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Foreword

The year 2022 is one that many of us will remember for a long time. An event long considered inconceivable – the outbreak of war in Europe – became a reality, while the climate grew warmer and warmer. These developments pushed the coronavirus pandemic to the back of the public consciousness, though its after-effects continue to rumble on.

Those developments also left their mark on the financial markets. PUBLICA’s net investment performance in 2022 stood at −9.6%, compared with +4.4% in the prior year. The closed pension plans, which have a 10% equity allocation, posted a performance of −8.1% (prior year: +2.1%), while the open pension plans, with an equity allocation of at least 25%, recorded a figure of −9.7% (prior year: +4.6%).

The biggest negative contributors were bonds and equities, while real estate and precious metals recorded a positive result.

Asset Management deviated tactically from the strategic asset allocation in 2022, and made selection decisions. As a consequence, the consolidated net investment performance of −9.6% was 0.5 percentage points above that of the benchmark. The latter is calculated on the basis of the strategic asset allocation.

Owing to the negative performance, 14 pension plans are underfunded as at the end of 2022. The deterioration in their financial situation is partly attributable to rising interest rates, although these also lead to a higher expected return.

While 2022 was a difficult year on the financial markets, there were some positive developments:

– The Board of Directors adopted a new corporate strategy and a new strategic asset allocation, both of which PUBLICA has already begun implementing.
– In September, PUBLICA signed up to the Exemplary Energy and Climate initiative, in a commitment which supports the measures adopted by the Federal Council to achieve the climate goals. PUBLICA conducts its investments in an exemplary manner and reports regularly on the progress made in decarbonising its portfolio.
– Since 2021, the approximately 68,000 active members have been able to access their current pension data and pension certificates via the digital portal myPublica. The next step was completed in 2022, when the portal was expanded to include the approximately 42,000 pension recipients. They can now update their address, payment account and marital status themselves. Those who live abroad have to submit a life certificate every year, which they can do quickly and simply via myPublica.
– A large part of PUBLICA’s premises was refurbished to create multi-space offices that facilitate communication and encourage teamwork. This saves space or allows it to be opened up for other uses, and gives staff modern and attractive places to work.
Sincerely

Jorge Serra
Chair of the Board of Directors, PUBLICA

Doris Bianchi
Director, PUBLICA

Bern, 20 March 2023
<table>
<thead>
<tr>
<th>Active members</th>
<th>Pension recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>67,515</td>
<td>41,918</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulatory funded ratio</th>
<th>Economic funded ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>96.2%</td>
<td>95.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total assets</th>
<th>CHF 39.4 bn</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Asset management expenses as per OPSC minimum</th>
<th>Net investment performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.21%</td>
<td>-9.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average retirement pension per person</th>
<th>Administrative expenses per active member/pension recipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF 41,715</td>
<td>CHF 150</td>
</tr>
</tbody>
</table>
**PUBLICA: who we are**

We are the Federal Pension Fund. We are committed to ensuring that our active members receive good, reliable pension benefits. To that end, we invest their assets responsibly and profitably.

– Our active members work within the federal government, the ETH Domain and other organisations that fulfil public tasks.
– The benefits we provide are central to ensuring that our active members can maintain their accustomed standard of living in an appropriate way once they retire. We insure our active members and their relatives financially in case they become unable to work, and in the event of death.
– We finance our benefits using the funded system: we invest the contributions our active members pay in a responsible and profitable way, and pay them an annuity or a lump sum when they reach the end of their insurance period. Our benefits are safeguarded for the long term.
– With assets of CHF 39.4 billion and some 109,000 members, we are one of the biggest pension funds in Switzerland. We want to take the lead for the sector by actively embracing change.
Our 2022

Acting against human rights violations
PUBLICA invests in many companies in Switzerland and abroad. It is determined to act against potential human rights violations within companies’ value chains and has included human rights as a focal point of its responsible investment policy.

Responsible investment | publica.ch

Launch of myPublica
The myPublica project to create a portal for active members and pension recipients is completed and goes live. By the end of April 2022, around 30% of active members have registered.

myPublica — your online pension account | publica.ch

Construction of “Sorrento” in Dübendorf begins
Dübendorf is growing fast and PUBLICA is part of that development: building work begins on the “Sorrento” high-rise, offering 116 apartments at a very well-connected location.

We also invest in real estate | publica.ch

Russia excluded from investment universe
Following the Russian invasion of Ukraine, the EU and Switzerland impose sanctions on Russia. PUBLICA follows suit and excludes Russia from its investment universe.

PUBLICA excludes Russia from its investment universe | publica.ch
Project to merge closed pension plans
A project is initiated to merge the seven closed pension plans, which consist solely of pension recipients, in order to simplify administration and balance risks.

Women’s network PUBLICA f set up
PUBLICA sets up an in-house network for women. It holds two meetings in 2022: the first on “part-time working: blessing or curse?”, the second on “working in male-dominated fields”.

Success for commercial apprentices
PUBLICA’s two commercial apprentices successfully complete their apprenticeships.
We train apprentices

Employer portal project launched
The employer portal enables the HR departments of affiliated organisations to make changes and access important information. A project is launched to completely revamp the portal and make it more customer-friendly.

New strategy adopted
The Board of Directors adopts the newly drafted ethos, core values and strategic priorities. For details see page 13.
Our vision and values | publica.ch

Refurbishment of offices completed
PUBLICA’s staff now work in modern offices with desk sharing, and in some cases from home. Cucina PUBLICA becomes a meeting point for lunch and coffee.
New strategic asset allocation
The Board of Directors decides to increase the risk budget, invest more in real assets and listed equities, and reduce the exposure to bonds, with the aim of increasing returns.
Strategic asset allocation | publica.ch

Two new career paths
PUBLICA welcomes its first apprentice media and technology specialist. A successful applicant is found for the ICT specialist apprenticeship, which is offered for the first time in 2023.
We train apprentices | publica.ch

Properties acquired in Plan-les-Ouates
The five apartment blocks are an ideal complement to the portfolio in the Geneva area.
We also invest in real estate | publica.ch

Modernising the pension offering
PUBLICA is responding to changing lifestyles by making the following changes to its pension offering from 1 January 2024:
– abolishing the distinction between primary and secondary employment among its affiliated employers,
– paying out 100% of the pension assets as a lump sum rather than an annuity in the event of death, if requested by the relatives, and
– introducing a stepless disability pension system.
2022 was an eventful year for the world as a whole, the financial markets and PUBLICA. The overall performance was negative, with 14 of 18 pension plans underfunded. Interest rates are rising, and we therefore expect significantly higher returns once again over the long term. We have adopted a new corporate strategy and a new strategic asset allocation, both of which we have already begun implementing.
Corporate strategy

During 2022, PUBLICA adopted a new strategy for the years 2023–2026, and work on some projects has already begun. Some key activities are still based on the 2019–2022 strategy and its key themes:

- **Strengthening pension fund governance**: In its federal decree of 31 March 2021, the Federal Council instructed the Federal Department of Finance to resolve a conflict of norms and examine other potential revisions in detail. A number of activities have been initiated to this end. The legislative amendment is to be submitted to the Federal Council by the end of 2023 at the latest.

- **Customer orientation, costs and structure**: The Board of Directors has issued instructions for the closed pension plans to be merged. On 18 March 2022, Parliament agreed that the federal government would make restructuring contributions available if one or more of the closed pension plans were 5% or more underfunded. This decision makes the merger legally possible. It is scheduled for implementation on 1 January 2024, and will simplify administrative processes while balancing risks.

- **Realistic bases for valuation and benefits**: PUBLICA’s overriding objective is to meet its financial obligations to its active members and pension recipients over the long term. At the end of 2022, a number of pension plans were underfunded. PUBLICA therefore clarified with the parity commissions the areas of responsibility for a potential restructuring phase. Some asset classes are exposed to substantial value and price fluctuation risks. At PUBLICA, the target value of the fluctuation reserve used to consist of two components, one calculated for the investments and one for the pension liabilities. The latter was removed in 2022. The target value of the fluctuation reserve was set at 17% (value in the new strategic asset allocation) for the investments of the open pension plans, 15% for the closed pension plans, and 15% for PUBLICA Reinsurance.

- **Investment policy**: The Board of Directors has increased the risk budget and adjusted the strategic asset allocation for the open pension plans. The allocation to nominal assets is sharply reduced, while the exposure to real assets and equities is increased. Private infrastructure equities are included in PUBLICA’s investment universe for the first time. A review of the strategic asset allocation for the closed pension plans is scheduled for 2023.

**PUBLICA Operations**: On the operational side, the focus was on keeping administrative expenses in check, expanding the portals for our stakeholders and digital pension processes, and ensuring that information is comprehensively protected. PUBLICA’s premises have been completely refurbished in the last two years. Open office spaces combined with multi-space zones encourage communication and teamwork. Other parts of the building can now also be put to different uses. Administrative costs rose slightly year on year, to stand at CHF 150 per active member / pension recipient.
New strategy period: corporate strategy 2023–2026
In summer 2022, the Board of Directors defined its new strategic principles. They include a newly formulated ethos (see page 7, “who we are”), the core values “responsible, service-oriented, proactive”, our assumptions for the future, and four strategic priorities for the 2023–2026 strategy period.

These are:
– aligning ourselves more closely with the needs of our active members and their employers.
– positioning the “third contributor” (asset management) more strongly.
– using digital technologies where sensible and necessary.
– simplifying our structures.

Some projects have already been launched. The increase in the risk budget and the new strategic asset allocation reflect our ambition to position the third contributor more strongly. The portal for active members and pension recipients helps to advance digital technologies at PUBLICA. The review of the pension offering and implementation of its findings focus attention more closely on active members, while the merger of the closed pension plans helps to simplify our structures. PUBLICA has also launched a project to make its IT more future-proof. One element of this is the Business Partner project, which is designed to embed specialist responsibility for IT applications more deeply in the divisions.
Pensions in transformation

Collective institution: independent open and closed pension plans
At the end of 2022, PUBLICA operated eleven open and seven closed pension plans. Open pension plans also include active members, while closed pension plans are made up entirely of pension recipients. Each pension plan is organisationally and economically independent, which means it bears the risks of pension benefits for longevity, disability and death itself. The pension plans differ in size and membership structure.

In small pension plans, a single risk benefit can seriously impair their financial situation. For that reason, PUBLICA offers the open pension plans internal reinsurance. Depending on their size, the plans can wholly or partially reinsure themselves against the financial consequences of deaths and disability costs related to active members. These risk transfers to Reinsurance allow risks to be spread across a larger number of active members and therefore prevent the financial burdens on individual pension plans from fluctuating too sharply.

Pension plans by type and institution
As at 31.12.2022, in CHF bn and percentage of total assets

<table>
<thead>
<tr>
<th>Pension plans by type and institution</th>
<th>As at 31.12.2022, in CHF bn and percentage of total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Light blue = individual pension plans, dark blue = total</td>
</tr>
<tr>
<td>Closed pension plans</td>
<td>36.98 (94%)</td>
</tr>
<tr>
<td>Pensioners only – SRG SSR idée suisse</td>
<td>0.34 (1%)</td>
</tr>
<tr>
<td>Pensioners only – RUAG</td>
<td>0.32 (1%)</td>
</tr>
<tr>
<td>Open pension plans</td>
<td>27.19 (69%)</td>
</tr>
<tr>
<td>Pensioners only – Swisscom</td>
<td>1.27 (3%)</td>
</tr>
<tr>
<td>Pensioners only – RUAG</td>
<td>0.45 (1%)</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>0.34 (1%)</td>
</tr>
<tr>
<td>ETH Domain</td>
<td>7.49 (19%)</td>
</tr>
<tr>
<td>Confederation</td>
<td>0.96 (2%)</td>
</tr>
<tr>
<td>Affiliated Organisations</td>
<td>1 (3%)</td>
</tr>
<tr>
<td>FINMA</td>
<td>0.34 (1%)</td>
</tr>
<tr>
<td>Various (7)</td>
<td>0.09 (0%)</td>
</tr>
<tr>
<td>PUBLICA Operations and Reinsurance</td>
<td>2.38 (6%)</td>
</tr>
</tbody>
</table>

Open pension plans
Open pension plans are made up of active members and pension recipients. They include the autonomous (non-reinsured) and reinsured pension plans.

The open pension plans are valued at an unchanged technical interest rate of 2.0% and have funded ratios of between 95.5% and 100.8% (prior year: 107.3% and 112.5%). The funded ratios have moved in different directions owing to a range of factors such as risk evolution, membership structure, and the differing interest and actuarial policies of the individual pension plans.

The economic funded ratios range between 94.0% and 101.3% (prior year: 93.7% and 102.3%). Liabilities are valued in a market-consistent manner when calculating the economic funded ratio.
Closed pension plans
The closed pension plans consist entirely of pension recipients, some from the federal operations (including Swisscom and RUAG) that were hived off at the turn of the millennium, and some from former affiliated organisations. Their funded ratios are between 88.8% and 108.7% (prior year: 98.3% and 117.4%). The closed pension plans are valued at a technical interest rate of 0.5%. Owing to the interest rate rises in 2022, the economic funded ratios trended upwards overall, from between 92.9% and 114.8% in the prior year to between 97.1% and 113.8%.

Open pension plans: calculation of the redistribution of income
Redistribution means that the return on investments is not divided up proportionately between active members and pension recipients.

PUBLICA is financed under the funded system. This means that a long-term, systematic redistribution of income between active members and pension recipients is not appropriate to the funding system. The income is needed in order to pay interest on the assets of active members and the pension fund capital of pension recipients, and to fund any changes in the provisions policy (in particular a change to the technical parameters). Actuarial gains and losses (e.g. when a pension recipient dies without any pension implications) are not included in this calculation.

Redistribution – open pension plans
2022, in CHF mn

<table>
<thead>
<tr>
<th></th>
<th>Active members</th>
<th>Pension recipients</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>−168</td>
<td>−351</td>
<td>−518</td>
</tr>
<tr>
<td>Creation of provision for changes to technical parameters</td>
<td>−76</td>
<td>0</td>
<td>−76</td>
</tr>
<tr>
<td>Share of costs borne by active members / pension recipients (effective)</td>
<td>−244</td>
<td>−351</td>
<td>−595</td>
</tr>
<tr>
<td>Share of costs as per pension fund capital</td>
<td>−314</td>
<td>−281</td>
<td>−595</td>
</tr>
<tr>
<td>Redistribution to (+) / from (−)</td>
<td>−70</td>
<td>70</td>
<td></td>
</tr>
</tbody>
</table>

Historical trend

<table>
<thead>
<tr>
<th>Historical trend</th>
<th>Units</th>
<th>Active members</th>
<th>Pension recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>CHF mn</td>
<td>−70</td>
<td>70</td>
</tr>
<tr>
<td>2021</td>
<td>CHF mn</td>
<td>89</td>
<td>−89</td>
</tr>
<tr>
<td>2020</td>
<td>CHF mn</td>
<td>−86</td>
<td>86</td>
</tr>
<tr>
<td>2019</td>
<td>CHF mn</td>
<td>−608</td>
<td>608</td>
</tr>
<tr>
<td>2018</td>
<td>CHF mn</td>
<td>−86</td>
<td>86</td>
</tr>
<tr>
<td>2017</td>
<td>CHF mn</td>
<td>−6</td>
<td>6</td>
</tr>
<tr>
<td>2016</td>
<td>CHF mn</td>
<td>−93</td>
<td>93</td>
</tr>
</tbody>
</table>

The provision for changes to technical parameters is now only constituted for the active members, and is factored into the redistribution. In 2022, the technical interest rate was higher than the actual interest on retirement assets, resulting in a redistribution away from the active members.
Active members and pension recipients

At the end of 2022, PUBLICA was providing services to 67,515 active members and 41,918 pension recipients. The number of active members rose by 1% (653 people), while the number of pensioners declined by 0.2% (92 people). The figure for retirement pensioners also includes those who are drawing a bridging pension and have withdrawn their retirement pension entirely as a lump sum (103 people).

In all, just over 109,000 people are insured with PUBLICA. Roughly 26,000 arrivals and departures are recorded each year, for example members joining and leaving, retirements and deaths. Women account for just under 40% of the total. This figure is slightly higher among the pensioners than among the active members. Just under 2.5% of pension payments are made in the form of retired person’s child’s pensions and disabled person’s child’s pensions or to (orphaned) children.

Demographic breakdown of membership
2022 with prior-year comparison, in no. of persons

<table>
<thead>
<tr>
<th></th>
<th>31.12.2021</th>
<th></th>
<th>31.12.2022</th>
<th></th>
<th>Change</th>
<th></th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Women</td>
<td>Men</td>
<td>Total</td>
<td>Admissions</td>
<td>Departures</td>
<td>Absolute</td>
</tr>
<tr>
<td>Risk-insured</td>
<td>1 140</td>
<td>404</td>
<td>654</td>
<td>1 058</td>
<td>721</td>
<td>803</td>
<td>−82</td>
</tr>
<tr>
<td>Fully insured</td>
<td>65 722</td>
<td>24 945</td>
<td>41 512</td>
<td>66 457</td>
<td>9 898</td>
<td>9 163</td>
<td>735</td>
</tr>
<tr>
<td>Total active members</td>
<td>66 862</td>
<td>25 349</td>
<td>41 512</td>
<td>67 515</td>
<td>10 619</td>
<td>9 966</td>
<td>653</td>
</tr>
<tr>
<td>Retirement pensioners</td>
<td>29 808</td>
<td>7 491</td>
<td>22 226</td>
<td>29 717</td>
<td>1 272</td>
<td>1 363</td>
<td>−91</td>
</tr>
<tr>
<td>Disability pensioners</td>
<td>893</td>
<td>396</td>
<td>483</td>
<td>879</td>
<td>93</td>
<td>107</td>
<td>−14</td>
</tr>
<tr>
<td>Spouse’s pension recipients</td>
<td>10 261</td>
<td>9 809</td>
<td>405</td>
<td>10 214</td>
<td>736</td>
<td>783</td>
<td>−47</td>
</tr>
<tr>
<td>Child’s pension recipients*</td>
<td>972</td>
<td>491</td>
<td>526</td>
<td>1 017</td>
<td>386</td>
<td>341</td>
<td>45</td>
</tr>
<tr>
<td>Divorce pension recipients</td>
<td>76</td>
<td>91</td>
<td>0</td>
<td>91</td>
<td>17</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td>Total pension recipients</td>
<td>42 010</td>
<td>18 278</td>
<td>23 740</td>
<td>41 918</td>
<td>2 504</td>
<td>2 596</td>
<td>−92</td>
</tr>
<tr>
<td>Total membership</td>
<td>108 872</td>
<td>43 627</td>
<td>65 806</td>
<td>109 433</td>
<td>13 123</td>
<td>12 562</td>
<td>561</td>
</tr>
</tbody>
</table>

* of which
- Retired person’s child’s pensions 279 283 562
- Disabled person’s child’s pensions 88 103 191
- Orphan’s pensions 124 140 264
Active members
Almost 90% of active members belong to the Confederation or ETH Domain pension plans. However, the two plans have very different age structures. In the case of the Confederation pension plan, the number of active members of a given age essentially increases up to retirement age. Starting from the earliest possible retirement age (60, in the case of the Confederation pension plan), the figure tends to decline again. The situation at the ETH Domain pension plan is different. The highest numbers of active members are aged between 26 and 31. As a result, the age structure chart across all pension plans is wave-shaped. A number of conclusions and figures can be interpreted and obtained from the age structures. For example, they highlight any impending waves of retirements which could result in costs that reduce the funded ratio. Taken together with the chart of retirement assets for each age category, this reveals the pension asset transfer from active members to pension recipients. This is crucial to a pension plan’s risk capacity. However, employers can also draw strategic conclusions from it, for example for succession arrangements, to react to a shortage of specialist staff or to calculate the costs for the pension fund. Moreover, a range of data are recorded and presented by gender.

Active members
31.12.2022

<table>
<thead>
<tr>
<th></th>
<th>Total income</th>
<th>No. of persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>female</td>
<td>32%</td>
<td>38%</td>
</tr>
<tr>
<td>male</td>
<td>68%</td>
<td>62%</td>
</tr>
</tbody>
</table>
The highest number of insured men are aged 29, while the figure for women is 30. In all, 137 active members are working beyond the retirement age of 64/65.
Pension recipients

As with the active members, the age structure of pension recipients can be used to estimate the financial impact on a pension plan. For example, it is clear that the funding capital of pension recipients declines with age, because statistically the expected future payments decrease. The age structure and selected pension data by gender are set out below.

Statistics for pension recipients

As at 31.12.2022, in CHF

<table>
<thead>
<tr>
<th>Pension Type</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of retirement pensions</td>
<td>198,484,110</td>
<td>1,036,874,090</td>
<td>1,235,358,200</td>
</tr>
<tr>
<td>Amount of disability pensions</td>
<td>10,306,897</td>
<td>15,093,509</td>
<td>25,400,406</td>
</tr>
<tr>
<td>Amount of spouse’s pensions</td>
<td>204,729,560</td>
<td>6,451,088</td>
<td>211,180,648</td>
</tr>
<tr>
<td>Amount of child’s pensions</td>
<td>4,087,883</td>
<td>4,391,443</td>
<td>8,479,325</td>
</tr>
<tr>
<td>Amount of divorce pensions</td>
<td>2,048,639</td>
<td>0</td>
<td>2,048,639</td>
</tr>
<tr>
<td>Total amount of pensions</td>
<td>509,657,089</td>
<td>1,062,810,130</td>
<td>1,572,467,218</td>
</tr>
</tbody>
</table>

Average pensions:

<table>
<thead>
<tr>
<th>Pension Type</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement pension recipients</td>
<td>26,546</td>
<td>46,839</td>
<td>73,385</td>
</tr>
<tr>
<td>Disability pension recipients</td>
<td>26,028</td>
<td>31,250</td>
<td>57,278</td>
</tr>
<tr>
<td>Spouse’s pension recipients</td>
<td>30,047</td>
<td>15,929</td>
<td>46,009</td>
</tr>
<tr>
<td>Child’s pension recipients</td>
<td>8,326</td>
<td>8,349</td>
<td>16,675</td>
</tr>
<tr>
<td>Divorce pension recipients</td>
<td>22,513</td>
<td>0</td>
<td>22,513</td>
</tr>
<tr>
<td>All pension recipients</td>
<td>27,905</td>
<td>45,128</td>
<td>73,033</td>
</tr>
</tbody>
</table>

In total, 14 male retirement pension recipients and 9 female are over 100 years of age. The highest number of male pension recipients are aged 80, the highest number of women 76.
The “total amount of pensions” figure indicates the insured pensions of the membership at the reference date and not the pensions actually paid out during the year under review. The figure for pension recipients does not include retirement bridging pensions or IV/AI replacement pensions. Those who retired before reaching statutory retirement age, drew 100% of their capital as a lump sum, and draw a bridging pension are recognised as retirement pension recipients for statistical purposes when calculating the membership. However, they are not included when calculating the average pension, average age and total amount of pensions.

**Trends in the effective age of retirement and death**
The effective retirement age is stable at a little over 63, while the effective average life expectancy has fallen slightly.

**Effective retirement age and effective average age at death of retirement pension recipients**
2018–2022, in years/months
Pension payments abroad
1.1.2022 to 31.12.2022
No. of transactions in percent, broken down by country

PUBLICA pays out pensions to recipients worldwide. Roughly 1% of the number of pensions is paid out abroad. Around 75% of the foreign payments go to ten countries.

Modernising the pension offering
PUBLICA is responding to changing lifestyles by making the following changes to its pension offering from 1 January 2024:
– abolishing the distinction between primary and secondary employment among its affiliated employers,
– paying out 100% of the pension assets as a lump sum rather than an annuity in the event of death, if requested by the relatives, and
– introducing a stepless disability pension system.

