

October 1, 2022 – September 30, 2023

Annual Report 2023



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Editorial

Dear insured members and business partners,

2023 was a good year. After mostly showing a decline in the previous year, the investment markets largely recovered in the year under review. The good news is that the PF Siemens is able to report very satisfactory performance of 3.73% (previous year: -9.05%). The funding ratio increased to 111.91% (previous year: 105.32%). Compared with the market as a whole this is a good, solid showing.

The financial markets got off to a very positive start at the beginning of 2023. In Europe, falling gas prices eased the situation on the energy markets and consumer sentiment was positive. The ending of the drastic Covid measures in China gave investors reason to hope for global economic growth. More recently, however, a number of factors led to a marked decline in market sentiment up to the end of September. These included persistent core inflation, aggressive interest rate hikes by the central banks, fears of recession and the war in Ukraine.

Despite these setbacks, the higher interest rate environment enabled us to increase the actuarial interest rate – i.e. the expected future investment return that is factored in – from 1.25% to 1.50% as of 30 September 2023. This is good news for our active insured members, because there is now less pressure to lower the conversion rates further. Thanks to the positive performance and the rise in the funding ratio during the reporting year, the Board of Trustees has decided to pay 2% interest (previous year: 1%) on the savings capital of our active insured persons as of calendar year 2024.

In the very negative financial year 2021/22, we were hit by valuation losses of around half a billion Swiss francs on our investments, although it proved possible to absorb these in full using the existing fluctuation reserve. As the target fluctuation reserve has not been fully topped up yet, it will therefore not be possible to increase current pensions in financial year 2024.

“Nothing endures but change.”

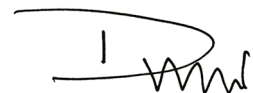
Heraklit von Ephesus, 535–475 v. Chr.

We are all faced with increasingly complex and rapidly changing environments. The challenging background conditions are affecting not only the economy and society, but also the workplace. Over the past three years we have demonstrated how much it is possible to achieve, even in difficult conditions. We therefore look ahead with confidence, that we will be able to react to future challenges just as prudently and flexibly.

We are truly grateful to our employees for their magnificent efforts. We would also like to express our gratitude to you – our valued insured members and business partners – for your trust in the PF Siemens.



