

Vita Classic

Key facts at a glance in August 2019

Vita Joint Foundation

Key figures for 2017 2018

Pensioners

1,732
2,912

Active members

123,950
129,470

Return on asset investments

6.76%
-3.08%

Affiliated employers

21,136
21,828

Assets in CHF million

13,290
14,021

Maximum interest earned on
mandatory savings capital

2.00% **2.40%**

Maximum interest earned on
super-mandatory savings capital

2.50% **3.15%**

A carefree future, thanks to occupational retirement provision plans

Vita Classic is the pension solution offered by the Vita Joint Foundation that companies can flexibly adapt to meet their specific needs.

Key figures

Interest earned on retirement assets – new customers with contracts starting in 2019

- 1.00% for mandatory retirement assets
- 1.25% for super-mandatory retirement assets
- Entitled to additional interest from 2020 onward, depending on the investment return of the financial year 2019 and provided that the target coverage ratio is reached

Interest earned on retirement assets – existing customers, total interest earned in 2019 (Consisting of base interest and additional interest)

For customers with contracts starting before January 1, 2016

- 2.40% for mandatory retirement assets
- 2.65% for super-mandatory retirement assets

For customers with contracts starting in 2016 and 2017

- 1.40% for mandatory retirement assets
- 1.65% for super-mandatory retirement assets

For customers with contracts starting in 2018

- 1.00% for mandatory retirement assets
- 1.25% for super-mandatory retirement assets

Differentiated, tier-specific («split») conversion rate for pensions drawn in 2019

- 6.8% for mandatory retirement assets (in accordance with the statutory requirements)
- 6.0% for super-mandatory retirement assets

Comprehensive conversion rate for pensions drawn in 2020 and after

- In 2020: 6.0% rate on all pension plan balances
- In 2021: 5.9% rate on all pension plan balances
- In 2022: 5.8% rate on all pension plan balances

Asset management performance

- –3.08% in 2018
- 6.76% in 2017
- 2.39% over three years (2016–2018)
- 3.28% over five years (2014–2018)

Your advantages

- ✓ Stable returns, thanks to a reliable and broadly diversified investment concept
- ✓ Clear participation of the insured in investment performance
- ✓ Interest reserve for weak investment years
- ✓ Base interest rate and any additional interest rate known in advance

