

Annual Report 2016

0.21% 5.06%

Total asset management expenses

Net investment performance

6386342533 Active members Pension recipients

CHF 38 billion Total assets 83.4% 102.9% Economic funded ratio Funded ratio

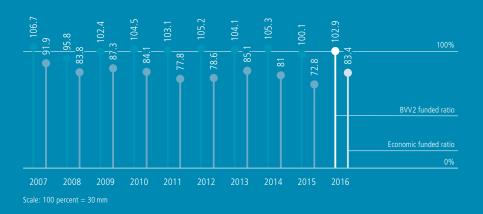
PUBLICA is the pension fund of the Swiss Confederation, the ETH Domain and other independent decentralised administrative units, as well as organisations that are closely associated with the Confederation or fulfil a public task on behalf of the Confederation, a canton or a commune.

It is an independent collective institution established under public law and comprises 13 open and 7 closed pension plans, each of which is organisationally and economically independent. Unlike the closed pension plans, open pension plans can accept new members. PUBLICA's internal reinsurance operation offers the open pension plans full or partial cover against the risks of death and disability among their insured members, depending on their size and risk capacity. In addition to pension plans with a single employer, PUBLICA can also create joint plans to which a number of employers affiliate. PUBLICA currently includes two open plans of this type.

Our mission statement:

- We are the leading pillar 2 collective institution.
- We are dedicated to the interests of our active members and pension recipients.
- We are committed to service and performance.
- We act as partners.

Funded ratio



PUBLICA's strategic asset allocation requires it to invest only in transparent products. This is reflected in a cost transparency level of 100%. The performance in 2016 was 5.06%.

The Annual Report deals with the collective institution and all the affiliated pension plans. The figures presented are 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.

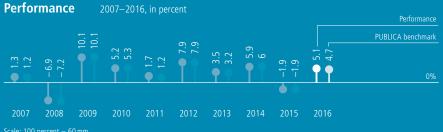




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PUBLICA is not profit-oriented. It manages its assets solely in the interests of its active members and pension recipients.

Foreword

As of 31 December 2016, PUBLICA's total funded ratio stood at 102.9% (prior year: 100.1%). Thanks to the pleasing overall performance of 5.06%, no pension plans are now underfunded.



Matthias Remund Chair of the Board of Directors **Dieter Stohler** Director

The cause of the above-average performance in some cases compared with other pension funds is the strategic decision taken by PUBLICA to diversify the portfolio widely and invest 16% of the assets of the open pension plans in bonds and equities from emerging markets.

PUBLICA Board of Directors plans adjustment to technical parameters

PUBLICA's overriding objective is to meet its financial obligations to its active members and pension recipients over the long term. It is therefore planning a further reduction in the technical interest rate and, consequently, the conversion rate in response to persistently low interest rates and the low expected returns on invested assets. The final decisions are to be taken in 2017.

Optimisation of administrative costs and increased efficiency

Administrative costs per active member and pension recipient were reduced further, and now stand at CHF 181. This will enable a further reduction in cost premiums.

Asset management costs remained low, at 0.21% of assets.

Thanks

The Board of Directors and Executive Board wish to express their thanks to all members of the governing bodies and all staff of PUBLICA. Once again in 2016, they worked meticulously and successfully to provide occupational pension services. We should also like to thank the affiliated employers and our business partners and suppliers who have worked alongside us with professionalism and dedication.

In VIA

Matthias Remund Chair of the Board of Directors

D. Stolle

Dieter Stohler Director

Status report

The positive performance led to a slight recovery in funded ratios among the 13 open pension plans. None of the 20 pension plans is currently underfunded. Thanks to increased cost awareness and stable membership portfolios, administrative costs declined further, to CHF 181 per active member and pension recipient.

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Business activities

PUBLICA is the pension fund of the Swiss Confederation, the ETH Domain and other independent decentralised administrative units, as well as organisations that are closely associated with the Confederation or fulfil a public task on behalf of the Confederation, a canton or a commune.

It is an independent collective institution established under public law and comprises 20 open and closed pension plans, each of which is organisationally and economically independent. Unlike the closed pension plans, open pension plans can accept new members. PUBLICA's internal reinsurance operation offers the open pension plans full or partial cover against the risks of death and disability among their insured members, depending on their size and risk capacity. In addition to pension plans with a single employer, PUBLICA can also create joint plans to which a number of employers affiliate. PUBLICA currently includes two open plans of this type.

This Annual Report deals with the collective institution and all the affiliated pension plans. The figures presented 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 key figures for the individual pension plans can be found in appendix 1.6 to the annual financial statements.

Corporate orientation

Mission statement: leading pension fund

PUBLICA's mission statement serves to guide the company towards a successful future for all concerned. In its day-to-day activities, PUBLICA does its utmost to deliver the best possible pension benefits to its customers. Our ambition:

- We are the leading pillar 2 collective institution.
- We are dedicated to the interests of our active members and pension recipients.
- We are committed to service and performance.
- We act as partners.

PUBLICA attaches great importance to corporate communications. It therefore uses the various channels of communication best suited to the message and the customer. PUBLICA's communication, both internal and external, is consistently transparent, understandable, credible and timely. PUBLICA's ethos is reflected in a clear and contemporary corporate identity.

Corporate strategy: maintaining a high level

PUBLICA's corporate strategy puts the needs of employers, active members and pension recipients first. The company aims to maintain and further improve on the high level of quality, transparency, professionalism and flexibility in its services attested by customer surveys. In view of the low interest-rate environment, the strategy is also focused on its long-term financial orientation. PUBLICA is committed to realistic undertakings on pension levels and, therefore, to the prudent definition of actuarial parameters that are effective over the long term. PUBLICA also strives to further enhance the efficiency and effectiveness of its operations, with a view to keeping administrative costs per active member and pension recipient low.

Corporate objectives: measurable and realistic

One important, measurable corporate objective for PUBLICA is to reduce administrative costs. Since 2011, these have fallen from CHF 217 per active member/pension recipient to CHF 181 at present. Further corporate objectives in 2016 included putting the pension solution out to tender again and reviewing the technical parameters.