Jörn Harde
Chair of the Board of Trustees



Markus Blaser
Managing Director

Key Figures

As at September 30, 2023, or financial year as applicable

Funding ratio _____ **111.91 %**

Retirement capital, incl. actuarial reserves _____ **CHF 3.115 billion**

Actuarial interest rate _____ **1.5 %**

Interest on retirement assets* _____ **1.0 %**

Non-current assets _____ **CHF 3.514 billion**

Investment performance _____ **+3.73 %**

Administration expense per beneficiary _____ **CHF 226**

Asset management costs
as a % of the assets _____ **0.38 %**

*Calendar year

Financial Statements

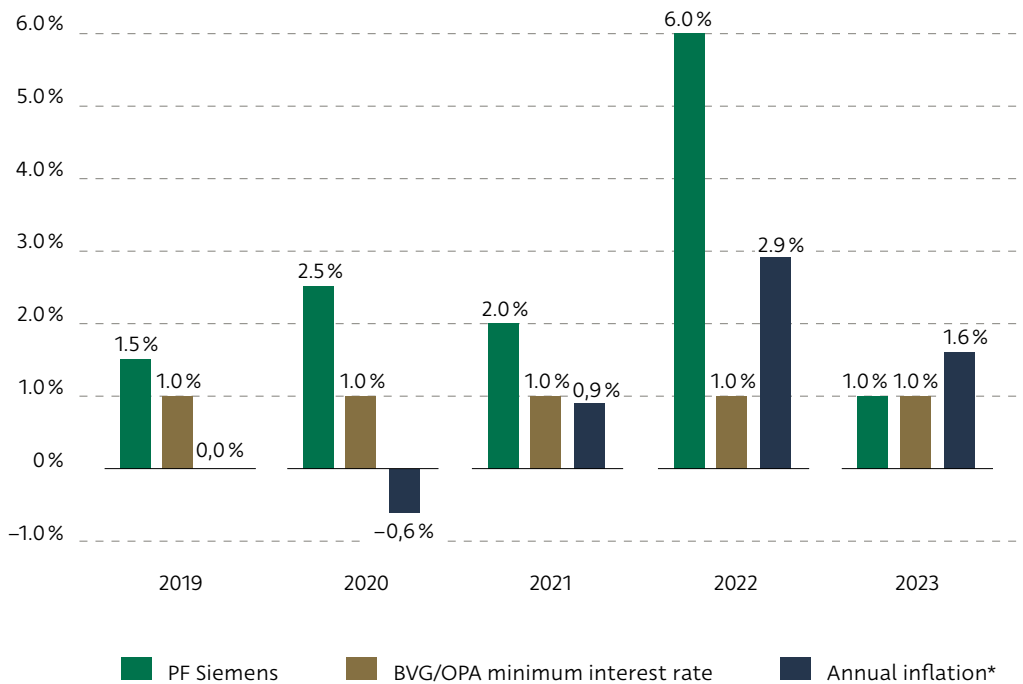
Assets	30.09.2023 CHF	30.09.2022 CHF
Liquidity	72 662 432	49 188 107
Bonds	1 539 620 391	1 548 051 902
Equities	555 140 235	560 000 499
Global infrastructure	12 682 640	0
Swiss real estate	994 045 000	931 696 000
International real estate	116 439 095	134 168 984
Alternative investments	223 822 143	220 281 705
Total investments	3 514 411 936	3 443 387 197
Receivables from third parties	3 750 412	3 021 479
Investments with the employer	304 071	201 458
Intangible assets	735 000	0
Accrued income	8 160 897	7 036 159
Total assets	3 527 362 316	3 453 646 293
Liabilities		
Vested benefits and pensions	10 815 503	7 899 366
Other liabilities	835 649	677 450
Total liabilities	11 651 152	8 576 816
Accrued liabilities	26 601 313	15 314 513
Employer contribution reserve	3 260 681	7 302 293
Retirement capital, active insureds	1 301 750 109	1 273 312 296
Retirement capital, retirees	1 697 214 594	1 786 077 561
Actuarial reserves	115 912 473	190 084 422
Retirement capital and actuarial reserves	3 114 877 176	3 249 474 279
Fluctuation reserve	370 971 994	172 978 392
Total liabilities	3 527 362 316	3 453 646 293

The detailed Financial Report 2022/23 is available in PDF format at www.pk-siemens.ch.

Interest Rate

Interest of 1% was paid on the savings capital of the active insureds in the 2023 calendar year. This corresponds to the minimum interest rate of 1% set by the Federal Council.

Interest on Savings Capital Over the Past Five Years



*Financial year

Development of the interest rate

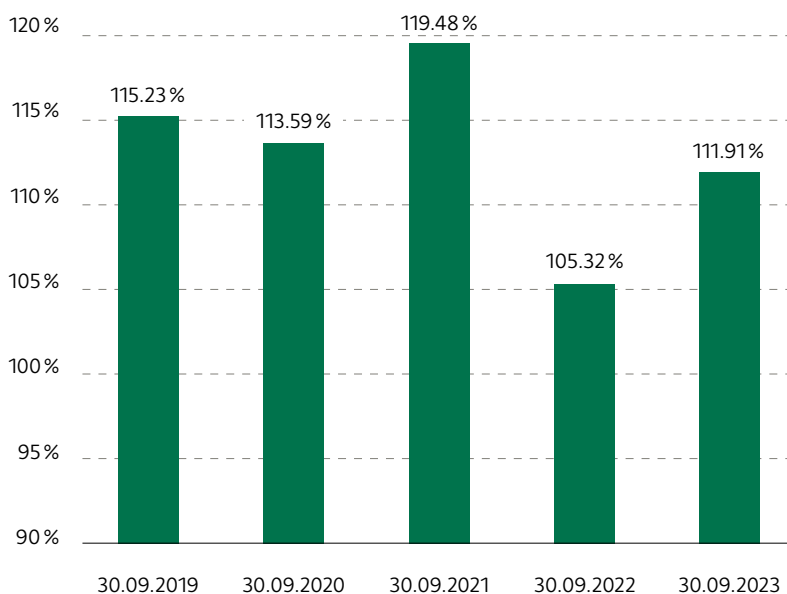
The PF Siemens is a "wrap-around" occupational benefits institution; in other words, we pay at least the minimum interest rate set by the Federal Council not only on mandatory savings capital but also on extra-mandatory savings capital. Interest was paid on the savings capital of the active insured persons on a prospective basis at a rate of 6% from October 1, 2022 to December 31, 2022, and a rate of 1% from January 1, 2023 to December 31, 2023, likewise on a prospective basis.