The strategic priority of simplifying our structures also prompted the decision to merge the closed pension plans with effect from 1 January 2024. This move will balance risks and simplify administrative processes.
Our customers are very satisfied, and that is thanks to our highly motivated staff.
Customer satisfaction

PUBLICA’s employees are highly service-oriented. Our active members, pension recipients and employers have clearly assigned contacts, ensuring they receive consistent advice and customer support in a range of life situations over an extended period. Our qualified experts also run courses for active members on topics such as “pensions and finances”, and “preparing for retirement”. These courses are very popular and well attended.

Following the launch of the myPublica portal for active members in October 2021, the portal for pension recipients went live in March 2022. The two portals have advanced the digital transformation at PUBLICA. The response from active members and pension recipients has been highly positive. Users particularly appreciate the simulation options and the ability to download documents.

In line with PUBLICA’s commitment to high quality, we conduct a rolling survey of active members and pension recipients each month. An employer satisfaction survey is also carried out every two years.

The results from the survey of our active members and pension recipients are very encouraging, with 81 out of every 100 customers very satisfied with the service they receive from PUBLICA. The three main business cases that customers rated in 2022 were buy-ins (50.1%), retirement (33.6%) and early withdrawals for home ownership (16.3%).

myPublica in figures

Take-up of the portal in its first full year of operation was very good. As of 31 December 2022, 22,400 active members and 1,615 pension recipients had registered on myPublica, giving a total of 24,015 people who had completed registration and can now actively use the portal.

More male than female active members have registered on the portal: the figures are 26% for women and 37% for men.

Proportion of active members registered on the portal
31.12.2022, by gender
However, the crucial success factor for the portal is not so much registration as actual use. In total, registered active members logged in to the portal 110,289 times in 2022. That means that on average, each registered active member used the portal just under five times within the space of a year. On average, active members spend almost 5.5 minutes on the portal. The most popular simulation tool in 2022 was the retirement tool, which was used almost 70,000 times. It enables active members to calculate their pension for a given retirement age. In second place is the buy-in calculation tool, which was used to carry out around 32,000 simulations for various buy-ins in the space of a year. Third place goes to the tool used to simulate the impact of voluntary savings contributions, with some 10,000 calculations carried out.
An eventful year for investors

Economic and financial market performance
A scenario that the vast majority of national leaders and specialists had considered unlikely became reality: on 24 February 2022, Russian troops marched into Ukraine and began a war whose outcome remained uncertain at the end of the year. Western countries responded swiftly and resolutely to the attack, imposing wide-ranging sanctions on Russia: assets were seized, trading in securities was prohibited, and oil and gas imports from Russia restricted. Oil prices climbed from USD 78 per barrel at the start of January to a high of USD 133 per barrel in August, before closing the year at USD 79 per barrel, almost exactly where they had started it. Energy shortages hit European countries hardest. While high demand and persistent supply bottlenecks pushed inflation higher in the US, Europe’s inflationary pressure was caused by rising energy and food prices. Western central banks’ monetary policy became markedly more restrictive. This led to several rounds of interest rate rises. The economic outlook became gloomier, and consensus forecasts for GDP growth in 2023 were revised downwards. Meanwhile, market participants raised their predictions for inflation.

The bond markets reacted sharply to the surprisingly large interest rate rises and high inflation. The yield on 10-year US Treasuries rose from 1.6% to over 4% in October, and ended the year at 3.5%, while for Swiss government bonds, it increased from –0.1% to +1.5% at year-end. Yield curves flattened as the year went on. By the end of 2022, they were inverted in the US, Germany and the UK, with yields on short-dated bonds higher than those on long-dated paper. This reflected investors’ expectation of a marked economic slowdown in the industrialised nations. The equity markets were hit by rising interest rates and fears of recession, and suffered major setbacks.

For detailed information on economic developments see the Quarterly Bulletins issued by the Swiss National Bank (snb.ch).

Diversified strategic asset allocations: geared to structure and trend
PUBLICA manages pension assets in the interests of its active members and pension recipients and in full compliance with the law. It diversifies its investments widely in order to capture various risk premiums. The strategic asset allocation dictates how the assets are divided up among the various asset classes, such as equities, government bonds, corporate bonds, precious metals and real estate. PUBLICA reviews the allocation periodically.

The closed and open pension plans differ substantially in terms of their structure and the expected development of their liabilities. For this reason, a single strategic asset allocation for all the pension plans would be at odds with Article 50 OPO 2. Accordingly, in 2010 the Board of Directors approved for the first time the creation of one strategic asset allocation for all the closed pension plans and another for all the open ones. The two current strategic asset allocations are illustrated in the following chart.
**Long-term strategic asset allocation by asset class**

As at 31.12.2022, in percent

<table>
<thead>
<tr>
<th>Open pension plans</th>
<th>Closed pension plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market</td>
<td>3%</td>
</tr>
<tr>
<td>Swiss government bonds</td>
<td>7%</td>
</tr>
<tr>
<td>Non-government bonds CHF</td>
<td>5%</td>
</tr>
<tr>
<td>Gov. bonds developed markets ex CH</td>
<td>8%</td>
</tr>
<tr>
<td>Inflation-linked government bonds</td>
<td>3%</td>
</tr>
<tr>
<td>Public corporate bonds ex CH</td>
<td>5%</td>
</tr>
<tr>
<td>Private corporate debt</td>
<td>3%</td>
</tr>
<tr>
<td>Private infrastructure debt</td>
<td>3%</td>
</tr>
<tr>
<td>Private real estate debt</td>
<td>3%</td>
</tr>
<tr>
<td>Gov. bonds emerging markets hard currencies</td>
<td>2%</td>
</tr>
<tr>
<td>Gov. bonds emerging markets local currencies</td>
<td>2%</td>
</tr>
<tr>
<td>Equities Switzerland</td>
<td>6%</td>
</tr>
<tr>
<td>Equities developed markets ex CH</td>
<td>6%</td>
</tr>
<tr>
<td>Equities emerging markets</td>
<td>3%</td>
</tr>
<tr>
<td>Precious metals</td>
<td>9%</td>
</tr>
<tr>
<td>Real estate investments Switzerland</td>
<td>9%</td>
</tr>
<tr>
<td>Real estate investments international</td>
<td>3%</td>
</tr>
<tr>
<td>Infrastructure equity</td>
<td></td>
</tr>
</tbody>
</table>

- Without currency hedging
- With full or partial currency hedging
Performance
On a currency-hedged basis and in terms of consolidated total assets, PUBLICA recorded a net investment performance (after all costs and taxes) of –9.6% in 2022. Without currency hedging, the consolidated net performance across the two strategic asset allocations would have been –9.8%. PUBLICA deviated tactically from the strategic asset allocation in 2022, and made selection decisions. This meant that the consolidated net investment performance of –9.6% was 0.5 percentage points above that of the benchmark (0.8 percentage points less asset management expenses amounting to 0.3 percentage points). The benchmark performance is calculated on the basis of the strategic asset allocation. As expected, asset management expenses (see section 6.10) rose by 3.5 basis points year on year, as further additions were made to the international real estate portfolio, which is more expensive than other asset classes to implement.

Cumulative performance
2015–2022, indexed (2005 = 100) in percent

Source: Pictet LPP indices 2000

Owing to the strongly negative performance of bonds and equities, PUBLICA recorded negative returns on both strategic asset allocations in 2022. The closed pension plans, which have a 10% equity allocation, posted a performance of –8.1%, while the open pension plans, with an equity allocation of at least 25%, recorded a figure of –9.7%. A comparison with the Pictet LPP-25 and LPP-40 indices clearly shows that the equity weighting was less central to performance in 2022 than it was in 2021 (see chart above). Equity and bond prices both fell back. This meant that there was no diversification effect, and PUBLICA’s 2022 performance was worse than after the financial crisis of 2008.
The three main reasons why PUBLICA’s performance in 2022 deviated positively from the Pictet indices are the combination of a higher credit quality in the bond portfolio and a lower duration of the CHF and EUR bond portfolios at PUBLICA, the investments in precious metals, and the investments in unlisted real estate in Switzerland and abroad. For 2022 in general, the higher the allocation to unlisted investments, the better – or less bad – the return generated.

Bonds had the biggest negative impact on PUBLICA’s consolidated assets in 2022. With a return of just under −12%, they made a negative contribution of 6.3 percentage points to the overall return of −9.6%. Long-dated bonds generally performed worse than their shorter-dated counterparts, owing to the sharp rise in interest rates, while bonds from high-quality debtors did better than those with lower credit ratings, owing to fears of recession.

Equities contributed −4.1 percentage points to the consolidated overall return of −9.6%. The six main regions all delivered negative returns in 2022. The least worst performers were Pacific ex-Japan (partially currency-hedged) with −6%, followed by Japan (partially currency-hedged) with −8%. The lowest equity return was seen in the North America portfolio (partially currency-hedged) with −19%. Some of the best-known US growth stocks were hit much harder by rising interest rates than the market as a whole.

Real estate once again generated a positive performance in 2022, with directly held Swiss real estate returning 3.9% (including a minimal revaluation) at year-end, while foreign real estate funds delivered 13.9% on a currency-hedged basis. For diversification reasons, PUBLICA invests a portion of its assets in precious metals such as gold and silver. Precious metals made a slightly positive contribution to PUBLICA’s portfolio in 2022, returning 0.5%.

PUBLICA’s average annual return over the investment horizon from 2000 to 2022 is 2.7%. This is 20 basis points per year above the 2.5% of PUBLICA’s benchmark.
Risk management

Risk policy
PUBLICA regards efficient quality management and an effective internal control system (ICS) as key parts of its corporate policy. For reasons of risk policy, PUBLICA enters into transactions only when it can gauge their risks with a high level of probability. PUBLICA adopts a cautious and conservative approach to risks where compensation is likely to be absent or inadequate. Members of staff who are responsible for the operational accumulation of risk positions are not simultaneously entrusted with monitoring or controlling them.

Investment risk management process
The investment risk management process is an integral part of PUBLICA’s investment process. It governs how risks are identified, measured, steered and monitored within asset management. It also creates an acceptance of risk, so that residual risks are known and justifiable. The investment risk management process is based on three levels of risk: strategic, tactical and implementation.

It aims to actively manage risks that could impair PUBLICA’s ability to fulfil its mandate over the long term. Strategic risks have the biggest influence on the achievement of PUBLICA’s mandate; implementation and tactical risks have a lesser (potential) impact, but one that cannot be disregarded.

Strategic risks
The long-term investment policy is designed to ensure that PUBLICA can pay pensions at all times when they are due. It defines the key parameters for PUBLICA’s asset management and is a sub-process in terms of strategic risks. This sub-process involves reviewing the investment beliefs, analysing the long-term trends, defining the permitted asset classes and setting the strategic risk budget. “Long-term” is defined as a horizon of more than ten years, which also corresponds to PUBLICA’s liabilities.

A review of the strategic asset allocation is a further sub-process at the strategic risks level. It is conducted within the boundaries set by the long-term investment policy and corresponds to the classic asset and liability management (ALM) process. ALM involves coordinating and controlling the interdependencies between the asset and liability sides of the balance sheet, and the structure and expected trend in membership.

The goal of an ALM study is to determine a strategic asset allocation that falls within the prescribed risk budget and is therefore tailored to the risk capacity and risk tolerance of the pension fund. An important aspect of this sub-process is that PUBLICA reviews the risk capacity as well as the key assumptions, in particular the risk/return assumptions for each asset class, on an annual basis.

To control qualitative risks that could have negative financial consequences for the invested assets over the medium to long term, PUBLICA conducts a strategic risk analysis process which covers ESG (environmental, social and governance) risks and, since 2020, systemic risks. In 2022, PUBLICA analysed dependency on electricity supply. It continued to examine the issues of inadequate adjustment to climate change and the conflict between the US and China. PUBLICA is publishing its first responsible investment report covering the year 2022, which will be available on the website publica.ch. This replaces the various individual measures that PUBLICA previously used to report on this topic. The report is designed to create transparency and explain what responsible investment means, and where progress has been achieved.
Tactical risks
PUBLICA’s investment specialists can deviate from the prescribed strategic asset allocation when they have substantiated reasons to believe that they can generate sustainable added value or reduce risk by doing so. The maximum permitted tactical exposures are decided upon by the Board of Directors, along with the strategic asset allocations. In principle, the risks of deviations from the strategic asset allocation within the tactical bandwidths should be set against the expected return.

Implementation risks
If the strategic asset allocation is not implemented in accordance with the rules within the individual asset classes, this distorts or expands the strategic risk budget. The aim of the implementation risk process is to prevent this and to ensure that all benefits can be paid out when they are due. It enables significant individual risks to be identified and appropriately reduced at all levels.

Operational risks
Operational risk comprises the risk of losses due to inappropriate operation or failure of internal processes, people or systems or the impact of negative external events. PUBLICA employs internal controls to minimise operational risks in all key areas. Company-wide checks enable PUBLICA to identify potential cyber risks, for instance, and define countermeasures where needed. Quality and security management, working with the managers responsible, conducts an annual review to establish whether the internal controls are still appropriate to current circumstances and requirements, or whether they need to be adjusted.

Actuarial risk
Actuarial risk comprises the risks resulting from old age, death and disability. It arises when the basis for actuarial calculations, such as the technical interest rate or mortality tables, no longer corresponds to the actual risk events of the active members and pension recipients and the actual development in interest rates.

The capital of pension recipients that is expected to be freed up is compared with the capital of pension recipients that is actually released on death. This provides a measure of the deviation between the actuarial assumptions and the events that actually occurred in the year concerned. Similarly, for active members, the expected costs resulting from death or disability are compared with the cases that actually occurred. The difference between the risk premium and the actual claims corresponds to the annual actuarial gain or loss for each pension plan.
### Risk result – active members

The risk result for active members shows an overall gain of CHF 31.3 million (prior year: CHF 48.9 million).

### Risk result death and disability – active members, total for all pension plans

#### 2018 to 2022, in CHF mn, number or percent

<table>
<thead>
<tr>
<th>2022</th>
<th>Units</th>
<th>Risk premiums</th>
<th>Claims</th>
<th>Total gain (+)</th>
<th>loss (–)</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability cases (incl. increases in degree of disability)</td>
<td>CHF mn</td>
<td>80.7</td>
<td>–53.3</td>
<td>27.4</td>
<td>97</td>
<td></td>
</tr>
<tr>
<td>Deaths</td>
<td>CHF mn</td>
<td>5.2</td>
<td>–1.3</td>
<td>3.9</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>CHF mn</td>
<td>85.9</td>
<td>–54.6</td>
<td>31.3</td>
<td>152</td>
<td></td>
</tr>
<tr>
<td>Insured salary</td>
<td>CHF mn</td>
<td>5,614</td>
<td>5,614</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory required risk premium</td>
<td>Percent</td>
<td>1.53%</td>
<td>0.97%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2021</th>
<th>Units</th>
<th>Risk premiums</th>
<th>Claims</th>
<th>Total gain (+)</th>
<th>loss (–)</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability cases (incl. increases in degree of disability)</td>
<td>CHF mn</td>
<td>79.5</td>
<td>–29.0</td>
<td>50.5</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>Deaths</td>
<td>CHF mn</td>
<td>5.1</td>
<td>–6.7</td>
<td>–1.6</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>CHF mn</td>
<td>84.6</td>
<td>–35.7</td>
<td>48.9</td>
<td>149</td>
<td></td>
</tr>
<tr>
<td>Insured salary</td>
<td>CHF mn</td>
<td>5,494</td>
<td>5,494</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory required risk premium</td>
<td>Percent</td>
<td>1.54%</td>
<td>0.65%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Historical trend

<table>
<thead>
<tr>
<th>2022</th>
<th>Units</th>
<th>Risk premiums</th>
<th>Claims</th>
<th>Risk premiums</th>
<th>Claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>Percent</td>
<td>1.53%</td>
<td>0.97%</td>
<td>1.53%</td>
<td>0.97%</td>
</tr>
<tr>
<td>2021</td>
<td>Percent</td>
<td>1.54%</td>
<td>0.65%</td>
<td>1.54%</td>
<td>0.65%</td>
</tr>
<tr>
<td>2020</td>
<td>Percent</td>
<td>1.54%</td>
<td>0.99%</td>
<td>1.54%</td>
<td>0.99%</td>
</tr>
<tr>
<td>2019</td>
<td>Percent</td>
<td>1.54%</td>
<td>0.70%</td>
<td>1.54%</td>
<td>0.70%</td>
</tr>
<tr>
<td>2018</td>
<td>Percent</td>
<td>2.07%</td>
<td>1.20%</td>
<td>2.07%</td>
<td>1.20%</td>
</tr>
</tbody>
</table>
Our staff

A responsible and attractive employer
PUBLICA can only deliver high-quality services if its employees are highly qualified and motivated. In all, between 20% and 30% of PUBLICA’s staff are from the baby boomer generation, meaning that they were born prior to 1964 and will retire by 2029. At the same time, the shortage of specialist staff is worsening. It is essential that PUBLICA can continue to count on a sufficient number of capable employees in future. We aim to achieve this through targeted organisational and staff development. Systematically planning our staff requirements enables us to see in good time how many new employees we need to recruit, and what capabilities they need to bring with them. As an employer, PUBLICA fosters a corporate culture in which different generations work together in partnership, do meaningful work, enjoy flexibility when it comes to deciding when and where they work, receive professional development that matches their needs, and benefit from an attractive office infrastructure. Social networks are used for recruitment purposes. Where necessary, we employ active sourcing to target candidates we believe to be suitable.

New professional apprenticeships at PUBLICA: media and technology specialist, and ICT specialist
Since summer 2022, PUBLICA has been training its first apprentice media and technology specialist. An aspiring ICT specialist will begin her training in summer 2023. These two career paths complement the commercial apprenticeship that PUBLICA has already offered for a long time. However, the support that PUBLICA offers these young professionals extends beyond their basic training to include flexible follow-up solutions. Two apprentices who completed their commercial apprenticeships in 2022, for example, took their Federal Vocational Baccalaureate during their part-time employment at PUBLICA. The graduate internship offering has also been expanded.

Office refurbishment completed
PUBLICA has completed the refurbishment of its offices. There are now different types of zones, some for concentrated working, for example, and others for joint work on projects.

What are the proportions of men and women, full- and part-time staff at PUBLICA?

<table>
<thead>
<tr>
<th></th>
<th>Employees</th>
<th>FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>123</td>
<td>105.4</td>
</tr>
<tr>
<td>Men</td>
<td>120</td>
<td>105.4</td>
</tr>
</tbody>
</table>

* Employees working ≥ 90% are regarded as working full time
Headcount (including apprentices and graduate interns) rose by 1 year on year, to 123, and by 1.8 to 105.4 on a full-time equivalent (FTE) basis. In total, 14.7% of men work part time (prior year: 16.4%), while the figure for women is 67.3% (prior year: 69.1%).

Women account for 43.3% of the workforce, 1.6 percentage points fewer than in the prior year. The percentage of women in management positions declined by 1.3 percentage points, to 22.2%. PUBLICA is making efforts to increase this figure through specific measures such as a newly established women’s network.

Four employees retired in 2022, while another four left PUBLICA for other jobs. This corresponds to a net staff turnover of 3.4% (prior year: 1.7%).
In the new Cucina PUBLICA, staff meet for coffee, lunch or ad hoc discussions.
As one of Switzerland’s largest pension funds, we attach great importance to training and continuing education for our management bodies.
The Board of Directors is PUBLICA’s supreme body overseeing and controlling the management of business. It is independent of operations and determines PUBLICA’s strategic orientation and management. The Bernische BVG- und Stiftungsaufsicht (BBSA) supervises PUBLICA’s activities as an independent body.
Board of Directors

Elections and terms of office
The term of office of the members of PUBLICA’s Board of Directors is four years. They appoint the Director and Deputy and select the collective institution’s Statutory Auditors and Pension Actuary.

The Chair and Vice-Chair of the Board of Directors consist of one employer representative and one employee representative. They alternate as Chair and Vice-Chair every two years. At the start of the new term of office on 1 July 2021 Jorge Serra, representing the employees, was appointed Chair and Kaspar Müller, representing the employers, was appointed Vice-Chair.

The following standing committees deal in depth with the tasks that fall within their competence: the Investment Committee, the Audit Committee, and the Actuarial Policy and Law Committee.

The Board of Directors set up a temporary committee on adjustments to the technical parameters in the year under review. This examined the analysis of current retirement pension benefit levels as well as an overview of adjustments to PUBLICA’s pension offering. The committee met on eight occasions.

The Board of Directors met seven times in the year under review, the Investment Committee six times. There were seven meetings of the Audit Committee and five of the Actuarial Policy and Law Committee. The members of the Board of Directors and the committees spent 26.5 days attending various training courses on strategic topics related to occupational pensions. Since 2022, members of the Board of Directors have been offered a systematic further training programme known as Investment Competence Plus. This is based on competence profiles for the members and comprises both in-house and external courses.

Investment Competence Plus further training programme
As one of Switzerland’s largest pension funds, we attach great importance to training and continuing education for our management bodies. In addition to external training opportunities, members of the Board of Directors and the parity commissions are offered a wide-ranging in-house further training programme. A number of PUBLICA’s specialists gave talks on asset management, asset classes, real estate investments and actuarial practice. Some 80% of Board members attended an in-house or external training course in 2022.

The composition of the Board of Directors as at 31 December 2022 is as follows:
Albisser Eliane

**Occupation:** Managing director, PK-Netz  
**Qualifications:** Masters in law and sociology  
**Board member since:** 01.07.2021  
**Committee:** Actuarial Policy and Law Committee since 01.07.2021

Alvarez Cipriano

**Occupation:** Head of Legal Section, Federal Office for Housing  
**Qualifications:** Lawyer  
**Board member since:** 01.07.2013  
**Committee:** Investment Committee since 01.07.2013  
**External mandates:** Member of the Operating Committee of the Construction and Housing Policy Fund

Aslan Mahide

**Occupation:** Head of the “Women in the Army and Diversity” unit  
**Qualifications:** Masters in law, MBA, MPA  
**Board member since:** 01.07.2021  
**Committee:** Actuarial Policy and Law Committee since 01.07.2021

Lagger Valentin

**Occupation:** Head of Training, Unemployment Insurance Office  
**Qualifications:** Masters in political science  
**Board member since:** 01.07.2021  
**Committee:** Audit Committee since 01.07.2021
Serra Jorge | Chair of the Board of Directors

Occupation: Secretary General and CFO of VPOD
Qualifications: Masters degree, federally certified staff pensions expert
Board member since: 01.07.2013
External mandates: Member of the Federal Occupational Pensions Commission, General manager, VPOD pension fund, Vice-Chair of the Board of Trustees, City of Zurich Pension Fund, Vice Chair, PK-Netz, Vice-Chair of the Board of Trustees, Substitute Occupational Benefit Institution, Administrator, VPOD holiday association foundation, Administrator, VPOD interpreters’ assistance fund, Administrator, VPOD death benefit fund foundation

Wey Natascha

Occupation: General Secretary, VPOD
Qualifications: Masters degree, historian
Board member since: 01.07.2021
Committee: Audit Committee since 01.07.2021
**Badrutt Gian Andrea**

**Occupation:** Deputy Director of the Directorate for Resources, FDFA  
**Qualifications:** Attorney-at-law  
**Board member since:** 01.07.2021  
**Committee:** Audit Committee since 01.07.2021

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**Häfliger Hans**

**Occupation:** Chair of the Executive Board, réservesuisse cooperative  
**Qualifications:** Doctorate in science, ETH  
**Board member since:** 01.06.2022  
**Committee:** Actuarial Policy and Law Committee since 01.06.2022

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**Künzli Dieter**

**Occupation:** Head of Finance and HR, ETH Board  
**Qualifications:** Doctorate in science  
**Board member since:** 01.07.2017  
**Committee:** Audit Committee since 01.07.2021  
**External mandates:** Chair of the Board, Zentrum Passwang, Mayor of Breitenbach, Solothurn, Member of the Board of Directors, VEBO Genossenschaft

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**Müller Kaspar | Vice-Chair of the Board of Directors**

**Occupation:** Deputy General Secretary, DETEC  
**Qualifications:** Degree in business administration  
**Board member since:** 01.03.2016
Parnisari Bruno

Occupation: Deputy Director, FSIO  
Qualifications: Doctorate in economics  
Board member since: 01.07.2017  
Committee: Investment Committee since 01.07.2017  
External mandates: AHV/IV/EO Compensation Fund Compenswiss: representative of the FSIO on the Board of Directors

Schwendener Peter

Occupation: Deputy Director, FDF  
Qualifications: Doctorate in political science  
Board member since: 01.07.2021  
Committee: Audit Committee since 01.07.2021  
External mandates: Member of the Board of Directors, BLS Netz AG, Board member, Verein Surprise

von Kaenel Rahel | Chair of the Actuarial Policy and Law Committee

Occupation: Director of the Federal Staff Office EPA  
Qualifications: Doctorate in history  
Board member since: 01.07.2021  
Committee: Actuarial Policy and Law Committee since 01.07.2021  
External mandates: Board member, Association Pro Aventico, Member of the Advisory Board, University of Bern, Executive MPA

Weber Matthias | Chair of the Investment Committee

Occupation: Owner, alpha-optimum GmbH, Hedingen  
Qualifications: Masters in economics, University of St. Gallen, EMBA International Wealth Management  
Board member since: 01.07.2018  
Committee: Investment Committee since 01.07.2018
Investment Committee
The remit of the Investment Committee includes submitting the strategic asset allocations to the Board of Directors, ensuring monitoring of the activities of the external asset managers and internal portfolio managers, approving direct real estate transactions in Switzerland (purchases, sales, projects) with an investment value of over CHF 30 million and land purchases without a project ready for approval valued at over CHF 10 million. Below these limits, the Asset Management Real Estate Committee approves these investments. Its members are the Director of PUBLICA, the Head of Asset Management and the head of the real estate team.

