

# Vita Classic

Key facts at a glance in March 2022

# Vita Collective Foundation

## Essential Key figures 2020 **2021\***

Pensioners

5,013  
**5,827**

Active members

138,654  
**142,493**

Net returns on asset investments

5.36%  
**8.49%**

Affiliated employers

22,927  
**23,682**

Assets in millions CHF

17,173  
**19,014**

Maximum interest earned on  
mandatory savings capital

1.50% **1.40%**

Maximum interest earned on  
super-mandatory savings capital

1.50% **1.40%**

\*Provisional figures before audit and approval by the Foundation Board, without our liability.

# Forward-looking solutions are in demand

The occupational retirement provision system in Switzerland is becoming increasingly unbalanced. The active insured often no longer receive what they are entitled to. A fair solution with a future is needed to respond to the involuntary redistribution.

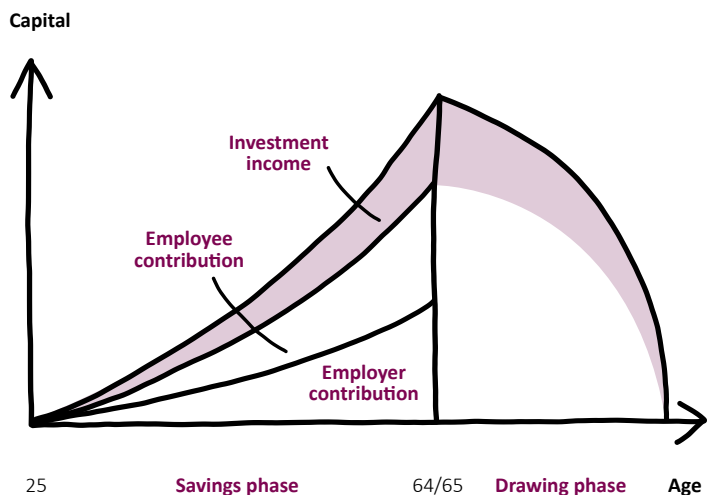
Being able to enter retirement free of cares and not having to worry about their pension – this is the aim of many employees. For this, employers and employees make joint contributions to the second pillar and in this way build up retirement assets. The retirement assets are invested on the capital markets and earn investment income for the insured. This is so significant that it is also known as the 'third contributor'. This process is termed the funded model. It ensures that the payments and income of occupational retirement provision benefit the employees at the time of retirement.

The ongoing unfavorable interest environment, which is leading to a constant fall in investment income, is a great challenge. The life expectancy of the population is increasing at the same time. Accordingly, pensions are drawn by the retired for a longer period than provided for by the statutory conversion rate. These pensions are co-financed via the already lower interest earned,

which the active insured persons are actually entitled to. In the end, this redistribution results in fewer retirement assets being accumulated by retirement.

As a responsible pension fund, the Vita Collective Foundation is taking active steps to deal with this situation and is continually minimizing such unintended redistribution. The Vita Collective Foundation is strongly in favor of generational fairness and is committed to companies and the insured getting what they are entitled to.

Three elements of the funded model



25 Savings phase 64/65 Drawing phase Age

# Forward-looking retirement provision through early saving

Further falls in payments from social insurance are to be expected in the coming years. Contemporary and future-secure solutions are distinguished by their fair, sustainable and flexible character.

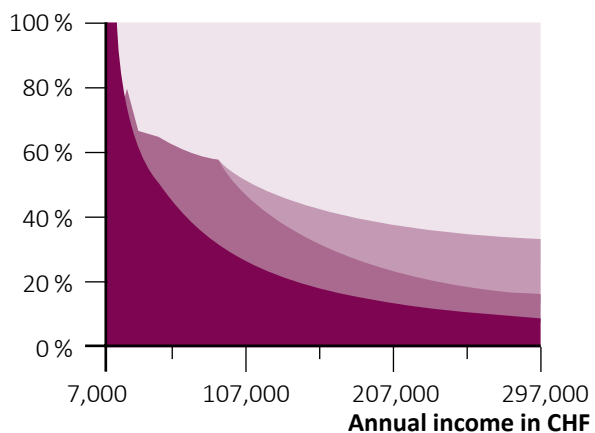
The subject of retirement provision is of great importance in Swiss society. However, developments in recent years have demonstrated that the payments of the AHV and pension funds will continue to steadily decline. Apart from the increasingly important personal retirement provision, an optimal solution in occupational retirement provision is also of crucial importance to ensure that the standard of living can also be maintained as well as possible after retirement. It is essential for employees to learn about their savings options early on and as the employer you should continually review or, if necessary, adapt your occupational pension plans. This solution should not just be fair and sustainable, but also capable of being aligned with your needs and those of your employees.

