251,907,646	1.33			268,313,018	1.52	
Money market – collective investments	105,982,278	0.56			315,420,981	1.79	
Bonds – collective investments	5,441,250,969	28.81	32.0		5,203,898,019	29.57	
Swiss bonds	2,009,657,368	10.64	11.0	8–14	1,879,971,852	10.68	
Foreign bonds	3,431,593,602	18.17	21.0	15–27	3,323,926,166	18.89	
Equities – collective investments	6,037,098,304	31.96	33.0		5,252,731,261	29.84	50
Swiss equities	1,063,695,605	5.63	6.0	4–8	981,365,496	5.58	
Foreign equities	4,973,402,699	26.33	27.0	22–32	4,271,365,765	24.27	
Real estate – collective investments	3,287,588,832	17.41	15.0		3,037,280,999	17.26	30
Swiss real estate	2,503,243,310	13.25	10.0	5–17	2,155,600,824	12.25	
Foreign real estate	784,345,522	4.15	5.0	2–8	881,680,175	5.01	
Alternative investments – collective investments	1,877,196,843	9.94	9.0		1,889,835,680	10.74	15
Hedge funds	0	0.00			10,359,488	0.06	
Private equity	722,220,541	3.82	3.0	0–5	694,879,879	3.95	
Options	21,510,390	0.11			79,666,063	0.45	
Direct lending	1,133,465,912	6.00	6.0	2–10	1,104,930,250	6.28	
Infrastructure	551,733,934	2.92	3.0		463,772,037	2.63	10
Infrastructure	551,733,934	2.92	3.0	0–8	463,772,037	2.63	
Mortgages	1,336,413,599	7.08	7.0	3–11	1,239,015,872	7.04	50
Mortgages – collective investments	115,950,216	0.61			153,253,865	0.87	
Mortgages – direct investments	1,220,463,384	6.46			1,085,762,007	6.17	
Investments in affiliates	100,000	0.00			100,000	0.00	
Foreign currency hedging	177,571,646	0.94			55,220,645	0.31	
Hedging from derivatives transactions	–178,986,087	–0.95			–124,947,576	–0.71	
Total investments	18,887,857,964	100.00	100.00		17,600,640,935	100.00	
Other assets	349,832,090				346,005,782		
Investments with the employer	187,900,224				174,831,822		
Other receivables	153,921,982				164,064,150		
Accrued income and deferred expenses	8,009,885				7,109,810		
Total assets	19,237,690,054				17,946,646,717		
Unhedged foreign currency	2,372,314,960	12.56			2,120,877,233	12.05	30

Limits pursuant to BVV 2

The limits prescribed for investments by Art. 54, 54a, 54b and 55a, 55b, 55c and 55e BVV 2 were observed on 12/31/2023.

Investments in affiliates

In order to provide services in the occupational pension business, Vita Collective Foundation owns 100% of SST Vita Dienstleistungs AG (share capital of CHF 100,000). The capital is included in the investments.

Real estate investments

Investments in real estate are made through the following vehicles:

Real Estate Switzerland Residential	Zurich Investment Foundation	CH0018192903
Real Estate Switzerland Residential Retirement	Zurich Investment Foundation	CH0291438379
Zurich Invest Fund Real Estate Direct Switzerland	Zurich Invest Ltd	CH0433089270
CSA Real Estate Switzerland	CS Investment Foundation	CH0013123002
Real Estate Switzerland Commercial	Zurich Investment Foundation	CH0032598069
Real Estate Indirect Global Passive	Zurich Investment Foundation	CH0029744171
Real Estate Europe Direct	Zurich Investment Foundation	CH0183503272
Real Estate USA	Zurich Investment Foundation	CH0448058799
Real Estate Investment Group W	Assetimmo Anlagestiftung	CH0010493457
Akara Swiss Diversity Property Fund PK	Banque Cantonale Vaudoise	CH0333490321
IST Real Estate Switzerland Residential	Banque Cantonale Vaudoise	CH0245229122
J. Safra Sarasin AST Sustainable Real Estate Switzerland	Banque Cantonale Vaudoise	CH0049550269
Realstone Real Estate Switzerland Residential	Banque Cantonale Vaudoise	CH0457495783
Swiss Life Real Estate Switzerland ESG	Banque Cantonale Vaudoise	CH0106150136