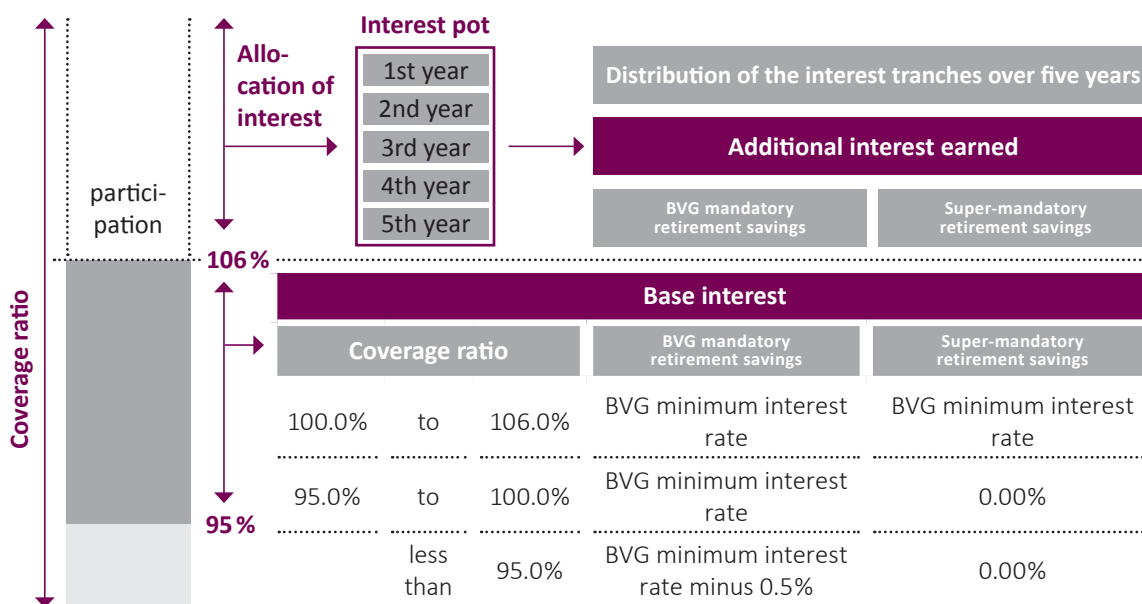
Vita Classic pension planning model

The Vita Classic pension planning model is characterized by higher-than-average interest earned on retirement assets.

Companies of all sizes and from many different sectors entrust their pension funds' assets to the Vita Joint Foundation. Around CHF 14 billion is invested for the long term in the interests of the insured.

Their contributions to the pension fund earn interest at an attractive rate, thanks to the Vita Classic pension planning model. This pension planning model is based on reliable and broadly diversified investment strategies. On the basis of this model, the investment income is passed on to the insured in the form of basic and additional interest earned, depending on the coverage ratio of the Vita Joint Foundation on October 31.

The investment income in a year in which the target coverage ratio of 106% is exceeded flows into a separate interest pot. The rate applies to crediting interest from the pot to the pension plan balances of insured plan participants in stages over a five-year period. This causes the retirement savings capital to grow at an above-average rate, which leads to higher retirement assets. The amount of the interest credit depends on the length of affiliation with the Vita Joint Foundation. So this income benefits customers who have contributed towards the positive development with their pension assets. Long-standing customers therefore benefit in particular.



Interest earned on retirement savings capital

The total interest earned under the Vita Classic pension planning model consists of base interest and any additional interest. The base interest for the BVG mandatory retirement savings is at least equivalent to the statutory rate for interest earned. The base interest for the super-mandatory retirement savings is determined by the mechanism stipulated by the pension regulations of the foundation.

Thanks to the high investment income in past years, customers of the Vita Joint Foundation have benefited from total interest earned that is higher than average.

		Affiliation in					
		2015	2016	2017	2018	2019	
Total interest earned in %	2019	BVG mandatory retirement savings	2.40	1.40	1.40	1.00	1.00
		Super-mandatory retirement savings	2.65	1.65	1.65	1.25	1.25
	2018	BVG mandatory retirement savings	2.40	1.40	1.40	1.00	–
		Super-mandatory retirement savings	3.15	2.15	2.15	1.75	–
	2017	BVG mandatory retirement savings	2.00	1.00	1.00	–	–
		Super-mandatory retirement savings	2.50	1.50	1.50	–	–
	2016	BVG mandatory retirement savings	2.25	1.25	–	–	–
		Super-mandatory retirement savings	3.00	2.00	–	–	–
	2015	BVG mandatory retirement savings	2.65	–	–	–	–
		Super-mandatory retirement savings	3.40	–	–	–	–

Minimum statutory interest rate		2015	2016	2017	2018	2019
BVG minimum interest rate in %		1.75	1.25	1.00	1.00	1.00

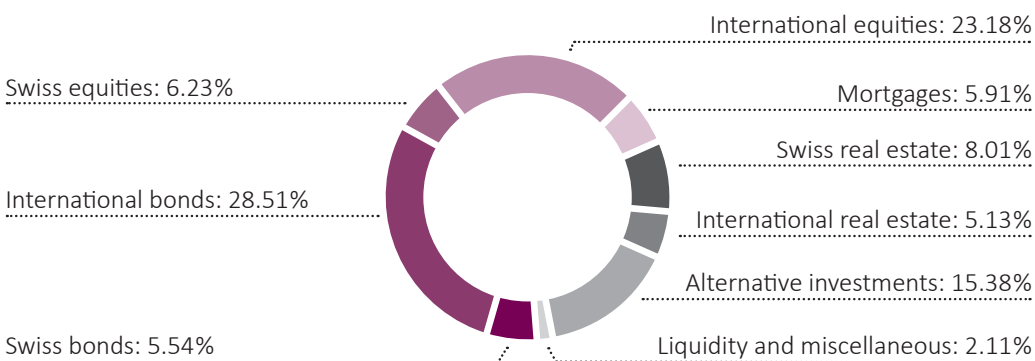
Investments and performance

With our broadly diversified investment strategy, we generate stable returns on a long-term basis. This benefits the insured in the form of interest earned.