**Fair:** Your employees should receive the interest earned to which they are entitled.

**Sustainable:** The future employees – the generations of tomorrow – should also still be able to rely on a good pension planning solution.

**Flexible:** Irrespective of whether your company is large or small, the occupational pension plan should be aligned to the needs and potential of your company and your employees.

## Retirement pension for singles in % of income



● **AHV/IV**  
(pillar 1)

● **BVG mandatory coverage**  
(pillar 2)

● **BVG super-mandatory coverage**

● **Personal retirement provision**  
(pillar 3)

Basis: full contribution period, calculated at the BVG conversion rate of 6.8%

# Occupational retirement provision with direct, balanced participation

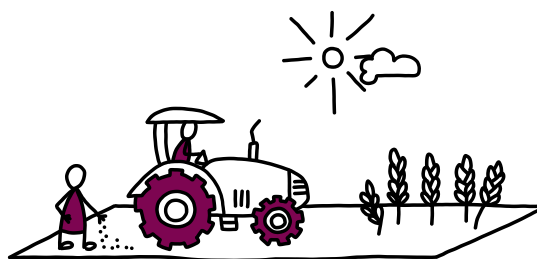
The Vita Classic retirement provision model enables the insured to participate directly in the generated investment income.

Companies of all sizes and from all kinds of sectors entrust their pension funds' assets to the Vita Collective Foundation. The approximately CHF 19 billion are invested in the long-term interest of the insured.

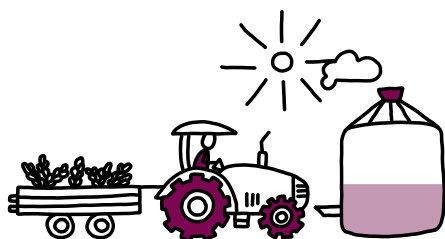
The mode of operation of the Vita Classic retirement provision model can be explained on the basis of a granary:



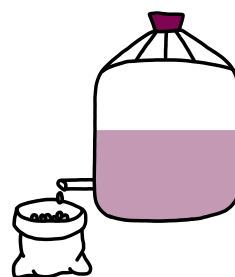
**1** The affiliations contribute the retirement assets of their employees to the Vita Collective Foundation.



**2** The retirement assets are invested, using a widely diversified investment strategy.



**3** The money from any investment performance returns to the Vita Collective Foundation.



**4** The basic and additional interest is distributed there, annually pro rata to the insured.

# Interest earned retirement assets

The interest earned is determined according to a transparent mechanism and care is taken to guarantee financial stability of the foundation.

At the end of November of every year the 'fill level of the granary', i.e. the cover ratio, is reviewed. According to its level, the interest earned of the retirement assets is determined for the next year.

The overall interest earned consists of a base interest rate and a share in the maximum additional interest. The base interest rate corresponds to the legally determined minimum interest (BVG minimum interest). The maximum additional interest is dependent on the cover ratio of the joint foundation on the reference date at the end of November. The cover ratio must be at least 102 % to ensure that additional interest can be distributed to the insured. The share in the maximum additional interest is dependent on how long the company has been affiliated with the joint foundation. After five or more affiliation years, the full share is distributed.

According to the currently valid interest table, this is: From a cover ratio of 102 %, the maximum additional interest is 0.20 %, at 104 % already 0.40 %, etc.