6.5 Current (pending) capital commitments

On the reporting date, capital commitments were pending for the following investments:

in CHF	2023	2022
CapVis III (Private Equity)	0.5 million	0.6 million
CapVis IV (Private Equity)	0 million	0 million
CapVis V (Private Equity)	1.9 million	4.9 million
Private Equity I (Zurich Investment Foundation)	57.4 million	64.1 million
Private Equity II (Zurich Investment Foundation)	25.3 million	28.6 million
Private Equity III (Zurich Investment Foundation)	58.7 million	73.2 million
Private Equity IV (Zurich Investment Foundation)	68.4 million	108.8 million
Infrastructure I (Zurich Investment Foundation)	0.6 million	0.7 million
Infrastructure II (Zurich Investment Foundation)	1.9 million	2.1 million
Infrastructure III (Zurich Investment Foundation)	52.2 million	97.3 million
Infrastructure IV (Zurich Investment Foundation)	68.1 million	116 million
Infrastructure V (Zurich Investment Foundation)	139.5 million	161.8 million
Infrastructure VI (Zurich Investment Foundation)	210.5 million	–
Infrastructure Evergreen (Zurich Investment Foundation)	82.6 million	–
Real Estate USA (Zurich Investment Foundation)	8.8 million	9.7 million
Zurich Invest Middle Market Lending Europe I (Zurich Investment Foundation)	52.5 million	74.8 million
Zurich Invest Middle Market Lending Europe II (Zurich Investment Foundation)	237.9 million	332.3 million
Private Equity Co-Investments I (Zurich Investment Foundation)	55.4 million	128.3 million

6.6 Open derivative contracts

Derivative contracts were in use on the reporting date in accordance with the provisions of Art. 56a BVV 2.

6.6.1 Collateral received / provided

A collateral management process has been introduced owing to new regulatory requirements (EMIR and FMIA). According to this process, the

counterparty risk arising from unrealized gains and losses on over-the-counter (OTC) derivative transactions between market players is settled in cash (collateral) every day.

6.6.2 Currency hedging

With reference to the Foundation Board's rules on foreign currency hedging, the following currency hedges were outstanding on December 31, 2023:

	12 / 31 / 2023	12 / 31 / 2022
Total foreign currency		
Equivalent in CHF	6,137,345,797	6,433,973,966
Market value in CHF	5,959,774,151	6,378,753,321
Unrealized gains in CHF	177,571,646	55,220,645
of which:		
Equivalent in CHF	1,642,235,833	1,569,172,367
Amount in EUR	1,735,900,000	1,616,298,000
Exchange rate on 12 / 31	0.926059	0.984584
Market value in CHF	1,607,545,221	1,591,380,538
Unrealized gains in CHF	34,690,612	- 22,208,171
Equivalent in CHF	3,445,151,845	3,845,128,664
Amount in USD	3,957,840,000	4,078,700,000
Exchange rate on 12 / 31	0.838115	0.919966
Market value in CHF	3,317,123,408	3,752,264,066
Unrealized gains in CHF	128,028,437	92,864,598
Equivalent in CHF	424,770,003	383,906,249
Amount in GBP	389,300,000	347,000,000
Exchange rate on 12 / 31	1.068117	1.109128
Market value in CHF	415,817,797	384,867,286
Unrealized gains in CHF	8,952,206	- 961,037
Equivalent in CHF	365,345,302	411,725,984
Amount in YEN	60,350,000,000	61,060,000,000
Exchange rate on 12 / 31	0.005971	0.007003
Market value in CHF	360,373,429	427,590,780
Unrealized gains in CHF	4,971,873	- 15,864,796
Equivalent in CHF	69,134,250	50,755,782
Amount in SEK	845,200,000	563,700,000
Exchange rate on 12 / 31	0.083395	0.088327
Market value in CHF	70,485,867	49,789,753
Unrealized gains in CHF	- 1,351,617	966,029
Equivalent in CHF	65,950,499	52,656,194
Amount in DKK	517,100,000	403,200,000
Exchange rate on 12 / 31	0.124288	0.132627
Market value in CHF	64,269,480	53,475,230
Unrealized gains in CHF	1,681,019	- 819,036
Equivalent in CHF	104,778,851	99,445,664
Amount in AUD	183,800,000	157,500,000
Exchange rate on 12 / 31	0.571817	0.626656
Market value in CHF	105,099,954	98,698,310
Unrealized gains in CHF	- 321,103	747,354
Equivalent in CHF	19,979,214	21,183,062
Amount in HKD	175,800,000	175,700,000
Exchange rate on 12 / 31	0.108413	0.117743
Market value in CHF	19,058,994	20,687,359
Unrealized gains in CHF	920,220	495,703