O of 20 Pension plans underfunded

"The committee reviewing the technical parameters ascertained that, unlike with previous adjustments, insufficient financial resources are available to completely fund / cushion the impact independently."

Kurt Buntschu, Member of the Board of Directors of PUBLICA





PUBLICA's overriding objective is to meet its financial obligations to its active members and pension recipients over the long term. The Board of Directors is therefore planning a further reduction in the technical interest rate and, consequently, the conversion rate. The technical interest rate, which has stood at 2.75% (open pension plans) and 2.25% (closed pension plans) since 1 January 2015, is to be reduced to 2.0% and 1.25%, respectively. The new conversion rate at age 65 is to be 5.09% (previously 5.65%). With these measures, the Board of Directors is reacting to the persistently low interest rates and the expected returns on invested assets that – even given brief recoveries – are likely to remain low over the longer term. The reduction in the technical interest rate will reduce the interest differential between the pension fund capitals of active members and pension recipients. The Board of Directors expects to take and communicate its final decisions in the course of 2017.

Structure of the pension plans

Pension plans by type and institution

As at 31.12.2016, in CHF bn and percentage of total assets

Confederation	25.21 (67%)	
ETH Domain	6.6 (17%)	
Swissmedic	0.24 (1%)	
Various (10)	0.82 (2%)	
Open autonomous or reinsured pension plans		32.87 (87%)
Affiliated Organisations	0.95 (3%)	
Open joint pension plans	0.95 (3%)	
Pensioners only – Swisscom	2.13 (6%)	
Pensioners only – RUAG	0.71 (2%)	
Pensioners only – SRG SSR idée suisse	0.54 (2%)	
Various (4)	0.47 (1%)	
Closed pension plans	3.85 (10%)	
PUBLICA Operations and Reinsurance	0.18 (1%)	

Scale: CHF 1 bn = 3 mm

Collective institution: independent open and closed pension plans

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 as well as the joint pension plans. The open pension plans have funded ratios of between 101.3% and 104.9% (prior year: 97.1% and 101.7%). The funded ratios have improved overall, thanks to the positive investment performance. The differences in funded ratio trends between the individual pension plans are partly due to the differing proportions of pension recipients, which vary between 3% and 39% (prior year: 0% and 39%) in the individual pension plans.

Closed pension plans

The closed pension plans consist entirely of pension recipients. Their funded ratios are between 104.5% and 115.0% (prior year: 102.3% and 112.8%). The liabilities of the closed pension plans are valued at a technical interest rate of 2.25%, which is 0.5 percentage points lower than that for the open pension plans.

Operations and Reinsurance

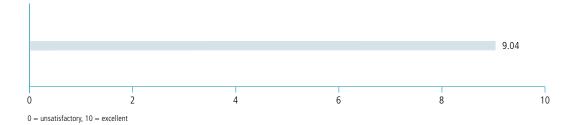
The PUBLICA collective institution has a two-part structure: administrative activities are the responsibility of Operations, while PUBLICA Reinsurance offers partial or full reinsurance to the pension plans within the collective institution.

Customer satisfaction

Satisfied customers are one of PUBLICA's corporate objectives. Accordingly, PUBLICA provides comprehensive customer service. Employers, active members and pension recipients each have a personal contact. A multilingual customer service organisation, the website with simulation tools, and regular information in three languages provide a comprehensive, customer-oriented response to questions on occupational pensions. PUBLICA offers seminars on pensions and retirement, and carries out regular surveys to gauge customer satisfaction.

Customer satisfaction

2016 average, on a scale from 1 to 10



PUBLICA surveys customer satisfaction among active members on entry, when assets are withdrawn to finance home ownership, and on retirement. The quality of contact and the information provided by PUBLICA are rated on a scale from 0 (unsatisfactory) to 10 (excellent). In 2016, the average rating from the customer surveys was 9.04, on a par with the previous year.

As well as measuring the satisfaction of its members, PUBLICA also carries out regular surveys among employers. The results of the 2016 survey show that PUBLICA enjoys exceptionally high customer satisfaction and loyalty. In total, 80% of the employers approached were very satisfied with the service they receive.

"It would make no sense to abandon the strategy in response to every minor market turbulence. PUBLICA's strategy is on the right long-term track."

Ruth Meier,

Member of the Board of Directors of PUBLICA

Strategic asset allocation

Investment beliefs: a diversified and transparent portfolio

PUBLICA's assets are managed exclusively in the interests of active members and pension recipients.

PUBLICA's investment beliefs aim to capture premiums on various risks – such as equity risk, interest-rate risk, credit risk and liquidity risk – by means of broad diversification. The strategic asset allocation is the key to the distribution of assets across the various asset classes, such as equities, government bonds, corporate bonds, precious metals and real estate. It accounts for at least 90% of PUBLICA's investment performance. Each asset class is therefore assessed not just in isolation, but also with regard to its risk and earnings contribution to total assets. The strategic asset allocations are reviewed periodically.

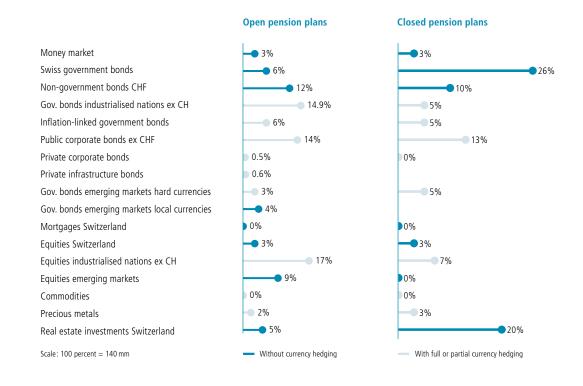
All assets are invested in portfolios consisting of only one asset class. Investments in non-transparent products are systematically avoided. The same stringent requirements apply to both internal and external asset managers. PUBLICA seeks out the most capable partners for each asset class. Two mandates are granted within a given asset class, ensuring that a back-up solution is in place for each mandate. This redundant approach means that the second asset manager can step in promptly if required.