**Interest table**

Cover ratio	Base interest (offsetting principle)	Maximum interest rate
	Mandatory coverage/ super mandatory part	Mandatory coverage/ super mandatory part
From 130 %	BVG minimum interest rate	5.00%
From 128 %		4.50%
From 126 %		4.00%
From 124 %		3.50%
From 122 %		3.00%
From 120 %		2.50%
From 118 %		2.00%
From 116 %		1.75%
From 114 %		1.50%
From 112 %		1.25%
From 110 %		1.00%
From 108 %		0.80%
From 106 %		0.60%
From 104 %		0.40%
From 102 %		0.20%
Under 102 %		–
Under 100 %	1)	–
Under 95 %	2)	–

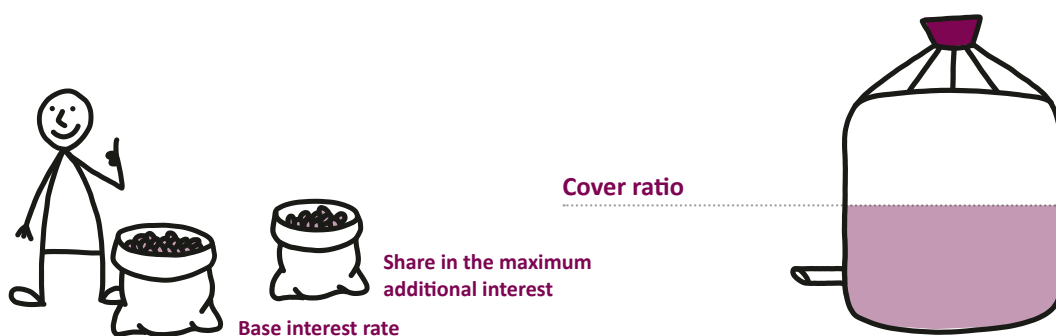
<sup>1)</sup> Mandatory coverage BVG minimum interest rate; super-mandatory part: 0 %

<sup>2)</sup> Mandatory coverage: BVG minimum interest rate minus 0.5 %; super-mandatory part: 0 %

Total  
interest rate  
2,90 %\*

		Retirement provision affiliation annually			
		2020 or earlier*	2021	2022	
Interest	2022	Total interest earned	2.50 %	1.70 %	1.00 %
		Base interest	1.00 %	1.00 %	1.00 %
		Additional interest	1.50 %	0.70 %	0.00 %

\* Customers with contracts commencing before 01.01.2018 will receive the last interest tranche of 0.40% from the previous pension model and thus a total interest rate of 2.90%



### Your advantages

- ✓ Stable returns thanks to proven and widely diversified investment strategy
- ✓ Direct, balanced participation in investment income
- ✓ Base interest and any additional interest are determined according to a transparent mechanism and disclosed in the previous year

# For more fairness and equal treatment

You have a responsible retirement provision partner at your side in the Vita Collective Foundation. It provides contemporary, future-safe, and also fair retirement provision solutions that accompany social change.

Thanks to the flexible configuration of the retirement provision strategy, the insured salary can be defined to correspond to the needs of your employees. For example, the coordination deduction can be adjusted to the degree of part-time employment or also left out completely. In addition, you can offer your employees more room for maneuver in choosing the savings contributions with a selective savings plan.

The Vita Collective Foundation offers great flexibility for employees who would like to retire early or partially, or postpone their retirement.

The Vita Collective Foundation creates additional interesting incentives for employees who would like to remain gainfully employed beyond their normal retirement age:

- Higher pensions thanks to higher conversion rate
- Flexibility in savings contributions – these can also be continued in the event of postponing retirement. As a result, the retirement assets can continue to be accumulated.

## Important points from the pension regulations

<b>Occupational retirement provision purchases</b>	You can close shortfall of retirement provision by purchases. You can deduct purchase amounts from taxable income. In the event of the death of the insured person before retirement, the purchases are paid out as separate lump-sum death benefit to the survivors.
<b>Capital options</b>	Upon 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. The capital withdrawal is also possible in the case of partial disability and full invalidity.
<b>Partner pension in the event of death</b>	Provision is in general made in all retirement provision strategies for a partner pension. For partners accident coverage is also included before retirement.
<b>Benefits in the event of disability</b>	Entitlement to benefits in the case of different IV degrees: <ul style="list-style-type: none"><li>– entitlement to benefits already from 25 %</li><li>– 25 % – 59.9 % according to IV degree</li><li>– 60 % – 69.9 % ¾-pension</li><li>– from 70 % full pension</li></ul>



In addition, the Vita Collective Foundation also calculates the pensions both for women as well as for men at the time of the regular retirement with the same conversion rate – even today still not a matter of course.