The positive performance recorded and the increase in the funding ratio during the reporting year make it possible to pay interest of 2% on all savings capital from January 1, 2024. This interest rate is 0.75% higher than the minimum interest rate of 1.25% set by the Federal Council in respect of 2024.

Funding Ratio

The funding ratio was 111.91% as at September 30 (previous year: 105.32%). The pension fund's financial situation is good and solid.

Change in Funding Ratio Pursuant to Art. 44 OPO 2



The funding ratio shows what percentage of the liabilities of the PF Siemens are covered by assets.

Funding Ratio and Fluctuation Reserve

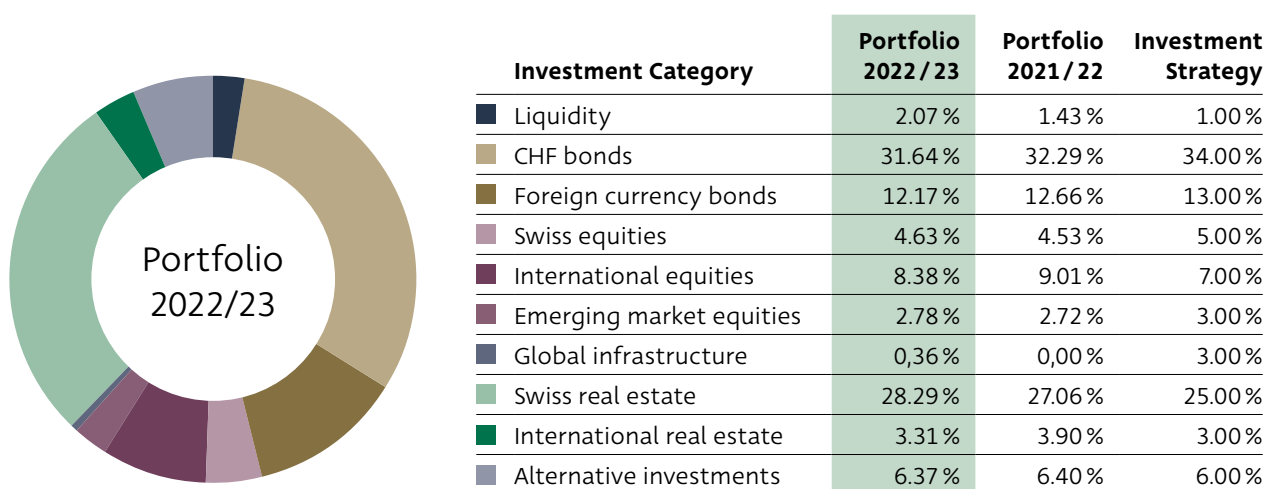
In the previous year, massive upheavals on the investment markets led to negative performance of -9.05%, and the funding ratio declined to 105.32%. This year we achieved performance of 3.73% from our investments. In view of rising interest rates, the Board of Trustees decided to increase the actuarial interest rate from 1.25% to 1.50% as of September 30, 2023. Overall, the funding ratio rose to 111.91% in the reporting year. Of this, 3.66% was accounted for by the above-mentioned increase in the actuarial interest rate.

In the year under review, a new method was used to calculate the target fluctuation reserve. It now corresponds to 15% of the technically required capital, and was equivalent to CHF 467.2 million at the end of the reporting year. At CHF 371 million, the fluctuation reserve currently available is about 20% lower than the target figure.

Investments

The PF Siemens pursues a responsible investment policy. We invest the retirement assets of our insured persons in various investment categories. The primary objective is to invest the capital on a secure basis for the long term.

Portfolio Composition as at September 30



Investment Strategy and Portfolio Structure

We are legally obliged to select, manage and monitor investments carefully. Our task is to optimize the returns over the long term, with due regard to our risk capacity. The proportional division of the assets between different investment categories reflects this. The investment strategy is composed in such a way as to ensure that market fluctuations remain within tolerance margins based on the risk capacity. Compared with the previous year, we have not changed the investment strategy and mandate structure laid down by the Board of Trustees.

