

Annual Report
2021

APK Allgemeine Pensionskasse der SAirGroup

Introductory remarks 2021

The SAirGroup General Pension Scheme (GPS) can look back on a very favourable 2021 in investment return terms. The previous December had seen the equities markets celebrate the breakthroughs in developing COVID vaccines with sizeable share price rises. And despite a number of risk factors – such as the Omicron virus variant, supply bottlenecks and rising inflation – the positive general mood was maintained on the equity markets throughout 2021.

The Swiss equities market delivered returns of more than 20%, the US MSCI rose 30%, Germany's equity market was up 8% and the emerging markets delivered a broadly breakeven return. Economies remained robust, despite the COVID pandemic. The US labour market continued its recovery, with unemployment closing 2021 at an all-year low. Inflation in the US ended the year at a new high, with December consumer prices 7% above their prior-year levels. But the Federal Reserve refrained in 2021 from intervening to stem the inflation rise. Interest rates rose overall from their start-of-year levels, and this put pressure on bond trading prices. In a still low-interest-rate environment, liquidity management is currently a particular priority.

Our broadly diversified investment strategy paid off once again, and we will continue to pursue this policy.

The GPS investment portfolio delivered a performance for 2021 of 8.6%. The year-end funding ratio stood at 138.10%. The scheme remains in sound financial health and unreservedly able to handle financial risks, and a total of ten supplementary pension payments were made in the course of the year.

Irma Schneiter and Hans-Ulrich Stauffer stepped down from the GPS Board of Trustees on 31 December 2021. We offer them both our deepest thanks for their many years of

service and commitment. With his legal expertise, Hans-Ulrich Stauffer helped guide the GPS through almost 20 years of sometimes challenging times. Ruth Mathias and Walter Kälin were newly elected to the Board of Trustees as Irma Schneiter and Hans-Ulrich Stauffer's successors. The Board then reconstituted itself and elected Peter Ramel as its Chairman and Walter Kälin as its Deputy Chairman with effect from 1 January 2022.

We take this opportunity to thank our colleagues on the Board of Trustees, our accredited pension actuary and our scheme's administrative office for our pleasant and constructive collaborations.



Peter Ramel
Chairman of the Board of Trustees



Pascal Buracco
Managing Director

Balance sheet at december 31 2021

(in CHF million, by market value)

| Assets | 2021 | 2020 |
|--|----------------|----------------|
| Current accounts and receivables | 258.8 | 256.3 |
| CHF bonds | 50.0 | 58.1 |
| Equities Switzerland | 174.3 | 160.1 |
| Equities Europe | 28.8 | 42.4 |
| Equities North America | 56.4 | 76.8 |
| Equities Japan | 24.6 | 33.6 |
| Equities Pacific excluding Japan | 24.3 | 28.7 |
| Equities Emerging Markets | 38.5 | 67.5 |
| Real estate in Switzerland (indirect investments) | 643.0 | 615.9 |
| Real estate in Switzerland (direct investments) | 1.3 | 1.3 |
| Mortgage loans | 57.3 | 63.8 |
| Non-traditional investments | 1.5 | 1.5 |
| Prepaid expenses | 18.8 | 18.8 |
| Balance sheet total | 1,377.7 | 1,424.7 |

| Liabilities | 2021 | 2020 |
|--|----------------|----------------|
| Payables | 0.2 | 0.2 |
| Accrued liabilities | 0.2 | 0.1 |
| Non-actuarial reserves | 1.7 | 1.7 |
| Actuarial capital for insurees and pension recipients | 972.0 | 1,069.3 |
| Actuarial reserves | 24.3 | 21.4 |
| Fluctuation reserve | 179.3 | 196.3 |
| Freely disposable funds | 200.1 | 135.7 |
| Balance sheet total | 1,377.7 | 1,424.7 |

Income statement for 2021

(in CHF million)

| | 2021 | 2020 |
|--|-------------|--------------|
| Pensions and capital payments | -88.5 | -93.4 |
| Supplementary payments | -73.2 | -38.3 |
| Leaving benefits paid | -0.1 | -0.3 |
| Outflow through payments | -161.8 | -132.0 |
| Change in actuarial capital | 94.4 | 43.5 |
| Insurance expense | -0.1 | -0.1 |
| Other income/expense | - | 0.1 |
| Net result from insurance activities | -67.4 | -88.5 |
| Income from | | |
| – mortgage loans | 0.7 | 0.8 |
| – securities | 67.5 | 19.4 |
| – real estate | 47.2 | 42.9 |
| Net result from investment activities | 115.5 | 63.1 |
| Administrative expense | -0.7 | -0.6 |
| Income surplus/(shortfall) before releases from fluctuation reserve | 47.4 | -26.1 |
| Release from fluctuation reserve | 17.0 | 7.8 |
| Income surplus/(shortfall) for the year | 64.4 | -18.3 |