The investment strategy is defined by the Investment Committee of the Vita Joint Foundation and approved by the Foundation Board. With a balanced mix of equities and material assets as well as alternative investments, more stable returns can be expected in the long term.

The investment strategy is designed for long-term performance and is continually attuned to the risk-return profile of the foundation. The aim of the broadly diversified investment strategy is to absorb the effect of short-term fluctuations in the capital market.

Investment portfolio as of June 30, 2019 in %



Return in %

Key figures as of December 31	2018	2017	2016	2015	2014
Performance	-3.08	6.76	3.75	1.23	8.18
Benchmark	-3.10	6.19	3.60	-0.47	8.31



Performance

Return on the portfolio over the assessment period.

Benchmark

Index that serves as a basis of comparison for the return on investment. Also known as a reference index or a comparison index.

Conversion rates

Comprehensive conversion rate starting from 2020

Age	from 01/01/2020		from 01/01/2021		from 01/01/2022	
	Men	Women	Men	Women	Men	Women
58	4.95%	5.10%	4.85%	5.00%	4.75%	4.90%
59	5.10%	5.25%	5.00%	5.15%	4.90%	5.05%
60	5.25%	5.40%	5.15%	5.30%	5.05%	5.20%
61	5.40%	5.55%	5.30%	5.45%	5.20%	5.35%
62	5.55%	5.70%	5.45%	5.60%	5.35%	5.50%
63	5.70%	5.85%	5.60%	5.75%	5.50%	5.65%
64	5.85%	6.00%	5.75%	5.90%	5.65%	5.80%
65	6.00%	6.20%	5.90%	6.10%	5.80%	6.00%
66	6.20%	6.40%	6.10%	6.30%	6.00%	6.20%
67	6.40%	6.55%	6.30%	6.45%	6.20%	6.35%
68	6.55%	6.70%	6.45%	6.60%	6.35%	6.50%
69	6.70%	6.85%	6.60%	6.75%	6.50%	6.65%
70	6.85%	7.00%	6.75%	6.90%	6.65%	6.80%



Savings capital (retirement savings capital)

Savings capital is the money paid by the employer and the employee under pillar 2 during the employee's working life. This money and the interest paid on it can be used to fund the employee's retirement. Employers finance at least half of this capital.

Super-mandatory savings capital (retirement savings capital)

If the regulations and the pension plan stipulate higher retirement credits or a higher insured salary, the retirement credits in excess of the legal requirements will be credited to the super-mandatory savings capital.

BVG conversion rate

The retirement assets can be compared to a cake. The conversion rate determines how big the pieces that we can cut from the cake each year are. The lower the conversion rate, the longer the cake will last, and vice versa. The statutory conversion rate for the BVG mandatory retirement savings currently stands at 6.8 percent.

Comprehensive conversion rate

From January 1, 2020 the comprehensive conversion rate will be applied to the entirety of the retirement savings. Due to the uniform conversion rate, the complex distinction between the mandatory and super-mandatory retirement savings will disappear. However, in order to guarantee the statutory minimum pension, a comparison between the pension amount resulting from application of the regulation conversion rate and the statutory conversion rate for every old-age pension calculation is made. Consequently, the statutory minimum is always guaranteed.