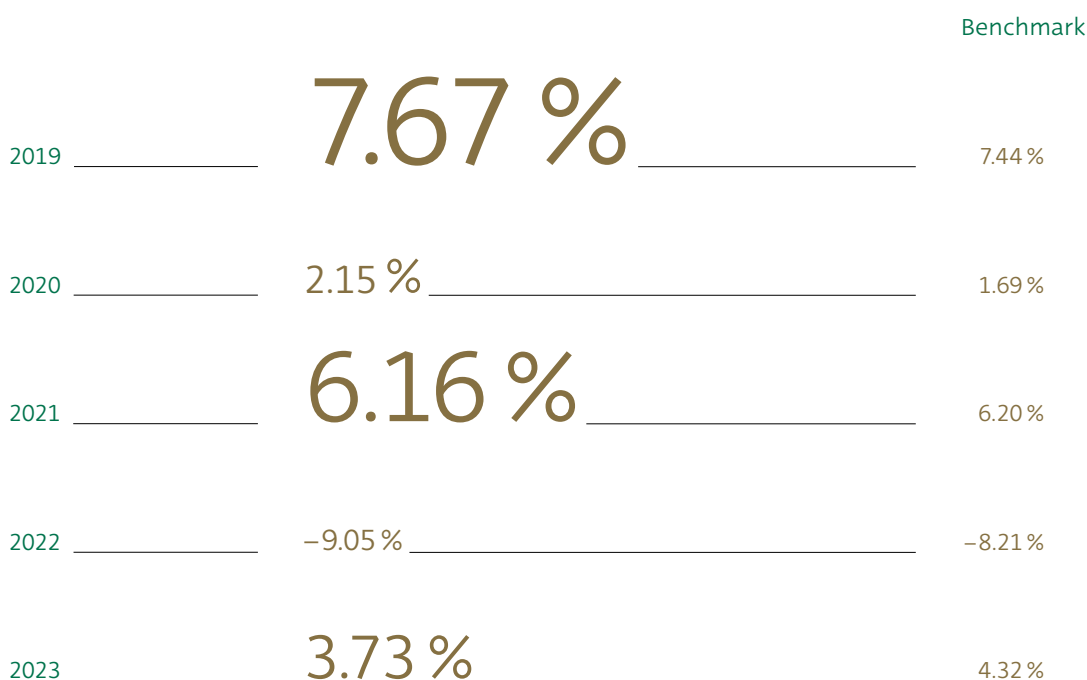
Diversification into Global Infrastructure

There is considerable global demand for infrastructure investment. In many countries this exceeds the possibilities of Governmental budgets. Infrastructure is an attractive investment for pension funds. We plan to invest about 3% of our assets, or around CHF 110 million, in key generation projects. Of this, some CHF 60 million is to be invested in renewable energies in Europe (solar, wind, water, and transition infrastructure) and another CHF 50 million in a global infrastructure fund. Capital commitments amounting to around CHF 12 million had been drawn down by September 30.

Investment Performance

Our investments generated an overall return of 3.73%. The PF Siemens thus posted a very satisfactory result after a difficult previous year. Overall performance for the past five years comes to 1.95% (previous year: 1.88%).

Five-Year Comparison as at September 30



Challenging Investment Climate

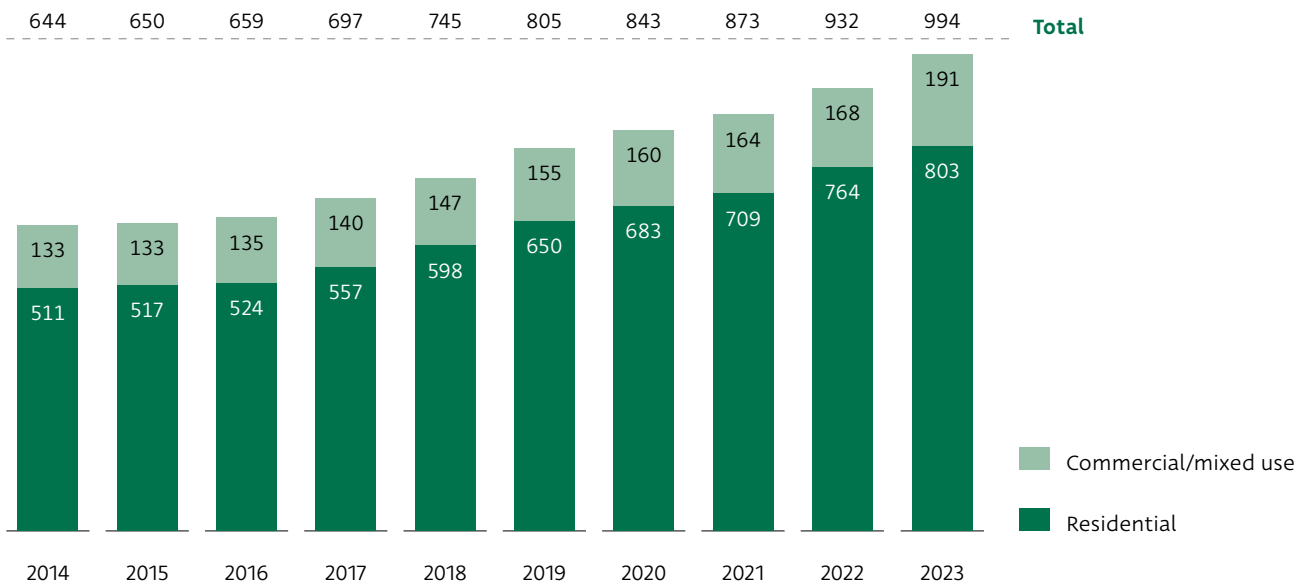
Almost all investment categories made up for the sharp falls in the previous year. Equity prices recovered significantly, although they mostly remained below the peak levels seen at the end of 2021. Nominal values remained under pressure as the central banks raised interest rates worldwide. The high negative performance of the infrastructure investments stems from the fact that all the initial costs were charged to the first small capital call. The environment for real estate was also more challenging owing to higher interest rates. Abroad, property prices fell significantly. There was a noticeable slowdown in the global economy up to the end of September. The Swiss economy proved considerably more robust. This was thanks to the relatively stable export trade and the strong service sector.