In accordance with the Investment Guidelines, the Investment Committee consists of the Chair as well as a minimum of three and a maximum of five members appointed by the Board of Directors from its own members. The Board of Directors may also appoint a maximum of three external investment experts. The Federal Finance Administration may propose candidates to the Board of Directors. The Director and the Head of Asset Management of PUBLICA are consultative members of the committee. Matthias Weber has chaired the Investment Committee since 1 July 2018.

In addition to Cipriano Alvarez, Bruno Parnisari and Nicolas Schmidt, the external members of the Investment Committee are as follows:

**Eggenberger Urs**

**Occupation**
Vice-Director and Joint Head of the Federal Treasury Department, Federal Finance Administration

**Qualifications**
Degree in business administration, CFA

**Committee member since**
19.11.2007

**External mandates**
Decommissioning and Waste Disposal Fund for Nuclear Power Plants: member of the Administrative Committee and Investment Committee, AHV/IV/EO Compensation Fund Compenswiss: representative of the FFA on the Board of Directors and Investment Committee

**Loepfe Andreas**

**Occupation**
Partner and General Manager, INREIM AG

**Qualifications**
Degree in business administration, FRICS

**Committee member since**
01.07.2015

**External mandates**
INREIM AG: Delegate of the Board of Directors; IMMRA AG: member of the Board of Directors; SOFISA SA: member of the Board of Directors; SwissIncome AG: member of the Board of Directors

Actuarial Policy and Law Committee
The Actuarial Policy and Law Committee deals with issues concerning the actuarial policy in general and its implementation, the implementation of the employers’ actuarial policy and the submission of suggestions to the employers with regard to the structuring of actuarial policy options. The Committee has been chaired by Rahel von Kaenel since 1 July 2021 and its members are Eliane Albisser, Mahide Aslan and Hans Häfliger. The operational management of PUBLICA attends in a consultative capacity.

Audit Committee
The Audit Committee is principally concerned with financial and accounting matters. It discusses the annual financial statements and the reports of the Statutory Auditors and Pension Actuary. Petra Maurer has chaired the Audit Committee since 1 July 2021. Its members are Gian Andrea Badrutt, Dieter Künzli, Valentin Lagger, Peter Schwendener and Natascha Wey.
Information and control instruments

The key instruments for controlling the activities of PUBLICA are the regulations and contracts of affiliation, which are approved by the Board of Directors. The most important information and control instruments employed by the Executive Board on behalf of the Board of Directors and its committees are:

Quality management
PUBLICA has a well-developed quality management system designed to ensure delivery of high-quality operational services to PUBLICA's stakeholders over the long term. Internal processes are also continually reviewed and optimised. The system was successfully recertified in 2022 by PUBLICA's independent quality assessor in accordance with the ISO 9001:2015 standard.

Internal control system
PUBLICA's internal control system (ICS) is process-based and embedded in the certified processes. PUBLICA reviews the internal controls annually and draws up a risk management report which is submitted to the Executive Board and Board of Directors.

Compliance
At least once a year, the Executive Board reports on the lawful and proper conduct of PUBLICA's business and on the conduct of external companies that work for PUBLICA.

Finance and management information system
The members of the Board of Directors and the parity commissions have access to monthly figures on changes in the funded ratios (OPO 2 funded ratio, economic funded ratio, etc.) for all pension plans. They also receive an annual report on the pension plans as well as the reports of the external Investment Controller. The Board of Directors approves the Annual Report.
Assembly of Delegates

The Assembly of Delegates (AD) is made up of 80 employees from the employers affiliated to PUBLICA. The AD elects eight individuals to represent the employees on the Board of Directors during each four-year term of office. It met twice in 2022, once in May and once in November. The delegates have the right to submit proposals to the Board of Directors, and did so once in 2022. The Assembly of Delegates is newly elected every four years, most recently in November 2020 using e-voting. The names of all the delegates and the constituency they represent are published on publica.ch.

As at 31 December 2022, the Chair and Vice-Chair of the PUBLICA Assembly of Delegates are as follows:

**Wüthrich Marcel**
- **Function**: Chair
- **Occupation**: Actuary in risk management at the Occupational Pension Supervisory Commission OPSC

**Morard-Niklaus Jacqueline**
- **Function**: Vice-Chair
- **Occupation**: Chair of the EPFL section of the Federal Staff Association
# Director, Deputy and Executive Board

The Director and Deputy are responsible for the operational strategy and management of PUBLICA. They strive to ensure that the strategic objectives are met and that PUBLICA is successful. Their activities are based on the Corporate and Organisational Regulations of the Federal Pension Fund PUBLICA. The current Director is Doris Bianchi, and her Deputy is Stefan Beiner (Head of Asset Management).

As at 31 December 2022, the Executive Board comprises the following members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Function</th>
<th>Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bianchi Doris</td>
<td>Director</td>
<td>LL.D.</td>
</tr>
<tr>
<td>Beiner Stefan</td>
<td>Head of Asset Management; Deputy to the Director</td>
<td>Doctorate in economics, University of St. Gallen</td>
</tr>
<tr>
<td>Imhof Tristan</td>
<td>Head of Pensions</td>
<td>Masters in law, lawyer</td>
</tr>
<tr>
<td>Zaugg Markus</td>
<td>Head of Resources</td>
<td>Degree in business administration, EMBA HRM</td>
</tr>
</tbody>
</table>

As at 31 December 2022 the Extended Executive Board comprises the following additional members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Function</th>
<th>Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kobel Roger</td>
<td>Head of IT</td>
<td>FTS technician</td>
</tr>
<tr>
<td>Rychen Beatrice</td>
<td>Head of Corporate Communications</td>
<td>Degree in business administration, MAS in Corporate Communication</td>
</tr>
</tbody>
</table>
Compensation

Compensation policy
The Chair of the Board of Directors receives flat-rate compensation of CHF 36,000, and the Vice-Chair CHF 24,000. The Chair of the Investment Committee receives flat-rate annual compensation of CHF 50,000. The other members of the Board of Directors and the external members of the Investment Committee receive flat-rate compensation of CHF 4,000 as well as an attendance fee. The fee for each half-day meeting is CHF 500, and CHF 1,000 each for the Chair of the Audit Committee and the Chair of the Actuarial Policy and Law Committee.

Compensation-setting process
The Audit Committee reviews, by no later than the middle of each term of office, whether the compensation paid to the members of the Board of Directors, and especially the Chair and Vice-Chair, is appropriate.

The Chair and Vice-Chair of the Board of Directors set the salary of the Director. The Director and Deputy are responsible for the salaries of employees of PUBLICA.

Level of compensation paid to the Board of Directors
The total compensation plus flat-rate travel expenses paid by PUBLICA either directly or indirectly to the members of the Board of Directors and its committees was CHF 312,947 (prior year: CHF 286,000).

Compensation of members of the Board of Directors and committees
2022 with prior-year comparison, in CHF, excluding departures

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Albisser Eliane</td>
<td></td>
<td>5,500</td>
<td>15,500</td>
</tr>
<tr>
<td>Alvarez Cipriano</td>
<td></td>
<td>18,000</td>
<td>19,500</td>
</tr>
<tr>
<td>Aslan Mahide</td>
<td></td>
<td>5,500</td>
<td>10,000</td>
</tr>
<tr>
<td>Badrutt Gian Andrea</td>
<td></td>
<td>6,000</td>
<td>13,000</td>
</tr>
<tr>
<td>Eggenberger Urs</td>
<td></td>
<td>8,500</td>
<td>7,000</td>
</tr>
<tr>
<td>Häfliger Hans*</td>
<td></td>
<td>0</td>
<td>6,833</td>
</tr>
<tr>
<td>Künzi Dieter</td>
<td></td>
<td>11,000</td>
<td>12,500</td>
</tr>
<tr>
<td>Lagger Valentin</td>
<td></td>
<td>7,000</td>
<td>18,500</td>
</tr>
<tr>
<td>Loepfe Andreas</td>
<td></td>
<td>7,500</td>
<td>9,000</td>
</tr>
<tr>
<td>Maurer Stalder Petra</td>
<td>Chair of the Audit Committee</td>
<td>14,000</td>
<td>17,000</td>
</tr>
<tr>
<td>Müller Kaspar</td>
<td>Vice-Chair of the Board of Directors</td>
<td>18,000</td>
<td>24,000</td>
</tr>
<tr>
<td>Parnisari Bruno</td>
<td></td>
<td>11,000</td>
<td>11,500</td>
</tr>
<tr>
<td>Schmidt Nicolas</td>
<td></td>
<td>8,500</td>
<td>13,500</td>
</tr>
<tr>
<td>Schwendener Peter</td>
<td></td>
<td>6,000</td>
<td>16,500</td>
</tr>
<tr>
<td>Serra Jorge</td>
<td>Chair of the Board of Directors</td>
<td>23,500</td>
<td>36,000</td>
</tr>
<tr>
<td>von Kaenel Rahel</td>
<td>Chair of the Actuarial Policy and Law Committee</td>
<td>6,500</td>
<td>18,000</td>
</tr>
<tr>
<td>Weber Matthias</td>
<td>Chair of the Investment Committee</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Wey Natascha</td>
<td></td>
<td>4,500</td>
<td>13,000</td>
</tr>
</tbody>
</table>

* Joined during the year under review
Level of compensation paid to the Executive Board

The average compensation (gross salary including all allowances and employer’s pension contributions) paid to members of the Executive Board (including the Director and Deputy) was CHF 301,780 (prior year: CHF 303,010). The total compensation paid to the Executive Board was CHF 1,207,121 (prior year: CHF 1,135,986). The Director’s compensation was CHF 320,108 (prior year: CHF 320,108). This includes employer’s pension contributions of CHF 45,108 (prior year: CHF 45,108).

PUBLICA does not pay bonuses.

Statutory Auditors

The Statutory Auditors KPMG AG are licensed as a state-supervised audit firm by the Swiss Federal Audit Oversight Authority FAOA. Erich Meier is the lead auditor. The total audit fee for 2022 was CHF 231,017 (prior year: CHF 240,710). KPMG received additional fees totalling CHF 110,515 (prior year: CHF 58,930) for tax consultancy services in 2022. The Statutory Auditors reported to the Audit Committee on the planning and results of their audits at two meetings. In the interests of good corporate governance, PUBLICA invites tenders for the audit mandate at least every seven years.

Pension Actuary

The Pension Actuary since 1 January 2016 is Allvisa AG, with Christoph Plüss as lead actuary. Allvisa AG is licensed as a pension actuary by the Federal Occupational Pension Supervisory Commission (OPSC). The total fee paid to Allvisa AG in 2022 was CHF 353,294 (prior year: CHF 218,100). The Pension Actuary attended a number of meetings of the Board of Directors and its committees. In the interests of good corporate governance, PUBLICA puts the Pension Actuary mandate out to tender after a maximum of nine years.
The annual financial statements (balance sheet, income statement, notes) comply with the formal and material requirements of Swiss GAAP ARR 26.
Balance sheet and income statement

The balance sheet, income statement and notes deal with the collective institution and all the affiliated pension plans, PUBLICA’s internal Reinsurance and PUBLICA Operations. The figures are therefore aggregated. The relevant figures for the individual active members and pension recipients are those of their respective pension plans. PUBLICA maintains separate accounts for each pension plan. Each plan reports its own funded ratio, which is not influenced by the other plans.

The amounts reported in the balance sheet, income statement and notes are rounded to the nearest franc. For this reason, total amounts may in some cases deviate slightly from the sum of the individual values.

Consolidated balance sheet
2022 with prior-year comparison, in CHF

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; cash equivalents</td>
<td></td>
<td>61 491 696</td>
<td>62 866 111</td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td>131 145 126</td>
<td>134 125 775</td>
</tr>
<tr>
<td>Money market</td>
<td></td>
<td>1 163 311 272</td>
<td>1 524 724 910</td>
</tr>
<tr>
<td>Swiss government bonds</td>
<td></td>
<td>2 686 914 122</td>
<td>2 594 503 924</td>
</tr>
<tr>
<td>Non-government bonds CHF</td>
<td></td>
<td>4 347 509 494</td>
<td>3 372 795 872</td>
</tr>
<tr>
<td>Government bonds developed markets ex Switzerland</td>
<td></td>
<td>3 398 566 520</td>
<td>2 843 015 614</td>
</tr>
<tr>
<td>Inflation-linked government bonds</td>
<td></td>
<td>2 743 367 401</td>
<td>1 909 404 464</td>
</tr>
<tr>
<td>Public corporate bonds ex CHF</td>
<td></td>
<td>3 813 115 528</td>
<td>3 285 096 989</td>
</tr>
<tr>
<td>Private corporate debt</td>
<td></td>
<td>1 430 583 158</td>
<td>1 140 995 112</td>
</tr>
<tr>
<td>Private infrastructure debt</td>
<td></td>
<td>1 368 156 748</td>
<td>1 111 283 161</td>
</tr>
<tr>
<td>Private real estate debt</td>
<td></td>
<td>1 196 654 988</td>
<td>1 106 751 445</td>
</tr>
<tr>
<td>Government bonds emerging markets hard currencies</td>
<td></td>
<td>1 362 998 632</td>
<td>1 083 458 550</td>
</tr>
<tr>
<td>Government bonds emerging markets local currencies</td>
<td></td>
<td>2 017 899 179</td>
<td>1 288 810 816</td>
</tr>
<tr>
<td>Equities Switzerland</td>
<td></td>
<td>1 363 731 020</td>
<td>1 721 443 350</td>
</tr>
<tr>
<td>Equities developed markets ex Switzerland</td>
<td></td>
<td>6 768 153 111</td>
<td>6 176 134 568</td>
</tr>
<tr>
<td>Equities emerging markets</td>
<td></td>
<td>3 155 192 151</td>
<td>2 693 366 439</td>
</tr>
<tr>
<td>Precious metals</td>
<td></td>
<td>983 795 061</td>
<td>984 913 932</td>
</tr>
<tr>
<td>Real estate investments Switzerland</td>
<td></td>
<td>3 297 260 680</td>
<td>3 436 579 117</td>
</tr>
<tr>
<td>Real estate investments international</td>
<td></td>
<td>2 708 796 264</td>
<td>2 962 524 759</td>
</tr>
</tbody>
</table>

Investments                                      6.4  43 998 642 152  39 432 794 911
Operating assets                                 7.1  16 736 980  16 258 631
Prepaid expenses and accrued income              917 992  120 518
Total assets                                      44 016 297 125  39 449 174 061

PUBLICA Annual Report 2022
## Consolidated balance sheet

2022 with prior-year comparison, in CHF

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vested benefits and pensions</td>
<td></td>
<td>93 595 003</td>
<td>109 271 704</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td>8 376 003</td>
<td>9 626 448</td>
</tr>
<tr>
<td>Operating liabilities</td>
<td>7.1</td>
<td>2 559 742</td>
<td>1 912 695</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td>104 530 748</td>
<td>120 810 847</td>
</tr>
<tr>
<td>Accrued expenses and deferred income</td>
<td></td>
<td>4 883 042</td>
<td>4 590 601</td>
</tr>
<tr>
<td>Employers’ contribution reserve</td>
<td>6.11</td>
<td>42 280 415</td>
<td>45 153 199</td>
</tr>
<tr>
<td>Non-technical provisions</td>
<td></td>
<td>194 435 109</td>
<td>192 290 390</td>
</tr>
<tr>
<td>Pension fund capital – active members</td>
<td>5.2</td>
<td>18 880 431 975</td>
<td>19 242 808 071</td>
</tr>
<tr>
<td>Pension fund capital – pension recipients</td>
<td>5.4</td>
<td>20 275 703 028</td>
<td>20 089 886 366</td>
</tr>
<tr>
<td>Technical provisions</td>
<td>5.5</td>
<td>1 279 363 778</td>
<td>1 302 948 912</td>
</tr>
<tr>
<td>Pension fund capital and technical provisions</td>
<td></td>
<td>40 435 498 780</td>
<td>40 635 643 349</td>
</tr>
<tr>
<td>Fluctuation reserve</td>
<td>6.3</td>
<td>3 138 054 007</td>
<td>25 461 642</td>
</tr>
<tr>
<td>Uncommitted funds / underfunding of pension plans</td>
<td>1.6</td>
<td>–1 710 779</td>
<td>–1 594 170 100</td>
</tr>
<tr>
<td>Uncommitted funds / underfunding Reinsurance</td>
<td>5.1</td>
<td>13 331 563</td>
<td>5 048 198</td>
</tr>
<tr>
<td>Working capital – PUBLICA Operations and Reinsurance</td>
<td>5.1/7.1</td>
<td>84 994 238</td>
<td>14 345 936</td>
</tr>
<tr>
<td>Uncommitted funds / underfunding / working capital</td>
<td></td>
<td>96 615 023</td>
<td>–1 574 775 966</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td>44 016 297 125</td>
<td>39 449 174 061</td>
</tr>
</tbody>
</table>

## Change in uncommitted funds / underfunding / working capital

2022 with initial status

<table>
<thead>
<tr>
<th></th>
<th>Uncommitted funds (+) / underfunding (–)</th>
<th>Working capital – PUBLICA Operations and Reinsurance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pension plans</td>
<td>Reinsurance</td>
</tr>
<tr>
<td>Opening balance sheet</td>
<td>–1 710 779</td>
<td>13 331 563</td>
</tr>
<tr>
<td>Expenditure (–) / income (+) surplus</td>
<td>–1 592 459 322</td>
<td>–8 283 365</td>
</tr>
<tr>
<td>Closing balance sheet</td>
<td>–1 594 170 100</td>
<td>5 048 198</td>
</tr>
</tbody>
</table>
### Consolidated income statement

**2022 with prior-year comparison, in CHF**

<table>
<thead>
<tr>
<th>Note</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings contributions – employees</td>
<td>5.2</td>
<td>541 142 665</td>
</tr>
<tr>
<td>Risk premiums – employees</td>
<td>8 600 457</td>
<td>8 566 611</td>
</tr>
<tr>
<td>Cost premiums – employees</td>
<td>208 850</td>
<td>204 550</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>549 951 973</td>
<td>562 365 691</td>
</tr>
<tr>
<td>Savings contributions – employees</td>
<td>5.2</td>
<td>869 512 219</td>
</tr>
<tr>
<td>Risk premiums – employees</td>
<td>75 966 755</td>
<td>77 323 936</td>
</tr>
<tr>
<td>Cost premiums – employees</td>
<td>11 966 854</td>
<td>11 260 920</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>957 445 828</td>
<td>976 627 886</td>
</tr>
<tr>
<td>Removal from employers’ contribution reserve to finance contributions</td>
<td>–783 992</td>
<td>–1 939 945</td>
</tr>
<tr>
<td>Contributions from third parties</td>
<td>4 010 095</td>
<td>71 830 039</td>
</tr>
<tr>
<td>Savings contributions – employers</td>
<td>5.2</td>
<td>553 594 530</td>
</tr>
<tr>
<td>Risk premiums – employers</td>
<td>827 218 76</td>
<td>837 269 28</td>
</tr>
<tr>
<td>Cost premiums – employers</td>
<td>20 129 026</td>
<td>20 129 026</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>957 445 828</td>
<td>976 627 886</td>
</tr>
<tr>
<td>Consideration received from the OPA Guarantee Fund</td>
<td>62 003</td>
<td>51 231 74</td>
</tr>
<tr>
<td><strong>Ordinary and other contributions and payments</strong></td>
<td></td>
<td>1 671 028 045</td>
</tr>
<tr>
<td><strong>Inflow from contributions and entrance benefits</strong></td>
<td>2 105 882 791</td>
<td>2 385 030 577</td>
</tr>
<tr>
<td>Vested benefits received</td>
<td>396 491 379</td>
<td>457 974 108</td>
</tr>
<tr>
<td>Home ownership and divorce payments received</td>
<td>28 939 749</td>
<td>28 391 385</td>
</tr>
<tr>
<td>Payments on takeover of member portfolios</td>
<td>9 423 617</td>
<td>141 866 073</td>
</tr>
<tr>
<td><strong>Entrance benefits</strong></td>
<td>5.2</td>
<td>434 854 746</td>
</tr>
<tr>
<td>Retirement pensions</td>
<td>1 244 028 294</td>
<td>1 238 708 292</td>
</tr>
<tr>
<td>Survivors’ pensions</td>
<td>–303 430 510</td>
<td>–303 054 329</td>
</tr>
<tr>
<td>Disability pensions</td>
<td>–26 695 047</td>
<td>–27 035 825</td>
</tr>
<tr>
<td>Other statutory benefits</td>
<td>–38 860 144</td>
<td>–33 760 736</td>
</tr>
<tr>
<td>Lump-sum benefits upon retirement</td>
<td>–280 917 057</td>
<td>–339 076 941</td>
</tr>
<tr>
<td>Lump-sum benefits in case of death/disability</td>
<td>–8 304 841</td>
<td>–12 397 720</td>
</tr>
<tr>
<td>Benefits from divorce</td>
<td>–2 406 722</td>
<td>–3 528 581</td>
</tr>
<tr>
<td><strong>Statutory benefits</strong></td>
<td>5.4</td>
<td>–1 906 647 615</td>
</tr>
<tr>
<td>Vested benefits paid on departure</td>
<td>–443 958 981</td>
<td>–537 260 665</td>
</tr>
<tr>
<td>Early withdrawals for home ownership / divorce</td>
<td>–73 198 012</td>
<td>–78 694 816</td>
</tr>
<tr>
<td>Transfer of additional funds on collective departure</td>
<td>–9 423 617</td>
<td>–126 873 567</td>
</tr>
<tr>
<td><strong>Vested termination benefits</strong></td>
<td>5.2</td>
<td>–526 793 083</td>
</tr>
<tr>
<td>Formation (–) / release (+) of pension fund capital – active members</td>
<td>–338 043 234</td>
<td>–194 669 876</td>
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<tr>
<td>Formation (–) / release (+) of pension fund capital – pension recipients</td>
<td>–80 168 121</td>
<td>185 816 662</td>
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<tr>
<td>Formation (–) / release (+) of technical provisions</td>
<td>–173 007 554</td>
<td>–23 585 133</td>
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<tr>
<td>Interest on savings capital</td>
<td>–277 803 627</td>
<td>–167 706 221</td>
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<td><strong>Outflow for benefits and early withdrawals</strong></td>
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<td>–2 700 431 107</td>
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<td>Formation (–) / release (+) of employers’ contribution reserve</td>
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<td>Shares in surpluses for pension plans from internal Reinsurance</td>
<td>5.1</td>
<td>2 549 497</td>
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<tr>
<td>Shares in surpluses for pension plans from PUBLICA internal Operations</td>
<td>917 992</td>
<td>646 687</td>
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<tr>
<td><strong>Pension plans</strong></td>
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</tr>
<tr>
<td>Risk premium received – internal Reinsurance, gross</td>
<td>5.1</td>
<td>4 561 533</td>
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<tr>
<td>Cost premium received – PUBLICA internal Operations, gross</td>
<td>12 175 704</td>
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<td><strong>PUBLICA Operations and PUBLICA Reinsurance</strong></td>
<td>16 737 237</td>
<td>15 736 064</td>
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<td><strong>Income from insurance benefits</strong></td>
<td>20 204 726</td>
<td>21 636 071</td>
</tr>
<tr>
<td>Risk premiums paid by pension plans for internal Reinsurance</td>
<td>5.1</td>
<td>–4 561 533</td>
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<tr>
<td>Cost premiums paid by pension plans for PUBLICA Operations</td>
<td>–12 175 704</td>
<td>–11 465 470</td>
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<td>Corrective invoicing to pension plans from PUBLICA Operations</td>
<td>–4 584 085</td>
<td>–5 424 126</td>
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<td>Contributions to Guarantee Fund</td>
<td>–5 007 167</td>
<td>–4 869 367</td>
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<td><strong>Pension plans</strong></td>
<td>–26 328 489</td>
<td>–26 029 556</td>
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<td>Repayment of shares in surplus from PUBLICA Reinsurance</td>
<td>5.1</td>
<td>–2 549 497</td>
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<tr>
<td>Result from shares of surplus and corrective invoicing from PUBLICA Operations</td>
<td>3 666 093</td>
<td>4 777 438</td>
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<td><strong>PUBLICA Operations and PUBLICA Reinsurance</strong></td>
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<td>–475 882</td>
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<td><strong>Insurance expenses</strong></td>
<td>–25 211 893</td>
<td>–26 505 438</td>
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<td><strong>Net insurance income</strong></td>
<td>–1 207 657 128</td>
<td>–523 287 249</td>
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### Consolidated income statement

