

To all pensioners

Lugano, 19 May 2020

## 2019 Annual Financial Statements

Dear Sir / Madam,

The board of "Fondazione di Previdenza EFG SA" ("Fondazione") and the board of "Fondo Complementare di Previdenza EFG SA" ("Fondo") ("Fondazioni") approved the 2019 annual financial statements during the meetings of April 27<sup>th</sup>, 2020.

2019 was an excellent year for financial markets, generating a net performance in the asset management of the Fondazione of 10.62% and of the Fondo of 11.10%.

As a direct consequence of the very positive financial results, the **Coverage Ratio** is at the end of 2019 in positive territory, despite the reduction of the Technical Interest Rate from 2.25% to 1.75% and the annual update of the technical bases (generational tables LPP2015G of the year 2020), reaching **105.6%** for Fondazione and **112%** for Fondo.

The annual accounts of Fondazione and Fondo closed the year with a gain, which led to a reconstitution of the fluctuation reserve for both foundations. This reserve has been of fundamental importance during the first months of a very difficult 2020, in which period financial markets have suffered important turbulences caused by the Covid-19 crisis.

Summary of "Key Figures "	Fondazione	Fondo
Coverage Ratio	105.6%	112.0%
Technical Interest Rate	1.75%	1.75%
Net investment performance	+10.62%	+11.10%
Net Pension assets	CHF 935.3 mio	CHF 167.1 mio
Pension liabilities and actuarial provisions	CHF 885.6 mio	CHF 149.3 mio

### Renewal of representatives in the foundation Boards

For 2020 EFG has appointed new Board members as representatives of the employer. In the annual report 2019 all new representatives of the employer and of the employees are indicated for Fondazione and for Fondo as well as roles and functions taken over by Board members.

In compliance with the principle of an alternate presidency between representatives of the employees and the employer, Yves Bersier, new employer representative, takes over the presidency of the Fondazioni EFG from Massimo Antonini, who chaired the Fondazioni EFG for the past 4 years.

Reference amounts for occupational retirement and Pension fund regulations

Annex 1 to the Pension fund regulations of the Fondazioni EFG contains the reference amounts of the Swiss occupational retirement. We inform you that for 2020 there have been no changes with an impact on EFG Pension fund regulations compared to 2019.

The Pension fund regulations, complete with the attachments, are available to you at the following address <http://efginternational.tinext.net/en/fondazioneprev>

In this regard, we remind you of the communication sent on 28 June 2019 to all insured about the recapitalization measures of Fondazioni EFG which were then incorporated into the new Regulations published at the beginning of January 2020.

Due to the extraordinary situation and the measures imposed to stem the spread of the Covid-19 Virus, the Assembly of Delegates has not taken place as planned on May 19<sup>th</sup>, 2020. However, the annual accounts 2019 have been promptly made available to the Delegates who could therefore transmit their comments in time.

The 2019 annual financial statements are available to all active insured and pensioners, following the policy of transparent, timely and capillary communication that the Fondazioni have built over the years. The annual financial statements are available in Italian and English, to all *active insured* on the corporate portal (HR / Pension Fund / Fondazioni di Previdenza EFG SA / Annual Reports), while *pensioners* may obtain it via the following link: <http://efginternational.tinext.net/en/fondazioneprev>.

Best Regards



Yves Bersier  
*Chairman of the Board*  
Fondazioni EFG SA



Michele Casartelli  
*Foundation Manager*  
Fondazioni EFG SA

C.p.c.:

- Autorità di Vigilanza sulle Fondazioni e LPP della Svizzera orientale (Authority on Foundations and LPP of Eastern Switzerland), Piazza Stazione 4a, 6602 Muralto
- Ernst & Young SA, Corso Elvezia 9, 6901 Lugano
- Willis Towers Watson, Talstrasse 62, 8021 Zürich
- PPCmetrics AG, 8021 Zürich