Investment Category	Performance 2022/23	Performance 2021/22
CHF bonds	4.21 %	-11.82 %
Foreign currency bonds	-0.47 %	-17.36 %
Swiss equities	9.05 %	-12.68 %
International equities	16.04 %	-16.50 %
Emerging market equities	4.31 %	-24.13 %
Global infrastructure	-72.56 %	n.a.
Swiss real estate	1.91 %	5.83 %
International real estate	-8.39 %	15.85 %
Alternative investments	6.18 %	-5.03 %

Real Estate

Swiss real estate makes an important contribution to the financial stability of the PF Siemens. We therefore focus on preserving the value of our balanced portfolio and on its ongoing, qualitative optimization through purchases, and, where appropriate, sales.

Market Value of all Properties, in CHF Million



Portfolio Management

Our real estate portfolio contains 44 properties, the majority of which are located in the cantons of Zurich and Zug. The residential component accounts for 80%. We are currently constructing the *Meilibach* residential property in Au-Wädenswil to Minergie building standards. These 42 high-quality rental apartments will be ready to move into by fall 2024. During the year under review, we purchased a Minergie-standard residential and business property in as-new condition (Tramstrasse 2-4a, Zurich-Oerlikon). We are committed to sustainability to ensure that our property portfolio retains its value – and ideally even appreciates – over the long term. Our aim is continuously to improve the energy efficiency of our existing properties, such as by introducing energy control systems, operational improvements and replacement heating systems.

Income from Real Estate

The real estate market has once again proved stable. The rental income we receive from more than 1800 apartments and 14,000 m² of office and commercial space ensures reliable earnings. The gross return came to 3.95% (previous year: 3.94%). Ongoing investments in existing properties, new builds, purchase, as well as the annual revaluation by an external assessor, resulted in the portfolio increasing in value by 6.7% (previous year: 6.7%).



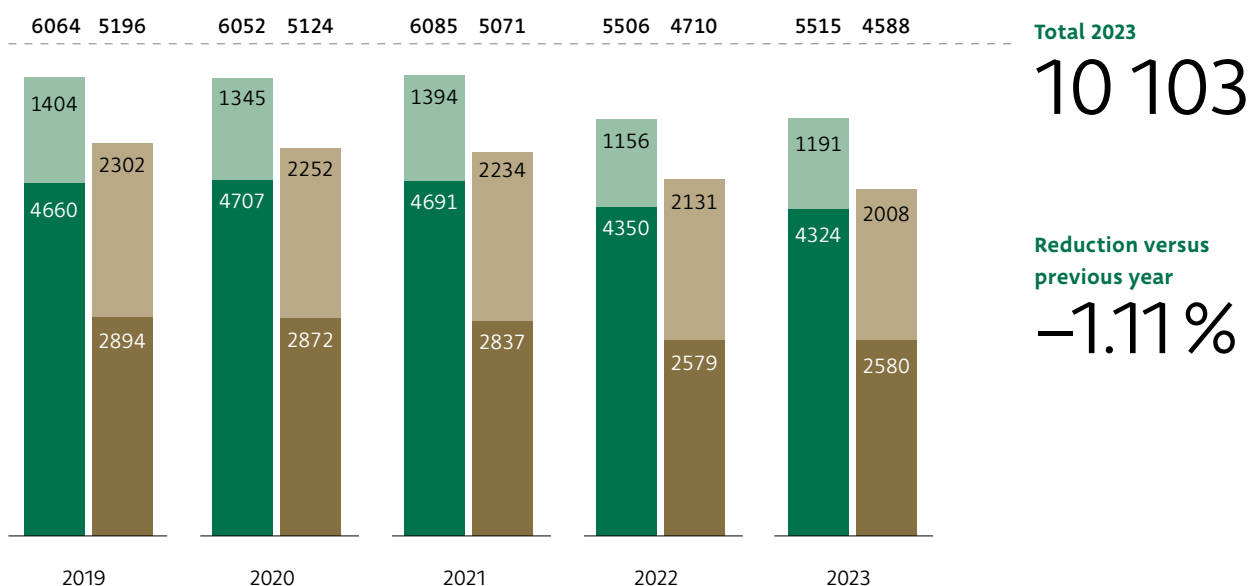
Renovation of energy systems at Dennerstrasse 25-39 in Zurich:

Renovation of electrical installations and flat roof, and construction of a 124,000 kW photovoltaic system, provision of e-mobility (Siemens) etc.

Structure of Insured Persons

As at September 30, 5515 active insured persons and 4588 retirees were insured with the PF Siemens. With a total of 10,103 beneficiaries, we are a mid-sized pension fund.

Change in Active Insureds and Retirees



Insured women
Insured men



Retirees, women
Retirees, men

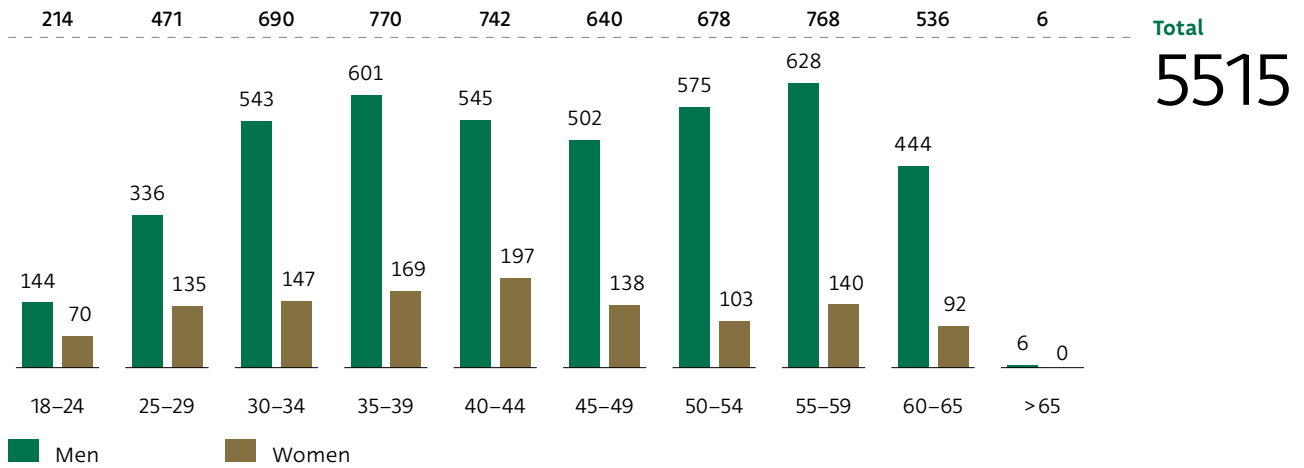
Change in Structure of Insured Persons

The total number of insured persons decreased by 113 (-1.11%) to 10,103 (previous year: 10,216). The number of active insured persons rose by 9 and the number of retirees fell by 122. The demographic ratio shifted slightly towards active insureds at 54.6% to 45.4% (previous year: 53.9% to 46.1%).