2022 with prior-year comparison, in CHF

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<thead>
<tr>
<th>Note</th>
<th>2021</th>
<th>2022</th>
</tr>
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<tbody>
<tr>
<td>Net income from cash &amp; cash equivalents</td>
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<tr>
<td>Net income from receivables</td>
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<tr>
<td>Net income from liabilities</td>
<td>6.8</td>
<td>–797 585</td>
</tr>
<tr>
<td>Net income from money market</td>
<td>6.8</td>
<td>–6 981 997</td>
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<tr>
<td>Net income from Swiss government bonds</td>
<td>6.8</td>
<td>–54 342 284</td>
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<tr>
<td>Net income from non-government bonds CHF</td>
<td>6.8</td>
<td>–62 756 036</td>
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<td>Net income from government bonds developed markets ex Switzerland</td>
<td>6.8</td>
<td>–136 117 542</td>
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<tr>
<td>Net income from inflation-linked government bonds</td>
<td>6.8</td>
<td>134 469 832</td>
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<tr>
<td>Net income from public corporate bonds ex CHF</td>
<td>6.8</td>
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<td>Net income from private corporate debt</td>
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<td>–32 810 396</td>
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<td>Net income from private infrastructure debt</td>
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<td>–9 200 838</td>
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<td>Net income from private real estate debt</td>
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<td>Net income from government bonds hard currencies</td>
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<td>Net income from government bonds local currencies</td>
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<td>9 368 574</td>
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<td>Net income from equities Switzerland</td>
<td>6.8</td>
<td>287 912 095</td>
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<td>Net income from equities developed markets ex Switzerland</td>
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<td>1 279 084 033</td>
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<td>Net income from equities emerging markets</td>
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<td>Net income from precious metals</td>
<td>6.8</td>
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<tr>
<td>Net income from real estate investments Switzerland</td>
<td>6.8</td>
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<tr>
<td>Net income from real estate investments international</td>
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<td>244 772 233</td>
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<td>Asset management expenses</td>
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<td>General administration</td>
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<td>Marketing and advertising</td>
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<td>Brokerage</td>
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<td>Pension Actuary</td>
<td>7.2</td>
<td>–223 701</td>
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<td>Supervisory authorities</td>
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<td>Other income</td>
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<tr>
<td>Other expenses</td>
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<td>Administrative expenses</td>
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<td>Expenditure (–) / income (+) surplus before formation / release of fluctuation reserve</td>
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<td>–4 783 983 354</td>
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<td>Forming (–) / release (+) of fluctuation reserve</td>
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<td>Expenditure (–) / income (+) surplus</td>
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<td>–1 671 390 989</td>
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<td>Expenditure (–) / income (+) surplus – pension plans</td>
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<td>–1 592 459 322</td>
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<tr>
<td>Expenditure (–) / income (+) surplus – Reinsurance</td>
<td>5.1</td>
<td>–1 691 216</td>
</tr>
<tr>
<td>Expenditure (–) / income (+) surplus working capital – PUBLICA Operations and Reinsurance</td>
<td>5.1/7.2</td>
<td>185 747</td>
</tr>
<tr>
<td>Expenditure (–) / income (+) surplus</td>
<td>–160 262</td>
<td>–1 671 390 989</td>
</tr>
</tbody>
</table>
Notes

1 Fundamentals and organisation

1.1 Legal form and purpose
PUBLICA is an institution of the Swiss Confederation established under public law. Its head office is in Bern, and it is entered in the commercial register.

As a collective institution, PUBLICA insures the employees of the centralised and decentralised Federal Administration and of affiliated organisations. Employers of the centralised and decentralised Federal Administration affiliate to PUBLICA on the basis set out in the relevant specific legislation. Affiliation to PUBLICA is also open to employers that are closely associated with the Confederation or fulfil a public task on behalf of the Confederation, a canton or a commune (Art. 4 para. 2 of the Federal Act of 20 December 2006 on the Federal Pension Fund [PUBLICA Act, SR 172.222.1]).

PUBLICA provides its members with occupational pension insurance in accordance with, and in excess of, the requirements set out in the Federal Act of 25 June 1982 on Occupational Old Age, Survivors’ and Invalidity Pension Provision (OPA, SR 831.40).

1.2 OPA registration and Guarantee Fund
Pursuant to the provisions of the OPA, PUBLICA is entered in the register of occupational pension schemes and is subject to supervision by the regulatory authority for occupational pension schemes of the Canton of Bern (Bernische BVG- und Stiftungsaufsicht (BBSA)), with order number BE.0835.

PUBLICA is subject to the Federal Act of 17 December 1993 on the Vesting of Occupational Old Age, Survivors’ and Invalidity Benefits (Vested Benefits Act, VBA, SR 831.42), and is thus affiliated with the Guarantee Fund as per Art. 57 OPA, to which it contributes in accordance with the provisions of the Ordinance of 22 June 1998 on the OPA Guarantee Fund (GFO, SR 831.432.1).
1.3 Legal basis

– PUBLICA Act of 20 December 2006 (status as at 1 January 2023)
– Contracts of affiliation of the employers affiliated to PUBLICA, consisting of the following components:
  – Pension Plan Regulations or Framework Pension Plan Regulations with the Pension Plan Type
  – Service Level Agreement on Services
  – Partial Liquidation Regulations
– Framework Pension Plan Regulations of the Federal Pension Fund PUBLICA of 26 March 2015
  (status as at 1 January 2021)
– Corporate and Organisational Regulations of the Federal Pension Fund PUBLICA of 25 August 2015
  (status as at 20 June 2019 and 26 August 2021)
  (status as at 25 October 2022)
– Regulations governing the Provisions and Reserves of the Federal Pension Fund PUBLICA, the Pension Plans and
  PUBLICA Reinsurance of 22 November 2016 (status as at 31 December 2022)
– Compliance Regulations of 23 August 2012 (status as at 10 April 2014)
– Regulations governing the Risk Policy and Internal Control System of 11 April 2013 (status as at 28 March 2019)
– PUBLICA policy document on hardship cases of 25 November 2010 (status as at 23 June 2016)
– Regulations governing the Handling of Personal Data at the Federal Pension Fund PUBLICA of 22 November 2016
– Cost Regulations for the Active Members and Pension Recipients of the Federal Pension Fund PUBLICA of 21 February 2008
  (status as at 1 January 2022)
– Regulations governing the Remuneration of Members of the Board of Directors of the Federal Pension Fund
  PUBLICA of 26 November 2009 (status as at 3 May 2022)
– Regulations governing the Audit Committee of PUBLICA of 13 October 2011 (status as at 26 August 2021)
– Regulations governing the Actuarial Policy and Law Committee of PUBLICA of 22 November 2012 (status as at
  26 August 2021)
– Regulations governing the Election of the Assembly of Delegates of the Federal Pension Fund PUBLICA of
  17 November 2015 (status as at 28 November 2017)
– Business Regulations of the PUBLICA Assembly of Delegates of 12 March 2009
– Regulations of the PUBLICA Assembly of Delegates regarding the Election of Employee Representatives to
  the PUBLICA Board of Directors of 24 January 2017
– Regulations of the Delegates of Constituency I of the PUBLICA Assembly of Delegates regarding the Election of
  Employee Representatives to the Parity Commission of the Confederation Pension Plan of 24 August 2016
– Business Regulations of the Parity Commission of the PUBLICA Pension Plan of 22 October 2009
  (status as at 21 November 2013)
– Regulations of the Board of Directors of PUBLICA governing the Staff of the Federal Pension Fund PUBLICA of
  6 November 2009 (status as at 1 October 2016)
1.4 Supreme governing body, management and signing powers
The Board of Directors comprises 16 members (eight representing the employees and eight representing the employers) and forms the strategic management body of PUBLICA. As the supreme governing body, it supervises and oversees PUBLICA’s operations. The Director, Deputy and the Executive Board are responsible for the ongoing business of PUBLICA subject to the provisions of the law and the requirements laid down by the Board of Directors. The names of the members of the Board of Directors, the Director and Deputy, and the (Extended) Executive Board are listed in the Annual Report.

The Chair and Vice-Chair of the Board of Directors as well as the Director and Deputy, the Extended Executive Board and the Head of Real Estate are entered in the commercial register as joint signatories, with two signatures being required.

1.5 Pension Actuary, Statutory Auditors, supervisory authority, consultants

<table>
<thead>
<tr>
<th>Pension Actuary</th>
<th>Contracting partner: Allvisa AG allvisa.ch</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Thurgauerstrasse 54 8050 Zurich Lead actuary: Christoph Plüss</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statutory Auditors</th>
<th>KPMG AG kpmg.com</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bahnhofplatz 10a 3011 Bern</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supervisory authority</th>
<th>Bernische BVG- und Stiftungsaufsicht (BBSA) aufsichtbern.ch</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Belpstrasse 48 3007 Bern</td>
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</table>

<table>
<thead>
<tr>
<th>Property Valuer</th>
<th>Jones Lang LaSalle Ltd joneslanglasalle.ch</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prime Tower, Hardstrasse 201 8005 Zurich</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment Controller</th>
<th>PPCmetrics AG ppcmetrics.ch</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Badenerstrasse 6, P.O. Box 8021 Zurich</td>
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</table>

<table>
<thead>
<tr>
<th>ALM Consultant</th>
<th>ORTEC Finance (Switzerland) AG ortecfinance.com</th>
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<tbody>
<tr>
<td></td>
<td>Poststrasse 4 8808 Pfäffikon</td>
</tr>
<tr>
<td></td>
<td>c-alm AG c-alm.ch</td>
</tr>
<tr>
<td></td>
<td>Vadianstrasse 25a 9000 St. Gallen</td>
</tr>
</tbody>
</table>

1.6 Affiliated employers
As at 31 December 2022, the PUBLICA collective institution included 18 mutually independent pension plans (prior year: 19), of which seven were closed, pensioner-only plans. The pension plans have their own accounts and are managed by their own parity commissions.

New affiliations
There were no new affiliations in the year under review.

Departures
Obviam Investing for Impact left the Affiliated Organisations pension plan.
Liquidations
The Swiss Federal University for Vocational Education and Training SFUVET pension plan was liquidated with effect from 1 January 2022 and integrated into the Confederation pension plan. See section 9.3. for further details.

1.6.1 Open pension plans

Open pension plans
2022 with prior-year comparison, in CHF, number or percent

<table>
<thead>
<tr>
<th>Pension plans with one employer</th>
<th>Units</th>
<th>31.12.2021</th>
<th>31.12.2022</th>
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<td><strong>ETH Domain</strong></td>
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<tr>
<td>Active members</td>
<td>Number</td>
<td>21 161</td>
<td>21 350</td>
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<tr>
<td>Pension recipients</td>
<td>Number</td>
<td>5 945</td>
<td>6 037</td>
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<tr>
<td>Total active members and pension recipients</td>
<td>Number</td>
<td>27 106</td>
<td>27 387</td>
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<tr>
<td>Available assets</td>
<td>CHF</td>
<td>8 193 090 030</td>
<td>7 423 759 187</td>
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<tr>
<td>Pension fund capital &amp; technical provisions</td>
<td>CHF</td>
<td>7 496 584 743</td>
<td>7 639 181 334</td>
</tr>
<tr>
<td>Funded ratio as per OPP 2</td>
<td>Percent</td>
<td>109.3%</td>
<td>97.2%</td>
</tr>
<tr>
<td>Economic funded ratio</td>
<td>Percent</td>
<td>96.5%</td>
<td>96.5%</td>
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<tr>
<td><strong>IPI</strong></td>
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<td>Active members</td>
<td>Number</td>
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<td>312</td>
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<td>Pension recipients</td>
<td>Number</td>
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<td>Total active members and pension recipients</td>
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<td>394</td>
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<td>155 930 767</td>
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<td>Total active members and pension recipients</td>
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<td>98.2%</td>
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<td><strong>Swiss Federal University for Vocational Education and Training SFUVET Integrated into the Confederation pension plan as of 01.01.2022</strong></td>
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<td>98.3%</td>
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<td>98.3%</td>
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<tr>
<td>Pension recipients</td>
<td>Number</td>
<td>66</td>
<td>71</td>
</tr>
<tr>
<td>Total active members and pension recipients</td>
<td>Number</td>
<td>226</td>
<td>236</td>
</tr>
<tr>
<td>Available assets</td>
<td>CHF</td>
<td>156 230 567</td>
<td>142 708 600</td>
</tr>
<tr>
<td>Pension fund capital &amp; technical provisions</td>
<td>CHF</td>
<td>142 607 487</td>
<td>145 370 871</td>
</tr>
<tr>
<td>Funded ratio as per OPP 2</td>
<td>Percent</td>
<td>109.6%</td>
<td>98.2%</td>
</tr>
<tr>
<td>Economic funded ratio</td>
<td>Percent</td>
<td>95.0%</td>
<td>96.3%</td>
</tr>
</tbody>
</table>
## Open pension plans

### 2022 with prior-year comparison, in CHF, number or percent

<table>
<thead>
<tr>
<th>Pension plans with one employer</th>
<th>Units</th>
<th>31.12.2021</th>
<th>31.12.2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PUBLICA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active members</td>
<td>Number</td>
<td>118</td>
<td>118</td>
</tr>
<tr>
<td>Pension recipients</td>
<td>Number</td>
<td>65</td>
<td>67</td>
</tr>
<tr>
<td><strong>Total active members and pension recipients</strong></td>
<td>Number</td>
<td>183</td>
<td>185</td>
</tr>
<tr>
<td>Available assets</td>
<td>CHF</td>
<td>90 628 372</td>
<td>81 717 368</td>
</tr>
<tr>
<td>Pension fund capital &amp; technical provisions</td>
<td>CHF</td>
<td>81 946 104</td>
<td>82 297 560</td>
</tr>
<tr>
<td><strong>Funded ratio as per OPP 2</strong></td>
<td>Percent</td>
<td>110.6%</td>
<td>99.3%</td>
</tr>
<tr>
<td>Economic funded ratio</td>
<td>Percent</td>
<td>98.9%</td>
<td>99.0%</td>
</tr>
<tr>
<td><strong>Swiss National Museum SNM</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active members</td>
<td>Number</td>
<td>300</td>
<td>317</td>
</tr>
<tr>
<td>Pension recipients</td>
<td>Number</td>
<td>84</td>
<td>86</td>
</tr>
<tr>
<td><strong>Total active members and pension recipients</strong></td>
<td>Number</td>
<td>384</td>
<td>398</td>
</tr>
<tr>
<td>Available assets</td>
<td>CHF</td>
<td>88 628 394</td>
<td>81 364 476</td>
</tr>
<tr>
<td>Pension fund capital &amp; technical provisions</td>
<td>CHF</td>
<td>80 062 467</td>
<td>81 710 475</td>
</tr>
<tr>
<td><strong>Funded ratio as per OPP 2</strong></td>
<td>Percent</td>
<td>110.7%</td>
<td>99.6%</td>
</tr>
<tr>
<td>Economic funded ratio</td>
<td>Percent</td>
<td>97.2%</td>
<td>98.0%</td>
</tr>
<tr>
<td><strong>METAS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active members</td>
<td>Number</td>
<td>239</td>
<td>249</td>
</tr>
<tr>
<td>Pension recipients</td>
<td>Number</td>
<td>104</td>
<td>105</td>
</tr>
<tr>
<td><strong>Total active members and pension recipients</strong></td>
<td>Number</td>
<td>343</td>
<td>354</td>
</tr>
<tr>
<td>Available assets</td>
<td>CHF</td>
<td>167 919 439</td>
<td>153 459 869</td>
</tr>
<tr>
<td>Pension fund capital &amp; technical provisions</td>
<td>CHF</td>
<td>154 917 042</td>
<td>159 614 926</td>
</tr>
<tr>
<td><strong>Funded ratio as per OPP 2</strong></td>
<td>Percent</td>
<td>108.4%</td>
<td>96.1%</td>
</tr>
<tr>
<td>Economic funded ratio</td>
<td>Percent</td>
<td>96.3%</td>
<td>95.8%</td>
</tr>
<tr>
<td><strong>Joint pension plans</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confederation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active members</td>
<td>Number</td>
<td>40 732</td>
<td>41 271</td>
</tr>
<tr>
<td>Pension recipients</td>
<td>Number</td>
<td>26 468</td>
<td>26 749</td>
</tr>
<tr>
<td><strong>Total active members and pension recipients</strong></td>
<td>Number</td>
<td>67 200</td>
<td>68 020</td>
</tr>
<tr>
<td>Available assets</td>
<td>CHF</td>
<td>29 959 248 674</td>
<td>27 080 078 081</td>
</tr>
<tr>
<td>Pension fund capital &amp; technical provisions</td>
<td>CHF</td>
<td>27 931 641 544</td>
<td>28 268 582 706</td>
</tr>
<tr>
<td><strong>Funded ratio as per OPP 2</strong></td>
<td>Percent</td>
<td>107.3%</td>
<td>99.5%</td>
</tr>
<tr>
<td>Economic funded ratio</td>
<td>Percent</td>
<td>93.7%</td>
<td>94.0%</td>
</tr>
<tr>
<td>Affiliated Organisations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active members</td>
<td>Number</td>
<td>2 449</td>
<td>2 566</td>
</tr>
<tr>
<td>Pension recipients</td>
<td>Number</td>
<td>990</td>
<td>1 018</td>
</tr>
<tr>
<td><strong>Total active members and pension recipients</strong></td>
<td>Number</td>
<td>3 439</td>
<td>3 584</td>
</tr>
<tr>
<td>Available assets</td>
<td>CHF</td>
<td>1 072 071 391</td>
<td>983 330 334</td>
</tr>
<tr>
<td>Pension fund capital &amp; technical provisions</td>
<td>CHF</td>
<td>953 216 803</td>
<td>978 503 808</td>
</tr>
<tr>
<td><strong>Funded ratio as per OPP 2</strong></td>
<td>Percent</td>
<td>112.5%</td>
<td>100.5%</td>
</tr>
<tr>
<td>Economic funded ratio</td>
<td>Percent</td>
<td>97.1%</td>
<td>98.7%</td>
</tr>
<tr>
<td><strong>Total open pension plans</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active members</td>
<td>Number</td>
<td>66 862</td>
<td>67 515</td>
</tr>
<tr>
<td>Pension recipients</td>
<td>Number</td>
<td>34 127</td>
<td>34 489</td>
</tr>
<tr>
<td><strong>Total active members and pension recipients</strong></td>
<td>Number</td>
<td>100 989</td>
<td>102 004</td>
</tr>
<tr>
<td>Available assets</td>
<td>CHF</td>
<td>40 693 196 477</td>
<td>36 660 458 395</td>
</tr>
<tr>
<td>Pension fund capital &amp; technical provisions</td>
<td>CHF</td>
<td>37 711 080 319</td>
<td>38 157 007 445</td>
</tr>
<tr>
<td><strong>Funded ratio as per OPP 2</strong></td>
<td>Percent</td>
<td>107.9%</td>
<td>96.1%</td>
</tr>
<tr>
<td>Economic funded ratio</td>
<td>Percent</td>
<td>94.5%</td>
<td>94.8%</td>
</tr>
</tbody>
</table>
### 1.6.2 Closed pension plans

When they set up their own pension funds, Swisscom, RUAG and SRG SSR idée suisse left their respective pension recipients in FPF, the former Federal Pension Fund. The closed plans include pension recipients who remained with FPF or PUBLICA following the departure of their employer, as well as the former voluntarily insured members.

#### Closed pension plans

2022 with prior-year comparison, in CHF, number or percent

<table>
<thead>
<tr>
<th>Pension plans with one employer</th>
<th>Units</th>
<th>31.12.2021</th>
<th>31.12.2022</th>
</tr>
</thead>
</table>
| Pensioners only – voluntarily insured  
Pension entitlement from 01.06.2003 | Pension recipients | Number | 286 | 283 |
| | Available assets | CHF | 99,373,963 | 84,917,644 |
| | Pension fund capital & technical provisions | CHF | 101,084,742 | 95,643,833 |
| | Funded ratio as per OPP 2 | Percent | 98.3% | 88.8% |
| | Economic funded ratio | Percent | 92.9% | 97.1% |
| Pensioners only – Confederation  
Pension entitlement before 01.01.1999 | Pension recipients | Number | 562 | 539 |
| | Available assets | CHF | 111,893,450 | 92,924,472 |
| | Pension fund capital & technical provisions | CHF | 109,744,455 | 101,276,322 |
| | Funded ratio as per OPP 2 | Percent | 102.0% | 91.8% |
| | Economic funded ratio | Percent | 98.2% | 96.6% |
| Pensioners only – Swisscom  
Pension entitlement before 01.01.1999 | Pension recipients | Number | 4,453 | 4,184 |
| | Available assets | CHF | 1,515,439,372 | 1,254,932,358 |
| | Pension fund capital & technical provisions | CHF | 1,459,657,364 | 1,322,314,313 |
| | Funded ratio as per OPP 2 | Percent | 103.8% | 94.9% |
| | Economic funded ratio | Percent | 100.6% | 103.2% |
| Pensioners only – RUAG Switzerland Ltd  
Pension entitlement before 01.02.2001 | Pension recipients | Number | 792 | 754 |
| | Available assets | CHF | 399,115,730 | 333,631,062 |
| | Pension fund capital & technical provisions | CHF | 367,609,522 | 334,716,655 |
| | Funded ratio as per OPP 2 | Percent | 108.6% | 99.7% |
| | Economic funded ratio | Percent | 104.5% | 101.5% |
| Pensioners only – SRG SSR idée suisse  
Pension entitlement before 01.02.2003 | Pension recipients | Number | 73 | 69 |
| | Available assets | CHF | 73,502,421 | 64,232,612 |
| | Pension fund capital & technical provisions | CHF | 62,604,938 | 59,106,990 |
| | Funded ratio as per OPP 2 | Percent | 117.4% | 113.8% |
| | Economic funded ratio | Percent | 114.8% | 113.8% |
| Joint pension plan | Pension recipients | Number | 239 | 223 |
| | Available assets | CHF | 82,765,633 | 68,660,959 |
| | Pension fund capital & technical provisions | CHF | 80,577,924 | 72,625,018 |
| | Funded ratio as per OPP 2 | Percent | 102.7% | 94.5% |
| | Economic funded ratio | Percent | 98.5% | 102.2% |

#### Total closed pension plans

| Pension recipients | Number | 7,883 | 7,429 |
| Available assets | CHF | 2,816,109,405 | 2,347,570,925 |
| Pension fund capital & technical provisions | CHF | 2,671,196,227 | 2,427,413,669 |
| Funded ratio as per OPP 2 | Percent | 105.4% | 96.7% |
| Economic funded ratio | Percent | 101.9% | 105.2% |
2 Active members and pension recipients

2.1 Active members
Individuals who are only insured for the risks of death and disability are included among active members. More than one insurance situation may apply to each person.