Strategic asset allocations: geared to structure and trend

The structure and expected trend of the closed pension plans differ substantially from those of the open pension plans. For this reason, a single strategic asset allocation for all the pension plans would be at odds with Article 50 of BVV2. 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.

Strategic asset allocation (pro rata) by asset class

As at 31.12.2016, in percent, in increasing order of risk and decreasing order of liquidity



In 2016, the Board of Directors approved the new strategic asset allocation for the open pension plans. The following five adjustments were made:

- Owing to the higher expected returns, private debt is increased by four percentage points, with a corresponding reduction in government bonds from industrialised nations.
- Because real estate has a positive impact on the expected risk/return profile of the portfolio as a whole, international real estate is increased by four percentage points over a period of four to six years, while government bonds from industrialised nations are reduced.
- Because energy commodities have ceased to offer one of the desired effects (positive expected risk
 premium), the strategic allocation is reduced to zero. Inflation protection is achieved by means of a two
 percentage point shift into inflation-linked government bonds. Owing to the low price of oil, a pricedependent exit strategy is being drawn up.
- Government bonds from emerging markets in hard currencies offer a higher current yield than corporate bonds and add further diversification to the portfolio as a whole; hence they are increased by three percentage points and corporate bonds in USD and EUR are reduced by two percentage points. Additionally, for risk reasons related to high currency fluctuations, government bonds from emerging markets in local currencies are reduced by one percentage point.
- For diversification reasons and because of the higher hedging costs, the currency hedging of equities from industrialised nations excluding Switzerland is reduced from 100% to 80%.

On 25 August 2016 the Board of Directors decided to leave the strategic asset allocation for the closed pension plans unchanged.

Economic developments

Thanks to a stabilisation in the emerging market economies and a tangible recovery in the industrialised nations beginning in the second half, 2016 was a pleasing year overall on the financial markets. Major political events such as the UK's planned departure from the EU (Brexit) and the failed coup in Turkey had only a brief negative impact on the markets. Contrary to expectations, the markets responded positively to the election of Donald Trump as 45th US President. For more detailed information see the Quarterly Bulletins issued by the Swiss National Bank (www.snb.ch).

Net performance

On a currency-hedged basis and in terms of total assets consolidated over all pension plans, PUBLICA recorded a net investment performance (after all costs and taxes) of 5.06% in 2016. Without currency hedging, the figure would have been even higher, at 5.92%. Currency hedging aims to reduce risks that are non-systematic and, as such, not compensated within the overall portfolio, thereby freeing up a risk budget to exploit other risk premiums.

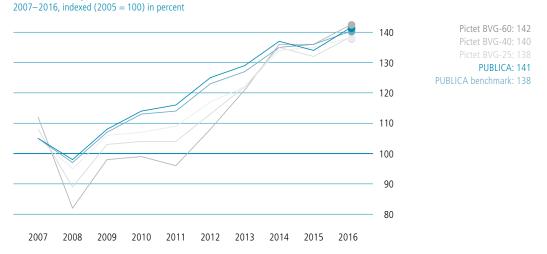
With a performance of 4.3% (prior year: 2.1%) for the closed pension plans and 5.1% (prior year: -2.5%) for the open pension plans, PUBLICA also outperformed the respective benchmarks (closed pension plans 3.4%, open pension plans 4.9%) with both strategic asset allocations in 2016. The main reasons for the consolidated positive relative performance of 0.35% are valuation gains on real estate and advantageous tactical investment decisions overall.

"There are far more opportunities in foreign real estate than Swiss, along with greater potential for achieving more reasonable returns."

Alex Hinder, Member of the Board of Directors of PUBLICA



Cumulative performance



Emerging markets: The positive deviation from the Pictet BVG-25 and BVG-40 indices in 2016 arises out of PUBLICA's investment beliefs, which are based on broad diversification of the overall portfolio, and the resulting strategic asset allocation which, for example, provides for 16% of the assets of the open pension plans to be invested in bonds and equities from emerging markets. These asset classes returned a pleasing performance of around 10% in 2016. The weighted contribution of emerging markets to PUBLICA's overall performance was 1.6 percentage points.

Real estate: Swiss real estate also had a very successful year, generating a return of just under 10%, and making a weighted contribution of nearly 0.7 percentage points to PUBLICA's overall performance.

Equities: 2016 saw substantial differences in performance between the individual equity regions. The emerging markets and North America (currency hedged) both gained over 10%, while Switzerland and Japan lost 3%. Overall, equities made a major contribution – 2.4 percentage points – to overall performance.

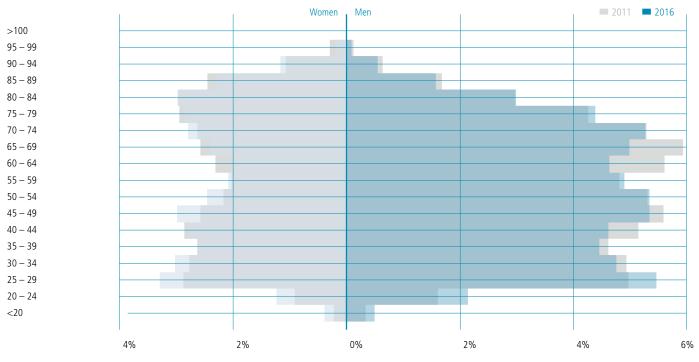
Structure and development of the pension institution

Active members and pension recipients: pensioner overhang declining

Owing to the closed pension plans, there is an overhang of pension recipients in the age structure of the pension plans as a whole. The proportion in the "men aged 65 to 69" age group has declined over the last five years. The reason for this is the retirement pension recipients of the closed pension plans, most of whom are now over 75 years of age.