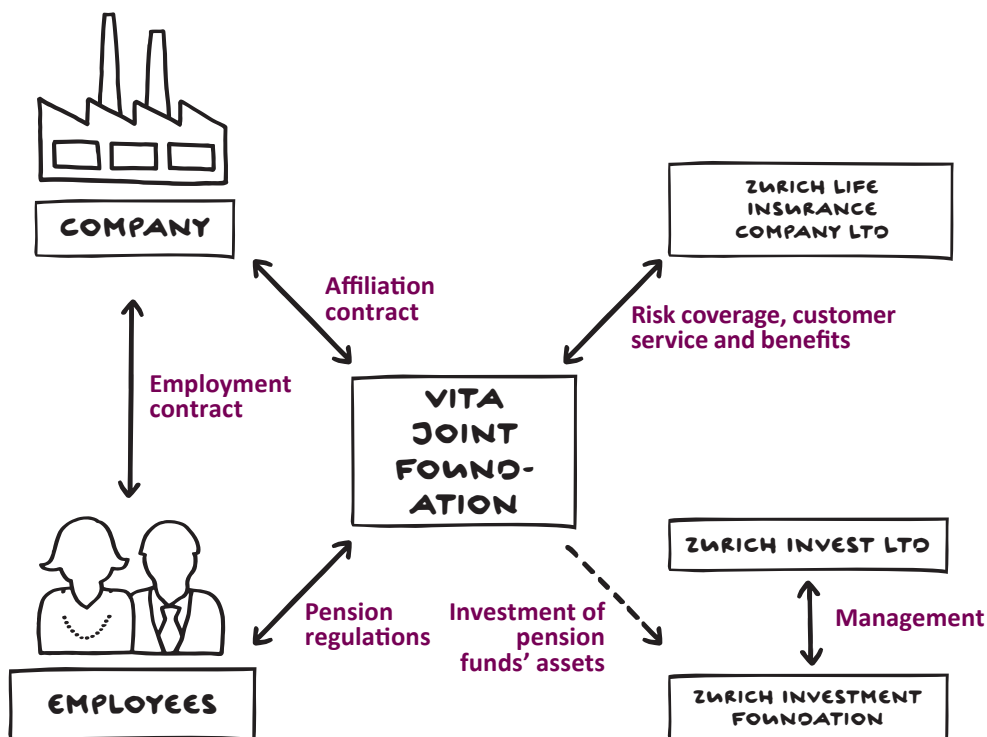
Reliable partners for your occupational retirement provision

Benefit from our extensive experience and concentrated expertise.

More than 21,800 affiliated companies with some 129,000 insured employees have entrusted their occupational retirement provision to the Vita Joint Foundation. Vita Joint Foundation is one of the largest semi-autonomous joint foundations in Switzerland. It was founded in 2003 by Zurich Life Insurance Company Ltd and has always advocated cooperation with efficient and experienced service providers. The Vita Joint Foundation has taken on the task of management and is responsible for the investment strategy together with the Foundation Board.

The Zurich Investment Foundation invests the pension funds' assets. It is Switzerland's largest non-bank investment fund, with over 20 billion Swiss francs in assets under management. The investment managers are selected by its agency, Zurich Invest Ltd, according to the «best-in-class» approach and are subject to continual supervision.

Zurich Life Insurance Company Ltd is responsible for risk coverage, customer service and benefits as well as services.