6.6.3 Open derivative contracts

Market value	2023	2022
Derivatives on Swiss equities	3,871,870	14,339,891
Derivatives on foreign equities	17,638,520	65,326,172
Total	21,510,390	79,666,063

Obligation to provide cover – commitment-reducing derivatives

Commitment-reducing derivatives are covered by their corresponding underlyings. Vita Collective Foundation used the following indices with the relevant weighting to cover the underlyings. This well-diversified allocation mostly maps the portfolio of Vita Collective Foundation. The underlyings are available.

Index Weighting	2023	2022
S & P 500	36%	36%
Euro Stoxx Index 50	10%	10%
FTSE 100	6%	6%
Topix	9%	9%
MSCI EM	21%	21%
Swiss Market Index	18%	18%

Counting of derivatives to check maximum limits

These put options are asymmetric derivatives that are not credited to the underlyings.

Counterparty risk of derivatives

All of the 11 open derivative contracts are OTC transactions with a total replacement value of CHF 21,510,390; transactions were executed with the following counterparties:

Counterparties	2023	2022
JP Morgan AG	6,656,458	9,580,281
Morgan Stanley Europe SE	4,799,444	0
UBS Inc.	4,078,594	18,410,787
Goldman Sachs Bank Europe	3,934,165	26,905,825
Bank of America SE	1,705,421	0
BNP Paribas S.A	336,308	17,755,523
Credit Suisse AG	0	7,013,647
Total	21,510,390	79,666,063

Use of derivatives during the financial year

Derivatives were used in the Swiss equities and foreign equities asset classes throughout the year. All derivatives were covered at all times and never led to a commitment that exceeded the maximum limit pursuant to Art. 54 BVV 2.

6.7 Market value and contracting parties for securities lending

The Foundation did not engage in any securities lending in the past financial year.

6.8 Net investment result

in CHF	01/01–12/31/2023	01/01–12/31/2022
Interest	-2,036,769	-2,942,966
Income from cash and cash equivalents	772,301	-392,948
Income from investments with the employer	2,202,902	1,974,401
Interest on vested benefits	-5,011,971	-4,524,419
Money market – collective investments	241,726	2,153,584
Bonds – collective investments	259,472,853	-781,379,166
Swiss bonds	135,935,267	-227,506,152
Foreign bonds	123,537,587	-553,873,014
Equities – collective investments	616,729,908	-1,103,197,273
Swiss equities	65,544,384	-189,868,282
Foreign equities	551,185,524	-913,328,991
Real estate – collective investments	-69,408,534	-7,052,567
Swiss real estate	23,047,653	61,250,812
Foreign real estate	-92,456,187	-68,303,379
Alternative investments – collective investments	-33,712,080	73,046,056
Hedge funds	364,908	25,824,699
Private equity	-6,956,579	62,066,373
Options	-100,307,207	-20,125,856
Direct lending	73,186,798	5,280,840
Infrastructure	-22,180,498	43,586,593
Infrastructure	-22,180,498	43,586,593
Mortgages	19,144,064	5,416,988
Mortgages – collective investments	5,085,765	-7,859,706
Mortgage interest	14,058,299	13,276,694
Investments in affiliates	275,000	250,000
Investments in affiliates	275,000	250,000
Income from currency hedging	303,479,194	18,544,653
Asset management costs	-95,991,184	-98,226,103
TER, expenses and other asset management costs	-93,368,945	-96,163,453
Management of mortgages	-2,622,239	-2,062,650
Net investment result	976,013,682	-1,849,800,201
Net performance ¹⁾	5.67 %	-9.80 %

1) TTWR = True Time-Weighted Rate of Return: calculation of portfolio performance that does not take account of the capital inflows and outflows during the reporting period (source: Zurich Invest Ltd).