Structure of active members and pension recipients

5-year age cohorts 2011 and 2016, by age and gender as % of total membership



Scale: 1 percent = 15 mm

The number of women of working age also increased slightly in 2016 compared with 2011.

Distribution of net result for open pension plans: redistribution in 2016

PUBLICA is financed under the funded system. This means that long-term, systematic redistributions of income between active members and pension recipients are not appropriate. PUBLICA refers to "redistribution" when the net return on investments is not distributed between active members and pension recipients in proportion to pension fund capital over the long term.

Redistribution – open pension plans

2013 to 2016, in CHF mn

2016	Active members	Pension recipients	Total
Interest ¹	- 188.0	- 417.0	- 605.0
Change in provisions (longevity and tech. int. rate)	- 138.0	- 94.0	- 232.0
Share of active members & pension recipients in net income (effective)	- 326.0	- 511.0	- 837.0
Net investment income (incl. Δ deferred taxes)		-	1 639.0
Third-party benefits and risk result	-	-	112.0
Formation (–) / release (+) of fluctuation reserve	-	-	- 914.0
Share of net result as per pension fund capital	- 419.0	- 418.0	- 837.0
Redistribution to (+) / from (-)		93.0	
2015	Active members	Pension recipients	Total
Change in provisions (longevity and tech. int. rate)	- 308.0	- 117.0	- 425.0
Share of active members & pension recipients in net income (effective)	- 563.0	- 536.0	- 1 099.0
Net investment income (incl. Δ deferred taxes)		-	- 812.0
Third-party benefits and risk result 1	-	-	27.0
Formation (–) / release (+) of fluctuation reserve	-	-	1 884.0
Share of net result as per pension fund capital	- 528.0	- 571.0	- 1 099.0
share of her result as per pension fund capital			

Historical trend	Active members	Pension recipients
2016	- 93.0	93.0
2015	35.0	- 35.0
2014	- 95.0	95.0
2013	- 103.0	103.0

Simplified calculation

Provisions for changes to the technical parameters are accumulated via the net return on investments. When a change is made to the technical parameters, these provisions flow into pension fund capital and therefore have to be taken into account when calculating the redistribution.

Risk management

Risk policy: proactive and cautious

PUBLICA regards forward-looking risk management, efficient quality management and an effective internal control system (ICS) as a key part 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 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.

Actuarial risk: risk result

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 reality.

The Swiss Chamber of Pension Actuaries has issued a technical directive (FRP4) containing recommendations on the technical interest rate. On 1 October 2016 it reduced the recommended maximum technical interest rate from 2.75% to 2.25%. This is significantly lower than the technical interest rate of 2.75% applied by PUBLICA to the open pension plans. The technical interest rate for the closed pension plans is 2.25%.

PUBLICA reviews the risk results for pension recipients and active members on an annual basis. In the case of pension recipients, the expected capital freed up is compared with the capital actually freed up as a result of death. The resulting difference 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 calculated on the basis of assumptions, and compared with the cases that actually occurred. If this difference is not covered by the risk premium, annual actuarial losses occur.

The risk result for active members shows an overall gain of CHF 61.6 million. This indicates that the death and disability claims that actually occurred were lower than was to be expected according to the actuarial tables. PUBLICA reduced its risk premiums in 2015 and plans to cut them further.

2016	Units	Risk premiums	Claims	Total gain (+) loss (–)	Number
Disability cases (incl. increases in degree of disability)	CHF mn	101.5	- 43.5	58.0	99
Deaths	CHF mn	4.2	- 0.6	3.6	62
Total	CHF mn	105.7	- 44.1	61.6	161
Insured salary	CHF mn	5 106	5 106		
Statutory required risk premium	Percent	2.07%	0.86%		
2015	Units	Risk premiums	Claims	Total gain (+) loss (–)	Number
Disability cases (incl. increases in degree of disability)	CHF mn	100.9	- 34.3	66.6	83
Deaths	CHF mn	4.2	- 4.3	- 0.1	50
Total	CHF mn	105.1	- 38.6	66.5	133
Insured salary	CHF mn	5 053	5 053		
Statutory required risk premium	Percent	2.08%	0.76%		
Historical trend	Units	Risk premiums	Claims		
2016	Percent	2.07%	0.86%		
2015	Percent	2.08%	0.76%		
2014	Percent	3.03%	0.74%		
2013	Percent	3.04%	0.71%		
2012	Percent	3.16%	1.00%		
2011	Percent	3.35%	0.78%		

Risk result death and disability – active members, total for all pension plans 2011 to 2016, in CHF mn, number or percent

The risk result for pension recipients shows an overall gain of around CHF 22.3 million. This is made up of gains of around CHF 9.0 million for survivors' pensions, CHF 3.1 million for disability pensions, and CHF 10.2 million on retirement pensions. An actuarial gain for pension recipients indicates that overall more pensioners died or more capital was freed up than was calculated and assumed on the basis of the actuarial tables.



Investment risk management process: a vital component of the ICS

The investment risk management process is based on PUBLICA's investment process and governs the controlling and management of inherent risks within Asset Management. The core elements of the process are identifying key risks, minimising them, and creating 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.

Strategic risks

The long-term investment policy aims first and foremost to ensure achievement of PUBLICA's mandate. It defines the key elements of the framework for PUBLICA's asset management and is therefore an integral and central component at the level 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.

The risk budget takes account of parameters such as the average path probability of the funded ratio or the path probability of the funded ratio falling below a specific figure.

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 regularly reviews the risk capacity as well as the key assumptions, in particular the risk/return assumptions for each asset class.

The ALM process for reviewing the strategic asset allocation for the open pension plans was completed in January 2016 with the definition of an optimised strategic asset allocation.

The ALM process for the closed pension plans completed in August 2016 showed that the existing strategic asset allocation is already efficient. As a result, no adjustments were made.

Tactical risks

In principle, deviations from the strategic asset allocation within the tactical bandwidths are always set against the expected return. This means that PUBLICA's investment specialists only deviate from the prescribed strategic asset allocation when they have substantiated reasons to believe that they will generate sustainable added value or reduce risk by doing so. The corresponding maximum permitted tactical positions are taken into account in the strategic risk budget.