#### Enveloping conversion rates from 2022 to 2024

Age	From January 01. 2022		From January 01. 2023		From January 01. 2024	
	Men	Women	Men	Women	Men	Women
58	4.75	4.90	4.65	4.80	4.55	4.70
59	4.90	5.05	4.80	4.95	4.70	4.85
60	5.05	5.20	4.95	5.10	4.85	5.00
61	5.20	5.35	5.10	5.25	5.00	5.15
62	5.35	5.50	5.25	5.40	5.15	5.30
63	5.50	5.65	5.40	5.55	5.30	5.45
64	5.65	5.80	5.55	5.70	5.45	5.60
65	5.80	6.00	5.70	5.90	5.60	5.80
66	6.00	6.20	5.90	6.10	5.80	6.00
67	6.20	6.35	6.10	6.25	6.00	6.15
68	6.35	6.50	6.25	6.40	6.15	6.30
69	6.50	6.65	6.40	6.55	6.30	6.45
70	6.65	6.80	6.55	6.70	6.45	6.60

# Optimal performance with the greatest possible stability

Thanks to the widely diversified investment strategy, long-term stable incomes can be generated. These benefit the insured.

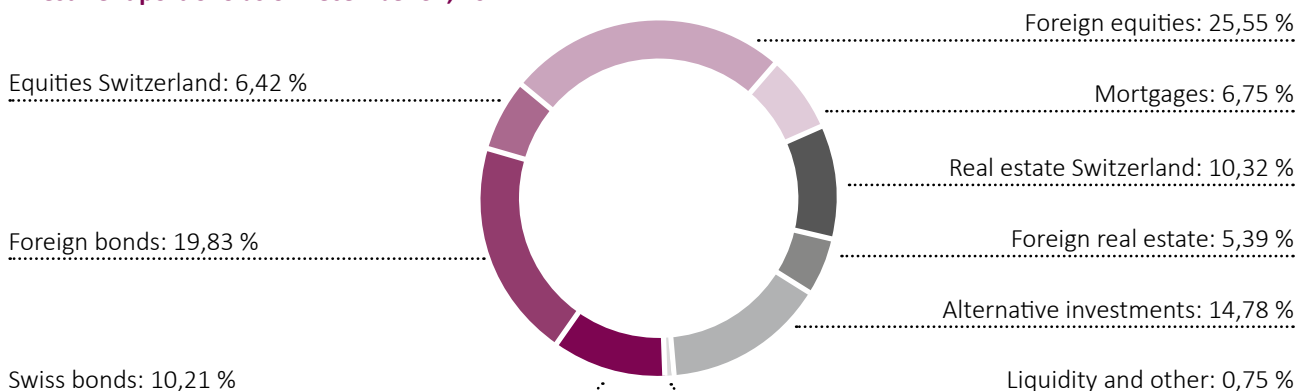
The investment strategy is defined by the investment committee of the Vita Collective Foundation and approved by the Foundation Board. A balanced share and tangible share proportion and investments in alternative investments mean more stable returns can be expected.

The investment strategy is designed for long-term performance and is constantly adjusted to the risk-return profile of the foundation. The goal of wide diversification is to cushion the short-term fluctuations of the capital market.

Thanks to the size and stability of the collective foundation, every company – irrespective of whether large or small – receives access to promising investments. The asset managers are selected and constantly reviewed according to the best-in-class approach. Moreover, the large investment volumes enable the collective foundation to offer more attractive conditions.

This strategic foresight, combined with the long-standing expertise of the Vita Collective Foundation and its partners, guarantee you and your employees optimal performance with the greatest possible security.

## Investment portfolio as of December 31, 2021\*



## Net returns in %

Key figures as of December 31	2021*	2020	2019	2018	2017
Performance	8.49	5.36	8.46	-3.33	6.57

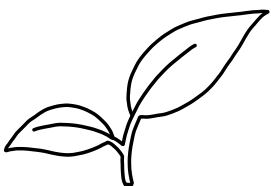
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# Comprehensive and holistic – investing sustainably

For the Vita Collective Foundation, sustainable investing means responsible investing. It is therefore also committed to the implementation of sustainability criteria in the investment process.