Active Insured Persons

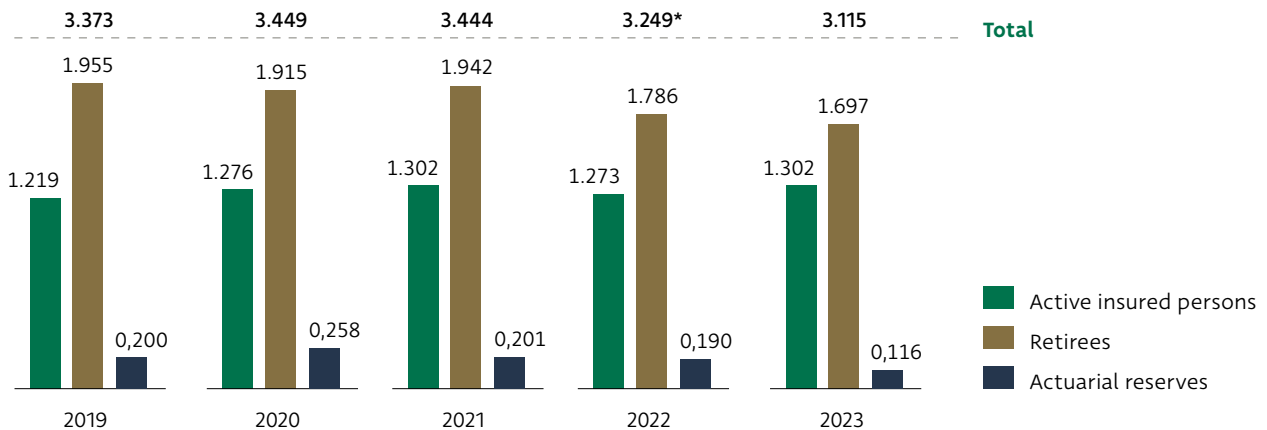
The average age of active insured persons remains unchanged at 43 years and 10 months. Around three in ten active persons save their retirement capital in a flexible manner and voluntarily choose to make higher savings contributions for their retirement.

Breakdown of Active Insured Persons by Age Group



A total of 629 persons (previous year: 742) joined the PF Siemens in the year under review – a 15.2% decrease (previous year: 7.7% increase). 620 active insured persons (previous year: 1321) left our pension fund in the same period. The departures consisted of 517 exits, 92 retirements, 8 disablements, and 3 deaths.

Change in Retirement Capital, in CHF Billion



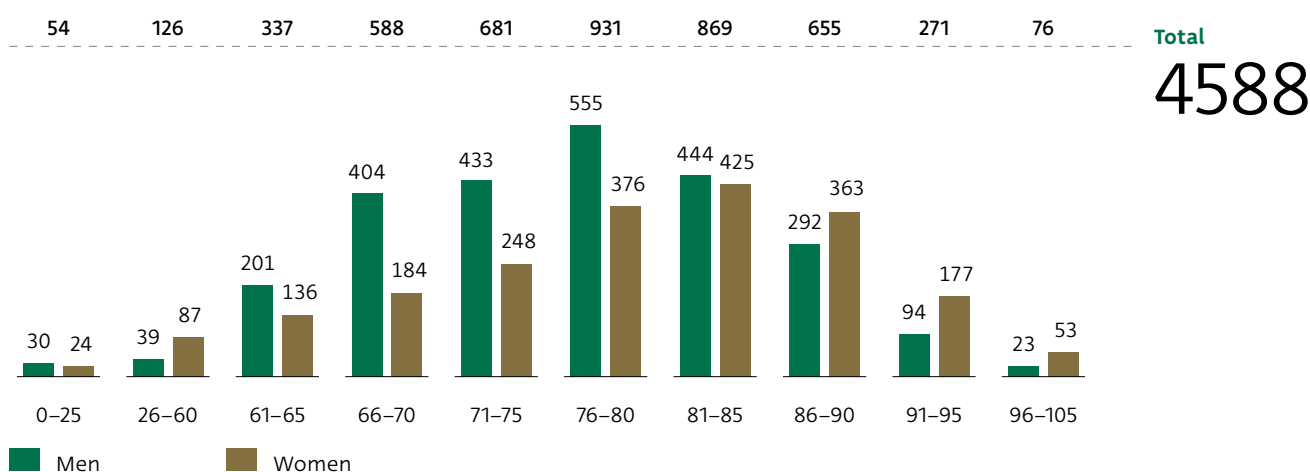
Employees can save for their retirement in a flexible manner and choose between three savings plans. The contribution system is designed to be employee-friendly. Regardless of the savings plan chosen, the employer always makes the maximum contribution laid down for the "Surplus" savings plan. With a share of 70.2% (previous year: 71.8%), the "Standard" contribution option remains the most popular choice of plan.

*Following completed partial liquidations of Huba Control and Landis+Gyr.

Retirees

The total number of pension recipients declined by 122 in the reporting year to 4588 (previous year: 4710). This represents a 2.6% decrease.