6.9 Asset management costs pursuant to Art. 48a BVV 2

Investments	12 / 31 / 2023	12 / 31 / 2022
Total investments	19,229,680,170	17,939,536,907
of which: cost-transparent investments	19,206,951,052	17,939,536,907
Cost-transparent investments in relation to total investments – cost transparency ratio	99.88 %	100.00 %

Non-transparent collective investments	12 / 31 / 2023	12 / 31 / 2022
Infrastructure Evergreen – Zurich Investment Foundation – ISIN: CH1211994087		
Market value	22,729,118	0
Number of units	26,927	0

Asset management costs	2023	2022
Directly recognized asset management costs	9,164,843	8,554,827
Total for all cost indicators in CHF for collective investments	86,826,341	89,671,276
Asset management costs recognized in operating statement	95,991,184	98,226,103
End balance for invested capital	18,887,857,964	17,600,640,935
as % of cost-transparent investments	0.50 %	0.55 %

The directly recognized asset management costs include direct investment mandates, investment-relevant project costs incl. advisory fees, the fees for the members of the Investment Commission and personnel costs relating to the persons at Foundation level who are directly involved in the management of the assets.

In addition to the fixed and performance-related portfolio management fees charged at the level of the fund of funds and target funds, the total costs for collective investment schemes include additional costs and services.

Approx. 46.6% (previous year: 53.0%) of the reported “Total for all cost indicators for collective investments” refers to alternative investments, 30.6% (previous year: 27.1%) to bonds and equities, and 22.8% (previous year: 19.9%) to real estate investments.

6.10 Investments with employers and employers' contribution reserves

in CHF	12 / 31 / 2023	12 / 31 / 2022
Interest on arrears on employers' current accounts	2.50 %	2.50 %
Investments with the employer	187,900,224	174,831,822
Employers' current accounts	191,064,452	177,476,402
Allowance for bad debts	- 3,164,229	- 2,644,580

in CHF	2023	2022
Interest on employers' contribution reserves	0.00 %	0.00 %
Employers' contribution reserves – as at 01 / 01	172,545,659	158,432,451
Capital contributions to employers' contribution reserves		
from contracts taken over	715,890	1,198,843
by employers	17,916,087	33,574,911
Withdrawals from employers' contribution reserves		
from contract terminations	- 13,705,401	- 3,807,331
to finance contributions by the employer	- 20,190,986	- 16,853,322
Reconciliation	- 248	108
Employers' contribution reserves – as at 12 / 31	157,281,001	172,545,659

6.11 Contractual agreements regarding retrocessions

Vita Collective Foundation primarily invests the pension assets in investment groups (collective investments) managed by Zurich Investment Foundation. For managing the individual investment groups and the institutional funds used for this purpose, Zurich Invest Ltd (the manager of Zurich Investment Foundation) is paid a management fee from the institutional funds. No retrocessions are paid.

7 Other items in the balance sheet and operating statement

7.1 Other receivables

in CHF	12/31/2023	12/31/2022
Other receivables	153,921,982	164,064,150
Current accounts with Zurich Life Insurance Company Ltd	138,659,563	131,067,172
Current accounts with SST Vita Dienstleistungs AG	33,111	0
Receivables from Security Fund	6,632,688	5,703,762
Mortgage receivables	455,587	448,052
Prepaid benefits to insured	3,051,255	2,634,451
Withholding tax credits	4,301,550	19,053,752
Other receivables	788,229	5,156,961

7.2 Accrued income and deferred expenses

in CHF	12/31/2023	12/31/2022
Accrued income and deferred expenses	8,009,885	7,109,810
Management fee discount for collective investments	4,162,054	4,086,883
Accrued interest on mortgages	202,360	160,209
Accrued interest on bonds	3,352,318	2,862,718
Other accruals	293,153	0

7.3 Liabilities

in CHF	12/31/2023	12/31/2022
Vested benefits and pensions	268,524,345	222,683,205
Other liabilities	284,957,467	291,730,674
Current account overdrafts with SST Vita Dienstleistungs AG	0	23,745
Incoming payments not yet processed	135,936,997	141,575,224
Prepaid contributions and pending benefits	148,378,597	149,319,781
Other liabilities	641,872	811,925