Implementation risks

The aim of this risk process is to prevent expansion or distortion of the strategic risk budget resulting from incorrect implementation of the strategic asset allocation within the individual asset classes. It enables significant individual risks to be identified and appropriately reduced at all levels. Cash management ensures the timely payment of all benefits on an ongoing basis.

Operational risk: annual internal ICS audit

Operational risk consists of the risk of losses that arise as a result of the inadequacy or failure of internal processes, persons or systems, or due to external events. PUBLICA employs internal controls to minimise operational risks in all key areas. Quality Management assesses on an annual basis whether the internal controls are appropriate to the current circumstances. This ICS audit did not reveal any material weaknesses in 2016.

Legal and regulatory risk: increasing regulatory density

Legal or regulatory risks arise from failure to comply with legal or regulatory requirements leading to adverse consequences such as liability or reputational risks for PUBLICA. This may also occur if such requirements are omitted from or inadequately set out in internal regulations or if legal or regulatory requirements place PUBLICA's business activities in doubt. PUBLICA attaches great importance to its fiduciary duty of due diligence. Regulations are drawn up that clearly define responsibilities, powers and compliance requirements both internally and for external partners.



Sustainability and commitment

PUBLICA's commitment to sustainability is reflected in the inclusion of both financial and non-financial factors (environmental, social and governance criteria) in its decision-making processes.

Responsible investment

Responsible investment includes the following areas:

Exercising shareholder rights

This involves PUBLICA regularly reviewing its investments on the basis of objective criteria and engaging in dialogue with critical companies, as well as exercising voting rights at listed companies in Switzerland. For the first of these, PUBLICA is assisted by the Swiss Association for Responsible Investments, SVVK-ASIR (www.svvk-asir.ch), of which it was a co-founder. With regard to the exercise of voting rights, PUBLICA works with the external specialist Corporate Governance Agency Switzerland, CGAS. The rights are exercised in accordance with the long-term interests of the shareholders. Voting rights are not systematically exercised abroad. Voting behaviour is disclosed on the PUBLICA website (www.publica.ch) following each general meeting. The disclosures on voting behaviour reveal that PUBLICA rejected overall remuneration either wholly or partially in 32% of cases.

32% Overall remuneration partially or completely rejected

Risk analysis

As part of extended risk management, PUBLICA conducts an annual risk analysis according to environmental, social and governance criteria to assess risks that are difficult to quantify and could result in tangible financial losses to the assets managed by PUBLICA.

On the basis of a climate change analysis, PUBLICA's Investment Committee decided in February 2016 to exclude coal producers from its global equity portfolios.

Code of conduct

Because PUBLICA acts in a fiduciary capacity, it is required to meet high standards of ethical conduct. As a member of the Swiss Pension Funds Association ASIP, PUBLICA is bound by the code of conduct set out in ASIP's charter. PUBLICA undertakes to comply with the principles and to take appropriate measures to ensure that it does so. Implementation of the ASIP charter by means of regularly updated compliance regulations ensures that the stipulations concerning loyalty and integrity are complied with.

In its asset management activities, PUBLICA works only with external business partners that undertake to comply with the principles laid down in the ASIP charter. Alternatively, they may be subject to supervision by a recognised supervisory body or to regulations that meet the integrity and loyalty requirements of the ASIP charter.

Operational measures on sustainability

Since 2015, PUBLICA has compiled an annual sustainability report on its operations. Its principal focus is on taking stock of where the organisation stands and on defining measures, particularly in relation to the responsible management of natural resources, and employees.

PUBLICA ensures that both its electricity and its heating come primarily from sustainable production (hydroelectric power, wood-fired heating plants, refuse incineration). The printing and copying paper used by PUBLICA complies with ecological criteria and is certified accordingly. The use of public transport is actively encouraged; PUBLICA offers reduced-price season tickets to its staff.

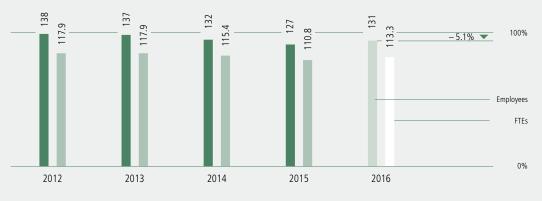
Headcount rose year on year, and currently stands at 131. This corresponds to a slight increase in full-time equivalents, to 113.3. Around 34% of staff work part-time.

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Headcount

2012-2016, average number of employees and full-time equivalents (FTEs) at year end, 2012 = 100%



Scale: 100 percent = 35 mm

The workforce consists of 48% women and 52% men. Women make up 28% of the Board of Directors and 29% of the Extended Executive Board. PUBLICA is aware that it must intensify its efforts to increase the proportion of women with management responsibility over the longer term.

To assist employees in balancing their family and work commitments and encourage healthy nutrition, PUBLICA has its own day nursery and staff restaurant operated by contractors. As a further health promotion measure, PUBLICA offers all members of staff a modern workplace with a standing desk and an infrastructure (showers and changing rooms) that enables them to engage in sporting activities.

PUBLICA promotes ongoing education: around 42% of our employees have attended training and further education events. Each year, PUBLICA offers two commercial apprenticeships. The six apprentices account for around 5% of the workforce. PUBLICA is working together with five other pension funds to further professionalise the training of apprentices.

A staff survey is conducted by an independent body at least once every two years. The most recent survey, in 2015, showed that 73% of employees are satisfied or very satisfied.