### Active members
2022 with prior-year comparison, in number of insurance situations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions</td>
<td>66 329</td>
<td>66 862</td>
<td>67 515</td>
</tr>
<tr>
<td>Departures</td>
<td>9 616</td>
<td>–9 083</td>
<td>–9 966</td>
</tr>
</tbody>
</table>

2.2 Pension recipients
The figure for pension recipients does not include retirement bridging pensions or IV/AI replacement pensions. A pension recipient is listed as a member more than once if they are insured with a number of employers and/or appear in different pension categories.

### Pension recipients
2022 with prior-year comparison, in number of insurance situations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement pensions</td>
<td>29 830</td>
<td>29 808</td>
<td>29 717</td>
</tr>
<tr>
<td>Retired person’s child’s pensions</td>
<td>481</td>
<td>520</td>
<td>562</td>
</tr>
<tr>
<td>Divorce pensions</td>
<td>65</td>
<td>76</td>
<td>91</td>
</tr>
<tr>
<td>Disability pensions</td>
<td>914</td>
<td>893</td>
<td>879</td>
</tr>
<tr>
<td>Disabled person’s child’s pensions</td>
<td>195</td>
<td>190</td>
<td>191</td>
</tr>
<tr>
<td>Surviving spouse/life partner’s pensions</td>
<td>1 033</td>
<td>1 026</td>
<td>1 021</td>
</tr>
<tr>
<td>Orphan’s pensions</td>
<td>246</td>
<td>262</td>
<td>264</td>
</tr>
<tr>
<td>Total pension recipients</td>
<td>42 066</td>
<td>42 010</td>
<td>41 918</td>
</tr>
</tbody>
</table>

A total of 988 retirement bridging pensions (prior year: 1,187) and 46 IV/AI replacement pensions (prior year: 47) were paid.
3 Implementation of the purpose

3.1 Note on the pension plan types
PUBLICA operates separate pension plan types for each pension plan. The employer allocates the active members to the relevant pension plan type on the basis of objective criteria set out in the pension plan regulations.

PUBLICA undertakes to provide the statutory (mandatory) pension benefits as a minimum and at the same time makes provision for extra-mandatory benefits significantly in excess of the OPA minimum. The insured salary comprises the annual salary less the coordination offset of 30% of the annual salary, but no more than CHF 25,095 (status as at 31 December 2022).

The benefits depend on the vested benefits paid in, deposits, savings and interest credits, less any early withdrawals for home ownership or divorce settlements. On taking retirement, members can choose to draw their pension fund capital as a lifetime annuity or wholly or in part as a lump sum. Persons living in a registered partnership are treated in the same way as spouses.

The level of the retirement pension is determined on the basis of the savings available at the time of retirement. At the reference age of 65 for men and 64 for women, the conversion rate is 5.09%.

For the disability pension, the current assets are projected to age 65 and converted into a pension using the conversion rate. The spouse’s and partner’s prospective pensions amount to 2/3 of the disability benefits or current retirement benefits; for orphan’s pensions the figure is 1/6. If there is no entitlement to survivors’ benefits, a lump-sum death benefit is paid. By way of alternative, some pension plans provide for the disability pension to be set as a percentage of the insured salary.

Active members have the option to top up their personal retirement assets by making voluntary savings contributions, thereby increasing their retirement pension or vested benefits on departure. The risk premiums are based on a percentage of the insured salary.

3.2 Financing, method of financing
The actuarial financing of the individual pension plans is based on what is known as the funded or capital cover system. The revenues are formed by contributions, inflows of vested benefits from previous pension plans, deposits, and income earned on pension assets. The level of employee and employer contributions and the maximum buy-ins are set out in the individual pension plan regulations.

The vast majority of PUBLICA’s operations are funded by contributions to administrative expenses (cost premiums) invoiced to the employers. These are set out in “service level agreements on services”.

3.3 Further information on pension activities
Pursuant to Art. 3 para. 2 of the PUBLICA Act, the Federal Council may delegate other tasks to PUBLICA provided that these are relevant to its area of responsibility under the PUBLICA Act; the costs incurred are borne by the Confederation. On this basis, PUBLICA takes charge of paying pensions on behalf of the Federal Council in accordance with the Federal Act of 6 October 1989 on the Remuneration and Occupational Pensions of Federal Council Members and other Federal Officials. These payments are not financed under the funded system: they are billed to the Confederation on an ongoing basis and are not charged to PUBLICA’s annual financial statements.

For the purposes of Art. 36 para. 2 OPA, the parity commissions and the Board of Directors have decided not to adjust pensions in line with the cost of living. Individual employers fund pension increases for their former employees.
4 Valuation and accounting principles, consistency

4.1 Confirmation of financial reporting as per Swiss GAAP ARR 26
The financial statements are compiled in accordance with the Swiss GAAP ARR 26 accounting standards.

4.2 Accounting and valuation principles
4.2.1 General principles
Accounts are kept in accordance with the commercial principles of the Swiss Code of Obligations. The annual financial statements include the entire collective institution consisting of the pension plans, PUBLICA Reinsurance as a separate pension plan, and PUBLICA Operations. Assets, liabilities and transactions between the individual pension plans, PUBLICA Operations and PUBLICA Reinsurance are not cancelled out but are booked as if between third parties.

4.2.2 Recording point of transactions
All concluded transactions are recorded on a daily basis. Transactions are normally booked on the trade date.

4.2.3 Foreign currency translation
Transactions involving foreign currencies are translated into Swiss francs and recorded using the exchange rate applying on the transaction date. Assets and liabilities held on the balance sheet date are translated at the exchange rate applying on that date. Price differences arising out of the settlement or revaluation of the foreign currency position on the balance sheet date are recorded through income.

4.2.4 Offsetting of assets and liabilities
Receivables and liabilities are offset in the balance sheet to the extent that such offsetting is legally enforceable.

4.2.5 Cash and cash equivalents, receivables, mortgages and liabilities, employers’ contribution reserve
Cash and cash equivalents, receivables, mortgages and liabilities as well as the employers’ contribution reserve are recorded at their nominal value. Allowances are created as necessary to cover expected defaults on receivables and mortgages.

4.2.6 Securities and derivative financial instruments
Securities (bonds, equities, etc.) and derivative financial instruments are normally valued at market value, which corresponds to the price offered on a market. In exceptional cases where no market value is available, a value arrived at using a valuation model is used. If it is impossible to calculate such a value, the assets are valued and recorded in the balance sheet at cost less any necessary value adjustments. The profits and losses arising out of the valuation are recorded through income.

The replacement values of derivative financial instruments are recorded in the balance sheet item corresponding to the assets from which they are derived. Likewise, transactions used to hedge foreign currency risks are recognised in the balance sheet item affected.

Cash and cash equivalents, receivables or liabilities in connection with the administration of asset management mandates or collective investment schemes are recorded in the corresponding balance sheet item under “Investments”. Within asset management mandates and collective investment schemes, cash and cash equivalents are used in particular to provide full and permanent cover for derivatives that increase the exposure, thus ensuring that there is no leverage effect on the overall portfolio. For this reason, the balance sheet items under “Investments” normally show the actual strategic asset allocation (economic exposure).
4.2.7 Private corporate, infrastructure and real estate debt ex Switzerland

Private corporate, infrastructure and real estate debt outside Switzerland is revalued at least quarterly and recognised at the current value. The valuation is carried out using the discounted cash flow (DCF) method or market prices, where available. Discounting is conducted using interest rates derived from comparable market data that take account of the term, liquidity, credit risk and industry sector of the borrower. If a debtor falls behind with their payments or the asset managers responsible anticipate impairments, the valuation is reviewed by PUBLICA. In the case of private corporate and infrastructure debt, the impairment is based on the lower of a valuation using historical default rates for comparable borrowers and the valuation proposed by the asset managers for debtors in financial difficulties. In the case of private real estate debt, an impairment is recorded if there are indications that the value of the underlying collateral is lower than the nominal value.

4.2.8 Private real estate debt Switzerland

Private real estate debt in Switzerland is recognised at its nominal value. Impairments are assessed if a default is probable or the value of the underlying collateral has fallen significantly.

4.2.9 Real estate investments Switzerland

Directly held real estate is revalued annually and recognised at the market value. The market value is calculated by Jones Lang LaSalle Ltd using the discounted cash flow (DCF) method. The discounting is based on the interest on long-term, risk-free investments together with a specific risk premium. The bandwidth for the nominal discount interest rate is between 3.05% and 5.50% (prior year: 2.45% and 5.10%). The average capital-weighted nominal discount interest rate across the valued portfolio is 3.74% (prior year: 3.37% on a like-for-like basis).

4.2.10 Real estate investments international

Unlisted foreign real estate funds are revalued at least quarterly and recognised at market value in accordance with the most recent quarterly or monthly valuation. They are valued using a customary real estate valuation method such as the capitalised earnings or discounted cash flow method. If market indicators indicate a material impairment since the most recent quarterly or monthly valuation, the valuation is reviewed by PUBLICA. The level of the impairment is calculated in collaboration with the fund managers.

4.2.11 Deferred taxes

For the purposes of deferred taxes, property gains taxes on the directly held real estate portfolio are calculated using the current local tax multipliers, on the basis of the effective holding duration. Deferred taxes are reported under non-technical provisions without discounting and without loss offsetting within cantons or communes. Future capital gains taxes are taken into account; however, future transaction costs such as property transfer taxes, land register fees, notary’s fees, broker’s commissions and other costs are disregarded.

4.2.12 Pension fund capital and technical provisions

PUBLICA’s internal actuarial service calculates the pension fund capital and technical provisions using the actuarial tables and supplies the data to the Pension Actuary. The basis for the calculation of the technical provisions is the current version of the Regulations governing the Provisions and Reserves of the Federal Pension Fund PUBLICA, the Pension Plans and PUBLICA Reinsurance. The Pension Actuary reviews the pension fund capital and technical provisions annually in accordance with recognised principles.

4.3 Changes to principles concerning valuation, accounting and reporting

The method used to calculate the target value of the fluctuation reserve in section 6.3 has been adjusted.

The costs incurred for the collective investments are now reported separately under asset management expenses in section 6.10.

No other changes were made to the principles concerning valuation, accounting and reporting.
5 Actuarial risks, risk coverage, funded ratio

5.1 Form of risk coverage, reinsurance
PUBLICA has not taken out any external reinsurance cover for its actuarial risks. With respect to actuarial risks, the individual pension plans are either autonomously reinsured or fully reinsured with PUBLICA Reinsurance. The pension plans concerned pay a risk premium for this reinsurance and also participate in any surpluses. Shares in the surplus are appropriated as a deposit in the employers’ contribution reserve for the employers and, where provided for, as a onetime deposit for employees. Both the autonomous pension plans and PUBLICA Reinsurance have created adequate provisions to cover foreseeable liabilities and counteract any actuarial fluctuations.

The internal relationship between the pension plans and PUBLICA Reinsurance is reported gross in the income statement. The balance sheet for PUBLICA Reinsurance is as follows:

Balance sheet – PUBLICA Reinsurance
2022 with prior-year comparison, in CHF

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating assets – PUBLICA Reinsurance</td>
<td>152 935 203</td>
</tr>
<tr>
<td>Liabilities and deferrals</td>
<td>6 250 513</td>
</tr>
<tr>
<td>Technical provisions</td>
<td>53 222 235</td>
</tr>
<tr>
<td>Fluctuation reserve</td>
<td>9 313 891</td>
</tr>
<tr>
<td>Working capital – Reinsurance</td>
<td>70 817 000</td>
</tr>
<tr>
<td>Uncommitted funds</td>
<td>13 331 563</td>
</tr>
<tr>
<td>Liabilities and available risk capital – PUBLICA Reinsurance</td>
<td>152 935 203</td>
</tr>
</tbody>
</table>

The operating assets comprise cash and cash equivalents from cash pooling, bond investments and any accruals/deferrals. PUBLICA Reinsurance has its own, separate, low-risk strategic asset allocation to keep its investment risks as low as possible.

The result for PUBLICA Reinsurance shows a loss of CHF 8.3 million (prior year: CHF 1.7 million) and is reported in the income statement for the collective institution.

The working capital of Reinsurance was liquidated by resolution of the Board of Directors dated 25 October 2022. The approximately CHF 71 million were shared out among the individual pension plans on 31 December 2022 on a pro-rata basis in accordance with the pension fund capital for active members and credited to the funded ratio.
5.2 Development of pension fund capital for active members

The balance sheet item “Pension fund capital – active members” corresponds to the total statutory vested termination benefits for active members of CHF 19.2 billion (prior year: CHF 18.9 billion). The interest rate on retirement assets was between 0.9% and 1.0% (prior year: 1.0% and 2.0%) during the year in review. The following table shows the development in pension fund capital during the period under review.

<table>
<thead>
<tr>
<th>Pension fund capital – active members</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>pension fund capital 1 January</td>
<td>18 265</td>
<td>18 880</td>
</tr>
<tr>
<td>Savings contributions – employees and employers</td>
<td>1 433</td>
<td>1 449</td>
</tr>
<tr>
<td>Lump-sum payments and buy-ins – active members</td>
<td>126</td>
<td>122</td>
</tr>
<tr>
<td>vested benefits received</td>
<td>396</td>
<td>458</td>
</tr>
<tr>
<td>vested benefits received on takeover of member portfolios*</td>
<td>7</td>
<td>72</td>
</tr>
<tr>
<td>home ownership and divorce payments received</td>
<td>29</td>
<td>28</td>
</tr>
<tr>
<td>interest on savings capital</td>
<td>278</td>
<td>168</td>
</tr>
<tr>
<td>vested benefits paid on departure</td>
<td>–444</td>
<td>–537</td>
</tr>
<tr>
<td>vested benefits transferred on collective departure**</td>
<td>–7</td>
<td>–72</td>
</tr>
<tr>
<td>reduction of compensation deposit resulting from departure</td>
<td>–2</td>
<td>0</td>
</tr>
<tr>
<td>early withdrawals for home ownership / divorce</td>
<td>–73</td>
<td>–79</td>
</tr>
<tr>
<td>retirement pensions</td>
<td>–1 098</td>
<td>–1 212</td>
</tr>
<tr>
<td>release on death</td>
<td>–27</td>
<td>–33</td>
</tr>
<tr>
<td>Release on disability leading to pension</td>
<td>–24</td>
<td>–27</td>
</tr>
<tr>
<td>creation of pension fund capital as a result of reintegration under disability insurance</td>
<td>24</td>
<td>29</td>
</tr>
<tr>
<td>other changes</td>
<td>–2</td>
<td>–3</td>
</tr>
<tr>
<td>total pension fund capital 31 december</td>
<td>18 880</td>
<td>19 243</td>
</tr>
</tbody>
</table>

* see section 9.2
** see section 9.3

The other changes include corrections, bookings relating to other periods and exceptional bookings from the previous year. The vested benefits in the event of collective departure and entry are shown in the income statement item “Transfer of additional funds – collective departure and entry”.

5.3 Total OPA retirement assets

<table>
<thead>
<tr>
<th>OPA retirement assets</th>
<th>2022 with prior-year comparison, in CHF mn and percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>total OPA retirement assets</td>
<td>CHF mn</td>
</tr>
<tr>
<td>in % of pension fund capital – active members</td>
<td>Percent</td>
</tr>
<tr>
<td>OPA minimum interest rate, set by Federal Council</td>
<td>Percent</td>
</tr>
</tbody>
</table>

In addition to managing the pension fund capital of its active members, PUBLICA manages the retirement assets prescribed by the provisions of the OPA (shadow account). This ensures that the requirements for statutory minimum benefits are met in all cases. The reported OPA retirement assets are contained in the pension fund capital of active members.
5.4 Development of pension fund capital for pension recipients

The pension fund capital for pension recipients corresponds to the net present value of current pensions including associated deferred annuities, and decreased by CHF 186 million from the prior-year figure.

### Pension fund capital – pension recipients

**2022 with prior-year comparison, in CHF mn**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension fund capital 1 January</td>
<td>20,196</td>
<td>20,276</td>
</tr>
<tr>
<td>Statutory benefits</td>
<td>–1,907</td>
<td>–1,958</td>
</tr>
<tr>
<td>Lump-sum payments and buy-ins (buy-outs of pension reductions and pension buy-ins)</td>
<td>29</td>
<td>21</td>
</tr>
<tr>
<td>Retirements</td>
<td>1,098</td>
<td>1,212</td>
</tr>
<tr>
<td>Disability cases leading to pension</td>
<td>24</td>
<td>27</td>
</tr>
<tr>
<td>Change to technical parameters</td>
<td>391</td>
<td>0</td>
</tr>
<tr>
<td>Technical interest rate*</td>
<td>357</td>
<td>366</td>
</tr>
<tr>
<td>Deaths and other changes</td>
<td>87</td>
<td>146</td>
</tr>
<tr>
<td><strong>Total pension fund capital 31 December</strong></td>
<td><strong>20,276</strong></td>
<td><strong>20,090</strong></td>
</tr>
</tbody>
</table>

*Approximate calculation

Employers and employees partially finance the buy-out of pension reductions, bridging pensions and further benefits under the regulations. Such lump-sum payments and buy-ins flow directly into the pension fund capital for pension recipients.

5.5 Composition, development and explanation of technical provisions

The technical provisions increased by CHF 23.6 million year on year.

### Technical provisions

**2022 with prior-year comparison, in CHF**

#### Pension plans

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for change to technical parameters – active members</td>
<td>735,968,678</td>
<td>80,817,111</td>
<td>–4,570,630</td>
<td>812,215,159</td>
</tr>
<tr>
<td>Provision for change to technical parameters – pension recipients</td>
<td>36,553,478</td>
<td>0</td>
<td>0</td>
<td>36,553,478</td>
</tr>
<tr>
<td>Provision for transitional arrangements on change to technical parameters</td>
<td>97,911,771</td>
<td>2,727,003</td>
<td>–56,411,621</td>
<td>44,227,152</td>
</tr>
<tr>
<td>Provision for fluctuations in the membership of closed pension plans</td>
<td>62,813,538</td>
<td>1,150,632</td>
<td>0</td>
<td>63,964,170</td>
</tr>
<tr>
<td>Provision for outstanding claims (IBNR)</td>
<td>195,000,000</td>
<td>1,000,000</td>
<td>0</td>
<td>196,000,000</td>
</tr>
<tr>
<td>Provision for death and disability</td>
<td>72,000,000</td>
<td>1,197,251</td>
<td>–197,251</td>
<td>73,000,000</td>
</tr>
<tr>
<td>Provision for administrative expenses and risk premium</td>
<td>236,461</td>
<td>169</td>
<td>–12,688</td>
<td>223,942</td>
</tr>
<tr>
<td><strong>Total technical provisions – pension plans</strong></td>
<td><strong>1,226,141,543</strong></td>
<td><strong>86,892,766</strong></td>
<td><strong>–61,307,633</strong></td>
<td><strong>1,251,726,677</strong></td>
</tr>
</tbody>
</table>

#### Reinsurance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for outstanding claims (IBNR)</td>
<td>16,000,000</td>
<td>4,270,593</td>
<td>–6,270,593</td>
<td>14,000,000</td>
</tr>
<tr>
<td>Provision for death and disability</td>
<td>12,000,000</td>
<td>0</td>
<td>0</td>
<td>12,000,000</td>
</tr>
<tr>
<td>Provision for hardship cases – active members / pension recipients</td>
<td>14,096,845</td>
<td>0</td>
<td>0</td>
<td>14,096,845</td>
</tr>
<tr>
<td>Provision for hardship cases – pension plans</td>
<td>11,125,390</td>
<td>0</td>
<td>0</td>
<td>11,125,390</td>
</tr>
<tr>
<td><strong>Total technical provisions – Reinsurance</strong></td>
<td><strong>53,222,235</strong></td>
<td><strong>4,270,593</strong></td>
<td><strong>–6,270,593</strong></td>
<td><strong>51,222,235</strong></td>
</tr>
</tbody>
</table>

**Total technical provisions**

| Provision                                    | 1,279,363,778 | 91,163,360 | –67,578,226 | 1,302,948,912 |
5.5.1 Technical provisions – pension plans

Technical provisions are capital that, together with the retirement assets of active members and the policy reserves of pension recipients, make up the liabilities on the balance sheet. They serve to meet a future benefit obligation that is not taken into account in the pension fund capital. They are measured using recognised procedures and transparent assumptions.

Provision for changes to technical parameters

At the end of 2021, PUBLICA switched from static actuarial tables to generational tables in its financial statements, but did not adjust the conversion rate in its regulations. This results in retirement losses which are taken into account in the provision for changes to technical parameters. For active members who reached the age of 55 by 31 December 2022, the provision rate is 5.3%; for all others it is 2.1%. The annual addition to the provision is calculated exactly on the basis of the difference between the actuarially correct conversion rate and the conversion rate set out in the regulations, and corresponds on average to an annual increase of 0.3%. The provision can be additionally increased to wholly or partially cushion the impact on the benefits of active members and pension recipients resulting from any reduction in the conversion rate due to a change to the technical parameters.

Provision for transitional arrangements on change to technical parameters

This provision finances the measures taken in respect of active members who had in principle reached age 60 on 1 January 2019 when the technical parameters were adjusted. They receive a credit for the portion they draw as an annuity when they take retirement.

Provision for fluctuations in the membership of closed pension plans

Pension plans with closed memberships are subject to fluctuation risk over the medium or long term as a result of having too few members. To cushion the impact of this risk, the provision for fluctuations in the membership of closed pension plans is increased annually until it reaches the level of the statutory benefits for one year.

Provision for outstanding claims (IBNR)

The risk premiums are calculated on an actuarial basis so that they finance the death and disability cases arising in the current year. In the case of disability, however, several years may pass between the occurrence of the insured event and the definitive settlement. A provision is created to enable a correct result for the period to be reported.

Provision for death and disability

The provision for death and disability cushions the financial impact of a one-off extraordinary claims year that is not covered by the risk premium. The calculation is based on a safety level of 99%. This provision only exists in the pension plans that cover the risks of death and disability themselves and are thus exposed to the risk of fluctuation.

Provision for administrative expenses and cost-of-living adjustment, administrative expenses and risk premium

Certain groups of pensioners no longer have an employer to assume their future administrative expenses.

The provision for administrative expenses and cost-of-living adjustment thus serves to fund future administrative expenses and any cost-of-living adjustments. It is allocated to specific groups of pensioners in the Pensioners only – PUBLICA Administration pension plan and used in accordance with the purpose.