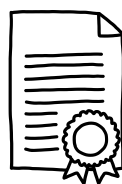
As an active investor, the Vita Collective Foundation pursues a holistic and positive sustainability approach. Consideration of ESG criteria is central.

In doing so, the collective foundation focuses on its financial promises and guarantees the corresponding benefits.



## Environment

The Vita Collective Foundation pursues the goal in its real estate investments of lowering CO<sub>2</sub> emissions continuously and sustainably. Since 2010, it has already been able to reduce CO<sub>2</sub> emissions from real estate in Switzerland by more than 20 % – by 2025, this is to be reduced by a further 20 %.



## Contemporary company management

Shareholder rights are observed and an active dialog is conducted with the asset managers. The Vita Collective Foundation is a member of Swiss Sustainable Finance (SSF), Climate Action 100+ and the Net Zero Asset Owner Alliance. All asset managers working for the Vita Collective Foundation are certified under the UNPRI and thus obey the principles of investing responsibly.



## Social commitment

With strategic investments in the investment group 'senior housing', the Vita Collective Foundation designs attractive, forward-looking housing and living space for growing old without any cares.

## ESG criteria (Environmental, Social, Governance)

The ESG criteria describe sustainability standards for investments and companies. The observance of these standards is regularly reviewed in the fields of environment, social and corporate management by the Vita Collective Foundation on the basis of the ratings of sustainability agencies and modified as needed.

# Strong partner for your occupational retirement provision

Thanks to many years of experience and the bundled expertise both of the Vita Collective Foundation as well as of Zurich, your occupational retirement provision is in the best hands.

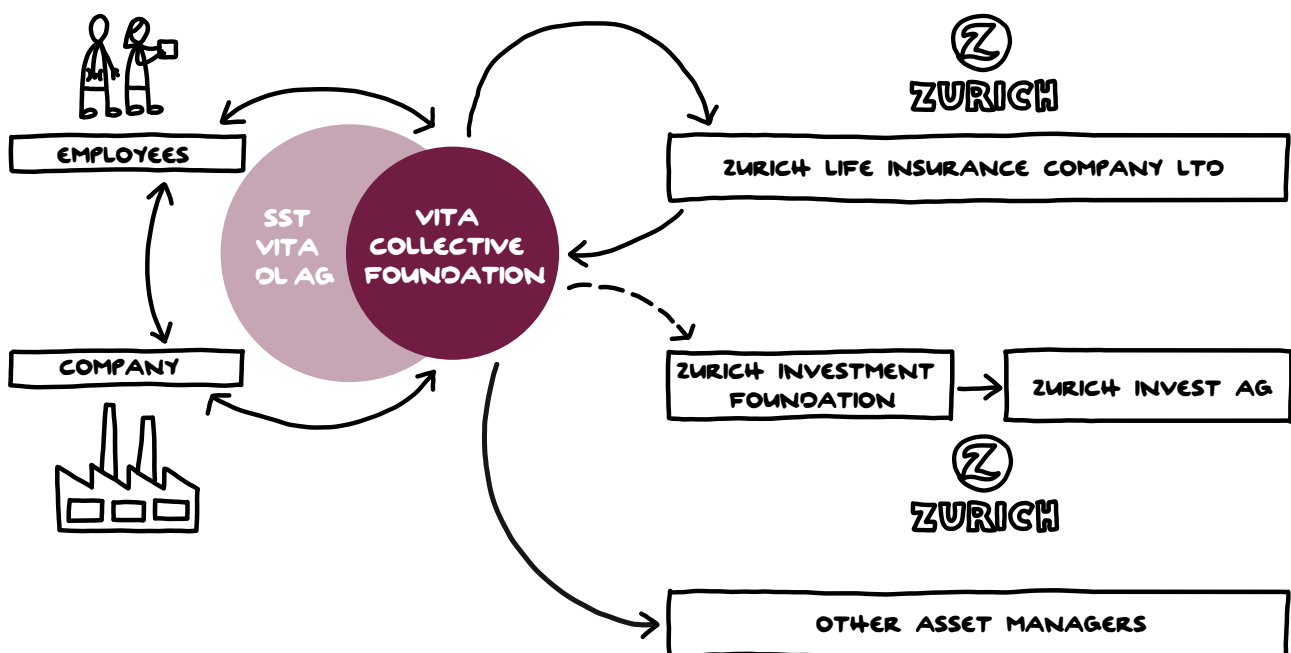
Over 23,682 affiliated companies with 142,493 insured have entrusted their occupational retirement provision to the Vita Collective Foundation. The Vita Collective Foundation is one of the largest partially autonomous joint foundations in Switzerland. It was established 2003 by the Zurich Life Insurance Company Ltd and has always relied on cooperation with high-performing and experienced service providers. Together, we assume all concerns related to your occupational retirement provision.