CHF 137 m in pensions paid out monthly

O shares of coal producers

5711 km

covered by PUBLICA employees under the "bike to work" campaign

100% standing workplaces for healthy employees 2015 launch of renewable energy procurement

85 countries to which pension payments are made

72 pension recipients aged over 100

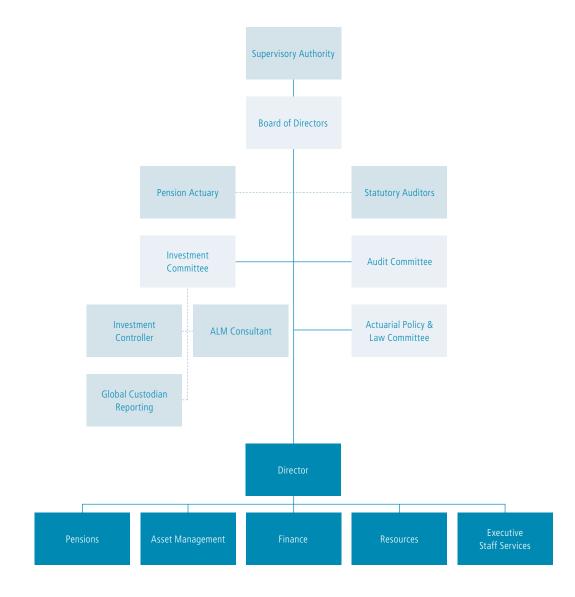


Corporate Governance

PUBLICA's clearly defined and transparent corporate governance fosters trust, both within the organisation and beyond. In the interest of transparent reporting, PUBLICA adheres to the guidelines for listed Swiss companies.

Organisational structure

PUBLICA'S organisational structure



The Board of Directors, a central body independent of operations, exercises supervision and control of the management of PUBLICA. It defines PUBLICA's strategic orientation and management. The committees deal in depth with the tasks entrusted to them. The supervisory authority, as the supreme independent body, oversees the activities of PUBLICA.



7.09 years Maximum mandate duration of the Pension Actuary and audit company

26 Meetings of the Board of Directors and its committees

"As its supreme governing body, the Board of Directors – and not the Federal Council or the parity commissions – bears overall responsibility for PUBLICA."

Jorge Serra, Member of the Board of Directors of PUBLICA

Board of Directors

The term of office of PUBLICA's Board of Directors is four years. Its members appoint the Director and Deputy and select the collective institution's Statutory Auditors and Pension Actuary. The other tasks of the Board of Directors, which are not listed exhaustively in the PUBLICA Act, include issuing regulations and a range of authorities governing financial matters. For instance, it issues the Investment Guidelines for securities and real estate and approves the budget and the annual financial statements.

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. This changeover last took place on 1 July 2015: Matthias Remund, representing the employers, is now Chair of the Board of Directors and Fred Scholl, representing the employees, is Vice-Chair.

The Board of Directors has appointed the following permanent committees: the Investment Committee, the Audit Committee and the Actuarial Policy and Law Committee. An extraordinary committee dealing with the planned adjustment to the technical parameters also met in 2016.

The Board of Directors met six times in the year under review, the Investment Committee nine times. There were six meetings of the Audit Committee and five of the Actuarial Policy and Law Committee. The members of the Board of Directors and the committees attended 31.5 external training days, of which PUBLICA supported 21 (prior year: 18). This corresponds to an average of 1.8 training days per member.

The composition of the Board of Directors as at 31 December 2016 is as follows (names in alphabetical order):



Buntschu Kurt

Occupation Qualifications

Representative of Board member since Committee Committee member since Membership of parity commissions External mandates Compensation Head of HR, Swiss Red Cross BA in Business Administration, federally certified pension fund manager Employers 01.07.2002 Audit Committee 01.07.2013

Chair of the Affiliated Organisations pension plan Swiss Life Saving Society (SLSS): board member 2015: CHF 11,000; 2016: CHF 19,000



Gaillard Serge Chair of the Audit Committee

Occupation Qualifications Representative of Board member since Committee Committee member since Compensation Director, Federal Finance Administration Doctorate in Business Administration Employers 01.10.2012 Audit Committee 18.10.2012 2015: CHF 14,500; 2016: CHF 17,500

Alvarez Cipriano

Occupation

Qualifications Representative of Board member since Committee Committee member since External mandates

Compensation

Federal Office for Housing, Head of Legal Department Lawyer Employees 01.07.2013 Investment Committee 01.07.2013 Länggasse-Felsenau school committee, Bern: member; Operating Committee of the Construction and Housing Policy Fund, Bern: member 2015: CHF 18,000; 2016: CHF 20,000



Hinder Alex Chair of the Investment Committee

Occupation
Qualifications
Representative of
Board member since
Committee
Committee member since
External mandates

CEO, Hinder Asset Management AG Doctorate in Economics Employers 01.07.2009 Investment Committee 01.07.2009 Decommissioning and Waste Disposal Fund for Nuclear Power Plants: member of the Investment Committee; Sofisa SA, Fribourg: member of the Board of Directors 2015: CHF 50,000; 2016: CHF 50,000

AG nosal Fund r of the

Compensation



Maurer Stalder Petra

Occupation

Qualifications

Representative of Board member since Committee Committee member since Compensation Party secretary, Social-Democratic Party, Canton Bern Diploma in Business Administration, MAS Corporate Communication Management Employees 01.07.2009 Audit Committee 01.07.2009 2015: CHF 13,500; 2016: CHF 13,500

Grossenbacher-Frei Prisca

Chair of the Actuarial Policy and Law Committee

Occupation

Qualifications Representative of Board member since Committee Committee member since Compensation Vice-Director of the Federal Food Safety and Veterinary Office Lawyer Employees 01.07.2009 Actuarial Policy and Law Committee 01.07.2009 2015: CHF 14,000; 2016: CHF 19,000



Meier Ruth

Occupation Qualifications

Representative of Board member since Committee Committee member since Compensation Vice-Director of the Swiss Federal Statistical Office Masters in Economics, St. Gallen, Executive MBA, St. Gallen Employers 01.07.2006 Investment Committee 01.07.2009 2015: CHF 12,000; 2016: CHF 13,000