Breakdown of Retirees by Age Group



96 persons (previous year: 119) took full or partial retirement in the financial year. 49 persons (previous year: 67) opted to draw a retirement pension and 22 (previous year: 29) opted to withdraw their retirement capital, while 25 (previous year: 23) chose a partial lump sum withdrawal. We paid out a total of CHF 22.246 million (previous year CHF 21.685 million) in retirement capital.

Pensions Paid Out as at September 30

	2023	2022	Change
Retirement pension	3162	3249	-87
Spouse's pension	1235	1253	-18
Disability pension	130	140	-10
Child's pension	54	62	-8
Divorce pension	7	6	1
Total	4588	4710	-122

Adjustment of Pensions in Line with Inflation

The target fluctuation reserve has not yet been fully topped up and no uncommitted funds are available. The Board of Trustees has therefore decided not to adjust current pensions in line with inflation as at January 1, 2024.

Organizational Structure

The Pension Fund of the Siemens Companies in Switzerland, Zurich, is a foundation with its own legal personality. The Board of Trustees includes an equal number of employer and employee representatives (four of each).

Board of Trustees

Employer Representatives

Jörn Harde, Chair
Heiko Fischer
Thomas Frick
Gerd Scheller

Employee Representatives

Sandro Danioth
Hanspeter Gujer
Alexander Krähenmann
Sandra Lony

Retiree Representatives

Heinz Jossi
Konrad Meier

Committees

Investment Committee

Jörn Harde, Chair
Alexander Krähenmann
Sandra Lony
Gerd Scheller

Pension Committee

Thomas Frick, Chair
Sandro Danioth
Heiko Fischer
Hanspeter Gujer

Executive Board

Markus Blaser, Managing Director
Fausto Ciapponi, Head of Investment
Ueli Korrodi, Head of Finance and Real Estate
Tobias Schmid, Head of Pensions

Additional Bodies

Statutory Auditors

Ernst & Young AG, Zurich,
Marco Schmid (Auditor in Charge)

Supervisory Authority

Office for Occupational Insurance and Foundations
of the Canton of Zurich (BVS), Zurich

Accredited Pension Actuary

c-alm AG, St. Gallen (contract partner),
Reto Leibundgut (executive expert)

Other Advisors

PPCmetrics AG, Zurich, Andreas Reichlin (external
investment expert)
Wüest Partner AG, Zurich, Andreas Ammann and
Reto Stiefel (real estate valuation)

Smart Retirement Planning

The PF Siemens offers its insured persons above-average benefits in the event of retirement, disability and death. Why not take a moment to review your pension situation?



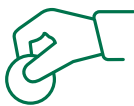
Your Circumstances

Any change in circumstances (time off work, divorce, returning from abroad, salary adjustments, etc.) usually results in a pension gap. That's why you should review your pension situation on a regular basis.



Home ownership using occupational pension assets

Money from the pension fund can be used to finance the purchase of your own home. Please note that an advance withdrawal permanently reduces your retirement benefits.



Individual Voluntary Purchases

You can close any pension gaps – either completely or partially – by making additional voluntary purchases. In this way you can boost your retirement benefits. Your personal insurance certificate will show whether you have any scope for voluntary purchases.



Cohabitation

In the event of death, protect the person living with you in a cohabiting relationship by notifying us. Please use the form "Registration of a domestic partnership".



Flexible Saving

Would you like to take control when it comes to saving for retirement? Once a year, you can choose between three savings plans and select the one that best matches your circumstances. Your choice will apply from the next date on which it is possible for your employer to process it, and remains valid until cancelled in writing.



Married / Single, with / without Children

Would you like to amend the regulatory order of beneficiaries? Please simply fill in the "Change of beneficiary regulations" form and send it to us.

Further information at www.pk-siemens.ch. Use the pension calculator to quickly and easily simulate various retirement scenarios and how they affect your personal retirement situation.

Questions?

Feel free to contact us in full confidence. You'll find the contact details of our experts on your personal annual insurance certificate or annual pension certificate, or on our website at www.pk-siemens.ch.

Further Information

The 2023 Annual Report contains key facts, figures, and events relating to the past financial year. The detailed financial statements can be found in the 2023 Financial Report (in German only). Both documents are available from the information center on our website at www.pk-siemens.ch.

This Annual Report is published in German, French and English. The German version is binding.

Our Properties

Are you dreaming of a home of your own or new business premises? Find out more about our portfolio.



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