

GPS

The General Pension Scheme of the SAirGroup

2019 annual report

Introductory remarks 2019

The SAirGroup General Pension Scheme can look back on a very successful 2019 in investment performance terms. The year saw highly favourable overall trends on the financial markets. And the annual return of 9.3% was the highest that our Scheme has achieved on its asset investments in the last ten years, and placed our year-end funding ratio at a very healthy 131.6%. 2019 proved a record year for the capital markets, with equities delivering a particularly strong performance. The latter was attributable to some extent to a disappointing 2018 that had seen share prices fall. But it was also due to a policy change at the US Federal Reserve, which, after raising interest rates in 2018, refrained from any further rate rises last year and actually lowered its federal funds rate three times by a total of 0.75 percentage points. Other central banks followed the Fed's interest-rate example, encouraged by virtually no trace of inflation in the world's main currencies. The moves not only boosted share prices but raised bond prices, too. The world's leading stock exchanges saw prices rise between 20% and 30%, and even more in the USA, with many exchanges reporting repeated new record highs in the course of the year.

By the end of March 2020, almost all stock indices were showing tangible declines for the year to date. Our Scheme's investment strategy was also unable to counter the downward trend. These declines should be viewed, however, against the exceptionally strong gains of the previous year.

The Board of Trustees takes this opportunity to thank everyone else involved in the Scheme's management and affairs for the always pleasant and professional collaboration.



Peter Ramel
Chairman of the Board of Trustees



Pascal Buracco
Managing Director

Balance sheet at december 31 2019

(in CHF million, by market value)

Assets	2019	2018	Liabilities	2019	2018
Current accounts and receivables	367.3	383.9	Payables	0.1	0.1
CHF bonds	57.9	56.2	Accrued liabilities	0.1	1.9
EUR bonds	0.0	0.0	Non-actuarial reserves	1.7	1.7
USD bonds	0.0	0.0	Savings capital	1'117.4	1'212.7
Swiss shares	140.1	158.0	Actuarial reserves	16.8	12.1
European shares	45.1	42.9	Equalisation reserve	204.2	220.5
North American shares	76.3	75.0	Freely-disponsable funds	154.0	45.4
Asia-Pacific shares	62.0	61.3			
Emerging Market	63.2	59.3			
Real estate in Switzerland	594.4	565.0			
Mortgages	67.6	71.7			
Non-traditional investments	1.5	1.6			
Prepaid expenses	18.9	19.5			
Balance sheet total	1'494.3	1'494.4	Balance sheet total	1'494.3	1'494.4

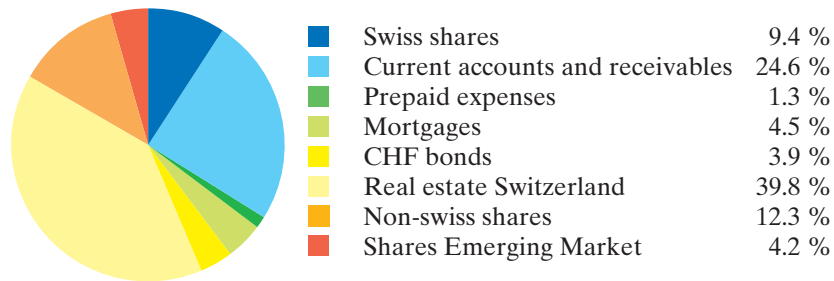
Income statement for 2019

(in CHF million)