The Vita Collective Foundation and Zurich have bundled expertise from investment business, risk insurance and retirement provision and offer future-safe solutions, which are aligned flexibly to the needs of your company. For example, risk benefits and savings balance can be adjusted flexibly to the situation in the company – ideal for small and large companies.

Zurich Life Insurance Company Ltd is responsible for risk insurance, customers, service package and services.

The management of the Vita Collective Foundation is delegated to the SST Vita Dienstleistungs AG (SST DL AG). Among other things, it supports the Foundation Board in determining the investment strategy of the foundation.

A large proportion of pension funds assets is invested in investment vehicles of the Zurich Investment Foundation. It is the largest bank-independent investment fund with over CHF 23.7 billion managed assets. The investment managers are selected by its agency, Zurich Invest Ltd, according to the 'best-in-class' approach and constantly reviewed.



## For a carefree look at the financial future

The Vita Collective Foundation devotes itself responsibly to balanced and secure occupational retirement provision – for the current and future generations.

Key figures as of December 31	2021*	2020	2019	2018	2017
Number of affiliated employers	23,682	22,927	22,583	21,828	21,136
Number of active members	142,493	138,654	141,385	129,470	123,950
Number of pensioners	5,827	5,013	4,010	2,912	1,732
Balance sheet total in CHF millions	19,014	17,173	16,247	13,787	13,290.1
Pension capital active insured in CHF million	12,789.0	12,331.0	12,312.8	11,011.9	10,255.4
Pension capital pensioners in CHF million	2,398.0	2,157.0	1,772.2	1,281.9	709.0
Technical reserves in CHF million	n.a.	794.5	818.9	714.7	801.6
Value fluctuation reserves – actual balance in CHF million	n.a.	917.0	645.6	0.0	671.6
Value fluctuation reserve – target size of pension obligations	12 %	6 %	6 %	6 %	6 %
Cover ratio <sup>1)</sup>	115 %	108.5 %	105.2 %	101.9 %	109.1 %
Average age assets	42.4	42.1	42.0	41.6	41.6

<sup>1)</sup> The cover ratio for the years 2017 to 2020 corresponds to the previous cover ratio II without taking the pension model into account.

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# Fair, sustainable, flexible – Vita Classic

Vita Classic is the correct choice for companies of every size that are looking for a secure and fair retirement provision solution and would like to adjust it easily to their own needs.

## The most important advantages for you and your employees

- Great, long-standing experience: The Vita Collective Foundation is one of the largest and most experienced partially autonomous joint and collective foundations in Switzerland.
- Good age structure: This is ensured thanks to the balanced relationship of active insured and pensioners (the proportion of those drawing pensions is one of the lowest across Switzerland measured against retirement provision assets, at 15 %).
- Stable cover ratio: This is guaranteed by the widely diversified investment strategy.
- Good risk and restructuring potential: Thanks to outstanding investment policy and outstanding risk management, restructuring contributions never had to be levied, even in the event of massive fluctuations on the investment markets.
- Generous benefits in the event of disability: A pension is already paid from a degree of disability of 25 %.
- Fair handling of individual purchases in retirement provision: These are paid out separately in the event of death and not used to finance a partner pension.

**Vita Classic is the secure and stable retirement provision solution for companies of every size.**

**Contact us for a non-binding advisory discussion.**

## You can rely on these benefits

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- 1 Fair:** You and your employees participate directly and in a balanced manner in the investment income.
- 2 Sustainable:** The generations of tomorrow can also rely on this future-capable retirement provision solution.
- 3 Flexible:** The retirement provision solution adjusts to your needs and those of your employees.

### Vita Collective Foundation

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