Müller Kaspar

Occupation Qualifications Representative of Board member since Committee Committee member since Compensation Head of Finance and Controlling, DETEC Degree in Business Administration Employers 01.03.2016 Audit Committee 05.04.2016 2016: CHF 9,333





Remund Matthias Chair of the Board of Directors

Occupation Qualifications Representative of Board member since External mandates

Director of the Federal Office for Sport Lawyer **Employers** 01.07.2009 Swiss Olympic Association, Ittigen: member of the Executive Council; Swiss Sports Aid, Ittigen: member of the Foundation Board; International Centre for Sports Studies CIES, Neuchâtel: member of the Foundation Board; Swiss University Sports Foundation, St. Gallen: member of the Foundation Board; The Olympic Foundation for Culture and Heritage, Lausanne: member of the Foundation Board; Swiss Institute for Empirical Economic Research, University of St. Gallen: Member of the **Executive Committee** 2015: CHF 35,500; 2016: CHF 36,000

Compensation



Scholl Fred Vice-Chair of the Board of Directors

Occupation

Qualifications Representative of Board member since Membership of parity commissions

Compensation

Deputy General Secretary, Federal Staff Association until 30 April 2015; since 1 May 2015: retired Precious metals expert, association secretary Employees 01.07.2002

Vice-Chair of the Affiliated Organisations pension plan 2015: CHF 37,000; 2016: CHF 24,000

Schaerer Barbara

Occupation Qualifications Representative of Board member since Committee Committee member since External mandates

Compensation

Director of the Federal Personnel Office LL. D., attorney-at-law, LL. M., EMBA Employers 01.05.2008 Actuarial Policy and Law Committee 01.01.2009 BERNMOBIL AG, Bern: Vice-Chair of the Board of Directors; Swiss Society of Administrative Sciences SSAS: board member; Swiss Association for Administrative Organisational Law SVVOR: board member; Suva, Lucerne: member of the Board of Directors 2015: CHF 14,000; 2016: CHF 17,500





Serra Jorge

Occupation Qualifications Representative of Board member since Committee Committee member since Membership of parity commissions

External mandates

CFO of VPOD PhD, federally certified staff pensions expert Employees 01.07.2013 Actuarial Policy and Law Committee 01.07.2013

Chair of the Swiss National Museum pension plan; member of the ETH Domain pension plan Public Services International PSI: asset manager; VPOD Pension Fund: general manager; St. Gallen Pension Fund: member of the Board of Trustees; City of Winterthur Pension Fund: Chair of the Board of Trustees; City of Zurich Pension Fund: Chair of the Board of Trustees; Substitute Occupational Benefit Institution, Zurich: member of the Board of Trustees 2015: CHF 11,000; 2016: CHF 10,000

Compensation



Sommer Martin

Occupation Qualifications Representative of Board member since Committee Committee member since Compensation Head of HR, ETH Board Degree in Geography Employers 01.07.2002 Actuarial Policy and Law Committee 20.03.2003 2015: CHF 11,000; 2016: CHF 11,000

Thalmann Philippe Vice-Chair of the Investment Committee

Occupation Qualifications Representative of Board member since Committee Committee member since Compensation Professor EPFL ENAC IA LEURE PhD in Economics Employees 01.07.2013 Investment Committee 01.07.2013 2015: CHF 16,000; 2016: CHF 15,500





Wicki Janine

Occupation Qualifications Representative of Board member since Committee Committee member since External mandates Compensation Janine Wicki – die Konsulentin (sole proprietorship) LL.B. Employees 16.03.2016 Audit Committee 05.04.2016 Suva, Lucerne: member of the Board of Directors 2016: CHF 10,167





Wyler Alfred

Occupation Qualifications Representative of Board member since Committee Committee member since External mandates Head of Benefits, Albicolac compensation office MAS in Social Insurance Management Employees 01.07.2009 Audit Committee 01.07.2013 Swiss Post Pension Fund, Bern: Vice-Chair of the Board of Trustees and member of the Investment Committee; comPlan Pension Fund, Bern: member of the Foundation Board; Swiss Trade Union Association Pension Fund Cooperative, Bern: member of the Investment Committee; Graphic Industry Pension Foundation (pvgi), Bern: member of the Foundation Board 2015: CHF 15,500; 2016: CHF 20,500

Compensation

The following members left the Board of Directors in the year under review:

Irniger Chantal

Board member from / to	01.10.2015 to 29.02.2016
Compensation	2015: CHF 2,500; 2016: CHF 667

Schranz Conrad

 Board member from / to
 01.07.2013 to 10.01.2016

 Compensation
 2015: CHF 16,000

Investment Committee

The remit of the Investment Committee includes defining the strategic asset allocations on behalf of the Board of Directors, approving contracts with external portfolio managers and instructions to internal portfolio managers, and approving real estate transactions up to a maximum value of CHF 50 million.

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 between one and 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. The Chair of the Investment Committee is Alex Hinder.

In addition to Cipriano Alvarez, Ruth Meier and Philippe Thalmann, the external members on the Investment Committee as at 31 December 2016 are as follows (names in alphabetical order):

Eggenberger Urs

Occupation	Vice-Director and Joint Head of the Federal Treasury Department, Federal Finance Administration
Qualifications Committee member since External mandates	Degree in Business Administration, CFA 19.11.2007 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 Board of Directors Committee; Mathys AG, Bettlach: member of the Board of Directors; home commune: member of the audit committee
Compensation	2015: CHF 9,000; 2016: CHF 10,500
Loepfe Andreas	
Occupation Qualifications	Partner and General Manager, INREIM AG Degree in Business Administration, FRICS

Compensation

Committee member since 01.07.2015 External mandates INREIM AG: Delegate of the Board of Directors IMMRA AG: member of the Board of Directors 2015: CHF 4,500; 2016: CHF 18,290

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 policies and the submission of suggestions to the employers with regard to the structuring of actuarial policy options. The committee's Chair is Prisca Grossenbacher-Frei. Its members are Barbara Schaerer, Jorge Serra and Martin Sommer.