The provision for administrative expenses and the risk premium serves to fund future administrative expenses and includes an allowance for the takeover of pension recipients in respect of the increasing life expectancy risk, and costs for a potential reduction in the technical interest rate.
5.5.2 Technical provisions – Reinsurance

Provision for outstanding claims (IBNR)
Like the pension plans, PUBLICA Reinsurance maintains a provision for outstanding claims. This is funded by the risk premium for the reinsured pension plans.

Provision for death and disability
As with the provision for outstanding claims, Reinsurance is also obliged to set aside a provision for death and disability because it has to bear the risk of fluctuations in the volume of claims of the reinsured pension plans.

Provision for hardship cases
The prerequisites for granting voluntary benefits from Reinsurance are set out in the PUBLICA policy document on hardship cases.

5.6 Results of the latest actuarial assessment
In its report dated 31 December 2022, the Pension Actuary confirms that the regulatory insurance provisions regarding the benefits and financing comply with the statutory rules. It also confirms that, as at 31 December 2022, PUBLICA has sufficient collateral to meet its actuarial obligations. Accordingly, PUBLICA meets the requirements of Art. 52e para. 1 OPA. The confirmation from the Pension Actuary can be found in section 12.

5.7 Actuarial tables and other actuarial assumptions
As of 31 December 2022, the policy reserves for pension recipients were calculated using the BVG 2020 (loaded) actuarial tables (generational tables). The technical interest rate is 2.0% for the open pension plans and 0.5% for the closed pension plans.

A first part of the provision regulations was revised in 2022, and the revision is scheduled to be completed in 2023. In particular, the technical provision for death and disability and the provision for outstanding claims (IBNR) are to be reviewed and revised as necessary. For this reason, the existing parameters were used to calculate these provisions as at the end of 2022.
5.8 Funded ratio as per Art. 44 OPO 2
The consolidated funded ratio as per Art. 44 OPO 2 is the ratio of the assets available to cover actuarial liabilities to the required actuarial pension fund capital (pension fund capital and technical provisions).

**Funded ratio as per Art. 44 OPO 2**
2022 with prior-year comparison, in CHF

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially required pension fund capital</td>
<td>40 435 498 780</td>
<td>40 635 643 349</td>
</tr>
<tr>
<td>Fluctuation reserve</td>
<td>3 138 054 007</td>
<td>25 461 642</td>
</tr>
<tr>
<td>Uncommitted funds (+) / underfunding (-) / working capital (+)</td>
<td>96 615 023</td>
<td>–1 574 775 966</td>
</tr>
<tr>
<td>Available assets</td>
<td>43 670 167 810</td>
<td>39 086 329 025</td>
</tr>
<tr>
<td><strong>Funded ratio as per Article 44 OPO 2</strong></td>
<td><strong>108.0%</strong></td>
<td><strong>96.2%</strong></td>
</tr>
</tbody>
</table>

5.9 Economic funded ratio
In order to permit an effective assessment of the Fund’s situation, it is sensible to value the pension liabilities in a market-consistent manner and to calculate an economic funded ratio in addition to the actuarial funded ratio. When calculating the economic funded ratio, liabilities are valued using the current BVG actuarial tables, taking account of the yield curve of Confederation bonds and generational tables. In addition to the obligations to pension recipients, the potential obligations to active members who have already reached the earliest possible statutory retirement age are also taken into account. This potential obligation arises out of the current provisions in the regulations on drawing a retirement pension before reaching the ordinary OASI age limit of 64 for women and 65 for men.

The corresponding calculations produced an economic funded ratio across all 18 pension plans and PUBLICA Reinsurance of 95.4% (prior year: 95.2%).

6 Notes on investments and the net return on investment

6.1 Organisation of investment activity, investment advisors and managers, Investment Guidelines, custodians
The Board of Directors bears overall responsibility for asset management. It is responsible for issuing and amending the Investment Guidelines and determines the strategic asset allocation. The Investment Committee advises the Board of Directors on investment-related issues and monitors compliance with the Investment Guidelines and strategic asset allocation.

Equity investments are made in line with an index and replicate market trends. All equity portfolios are managed by external specialists. The bond portfolios are managed by PUBLICA Asset Management and external specialists on an “enhanced passive” or semi-active basis, allowing for active elements subject to relatively tight tracking error requirements in order to avoid the disadvantages of fully replicating capitalisation-weighted bond indices. Illiquid asset classes such as Swiss and international real estate or private corporate, infrastructure and real estate debt are actively managed, endeavouring to replicate comparable indices as far as possible.

In the interest of business continuity planning, an optional mandate agreement was concluded with Pictet Asset Management in 2011. If PUBLICA Asset Management suddenly finds itself unable to manage the internally managed mandates itself, Pictet has undertaken to take over those mandates within 48 hours. Pictet Asset Management will then manage them on a fiduciary basis until PUBLICA is able to resume doing so itself or a definitive solution has been found.

The following institutions were entrusted with the management of PUBLICA’s assets as at the balance sheet date of 31 December 2022:
<table>
<thead>
<tr>
<th>Asset manager</th>
<th>Licensing authority</th>
<th>Benchmark</th>
<th>Investment style</th>
<th>Date of regulation</th>
<th>Retriements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swiss government bonds</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>SBI Domestic Swiss Government</td>
<td>Semi-active</td>
<td>–</td>
<td>prohibited</td>
</tr>
<tr>
<td>Non-government bonds CHF</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>SBI AAA-A foreign borrowers (40%) and domestic borrowers (60%)</td>
<td>Semi-active</td>
<td>–</td>
<td>prohibited</td>
</tr>
<tr>
<td>Non-government bonds CHF</td>
<td>Swiss Financial Market Supervisory Authority FINMA</td>
<td>SBI AAA-A foreign borrowers (40%) and domestic borrowers (60%)</td>
<td>Semi-active</td>
<td>08.12.11</td>
<td>prohibited</td>
</tr>
<tr>
<td>Government bonds EUR</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>JPM GBI Germany (59%), France (33%) and Netherlands (17%)</td>
<td>Enhanced passive</td>
<td>–</td>
<td>prohibited</td>
</tr>
<tr>
<td>Government bonds USD</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>JPM GBI USA</td>
<td>Enhanced passive</td>
<td>–</td>
<td>prohibited</td>
</tr>
<tr>
<td>Government bonds GBP</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>JPM GBI UK</td>
<td>Enhanced passive</td>
<td>–</td>
<td>prohibited</td>
</tr>
<tr>
<td>Government bonds CAD</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>JPM GBI Canada</td>
<td>Enhanced passive</td>
<td>–</td>
<td>prohibited</td>
</tr>
<tr>
<td>Government bonds AUD</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>JPM GBI Australia</td>
<td>Enhanced passive</td>
<td>–</td>
<td>prohibited</td>
</tr>
<tr>
<td>Government bonds SEK</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>JPM GBI Sweden</td>
<td>Enhanced passive</td>
<td>–</td>
<td>prohibited</td>
</tr>
<tr>
<td>Inflation-linked government bonds EUR</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>80% Barclays Euro Government EMU HCP-Linked Bond Index 1–10 Years 20% Barclays Euro Government EMU HCP-Linked Bond Index &gt; 10 Years</td>
<td>Enhanced passive</td>
<td>–</td>
<td>prohibited</td>
</tr>
<tr>
<td>Inflation-linked government bonds USD</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>80% Barclays US Government Inflation-Linked Bond Index 1–10 Years 20% Barclays US Government Inflation-Linked Bond Index &gt; 10 Years</td>
<td>Enhanced passive</td>
<td>–</td>
<td>prohibited</td>
</tr>
<tr>
<td>Currency hedging inflation-linked government bonds</td>
<td>Financial Conduct Authority (UK)1</td>
<td>Difference in relevant portfolio benchmark hedged vs. unhedged</td>
<td>Enhanced passive</td>
<td>30.06.20</td>
<td>prohibited</td>
</tr>
<tr>
<td>Public corporate bonds EUR1</td>
<td>Federal Financial Supervisory Authority (DE)1</td>
<td>Barclays EUR Corporate</td>
<td>Enhanced passive</td>
<td>20.06.11</td>
<td>prohibited</td>
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<tr>
<td>Public corporate bonds USD1</td>
<td>Financial Conduct Authority (UK)1</td>
<td>Barclays EUR Corporate ex Financials</td>
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<td>25.08.11</td>
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<tr>
<td>Public corporate bonds USD1</td>
<td>Financial Conduct Authority (UK)1</td>
<td>Barclays USD Corporate Intermediate</td>
<td>Enhanced passive</td>
<td>04.05.11</td>
<td>prohibited</td>
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<tr>
<td>Public corporate bonds EUR1</td>
<td>Office of the Comptroller of the Currency (US)1</td>
<td>Barclays USD Corporate Intermediate ex Financials</td>
<td>Enhanced passive</td>
<td>04.05.11</td>
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<tr>
<td>Private corporate debt</td>
<td>Financial Conduct Authority (UK)1</td>
<td>Barclays Global Agg Corp Composite Cust</td>
<td>Direct investments</td>
<td>29.09.15</td>
<td>prohibited</td>
</tr>
<tr>
<td>Private corporate debt</td>
<td>Financial Conduct Authority (UK)1</td>
<td>Barclays Global Agg Corp Composite Cust</td>
<td>Direct investments</td>
<td>29.09.15</td>
<td>prohibited</td>
</tr>
<tr>
<td>Private infrastructure debt</td>
<td>Financial Conduct Authority (UK)1</td>
<td>Barclays Global Agg Corp Composite Cust</td>
<td>Direct investments</td>
<td>29.09.15</td>
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</tr>
<tr>
<td>Private real estate debt</td>
<td>Financial Conduct Authority (UK)1</td>
<td>Barclays Global Agg Corp Composite Cust</td>
<td>Direct investments</td>
<td>02.09.15</td>
<td>prohibited</td>
</tr>
<tr>
<td>Private real estate debt</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>SBI Domestic AAA- BBB 1 -3Y</td>
<td>Direct investments</td>
<td>–</td>
<td>prohibited</td>
</tr>
<tr>
<td>Private real estate debt</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>SBI Domestic A Yield Cust</td>
<td>Direct investments</td>
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<td>prohibited</td>
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<tr>
<td>Private real estate debt</td>
<td>Financial Conduct Authority (UK)1</td>
<td>Barclays Global Agg Corp Composite Cust</td>
<td>Direct investments</td>
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<td>prohibited</td>
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<tr>
<td>Private real estate debt</td>
<td>Financial Conduct Authority (UK)1</td>
<td>Barclays Global Agg Corp Composite Cust</td>
<td>Direct investments</td>
<td>29.01.20</td>
<td>prohibited</td>
</tr>
<tr>
<td>Currency hedging corporate bonds foreign currency1</td>
<td>Financial Conduct Authority (UK)1</td>
<td>Difference in relevant portfolio benchmark hedged vs. unhedged</td>
<td>Enhanced passive</td>
<td>30.06.20</td>
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</tr>
<tr>
<td>Government bonds emerging markets hard currencies1</td>
<td>Swiss Financial Market Supervisory Authority FINMA</td>
<td>JPM EMBIG Diversified Investment Grade (USD)</td>
<td>Enhanced passive</td>
<td>26.02.16</td>
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</tr>
<tr>
<td>Government bonds emerging markets local currencies</td>
<td>Financial Conduct Authority (UK)1</td>
<td>JPM GBI-EM Global Diversified</td>
<td>Active</td>
<td>21.02.13</td>
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<td>Active</td>
<td>21.02.13</td>
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<td>Financial Conduct Authority (UK)1</td>
<td>JPM GBI-EM China Unhedged LOC</td>
<td>Enhanced passive</td>
<td>18.03.19</td>
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<tr>
<td>Government bonds emerging markets China</td>
<td>Swiss Financial Market Supervisory Authority FINMA</td>
<td>JPM GBI-EM China Unhedged LOC</td>
<td>Enhanced passive</td>
<td>18.03.19</td>
<td>prohibited</td>
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<tr>
<td>Asset management</td>
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<td>Licensing authority</td>
<td>Benchmark</td>
<td>Investment style</td>
</tr>
<tr>
<td>------------------</td>
<td>---------</td>
<td>---------------</td>
<td>---------------------</td>
<td>-----------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Equities Switzerland</td>
<td>Credit Suisse AG</td>
<td>Swiss Financial Market Supervisory Authority FINMA</td>
<td>MSCI (gross) Switzerland</td>
<td>Indexed</td>
<td>01.12.08</td>
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<td>Swiss Financial Market Supervisory Authority FINMA</td>
<td>MSCI (gross) Switzerland</td>
<td>Indexed</td>
<td>02.12.08</td>
</tr>
<tr>
<td>Equities developed markets ex Switzerland</td>
<td>Credit Suisse Funds AG</td>
<td>Swiss Financial Market Supervisory Authority FINMA</td>
<td>MSCI (gross) Europe ex Switzerland (25%), North America (50%), Japan (10%) and Pacific ex Japan (15%)</td>
<td>Indexed</td>
<td>09.11.05</td>
</tr>
<tr>
<td>Equities developed markets ex Switzerland</td>
<td>Pictet Asset Management SA</td>
<td>Swiss Financial Market Supervisory Authority FINMA</td>
<td>MSCI (gross) Europe ex Switzerland (25%), North America (50%), Japan (10%) and Pacific ex Japan (15%)</td>
<td>Indexed</td>
<td>01.05.21</td>
</tr>
<tr>
<td>Equities developed markets ex Switzerland</td>
<td>Northern Trust Global Investments Limited (UK)</td>
<td>Financial Conduct Authority (UK)</td>
<td>MSCI (gross) Europe ex Switzerland (25%), North America (50%), Japan (10%) and Pacific ex Japan (15%)</td>
<td>Indexed</td>
<td>01.05.21</td>
</tr>
<tr>
<td>Currency hedging</td>
<td>Russell Implementation Services Ltd</td>
<td>Financial Conduct Authority (UK)</td>
<td>Difference in relevant portfolio benchmark hedged vs. unhedged</td>
<td>Enhanced passive</td>
<td>30.06.20</td>
</tr>
<tr>
<td>Equity emerging markets</td>
<td>Pictet Asset Management SA</td>
<td>Swiss Financial Market Supervisory Authority FINMA</td>
<td>MSCI (net) Emerging Markets</td>
<td>Indexed</td>
<td>19.08.10</td>
</tr>
<tr>
<td>Equity emerging markets</td>
<td>UBS Asset Management AG</td>
<td>Swiss Financial Market Supervisory Authority FINMA</td>
<td>MSCI (net) Emerging Markets</td>
<td>Indexed</td>
<td>19.08.10</td>
</tr>
<tr>
<td>Precious metals</td>
<td>Swiss Federal Pension Fund PUBLICA</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>S&amp;P GSCI TR Precious Metals</td>
<td>Enhanced passive</td>
<td>02.11.09</td>
</tr>
<tr>
<td>Precious metals</td>
<td>Swiss Federal Pension Fund PUBLICA</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>London Gold Price PM Auction USD</td>
<td>Direct investments</td>
<td>20.05.15</td>
</tr>
<tr>
<td>Real estate investments Switzerland</td>
<td>Swiss Federal Pension Fund PUBLICA</td>
<td>Bernische BVG- und Stiftungsaufsicht (CH)</td>
<td>K Gast Immo Index</td>
<td>Direct investments</td>
<td>–</td>
</tr>
<tr>
<td>Real estate investments Switzerland</td>
<td>UVIIT AG</td>
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<td>n/a</td>
<td>Direct investments</td>
<td>23.11.11</td>
</tr>
<tr>
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<td>Von Graffenried AG Liegenschaften</td>
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<td>n/a</td>
<td>Direct investments</td>
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</tr>
<tr>
<td>Real estate investments Switzerland</td>
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<td>n/a</td>
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</tr>
<tr>
<td>Real estate investments Switzerland</td>
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<td>n/a</td>
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<tr>
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<td>Sidenzia AG</td>
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<td>n/a</td>
<td>Direct investments</td>
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</tr>
<tr>
<td>Real estate investments Switzerland</td>
<td>Régie Duboux SA</td>
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<td>n/a</td>
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<td>04.08.22</td>
</tr>
<tr>
<td>Real estate investments Switzerland</td>
<td>Reaasco AG</td>
<td>n/a</td>
<td>n/a</td>
<td>Direct investments</td>
<td>19.04.22</td>
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<td>Real estate investments international APAC</td>
<td>M&amp;G Luxembourg S.A.</td>
<td>Commission de Surveillance du Secteur Financier (CSSF)</td>
<td>ANREV ODCE (Open End Diversified Core Equity) Fund Index</td>
<td>Real estate funds</td>
<td>10.05.16</td>
</tr>
<tr>
<td>Real estate investments international APAC</td>
<td>Nuween Alternatives Europe S.à.r.l.</td>
<td>Commission de Surveillance du Secteur Financier (CSSF)</td>
<td>ANREV ODCE (Open End Diversified Core Equity) Fund Index</td>
<td>Real estate funds</td>
<td>01.10.18</td>
</tr>
<tr>
<td>Real estate investments international APAC</td>
<td>AMP Capital Funds Management Limited</td>
<td>Australian Securities and Investments Commission (ASIC)</td>
<td>ANREV Australia Core Open End Fund Monthly Index</td>
<td>Real estate funds</td>
<td>01.11.15</td>
</tr>
<tr>
<td>Real estate investments international Australia</td>
<td>Deusex Wholesale Property Limited</td>
<td>Australian Securities and Investments Commission (ASIC)</td>
<td>ANREV Australia Core Open End Fund Monthly Index</td>
<td>Real estate funds</td>
<td>07.06.18</td>
</tr>
<tr>
<td>Real estate investments international Australia</td>
<td>GPT Funds Management Limited</td>
<td>Australian Securities and Investments Commission (ASIC)</td>
<td>ANREV Australia Core Open End Fund Monthly Index</td>
<td>Real estate funds</td>
<td>29.11.17</td>
</tr>
<tr>
<td>Real estate investments international Europe</td>
<td>AEW S.à.r.l.</td>
<td>Commission de Surveillance du Secteur Financier (CSSF)</td>
<td>INREV Open End Diversified Core Equity Fund Index</td>
<td>Real estate funds</td>
<td>13.12.19</td>
</tr>
<tr>
<td>Real estate investments international Europe</td>
<td>AXA CoRe Europe GP S.à.r.l.</td>
<td>Commission de Surveillance du Secteur Financier (CSSF)</td>
<td>INREV Open End Diversified Core Equity Fund Index</td>
<td>Real estate funds</td>
<td>01.01.18</td>
</tr>
<tr>
<td>Real estate investments international Europe</td>
<td>Rines Luxembourg Investment Management Sarl</td>
<td>Commission de Surveillance du Secteur Financier (CSSF)</td>
<td>INREV Open End Diversified Core Equity Fund Index</td>
<td>Real estate funds</td>
<td>07.02.20</td>
</tr>
<tr>
<td>Real estate investments international Europe</td>
<td>PGIM Real Estate Luxembourg S.A.</td>
<td>Commission de Surveillance du Secteur Financier (CSSF)</td>
<td>INREV Open End Diversified Core Equity Fund Index</td>
<td>Real estate funds</td>
<td>01.07.19</td>
</tr>
<tr>
<td>Real estate investments international USA</td>
<td>LaSalle Property Fund, L.P.</td>
<td>U.S. Securities and Exchange Commission (SEC)</td>
<td>NCREIF Fund Index Open End Diversified Core Equity</td>
<td>Real estate funds</td>
<td>01.03.16</td>
</tr>
<tr>
<td>Real estate investments international USA</td>
<td>PRISA Fund Manager LLC</td>
<td>U.S. Securities and Exchange Commission (SEC)</td>
<td>NCREIF Fund Index Open End Diversified Core Equity</td>
<td>Real estate funds</td>
<td>19.09.17</td>
</tr>
</tbody>
</table>

1 Art. 48f para. 4 let. a. OP2 2 registered pension plans under Article 48f OP2
2 Art. 48f para. 4 let. c. OP2 2 banks under the Banking Act
3 Art. 48f para. 4 let. f. OP2 2 fund management companies
4 Art. 48f para. 4 let. h. OP2 2 financial intermediaries operating outside Switzerland that are subject to supervision by a foreign supervisory authority
5 100% MSCI Switzerland UMI capital-weighted climate-efficient index
6 Each 50% MSCI CEC capital-weighted, 16.6% MSCI CEC Minimum Volatility, 16.6% MSCI CEC Small Caps and 16.6% MSCI CEC Enhanced Value climate-efficient indices
7 Mandate in single-investor fund
PUBLICA strives to achieve low costs and fair, transparent agreements in the individual asset classes at all times. In connection with securities and real estate, the arrangements entered into with PUBLICA’s partners prohibit the acceptance or retention of compensation in excess of the contractually agreed mandate fee, in particular retrocessions or similar pecuniary advantages.

PUBLICA’s securities are held with the following custodian bank:

Global Custodian J.P. Morgan (Switzerland) Ltd jpmorgan.com
(custodian bank for securities) Dreikönigstrasse 21
and consolidation of all assets) 8002 Zurich

6.2 Extensions to the range of permitted investments (Art. 50 OPO 2)
The alternative asset classes “private corporate debt” amounting to CHF 1,141 million (prior year: CHF 1,431 million) and “private real estate debt ex Switzerland” amounting to CHF 1,107 million (prior year: CHF 1,027 million) are implemented via diversified mandates. They do not constitute collective investments within the meaning of Art. 53 para. 4 OPO 2, so that the extension provided for in Art. 50 para. 4 OPO 2 is utilised. A specialised investment team is responsible for the diligent selection, management and monitoring of these alternative asset classes. Reliable achievement of the pension objectives is ensured by regularly conducted asset and liability studies. Direct investments are permitted as set out in Art. 25 of the PUBLICA Investment Guidelines and appropriate risk diversification within the asset classes is ensured.

6.3 Target size and calculation of the fluctuation reserve
Owing to the negative operating result, fluctuation reserves amounting to CHF 3.1 billion had to be liquidated.

Target size and calculation of the fluctuation reserve
2022 with prior-year comparison, in CHF

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fluctuation reserve 01.01</td>
<td>2 513 562 866</td>
<td>3 138 054 007</td>
</tr>
<tr>
<td>Change in fluctuation reserve debited (+) / credited (–) to income statement</td>
<td>624 491 140</td>
<td>–3 112 592 365</td>
</tr>
<tr>
<td>Total fluctuation reserve 31.12</td>
<td>3 138 054 007</td>
<td>25 461 642</td>
</tr>
<tr>
<td>Fluctuation reserve deficit 31.12</td>
<td>6 738 837 187</td>
<td>6 847 370 945</td>
</tr>
<tr>
<td>Target fluctuation reserve</td>
<td>9 876 891 194</td>
<td>6 872 832 587</td>
</tr>
<tr>
<td>Fluctuation reserve in % of target size</td>
<td>31.8%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Target size of fluctuation reserve in % of pension fund capital and technical provisions</td>
<td>24.4%</td>
<td>16.9%</td>
</tr>
</tbody>
</table>

The target value of the fluctuation reserve is calculated in accordance with the Regulations governing the Provisions and Reserves of the Federal Pension Fund PUBLICA, the Pension Plans and PUBLICA Reinsurance such that the total loss incurred on the investments in a year is covered, with a minimal residual probability. This is defined by the one-year Value at Risk (VaR) with a confidence level of 97.5% (as in the previous year) for the open pension plans. The target value is 17.0% (prior year: 24.4%) and is determined as the ratio of the pension fund capital to the technical reserves. For the closed pension plans and PUBLICA Reinsurance, the confidence level is 99.0% (prior year: 97.5%), giving a target value of 15.0% (prior year: 24.4%).
6.4 Assets by asset class

Responsibility for implementing the strategic asset allocation lies with PUBLICA Asset Management. Asset Management also takes tactical decisions to deviate temporarily from the weightings set out in the strategic asset allocation in order to generate added value relative to the defined allocation. Where individual asset classes are increased or reduced over a number of years, a pro rata allocation is calculated to ensure that transactions are diversified as well as possible over time with regard to opportunity and transaction costs.