Asset structure

Asset allocations by type as at 31.12.2021

| | in CHF million | in % |
|----------------------------------|----------------|--------------|
| Current accounts and receivables | 258.8 | 19.0 |
| Bonds | 50.0 | 3.7 |
| Mortgage loans | 57.3 | 4.2 |
| Equities | 347.0 | 25.5 |
| Real estate in Switzerland | 644.3 | 47.4 |
| Non-traditional investments | 1.5 | 0.1 |
| Total | 1,358.8 | 100.0 |

Pension payments

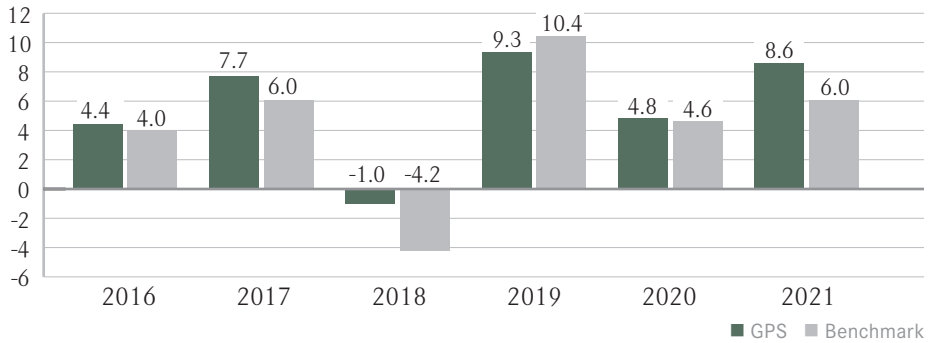
Pension payments by type in 2021

| | in CHF million | in % |
|----------------------------|----------------|--------------|
| Retirement pensions | 50.5 | 31.2 |
| Widow's/widower's pensions | 28.7 | 17.8 |
| Disability pensions | 9.2 | 5.7 |
| Child's pensions | 0.1 | 0.1 |
| Supplementary payments | 73.2 | 45.3 |
| Total | 161.7 | 100.0 |

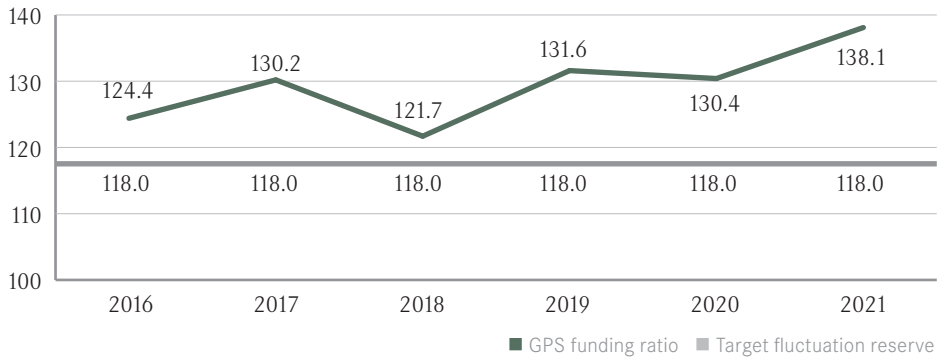
Pension recipients

| | 31.12.2021 | 31.12.2020 |
|-------------------------------|--------------|--------------|
| Of retirement pensions | 1,411 | 1,523 |
| Of widow's/widower's pensions | 1,110 | 1,117 |
| Of disability pensions | 424 | 448 |
| Of child's pensions | 29 | 34 |
| Total | 2,974 | 3,122 |

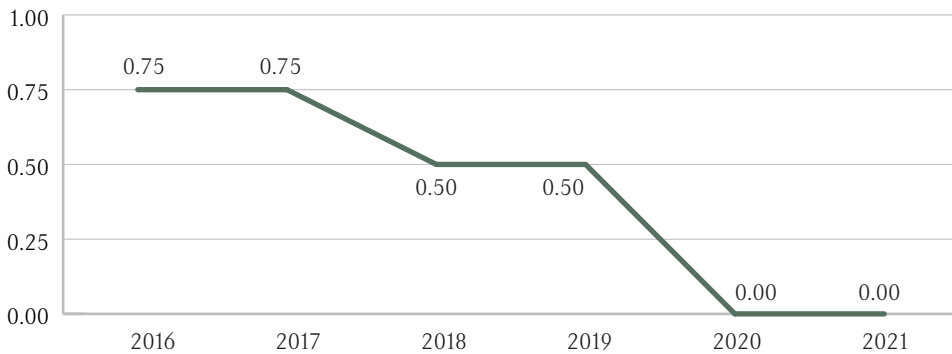
Performance in %



Funding ratio in %



Actuarial interest rate in %



Organization

Board of Trustees

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

Auditors

BDO AG, Schiffbaustrasse 2, 8031 Zurich
Renzo Ferretti

Accredited pension actuary

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

Scheme management

PFS Pension Fund Services AG, Sägereistrasse 29, 8152 Glattbrugg

| | |
|--------------------|-------------------|
| Pascal Buracco | Managing Director |
| Reto Haupt | Accounting |
| Christian Cantieni | Customer Advisor |

Contact and website

Phone +41 43 210 18 43
swissair-group-pensions.com