Advantages for you and your employees

Important points from the pension regulations	
Purchases into the occupational pension plan	You can make up for any pension shortfall by purchasing benefits. You can deduct the amounts in question from your taxable income. If the insured person dies before reaching retirement, the benefits purchased are paid out to the surviving dependents as a separate lump-sum death benefit.
Early retirement	The insured can take early retirement from the age of 59.
Funding early retirement	Contributions can be made to prefinance the reduction in retirement benefits that early retirement involves.
Partial retirement	Employees can take partial retirement on reaching the age of 59 if their employer is in agreement. This can be done in up to three phases, each accounting for 20% of a full-time workload. Employees may take all or part of their retirement benefits for the individual phases of partial retirement in a lump sum. A maximum of two capital withdrawals are possible.
Deferred retirement, continuing the savings process	Employees may defer retirement until they reach the age of 70 at the latest, if their employer is in agreement. If the pension plan permits, the savings process can also be continued after ordinary retirement age (64/65), if the employee so wishes. Risk coverage ends when the employee reaches ordinary retirement age (64/65).
Capital option	On request, insured persons may choose to withdraw part or all of their retirement benefits as a lump sum if they have made a statement to this effect prior to the due date of the first pension payment. Capital withdrawal is also possible in the case of partial or full disability.
Partner pension in the event of death	All pension plans normally provide for a partner pension. For partners, accident coverage is also included before retirement.
Benefits in the event of disability	Entitlement to benefits for various degrees of disability: Entitlement to benefits as of a degree of disability of 25% 25%–59.9% according to the degree of disability 60%–69.9% 3/4 pension From 70% full pension

Vita Joint Foundation in figures

The positive development of the Vita Joint Foundation is reflected in the annual increase in affiliated employers and the insured.

Key figures as of December 31	2018	2017	2016	2015	2014
Number of affiliated employers	21,828	21,136	20,554	19,725	18,950
Number of active members	129,470	123,950	121,373	116,968	115,338
Number of pensioners	2,912	1,732	931	–	–
Total assets in CHF million	14,021.8	13,290.1	11,828.8	10,769.9	10,280.8
Pension capital – active insured in CHF million	11,011.9	10,255.4	9,673.8	8,904.1	8,317.2
Pension capital – pensioners in CHF million	1,281.9	709.0	363.5	–	–
Underwriting reserves in CHF million	714.7	801.6	555.9	561.7	541.9
Value fluctuation reserve – actual figures in CHF million	0.0	671.6	466.8	406.3	531.5
Value fluctuation reserve – target figure for pension obligations	6%	6%	6%	6%	6%
Coverage ratio I ¹⁾	100.0%	105.7%	104.4%	104.3%	106.6%
Coverage ratio II ²⁾	101.9%	109.1%	107.5%	108.2%	111.2%
Average age	42.0	41.6	41.5	42.7	41.2

Until December 31, 2015, retirement pensions and survivors' pensions were purchased from Zurich Life Insurance Company Ltd. Since January 1, 2016, retirement pensions and survivors' pensions have been shown on the balance sheet of the Vita Joint Foundation. The Vita Joint Foundation has concluded a collective life insurance agreement with Zurich Life Insurance Company Ltd to cover the actuarial risks of disability and death.

- 1) Coverage ratio I: Coverage ratio calculation according to new pension planning model taking into account the interest reserve
 2) Coverage ratio II: Industry-standard calculation



Value fluctuation reserves

The pension fund uses fluctuation reserves to compensate for minor to moderate losses in value in relation to its capital investments. The necessary value fluctuation reserves for a pension fund are calculated according to the results of its risk tolerance analysis.

Coverage ratio

The Vita Joint Foundation sets out two coverage ratio values based on its Vita Classic pension planning model. The most significant value for comparison is the higher of the two (coverage ratio II).

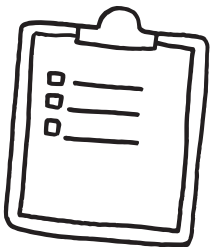
Your questions regarding the affiliation contract

How would the cancellation of a contract affect existing pensions?

Upon cancellation of a contract, the Vita Joint Foundation will transfer disability pensions to the new pension plan. It will not transfer retirement pensions and survivors' pensions. Existing disability pensions are transferred according to the calculation bases of Zurich Life Insurance Company Ltd.

How will affiliating my company with the Vita Joint Foundation affect existing pensions?

The Vita Joint Foundation accepts existing disability, retirement and survivors' pensions, provided that they are fully funded. Existing disability pensions are accepted according to the calculation bases of Zurich Life Insurance Company Ltd. The Vita Joint Foundation uses its own calculation bases after acceptance of existing retirement and survivors' pensions.



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Vita Joint Foundation

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