Of the total CHF 39.1 billion of investments (excluding cash and cash equivalents, receivables, operating assets, prepaid expenses and accrued income, and taking account of deferred taxes), CHF 36.7 billion are invested in the strategic asset allocation for the open pension plans and CHF 2.3 billion in the allocation for the closed pension plans. The remaining investments of CHF 0.1 billion have been invested in accordance with the lower-risk strategic asset allocation of PUBLICA Reinsurance. The composition of the investments in the individual asset classes is set out in detail in the balance sheet and in section 6.9.

### Strategic asset allocation – open pension plans

**2022, in percent**

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Allocation at 31.12.2022</th>
<th>Pro-rata strategy</th>
<th>Long-term strategy</th>
<th>Tactical bandwidths as a % of strategy weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market</td>
<td>4.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>0%</td>
</tr>
<tr>
<td>Swiss government bonds</td>
<td>5.9%</td>
<td>6.5%</td>
<td>7.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Non-government bonds CHF</td>
<td>8.3%</td>
<td>7.5%</td>
<td>5.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Government bonds EUR currency hedged</td>
<td>2.2%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>50%</td>
</tr>
<tr>
<td>Government bonds USD currency hedged</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>50%</td>
</tr>
<tr>
<td>Government bonds GBP currency hedged</td>
<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>0%</td>
</tr>
<tr>
<td>Government bonds CAD currency hedged</td>
<td>0.8%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>0%</td>
</tr>
<tr>
<td>Government bonds AUD currency hedged</td>
<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>0%</td>
</tr>
<tr>
<td>Government bonds SEK currency hedged</td>
<td>0.8%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>0%</td>
</tr>
<tr>
<td>Government bonds developed markets ex Switzerland</td>
<td>7.3%</td>
<td>8.0%</td>
<td>8.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Inflation-linked government bonds EUR currency hedged</td>
<td>1.2%</td>
<td>1.2%</td>
<td>1.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Inflation-linked government bonds USD currency hedged</td>
<td>3.7%</td>
<td>3.6%</td>
<td>2.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Inflation-linked government bonds</td>
<td>4.9%</td>
<td>4.8%</td>
<td>3.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Public corporate bonds EUR currency hedged</td>
<td>3.8%</td>
<td>4.1%</td>
<td>2.5%</td>
<td>50%</td>
</tr>
<tr>
<td>Public corporate bonds USD currency hedged</td>
<td>4.3%</td>
<td>4.1%</td>
<td>2.5%</td>
<td>50%</td>
</tr>
<tr>
<td>Public corporate bonds ex CHF</td>
<td>8.1%</td>
<td>8.3%</td>
<td>5.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Private corporate debt</td>
<td>3.1%</td>
<td>3.5%</td>
<td>3.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Private infrastructure debt</td>
<td>3.0%</td>
<td>3.5%</td>
<td>3.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Private real estate debt</td>
<td>2.8%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Government bonds emerging markets hard currencies</td>
<td>2.6%</td>
<td>2.8%</td>
<td>2.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Government bonds emerging markets local currencies</td>
<td>3.5%</td>
<td>3.8%</td>
<td>2.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Equities Switzerland</td>
<td>4.5%</td>
<td>4.0%</td>
<td>6.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Equities Europe partially currency hedged</td>
<td>4.2%</td>
<td>4.4%</td>
<td>6.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Equities North America partially currency hedged</td>
<td>8.4%</td>
<td>8.4%</td>
<td>10.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Equities Pacific partially currency hedged</td>
<td>3.8%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Equities developed markets ex Switzerland partially currency hedged</td>
<td>16.4%</td>
<td>16.8%</td>
<td>20.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Equities emerging markets</td>
<td>7.3%</td>
<td>8.0%</td>
<td>6.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Precious metals partially currency hedged</td>
<td>2.5%</td>
<td>2.3%</td>
<td>3.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Real estate investments Switzerland direct</td>
<td>7.6%</td>
<td>7.0%</td>
<td>9.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Real estate investments international indirect</td>
<td>8.1%</td>
<td>7.5%</td>
<td>9.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Infrastructure equity</td>
<td>0.0%</td>
<td>0.0%</td>
<td>3.0%</td>
<td>50%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Total not currency hedged</td>
<td>15.8%</td>
<td>16.6%</td>
<td>14.0%</td>
<td></td>
</tr>
<tr>
<td>Total currency hedged</td>
<td>84.2%</td>
<td>83.4%</td>
<td>86.0%</td>
<td></td>
</tr>
</tbody>
</table>

Total in CHF mn 36 698
The Swiss government bonds amounting to CHF 2,595 million (prior year: CHF 2,687 million) are investments in the employer; see section 6.11.

In the case of equity investments from developed markets other than Switzerland, currency risks were hedged between 60% and 90%, depending on the currency pair, using a rules-based, dynamic process. The currency risks on bonds were once again 100% hedged using currency forwards. For economic reasons, currencies of emerging nations are not hedged. Derivative financial instruments are reported under the associated asset classes.

### Strategic asset allocation – closed pension plans

2022, in percent

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Allocation at 31.12.2022</th>
<th>Pro-rata strategy</th>
<th>Long-term strategy</th>
<th>Tactical bandwidths as a % of strategy weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swiss government bonds</td>
<td>18.1%</td>
<td>20.3%</td>
<td>20.0%</td>
<td>80% 120%</td>
</tr>
<tr>
<td>Non-government bonds CHF</td>
<td>12.2%</td>
<td>11.0%</td>
<td>11.0%</td>
<td>80% 120%</td>
</tr>
<tr>
<td>Government bonds EUR currency hedged</td>
<td>1.9%</td>
<td>2.2%</td>
<td>2.2%</td>
<td>50% 150%</td>
</tr>
<tr>
<td>Government bonds USD currency hedged</td>
<td>1.3%</td>
<td>1.3%</td>
<td>1.3%</td>
<td>50% 150%</td>
</tr>
<tr>
<td>Government bonds GBP currency hedged</td>
<td>0.9%</td>
<td>0.9%</td>
<td>0.9%</td>
<td>0% 200%</td>
</tr>
<tr>
<td>Government bonds CAD currency hedged</td>
<td>0.7%</td>
<td>0.9%</td>
<td>0.9%</td>
<td>0% 200%</td>
</tr>
<tr>
<td>Government bonds AUD currency hedged</td>
<td>0.9%</td>
<td>1.0%</td>
<td>0.9%</td>
<td>0% 200%</td>
</tr>
<tr>
<td>Government bonds SEK currency hedged</td>
<td>0.7%</td>
<td>0.9%</td>
<td>0.8%</td>
<td>0% 200%</td>
</tr>
<tr>
<td>Government bonds developed markets ex Switzerland</td>
<td>6.4%</td>
<td>7.0%</td>
<td>7.0%</td>
<td>80% 120%</td>
</tr>
<tr>
<td>Inflation-linked government bonds EUR currency hedged</td>
<td>1.0%</td>
<td>1.3%</td>
<td>1.3%</td>
<td>50% 150%</td>
</tr>
<tr>
<td>Inflation-linked government bonds USD currency hedged</td>
<td>4.1%</td>
<td>3.8%</td>
<td>3.8%</td>
<td>50% 150%</td>
</tr>
<tr>
<td>Inflation-linked government bonds</td>
<td>5.1%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>80% 120%</td>
</tr>
<tr>
<td>Public corporate bonds EUR currency hedged</td>
<td>6.0%</td>
<td>6.5%</td>
<td>6.5%</td>
<td>50% 150%</td>
</tr>
<tr>
<td>Public corporate bonds USD currency hedged</td>
<td>6.9%</td>
<td>6.5%</td>
<td>6.5%</td>
<td>50% 150%</td>
</tr>
<tr>
<td>Public corporate bonds CHF</td>
<td>12.9%</td>
<td>13.0%</td>
<td>13.0%</td>
<td>80% 120%</td>
</tr>
<tr>
<td>Private real estate debt</td>
<td>2.8%</td>
<td>2.8%</td>
<td>3.0%</td>
<td>80% 120%</td>
</tr>
<tr>
<td>Government bonds emerging markets hard currencies</td>
<td>4.8%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>80% 120%</td>
</tr>
<tr>
<td>Equities Switzerland</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>50% 150%</td>
</tr>
<tr>
<td>Equities Europe partially currency hedged</td>
<td>1.7%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>50% 150%</td>
</tr>
<tr>
<td>Equities North America partially currency hedged</td>
<td>3.5%</td>
<td>3.5%</td>
<td>3.5%</td>
<td>50% 150%</td>
</tr>
<tr>
<td>Equities Pacific partially currency hedged</td>
<td>1.6%</td>
<td>1.6%</td>
<td>1.8%</td>
<td>50% 150%</td>
</tr>
<tr>
<td>Equities developed markets ex Switzerland partially currency hedged</td>
<td>6.8%</td>
<td>7.0%</td>
<td>7.0%</td>
<td>50% 150%</td>
</tr>
<tr>
<td>Precious metals partially currency hedged</td>
<td>3.3%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>80% 120%</td>
</tr>
<tr>
<td>Real estate investments Switzerland direct</td>
<td>21.5%</td>
<td>20.0%</td>
<td>20.0%</td>
<td>80% 120%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Total not currency hedged</td>
<td>3.6%</td>
<td>3.4%</td>
<td>3.4%</td>
<td></td>
</tr>
<tr>
<td>Total currency hedged</td>
<td>96.4%</td>
<td>96.6%</td>
<td>96.6%</td>
<td></td>
</tr>
<tr>
<td>Total in CHF mn</td>
<td>2 357</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Swiss real estate portfolio held directly by PUBLICA comprises 77 properties (prior year: 76) and 5 properties in development / under construction (prior year: 4). The portfolio is made up of 65% residential properties, 20% commercial properties and 15% mixed residential and commercial properties (based on the market value as at 31 December 2022).
6.5 Current (open) derivative financial instruments
As at 31 December 2022, the following derivative positions are open:

Current (open) derivative financial instruments and collateral
2022 with prior-year comparison, in CHF

<table>
<thead>
<tr>
<th></th>
<th>31.12.2022</th>
<th>Net replacement value</th>
<th>Underlying equivalent exposure-increasing derivatives in mn</th>
<th>Underlying equivalent exposure-reducing derivatives in mn</th>
<th>Collateral received</th>
<th>Collateral pledged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-rate swaps</td>
<td>2 448 110</td>
<td>75</td>
<td>0</td>
<td>2 682 000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Precious metal swaps</td>
<td>3 576 710</td>
<td>217</td>
<td>0</td>
<td>9 730 000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Currency forwards</td>
<td>445 695 346</td>
<td>167</td>
<td>–20 240</td>
<td>415 961 685</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Equity futures</td>
<td>–1 667 158</td>
<td>86</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Bond futures</td>
<td>–6 124 902</td>
<td>248</td>
<td>–30</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31.12.2021</th>
<th>Net replacement value</th>
<th>Underlying equivalent exposure-increasing derivatives in mn</th>
<th>Underlying equivalent exposure-reducing derivatives in mn</th>
<th>Collateral received</th>
<th>Collateral pledged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-rate swaps</td>
<td>9 906 600</td>
<td>75</td>
<td>0</td>
<td>10 042 919</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Precious metal swaps</td>
<td>7 747 953</td>
<td>270</td>
<td>0</td>
<td>4 070 000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Currency forwards</td>
<td>359 086 813</td>
<td>232</td>
<td>–22 993</td>
<td>303 327 082</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Equity futures</td>
<td>1 330 714</td>
<td>111</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Bond futures</td>
<td>743 441</td>
<td>189</td>
<td>–24</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Interest-rate swaps are used to control interest-rate risks. Around one fifth of the investments in precious metals are replicated via a corresponding swap transaction. Currency forwards are used for strategic hedging of currency risks and thus reduce the currency risk to which the portfolio as a whole is exposed. Portfolio dividends that have been approved but not yet paid out are reinvested via equity index futures to minimise the portfolio’s deviation from the benchmark.

PUBLICA employs a prime brokerage set-up to ensure the efficient management of counterparty risks in its currency hedging programmes. As at end-2022, HSBC and Deutsche Bank are the two FX prime brokers. The currency managers act on a competitive basis with a wide range of banks. They pass the transactions to one of PUBLICA’s two FX prime brokers, which then settles all currency forward transactions as central counterparty in return for a fee. The only counterparty risk is therefore in respect of the two FX prime brokers. This is covered by collateral in the form of government bonds that are exchanged daily in order to keep the counterparty risk low.

The interest-rate and precious metal swaps are also covered by collateral to hedge the counterparty risks involved.

The legally required collateral for all exposure-increasing derivatives in the form of cash and cash equivalents is continually monitored to ensure there is no leverage effect on the overall portfolio. Exposure-reducing derivatives are hedged with the corresponding underlyings.
6.6 Open capital commitments
The following capital commitments are open as at 31 December 2022:

**Open capital commitments by asset class**
2022 with prior-year comparison, in CHF

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Private corporate debt</td>
<td>45 548 045</td>
<td>0</td>
</tr>
<tr>
<td>Private infrastructure debt</td>
<td>60 733 629</td>
<td>32 869 271</td>
</tr>
<tr>
<td>Private real estate debt</td>
<td>26 627 662</td>
<td>2 889 063</td>
</tr>
<tr>
<td>Real estate investments international</td>
<td>8 289 600</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total open capital commitments</strong></td>
<td><strong>141 198 936</strong></td>
<td><strong>35 758 334</strong></td>
</tr>
</tbody>
</table>

The open capital commitments result from time delays between the approval of the investment and the capital draw-down in the case of unlisted investments.

6.7 Securities lending
PUBLICA has concluded a securities lending agreement for foreign securities with J.P. Morgan, under which J.P. Morgan acts as an agent. The borrowers are first-class counterparties that are carefully selected and constantly monitored. PUBLICA accepts only government bonds with a high credit rating as collateral. As at 31 December 2022, securities valued at CHF 1,355 million were on loan (compared with CHF 1,777 million as at 31 December 2021).

The securities lending transactions are in accordance with the investment regulations applicable to pension funds, which refer to the corresponding rules for Swiss collective investment schemes (Art. 55 CISA, Art. 76 CISO, CISO-FINMA).

6.8 Net investment income
The composition of the net income from the individual asset classes is set out in detail in the income statement.
6.9 Performance

Performance measurement seeks to report, as factually and in as much detail as possible, the influence of market trends and investment decisions on investments. The performance is calculated as the ratio of income to average invested capital. Current income such as coupons and dividend payments as well as capital gains and losses and total asset management expenses are taken into account (total return). Inflows and outflows of funds similarly influence the average invested capital, with the timing of these flows also playing a role. PUBLICA’s performance calculation is drawn up by the Global Custodian, reconciled with the asset managers and reviewed by the Investment Controller. It is adjusted for the flows of funds and is based on a daily valuation of securities.

Net performance

2022 in CHF and percent, after deduction of all asset management expenses

<table>
<thead>
<tr>
<th>Portfolio performance</th>
<th>Benchmark performance</th>
<th>Difference</th>
<th>Investments CHF mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market</td>
<td>–0.97%</td>
<td>–0.40%</td>
<td>–0.57%</td>
</tr>
<tr>
<td>Swiss government bonds</td>
<td>–8.02%</td>
<td>–8.21%</td>
<td>0.19%</td>
</tr>
<tr>
<td>Non-government bonds CHF</td>
<td>–10.43%</td>
<td>–10.74%</td>
<td>0.31%</td>
</tr>
<tr>
<td>Government bonds EUR</td>
<td>–11.26%</td>
<td>–12.12%</td>
<td>0.86%</td>
</tr>
<tr>
<td>Government bonds USD</td>
<td>–13.75%</td>
<td>–14.68%</td>
<td>0.93%</td>
</tr>
<tr>
<td>Government bonds GBP</td>
<td>–25.38%</td>
<td>–25.47%</td>
<td>0.09%</td>
</tr>
<tr>
<td>Government bonds CAD</td>
<td>–10.83%</td>
<td>–11.22%</td>
<td>0.39%</td>
</tr>
<tr>
<td>Government bonds AUD</td>
<td>–12.25%</td>
<td>–12.17%</td>
<td>–0.08%</td>
</tr>
<tr>
<td>Government bonds SEK</td>
<td>–11.46%</td>
<td>–11.73%</td>
<td>0.27%</td>
</tr>
<tr>
<td>Government bonds developed markets ex Switzerland</td>
<td>–13.55%</td>
<td>–14.17%</td>
<td>0.62%</td>
</tr>
<tr>
<td>Inflation-linked government bonds</td>
<td>–13.27%</td>
<td>–13.54%</td>
<td>0.27%</td>
</tr>
<tr>
<td>Public corporate bonds EUR</td>
<td>–18.10%</td>
<td>–17.81%</td>
<td>–0.29%</td>
</tr>
<tr>
<td>Public corporate bonds USD</td>
<td>–11.59%</td>
<td>–11.96%</td>
<td>0.37%</td>
</tr>
<tr>
<td>Public corporate bonds ex CH</td>
<td>–12.85%</td>
<td>–13.07%</td>
<td>0.22%</td>
</tr>
<tr>
<td>Private corporate debt</td>
<td>–16.54%</td>
<td>–16.11%</td>
<td>–0.43%</td>
</tr>
<tr>
<td>Private real estate debt</td>
<td>–16.71%</td>
<td>–17.37%</td>
<td>0.66%</td>
</tr>
<tr>
<td>Government bonds emerging markets hard currencies</td>
<td>–20.04%</td>
<td>–22.28%</td>
<td>2.24%</td>
</tr>
<tr>
<td>Government bonds emerging markets local currencies</td>
<td>–6.04%</td>
<td>–8.06%</td>
<td>2.02%</td>
</tr>
<tr>
<td>Equities Switzerland</td>
<td>–16.49%</td>
<td>–16.44%</td>
<td>–0.05%</td>
</tr>
<tr>
<td>Equities developed markets ex CH</td>
<td>–13.88%</td>
<td>–13.87%</td>
<td>–0.01%</td>
</tr>
<tr>
<td>Equities emerging markets</td>
<td>–17.53%</td>
<td>–17.58%</td>
<td>0.05%</td>
</tr>
<tr>
<td>Precious metals</td>
<td>0.52%</td>
<td>–0.23%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Real estate investments Switzerland</td>
<td>3.85%</td>
<td>5.40%</td>
<td>–1.55%</td>
</tr>
</tbody>
</table>

| Real estate investments international | 13.92% | 13.10% | 0.82% | 2 963 |
| Total | –9.63% | –10.09% | 0.46% | 39 079 |
| Total without currency hedging | –9.77% | –10.12% | 0.35% | 38 629 |
| Open pension plans | –9.73% | –10.22% | 0.49% | 36 698 |
| Closed pension plans | –8.07% | –8.24% | 0.17% | 2 357 |
| Reinsurance | –10.43% | –10.74% | 0.31% | 24 |

1 Excluding cash & cash equivalents, receivables, operating assets, prepaid expenses and accrued income
2 Including deferred taxes
6.10 Asset management expenses

With a cost transparency level of 100%, total asset management expenses as per the OPSC minimum requirements stand at 21.1 basis points (prior year: 17.6 basis points). Asset management expenses are made up of the main items listed in the following table:

### Asset management expenses
2022 with prior-year comparison, in CHF

<table>
<thead>
<tr>
<th>Item</th>
<th>2021</th>
<th>2022</th>
<th>Basis points**</th>
</tr>
</thead>
<tbody>
<tr>
<td>External asset managers – securities</td>
<td>–14 270 231</td>
<td>–12 961 629</td>
<td>3.1</td>
</tr>
<tr>
<td>External asset managers – real estate</td>
<td>–5 724 875</td>
<td>–5 879 687</td>
<td>1.4</td>
</tr>
<tr>
<td>External asset managers – mortgages</td>
<td>–1 740 805</td>
<td>–2 745 451</td>
<td>0.7</td>
</tr>
<tr>
<td>Internal asset managers – securities</td>
<td>–3 223 580</td>
<td>–3 316 223</td>
<td>0.8</td>
</tr>
<tr>
<td>Internal asset managers – real estate</td>
<td>–2 516 470</td>
<td>–2 576 529</td>
<td>0.6</td>
</tr>
<tr>
<td>Custody fees and management</td>
<td>–4 068 167</td>
<td>–4 033 686</td>
<td>1.0</td>
</tr>
<tr>
<td>Direct asset management expenses</td>
<td>–31 544 128</td>
<td>–31 513 206</td>
<td>7.6</td>
</tr>
<tr>
<td>Total of all key cost figures reported in the income statement in CHF for collective investment schemes</td>
<td>–34 438 898</td>
<td>–45 513 084</td>
<td>10.9</td>
</tr>
<tr>
<td>Total direct asset management expenses (TER costs)</td>
<td>–65 983 026</td>
<td>–77 026 291</td>
<td>18.5</td>
</tr>
<tr>
<td>Stamp duty</td>
<td>–3 645 314</td>
<td>–5 331 126</td>
<td>1.3</td>
</tr>
<tr>
<td>Withholding tax (not reclaimable)</td>
<td>–1 137 239</td>
<td>–716 790</td>
<td>0.2</td>
</tr>
<tr>
<td>Taxes</td>
<td>–4 782 553</td>
<td>–6 047 916</td>
<td>1.4</td>
</tr>
<tr>
<td>Trading fees, commissions, other costs</td>
<td>–4 553 713</td>
<td>–4 416 308</td>
<td>1.1</td>
</tr>
<tr>
<td>Transaction expenses</td>
<td>–4 553 713</td>
<td>–4 416 308</td>
<td>1.1</td>
</tr>
<tr>
<td>Transaction expenses and taxes for collective investment schemes</td>
<td>–28 870 014</td>
<td>–29 695 290</td>
<td>7.1</td>
</tr>
<tr>
<td>Total transaction expenses and taxes (TTC costs)</td>
<td>–38 206 280</td>
<td>–40 159 514</td>
<td>9.6</td>
</tr>
<tr>
<td>Investment Controller</td>
<td>–178 782</td>
<td>–178 782</td>
<td>0.0</td>
</tr>
<tr>
<td>Other consultancy (legal, tax, ALM etc.)</td>
<td>–489 833</td>
<td>–526 749</td>
<td>0.1</td>
</tr>
<tr>
<td>Other expenses</td>
<td>–668 615</td>
<td>–705 531</td>
<td>0.2</td>
</tr>
<tr>
<td>Total other expenses (SC costs)</td>
<td>–668 615</td>
<td>–705 531</td>
<td>0.2</td>
</tr>
</tbody>
</table>

** Figures in basis points for the average cost-transparent investments

Total asset management expenses in basis points reported in the income statement for the cost-transparent investments: –104 857 921 (2021: –117 891 336, 28.3%)

Less transaction expenses and taxes in collective investment schemes (TTC costs) –28 870 015 (2021: 29 695 290, –7.1%)

Total PUBLICA asset management expenses according to OPSC minimum requirements* –75 987 908 (2021: –88 196 046, 21.1%)

Average cost-transparent investments 43 241 068 502 (2021: 41 715 718 520)

Cost transparency level 100% (2021: 100%)

* This is the total asset management expenses reported in the income statement less the TTC costs for the collective investment schemes.

The OPSC requirements have been supplemented to further improve transparency.

** Figures in basis points for the average cost-transparent investments

External asset manager expenses for real estate include the cost of property valuation and management. Internal asset manager expenses comprise both personnel expenses (including social benefits) and, in particular, all expenses related to securities accounting and a portion of the infrastructure costs of PUBLICA Operations.

In addition to custodian fees and administrative costs, custodian expenses include expenditure on collateralisation processes, in particular collateral management and periodic reporting.