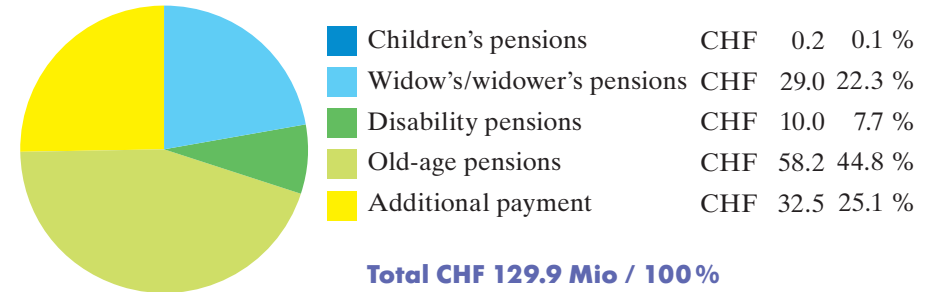
	2019	2018
Vested benefits paid in *	0.0	0.0
Income from contributions and joining payments	0.0	0.0
Pensions and capital amounts paid out	-97.4	-101.6
Additional payment	-32.5	-84.2
Vested benefits paid out	-0.3	-0.2
Expenditure on benefits and advance withdrawals	-130.2	-186.0
Change of savings capital	90.6	74.2
Insurance costs	-0.1	-0.1
other expenses / income	0.1	0.1
Net result from insurance activities	-39.6	-111.8
Income from		
- mortgage loans	0.9	0.9
- securities	89.6	-50.4
- real estate	42.1	35.1
Net result from investment activities	132.6	-111.8
Administration costs	-0.8	-0.7
Income- (+) / Loss surplus (-) before appropriation to equalisation reserve	92.2	-126.9
Change to equalisation reserve	16.3	13.4
Income- (+) / Loss surplus (-)	108.5	-113.5

* Retroactive payments due to disability

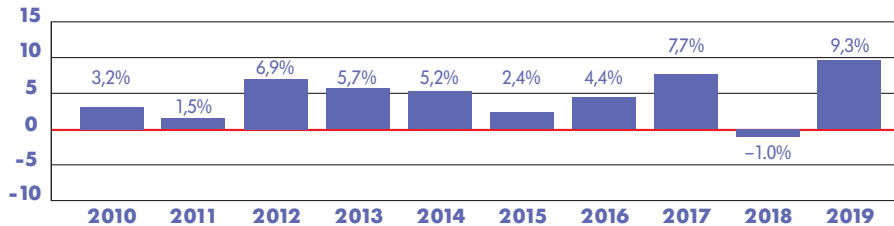
Allocation of GPS assets at december 31 2019 (in %)



Pension payment 2019



Performance (in %)



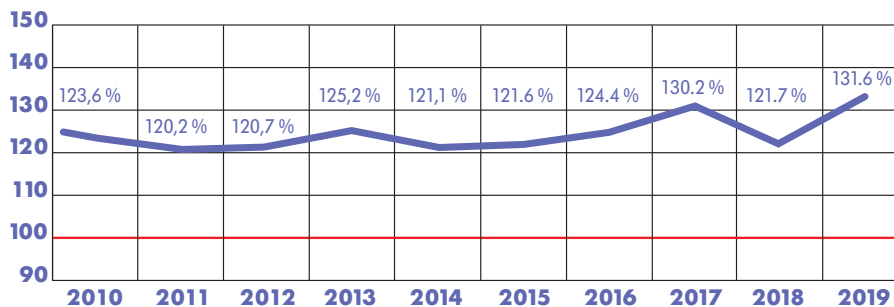
Pension recipients

	31.12.2019	31.12.2018
Old-age pensions	1'659	1'764
Disability pensions	463	475
Widow's/widower's pensions	1'125	1'141
Child's pensions for children of disability pension recipients	39	48
Total pensions	3'286	3'428

The 3'286 pensions (3'428) are paid to 3'247 persons (3'380), since some beneficiaries are entitled to more than one type of pension.

Funding Ratio

- 2009 reduction technical interest rate from 3,0 % to 2,5 %
- 2010 reduction technical interest rate from 2,5 % to 2,0 %
- 2013 reduction technical interest rate from 2,0 % to 1,5 %
- 2015 reduction technical interest rate from 1,5 % to 1,0 %
- 2016 reduction technical interest rate from 1,0 % to 0,75 %
- 2018 reduction technical interest rate from 0,75% to 0,50 %



Organisation

Members of the Board of Trustees

Peter Ramel	Chairman
René Wieser	Deputy Chairman
Dr. Max Michel	member
René Müller	member
Irma Schneiter	member
Dr. iur. Hans-Ulrich Stauffer	member
Hans-Ulrich Schneider	member

Independent audit

BDO AG, Schiffbaustrasse 2, 8031 Zürich
Marc Escher

Expert company pension plan

Dipeka AG, St. Alban-Vorstadt 14, 4052 Basel
Dominique Koch

Management

PFS Pension Fund Services AG, Sägereistrasse 29, 8152 Glattbrugg

Pascal Buracco	Managing Director
Doris Pongelli	Accountant
Renate Götsch	Administration

Administration GPS

Telephone +41 43 210 18 43
www.swissair-group-pensions.com