7.4 Accrued expenses and deferred income

in CHF	12/31/2023	12/31/2022
Accrued expenses and deferred income	1,895,038	2,243,864
Administrative costs	1,895,038	2,243,864

7.5 Other income

in CHF	01/01–12/31/2023	01/01–12/31/2022
Other income	1,255,917	1,258,763
Fees according to cost regulations	1,236,725	1,239,069
Provision for withholding tax	19,193	19,694

7.6 Other expenses

in CHF	01/01–12/31/2023	01/01–12/31/2022
Other expenses	-1,654,431	-1,464,863
Restructuring of accounts receivable and mutation losses	-1,654,431	-1,464,863

7.7 Changes to and interest on pension schemes' uncommitted funds

in CHF	2023	2022
Interest on uncommitted funds	0.00%	0.00%
Uncommitted funds (pension accounts) as at 01/01	70,765,039	57,288,057
Capital contributions to uncommitted funds (pension accounts)		
from contracts taken over	4,489,348	27,903,246
Withdrawals from uncommitted funds (pension accounts)		
from contract terminations	-4,921,192	-4,187,304
for improvement of pension benefits	-15,666,899	-10,238,766
Reconciliation	30,997	-194
Uncommitted funds (pension accounts) as at 12/31	54,697,293	70,765,039

8 Requirements of supervisory authority

The supervisory authority confirmed by letter of September 1, 2023, that it has taken note of the 2022 annual financial statements. No comments were made. There are no requirements imposed by the supervisory authority.

9 Additional information on the financial position

Report on partial liquidations of pension funds

The Foundation's regulations on partial liquidation require employers to inform the Foundation without delay of any workforce reduction or restructuring that could lead to a partial liquidation. If the conditions for a partial liquidation are met, the administration committee of the relevant pension fund must pass a declaratory resolution to trigger the partial liquidation process.

In the 2023 financial year, the Foundation was informed of seven decisions that led to the partial liquidation of an affiliated pension fund. No pending cases were carried over from the previous year. The partial liquidation procedure had not yet been finalized for six pension funds by December 31, 2023.

10 Events after reporting date

There have been no events since the reporting date that would require disclosure.

Report of the statutory auditor to the Foundation Board

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Vita Collective Foundation (the Pension Fund), which comprise the balance sheet as of 31 December 2023, the operating statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law, the Pension Fund's deed, and the internal regulations.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Pension Fund in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Foundation Board is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Foundation Board's responsibilities for the financial statements

The Foundation Board is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law, the articles of association and the scheme regulations, and for such internal control as the Foundation Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the expert in occupational benefits for the audit of the financial statements

The Foundation Board appoints a statutory auditor as well as an expert in occupational benefits for the audit. The expert in occupational benefits is responsible for evaluating the necessary reserves for underwriting insurance-related risk, consisting of pension liabilities and actuarial reserves. Assessing the evaluation of the pension liabilities and actuarial reserves is not a task of the statutory auditor pursuant to Art. 52c para. 1 let. a of the Swiss Occupational Pensions Act (OPA). In accordance with Art. 52e para. 1 OPA, the expert in occupational benefits also evaluates whether the occupational pension scheme provides assurance that it can meet its obligations and whether all insurance-related provisions regarding benefits and funding in the scheme regulations comply with the legal requirements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Pension Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Foundation Board or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organization, management and investments are applied. We have carried out the required audits in accordance with article 52c paragraph 1 OPA and article 35 OPO 2.

We have assessed whether

- the organization 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 occupational pension scheme;
- the investment of assets complies with legal and regulatory requirements;
- the occupational pension accounts OPA 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 duties of loyalty are fulfilled and interests are disclosed;
- the non-committed 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 issued to the supervisory authority;
- the occupational pension scheme's interests are safeguarded in disclosed transactions with related parties.

We confirm that the applicable legal and statutory and regulatory requirements have been met.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Johann Sommer
Licensed audit expert
Auditor in charge

Laura Strub

Basel, 18 June 2024

Other reports of Vita Collective Foundation

- **Sustainability Report 2023**
- **Governance Report 2023**

Vita Collective Foundation

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