Asset management expenses include professional advice from the Investment Controller, ALM studies and further consultancy services in connection with asset management.
PUBLICA books collective investment schemes such as single-investor funds in a fully cost-transparent manner, and takes full account of the associated transaction and tax expenses. When comparing with pension funds that have invested in collective investment schemes and calculate asset management expenses solely on the basis of the TER in their income statements, reduced asset management expenses on a TER basis of 18.5 basis points (prior year: 15.3 basis points) should be applied. With regard to the collective investment schemes, these incurred costs were reported separately for the first time and the previous year’s presentation adjusted.

Asset management expenses do not include the custodian fees in connection with securities lending amounting to CHF 1.4 million (prior year: CHF 1.0 million), which are offset directly against income. Transaction expenses in relation to foreign currency transactions, chiefly in currencies that are not freely tradable, are likewise not included. They are included by the custodian in the spread and amount to CHF 0.3 million (prior year: CHF 0.5 million).

Total asset management expenses are taken into account when calculating the performance.

6.11 Note on investments with the employer and the employers’ contribution reserve

Owing to the special legal requirements governing PUBLICA, the restrictions set out in Art. 57 and 58 OPO 2 on investments in the employer (in this case the Confederation) do not apply. The banks entrusted with the respective asset management mandates are authorised to acquire debt claims against the Confederation, e.g. in the form of bonds.

Allocations to the employers’ contribution reserve take account of the surpluses resulting from the good risk results of PUBLICA Reinsurance, among other factors. This relates to the pension plans that have matching reinsurance for their risks. In addition, deposits were made into the employers’ contribution reserve following decisions by the parity commissions. In total, CHF 1,939,945 (prior year: CHF 783,992) were withdrawn from the reserve (employers’ contributions, inflation and partial liquidation). Following decisions by the parity commissions, CHF 7,552,310 (prior year: CHF 795,426) were liquidated (restructuring contributions and partial liquidation).

The employers’ contribution reserve did not accrue interest, since in line with PUBLICA’s current practice interest is accrued at the OPA interest rate (currently 1%) less 1%.

**Employers’ contribution reserve**

2022 with prior-year comparison, in CHF

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers’ contribution reserve 01.01.</td>
<td>36 210 897</td>
<td>42 280 415</td>
</tr>
<tr>
<td>Payments</td>
<td>5 740 000</td>
<td>8 025 484</td>
</tr>
<tr>
<td>Payment – Reinsurance surplus concept</td>
<td>1 908 936</td>
<td>4 339 554</td>
</tr>
<tr>
<td>Allocations</td>
<td>7 648 936</td>
<td>12 365 038</td>
</tr>
<tr>
<td>Withdrawals to finance contributions</td>
<td>–783 992</td>
<td>–1 939 945</td>
</tr>
<tr>
<td>Financing for changes to technical parameters</td>
<td>–795 426</td>
<td>–7 552 310</td>
</tr>
<tr>
<td>Utilisation</td>
<td>–1 579 418</td>
<td>–9 492 255</td>
</tr>
<tr>
<td>Interest</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total employers’ contribution reserve 31.12</td>
<td>42 280 415</td>
<td>45 153 199</td>
</tr>
</tbody>
</table>
7 Note on other items in the balance sheet and income statement

7.1 Operating assets, working capital and liabilities – Operations
The operating assets of PUBLICA Operations comprise the following:

Operating assets, working capital and liabilities – PUBLICA Operations
2022 with prior-year comparison, in CHF

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>12 080 942</td>
<td>8 654 613</td>
</tr>
<tr>
<td>Investment assets</td>
<td>4 656 038</td>
<td>7 604 018</td>
</tr>
<tr>
<td>Operating assets</td>
<td>16 736 980</td>
<td>16 258 631</td>
</tr>
<tr>
<td>Liabilities</td>
<td>2 559 742</td>
<td>1 912 695</td>
</tr>
<tr>
<td>Working capital</td>
<td>14 177 238</td>
<td>14 345 936</td>
</tr>
<tr>
<td>Operating assets</td>
<td>16 736 980</td>
<td>16 258 631</td>
</tr>
</tbody>
</table>

To guarantee its ability to act and as risk capital for exceptional operational liabilities, PUBLICA Operations has its own working capital. This is reported in the same way as uncommitted funds.

7.2 Administrative expenses – Operations
The resources of PUBLICA Operations are used for the administration of active members and pension recipients as well as components of asset management. The items for general administration consist of expenses for both areas of administration. Administrative expenses are reported net of apportionments to asset management. The corresponding expenses are reported under section 6.10 in asset management expenses under the items "Internal asset managers" and "Other expenses" and as a component of custodian expenses.

Administrative expenses
2022 with prior-year comparison, in CHF

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel expenses</td>
<td>–17 622 672</td>
<td>–18 223 397</td>
</tr>
<tr>
<td>General administrative expenses</td>
<td>–8 100 115</td>
<td>–8 205 775</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>–1 627</td>
<td>–1 810</td>
</tr>
<tr>
<td>Apportionments to Asset Management</td>
<td>10 373 974</td>
<td>10 832 109</td>
</tr>
<tr>
<td>General administration</td>
<td>–15 350 441</td>
<td>–15 598 873</td>
</tr>
<tr>
<td>Marketing and advertising</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Statutory Auditors</td>
<td>–240 710</td>
<td>–231 017</td>
</tr>
<tr>
<td>Pension Actuary</td>
<td>–223 701</td>
<td>–363 294</td>
</tr>
<tr>
<td>Supervisory authority</td>
<td>–104 253</td>
<td>–103 742</td>
</tr>
<tr>
<td>Total administrative expenses</td>
<td>–15 919 104</td>
<td>–16 296 925</td>
</tr>
<tr>
<td>Expenditure (–) / income (+) surplus working capital – PUBLICA Operations</td>
<td>–185 747</td>
<td>–168 698</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>–16 104 851</td>
<td>–16 465 623</td>
</tr>
</tbody>
</table>

No. of active members 66 862 67 515
No. of pension recipients 42 010 41 918
Total active members and pension recipients 108 872 109 433
Administrative expenses per active member / pension recipient 148 150
General administrative expenses are charged to asset management and administrative management transparently and in line with their contribution to those expenses. PUBLICA obtains services from affiliated employers at market conditions and does not receive any hidden contributions. Administrative costs are then attributed to the individual pension plans. While the allocation of costs to the two administrative areas is largely carried out via apportionments, the allocation to the individual pension plans is largely guided by processes. These are derived directly from the services provided in the administration of active members and pension recipients (e.g. entrance, departure and pension calculations, and changes). They are charged according to the quantity used.

7.3 Non-technical provisions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for cost fluctuations</td>
<td>40,065,526</td>
<td>35,335,915</td>
</tr>
<tr>
<td>Deferred taxes</td>
<td>154,369,583</td>
<td>156,954,475</td>
</tr>
<tr>
<td><strong>Non-technical provisions</strong></td>
<td><strong>194,435,109</strong></td>
<td><strong>192,290,390</strong></td>
</tr>
</tbody>
</table>

The cost premiums paid by employers are compared with the administrative costs actually caused. The shortfall from administrative expenses amounting to CHF 4.7 million (prior year: CHF 3.7 million) was charged to the non-technical provisions of the pension plans.

Under Art. 13 and 20 of the Regulations governing the Provisions and Reserves of the Federal Pension Fund PUBLICA, the Pension Plans and PUBLICA Reinsurance, the upper limit for this provision is two thirds of the annual cost premium for the concluded accounting year, while the lower limit is one third. Where the figure falls outside these limits, negotiations are conducted with the employers concerned with a view to setting new cost scales, unless otherwise agreed.

Deferred taxes on the directly held real estate portfolio increased by CHF 2.6 million (prior year: CHF 2.7 million) in the year under review. Changes are made via the corresponding account in the income statement.
8 Requirements of the supervisory authority
No special requirements have been imposed by the supervisory authority.

9 Further information concerning the financial situation

9.1 Underfunded pension plans
As at 31 December 2022, the following pension plans were underfunded as per the regulations:

Underfunded pension plans
2022 with prior-year comparison, funded ratio as per Art. 44 OPO 2 in %

<table>
<thead>
<tr>
<th>Open pension plans with one employer</th>
<th>31.12.2021</th>
<th>31.12.2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETH Domain</td>
<td>109.3%</td>
<td>97.2%</td>
</tr>
<tr>
<td>Swissmedic</td>
<td>111.9%</td>
<td>99.0%</td>
</tr>
<tr>
<td>Swiss Federal Audit Oversight Authority</td>
<td>111.0%</td>
<td>98.4%</td>
</tr>
<tr>
<td>FINMA</td>
<td>111.3%</td>
<td>98.3%</td>
</tr>
<tr>
<td>Swiss Federal Nuclear Safety Inspectorate</td>
<td>109.6%</td>
<td>98.2%</td>
</tr>
<tr>
<td>PUBLICA</td>
<td>110.6%</td>
<td>99.3%</td>
</tr>
<tr>
<td>Swiss National Museum</td>
<td>110.7%</td>
<td>99.6%</td>
</tr>
<tr>
<td>METAS</td>
<td>108.4%</td>
<td>96.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Open joint pension plans</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Confederation</td>
<td>107.3%</td>
<td>95.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Closed pension plans with one employer</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensioners only – Voluntarily Insured</td>
<td>98.3%</td>
<td>88.8%</td>
</tr>
<tr>
<td>Pensioners only – Confederation</td>
<td>102.0%</td>
<td>91.8%</td>
</tr>
<tr>
<td>Pensioners only – Swisscom</td>
<td>103.8%</td>
<td>94.9%</td>
</tr>
<tr>
<td>Pensioners only – SRG SSR idee suisse</td>
<td>108.6%</td>
<td>99.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Closed joint pension plans</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensioners only – Affiliated Organisations</td>
<td>102.7%</td>
<td>94.5%</td>
</tr>
</tbody>
</table>

Open pension plans
As at the end of 2022, the open pension plans have regulatory funded ratios of between 95.5% (Confederation pension plan) and 100.8% (IPI pension plan). Nine of the eleven open pension plans are underfunded.

Closed pension plans
The seven closed pension plans have regulatory funded ratios of between 88.8% (Pensioners only – Voluntarily Insured pension plan) and 108.7% (Pensioners only – PUBLICA Administration pension plan). Five of the seven pension plans are underfunded.

When reviewing the annual financial statements, the Pension Actuary examines whether the underfunding of each pension plan is structural or attributable to other factors. PUBLICA then notifies the parity commissions of the underfunding and its cause. On the basis of the Pension Actuary’s analysis, the parity commissions of the open pension plans decide on the measures appropriate to them, having already discussed the restructuring plans. The Board of Directors decides on the parity commissions’ restructuring plans. Restructuring of the closed pension plans is conducted in accordance with Art. 24a of the Federal Act on the Federal Pension Fund (PUBLICA Act of 20 December 2006, status as at 1 January 2023). If the actuarial review of a pension plan with a closed membership (closed pension plan) reveals an underfunding in accordance with the OPA of 5% or more, the Confederation will pay restructuring contributions to the pension plan until the underfunding has been eliminated.
9.2 Funds transferred on collective entry
The Swiss Federal University for Vocational Education and Training SFUVET pension plan was integrated into the Confederation pension plan with effect from 1 January 2022. The Swiss Competence Centre for the Execution of Criminal Penalties in the Affiliated Organisations pension plan also absorbed the staff and pensioners of the Office of Education in the Execution of Criminal Penalties, with effect from 1 January 2022. The General Secretariat of the Federal Department of Finance in the Confederation pension plan absorbed the active members and pension recipients of the Swiss Conference on Informatics with effect from 1 January 2022.

The impact on the income statement resulting from the liquidation is set out below.

Funds transferred on collective entry
2022, in CHF

<table>
<thead>
<tr>
<th>Description</th>
<th>31.12.2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special measures transferred</td>
<td>1,564,844</td>
</tr>
<tr>
<td>Provisions for pension benefits transferred</td>
<td>4,115,182</td>
</tr>
<tr>
<td>Fluctuation reserves transferred</td>
<td>11,016,628</td>
</tr>
<tr>
<td>Employers’ contribution reserves transferred</td>
<td>2,902,310</td>
</tr>
<tr>
<td>Pension fund capital transferred – pension recipients</td>
<td>50,041,936</td>
</tr>
<tr>
<td>Vested benefits received on collective entry</td>
<td>72,225,173</td>
</tr>
<tr>
<td>Total</td>
<td>141,866,073</td>
</tr>
</tbody>
</table>

9.3 Funds transferred on collective departure
The Swiss Federal University for Vocational Education and Training SFUVET pension plan was liquidated with effect from 1 January 2022 and integrated into the Confederation pension plan. The impact on the income statement resulting from the liquidation is set out below.

Funds transferred on collective departure
2022, in CHF

<table>
<thead>
<tr>
<th>Description</th>
<th>31.12.2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions for pension benefits transferred</td>
<td>3,221,214</td>
</tr>
<tr>
<td>Fluctuation reserves transferred</td>
<td>8,530,602</td>
</tr>
<tr>
<td>Employers’ contribution reserves transferred</td>
<td>2,902,310</td>
</tr>
<tr>
<td>Pension fund capital transferred – pension recipients</td>
<td>39,996,308</td>
</tr>
<tr>
<td>Vested benefits transferred on collective departure</td>
<td>72,225,173</td>
</tr>
<tr>
<td>Total</td>
<td>126,875,607</td>
</tr>
</tbody>
</table>

9.4 Pledging of assets
PUBLICA has concluded framework agreements customary in the sector in respect of derivative financial instruments not transacted on an exchange. In the case of material contract partners, these provide for liabilities to be hedged using securities or cash. The level of the pledged assets for current (open) derivative financial instruments is disclosed in section 6.5.

9.5 Ongoing legal proceedings
There are currently no substantive ongoing legal proceedings.

10 Post-balance sheet events
There have been no extraordinary events since the balance sheet date.
Report by the Statutory Auditors

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of the Swiss federal pension fund PUBLICA, which comprise the balance sheet as at 31 December 2022, the operating accounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the scheme regulations.

Basis for Opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Occupational benefit scheme in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
Responsibilities of the Board of Directors for the Financial Statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the scheme regulations, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Expert in Occupational Benefits for the Audit of the Financial Statements
For the audit the Board of Directors appoints a statutory auditor as well as an expert in occupational benefits. The expert in occupational benefits is responsible for evaluating the reserves necessary for underwriting insurance-related risk, consisting of pension liabilities and actuarial reserves. Assessing the evaluation of the pension liabilities and actuarial reserves is not one of the tasks of the statutory auditor pursuant to Art. 52c para. 1 let. a of the Swiss Occupational Pensions Act (OPA). Pursuant to Art. 52e para. 1 OPA, the expert in occupational benefits also evaluates whether the occupational benefit scheme can provide assurance that it can fulfil its obligations and that all insurance-related provisions regarding benefits and funding in the scheme regulations comply with the legal requirements.

Auditor’s Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the occupational pension scheme.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, other than pension liabilities and actuarial reserves evaluated by the expert in occupational benefits.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
Report on additional legal and other requirements

The Board of Directors is responsible for ensuring that the legal requirements are met and that the regulatory provisions on organization, management and investments are applied. In accordance with Art. 52c para. 1 OPA and Art. 35 of the Occupational Pensions Ordinance 2 (OPO 2) we have performed the prescribed procedures.

We have assessed whether

- the organization and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to the size and complexity of the Occupational benefit scheme;
- the investment of assets complies with legal and regulatory requirements;
- the occupational pension accounts OPA comply with legal requirements;
- measures have been taken to ensure loyalty in fund management and whether the governing body has ensured to a sufficient degree that duties of loyalty are fulfilled and interests are disclosed;
- the non-committed funds or discretionary dividends from insurance contracts have been used in compliance with the legal and regulatory provisions;
- in the event of an underfunding, the occupational benefit scheme has taken the necessary measures to restore full coverage;
- the legally required information and reports have been issued to the supervisory authority;
- the Occupational benefit scheme’s interests are safeguarded in disclosed transactions with related parties.

We confirm that the applicable legal and regulatory requirements have been met.

The overall funding ratio of the Swiss federal pension fund PUBLICA is 96.2% as of December 31, 2022. The Swiss federal pension fund PUBLICA comprises 18 pension funds, of which 14 pension funds are underfunded. This includes one pension fund that was already underfunded in the previous year. For an overview of the funding ratios of the pension funds, please refer to the information in the notes of the financial statement.
For pension funds with a funding ratio of less than 100%, it is determined based on Art. 35a para. 2 OPO 2 whether the investments of each pension fund are in line with the risk capacity. In our opinion,

- the Board of Directors with the involvement of the parity commission of the open pension plan fulfills its management role in a clear and comprehensible manner in its choice of an investment strategy appropriate to the given risk capacity, as described in the notes to the financial statements under para 9.1;

- when investing funds, the Board of Directors with the involvement of the parity commission of the open pension plan complies with the legal requirements and in particular has determined the risk capacity having assessed all assets and liabilities in accordance with the actual financial situation, as well as the scheme’s structure and expected developments in the number of insured persons;

- the investments with employers are legally compliant;

- taking the above into consideration, the investment of assets is in compliance with the provisions of Art. 49a and Art. 50 OPO 2;

- in the case of the closed pension fund, which was already underfunded in the previous year, Art. 24a of the Federal Act on Federal Pension Fund will apply from January 1, 2023 with regard to the elimination of the underfunding (cf. para. 9.1. in the Notes) and the information requirements have been complied with;

- The Board of Directors has assured us that it will monitor the effectiveness of the measures taken to remedy the underfunding and adapt the measures as required.

Other Matter
We draw your attention to the fact that the Board of Directors, with the involvement of the parity commission of the open pension plan, is in the process of drawing up the necessary measures to restore full coverage for the newly underfunded pension funds. Accordingly, these have not yet been decided and implemented. In this context, we refer to the explanations in the notes under para. 9.1.
We note that the possibility of remedying the underfunding and the risk capacity regarding investments may also be subject to unpredictable events, e.g., developments in the investment markets and with employers.

We recommend that the financial statements submitted to you be approved.

KPMG AG

This is the English translation of the German report of the statutory auditor

Erich Meier Andreas Schneider
Licensed Audit Expert Licensed Audit Expert
Auditor in Charge

Bern, 20 March 2023
Mandate

Allvisa AG was mandated by the Board of Directors of the Swiss Federal Pension Fund PUBLICA (hereinafter referred to as the “Pension Fund”) to prepare an actuarial report as at 31 December 2022 as defined by art. 52e of the Swiss Federal Law on Occupational Retirement, Survivors’ and Disability Pension Plans (BVG).

Confirmation of independence

As pension actuary as defined in art. 52a para. 1 BVG, we confirm that

– we are licensed by the Occupational Pension Supervisory Committee as defined in art. 52d BVG;
– we are independent as defined in art. 40 of the Ordinance on Occupational Retirement, Survivors’ and Disability Pension Plans (BVV 2) as well as Directive BV W-03/2013 of the Occupational Pension Supervisory Committee;
– this actuarial report was prepared in accordance with the principles and guidelines of the Swiss Association of Actuaries and the Swiss Chamber of Pension Actuaries. It is in particular confirmed that Standard 5 “Minimum requirements for audits of pension funds pursuant to art. 52e para. 1 BVG” of the Swiss Chamber of Pension Actuaries is being implemented, which was declared binding and expanded for all accredited pension actuaries by Directive BV W-03/2014 of the Occupational Pension Supervisory Committee. We also confirm compliance with Standard 7 “Audits of occupational benefits institutions with several pension plans pursuant to art. 52e BVG” of the Swiss Chamber of Pension Actuaries.

Available documents and reference date

We received the data for the active insured and pensioners that are relevant to the calculations from the Pension Fund’s management.

Calculation of required actuarial pension capital

We have checked the Pension Fund’s calculations for determining the required actuarial pension capital. We can confirm that the following figures are correct:

– Total pension capital of insured CHF 19,242,808,071
– Total pension capital of pensioners CHF 20,089,886,366
– Total technical provisions CHF 1,302,948,912
Confirmation by pension actuary

In compliance with our duties as pension actuary, we confirm as at 31 December 2022 that we are of the opinion that

- the BVG 2020 (GT 2026) actuarial tables applied to the Pension Fund are appropriate;
- the consolidated funding ratio pursuant to art. 44 BVV 2 is 96.2 % and thus there is no value fluctuation reserve;
- the consolidated economic funding ratio is 95.4 %;
- the funding ratio pursuant to art. 44 BVV 2 of the open pension plans is 96.1 %, while the funding ratios of the individual open pension plans range from 95.5 % to 100.8 %;
- nine open pension plans report a funding deficiency and two open pension plans have a very limited risk capacity;
- the funding ratio pursuant to art. 44 BVV 2 of the closed pension plans is 96.7 %, while the funding ratios of the individual closed pension plans range from 88.8 % to 108.7 %;
- five closed pension plans report a funding deficiency and two closed pension plans have a very limited risk capacity;
- the technical provisions comply with the reserve regulations pursuant to art. 48e BVV 2 and the Pension Fund has sufficient reinsurance measures in place as defined in art. 43 BVV 2;
- the regulatory insurance provisions regarding the benefits and financing comply with the statutory rules (art. 52e para. 1 (a) BVG);
- the measures implemented to cover the actuarial risks (old age, death and disability) are sufficient.

As at 31 December 2022, the Pension Fund applies a technical interest rate of 2.00 % for the open pension plans and 0.50 % for the closed pension plans. In consideration of the new Standard (FRP) 4 of the Swiss Chamber of Pension Actuaries, the interest rates that are currently applied are appropriate.

Recommendations

As at 31 December 2022, nine open pension plans suffer a funding deficiency. According to art. 65c BVG a temporary funding deficiency is permitted if it is certain that the benefits can be paid when they fall due and that measures have been taken to remedy the funding deficiency within an appropriate period.

If there is a funding deficiency, the pension actuary has to prepare a report in compliance with art. 41a BVV2 to confirm the effectiveness of the measures that were taken and assess whether they comply with the provisions of art. 65d BVG. When preparing the rehabilitation reports, not only is the effectiveness of the current rehabilitation concept analysed for each pension plan, but the minimum rehabilitation measures that are required are identified.

A recommendation about the next steps is also provided, which sets out the consequences as well as the advantages and disadvantages of the various options. Particular attention should be paid to which party has to bear the costs associated with the relevant measures.

At this point we have to remind the Board of Directors and the joint bodies of their obligation to provide information under art. 65c para. 2 BVG. They are obliged to inform the insured persons, pensioners, employers and supervisory authority about the scope and causes of the funding deficiency and the measures that have been taken.
As at 31 December 2022, five closed pension funds also suffer a funding deficiency. For the following reasons we do not believe that urgent action needs to be taken:

– There is a guarantee issued by the Federal government for the closed pension plans (art. 24a of the PUBLICA law);
– The technical interest rate is low at 0.5 % (in particular in view of the Federal guarantee). If the obligations of the closed pension plans are measured economically, another two pension plans ('NR Bund' and 'NR Freiwillig Versicherte') report a funding deficiency with funding ratios of 99.6 % and 97.1 % respectively.
– The closed pension plans will be merged on 1 January 2024. As part of this merger, certain technical provisions can be released or reduced, which will have a positive impact on the funding ratio.

Once the closed pension plans have been merged, we would recommend reviewing the technical interest rate. Given the substantial increase in interest rates and the Federal guarantee, it would be possible in this case to increase the technical interest rate.

The AHV 21 reform will enter into force on 1 January 2024 and will also ring in changes for the second pillar insurance. We advise the Board of Directors to review the effects of these changes on the pension regulations and to introduce the required amendments in good time.

Zurich, 20 March 2023

Christoph Plüss
Dr. phil. II
SKPE Pension Actuary
Executive Pension Actuary

Brigitte Terim
Dr. sc. math. ETH
SKPE Pension Actuary
Publication data

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Bern, April 2023
Thank you for your interest.