Audit Committee

The Audit Committee is principally concerned with financial and accounting matters. It discusses the financial statements with the Director of PUBLICA and Deputy as well as the Statutory Auditors, and the Pension Actuary's report. The Audit Committee is chaired by Serge Gaillard. Its members are Kurt Buntschu, Petra Maurer Stalder, Kaspar Müller, Janine Wicki and Alfred Wyler.

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 following is a selection of the main information and control instruments employed by the Executive Board on behalf of the Board of Directors and its committees:

Quality management

PUBLICA has a well-developed quality management system designed to ensure delivery of high-quality operational services to customers. The system has been successfully recertified by the independent quality assessor in accordance with the latest ISO 9001:2015 standard.



Internal control system

PUBLICA's internal control system is process-based and embedded in the certified processes. PUBLICA reviews the status of the internal controls annually and draws up an annual risk management report.

Compliance

At least once a year, the Executive Board reports on PUBLICA's compliance policy and its implementation.

Finance and Asset Management

The committee members have timely access to details on the monthly performance of the pension plans (funded ratio according to BVV2, economic funded ratio, etc.), as well as an annual report on the pension plans and the reports of the external investment controller. The Board of Directors also approves the Annual Report.

Assembly of Delegates

The Assembly of Delegates consists of 80 employees of the affiliated employers. It elects the employee representatives on the Board of Directors and has the power to submit proposals to the Board of Directors. The Board of Directors, the Director and Deputy report on PUBLICA's operations annually to the members of the Assembly of Delegates.

The active members of PUBLICA elected the 80 current members of the Assembly of Delegates on 26 October 2012. The term of office runs from 1 January 2013 to 31 December 2016. Elections for new members were held on 27 November 2016 and for the first time were essentially conducted electronically. The elected delegates and their distribution among the pension plans are published at www.publica.ch.

As at 31 December 2016, the Chair and Vice-Chair of the PUBLICA Assembly of Delegates are as follows:

Weber Matthias

Function	Chair
Occupation	Head of Finance + Logistics at the Central Office for Civilian Service

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 Dieter Stohler, and his Deputy is Stefan Beiner (Head of Asset Management).

As at 31 December 2016, the Executive Board comprises the following members:

Stohler Dieter

Director
LL.B.
Swiss Pension Funds Association ASIP: board member Innovation Zweite Säule IZS: board member UBS Vested Benefits Foundation: member of the Foundation Board
Fisca Pension Fund Foundation of UBS: member of the Foundation Board

Beiner Stefan

Function	Head of Asset Management
	Deputy to the Director
Qualifications	Doctorate in Economics, St. Gallen
External mandates	Schoeni.ch Holding AG: member of the Board of Directors

Burgunder Daniel

Function	Head of Pensions
Qualifications	Diploma in Administration Management

Sohnrey Jan

Function	Head of Finance
Qualifications	Degree in IT, certified auditor, CAIA

Zaugg Markus

Function	Head of Resources
Qualifications	Degree in Business Administration, EMBA HRM

As at 31 December 2016 the Extended Executive Board comprises the following additional members:

Barandun Ursina

Function	Head of Corporate Communications
Qualifications	Secondary school teacher and culture manager, University of Bern

Geiser Corinne

Function	Head of Strategic Legal Services
Qualifications	Attorney-at-law, Bern



Compensation

Compensation policy

The Chair receives flat-rate compensation of CHF 36,000 (prior year: CHF 36,000) and the Vice-Chair flat-rate compensation of CHF 26,000 (prior year: CHF 26,000). As previously, 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 members of the Investment Committee receive flat-rate compensation of CHF 4,000 as well as an attendance fee. Overall, only one flat-rate compensation may be claimed per person and year. The fee for each half-day meeting is CHF 500 for members of the committees and CHF 1,000 each for the Chair of the Audit Committee and the Chair of the Actuarial Policy and Law Committee.

PUBLICA does not generally pay bonuses.

Compensation-setting process

The Audit Committee reviews the appropriateness of the compensation paid to members of the Board of Directors annually.

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

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 330,667 (prior year: CHF 317,098).

The average compensation (gross salary including all allowances and employer's pension contributions) paid to members of the Executive Board was CHF 276,688 per person (prior year: CHF 279,984), while the total was CHF 1,383,441 (prior year: CHF 1,399,919). The highest compensation was paid to the Director, who received an unchanged gross salary of CHF 309,000. As his employer, PUBLICA paid CHF 60,153 (unchanged from the prior year) in contributions towards his pension.

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 2016 was CHF 230,542 (prior year: CHF 230,542). KPMG received additional fees totalling CHF 90,683 (prior year: CHF 80,957) for tax consultancy services. The Statutory Auditors reported to the Audit Committee on the planning and results of their audits at two meetings. The Audit Committee has the power to grant additional audit mandates to the Statutory Auditors. In the interests of good corporate governance, PUBLICA invites tenders for the audit mandate at least every seven years. The next tender is scheduled for 2017.

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 Pensions Regulatory Commission. The total fee for 2016 was CHF 245,738 (prior year: CHF 207,892 for Aon Schweiz Ltd). The Pension Actuary attended a number of meetings of the Board of Directors and its committees. In the interest of good corporate governance, PUBLICA puts the Pension Actuary mandate out to tender after a maximum of nine years.

32

reduction in administrative costs over 5 years

~20000

entries and departures per year

CHF 181 administrative expenses per active

administrative expenses per active member / pension recipient

CHF 20-40 m ideal volume per real estate investment



performance over the last 10 years

women in the strategic management body

PUBLICA Annual Report 2016

Annual financial statements

The annual financial statements (balance sheet, income statement, notes) comply with the formal and material requirements of Swiss GAAP ARR 26.

As a non-profit-oriented undertaking, PUBLICA returns surpluses on the cost and risk premiums to the pension plans. The surpluses returned in 2016 amounted to over CHF 15 million.

Balance sheet and income statement

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

2016 with prior-year comparison, in CHF

Receivables 6.4.1 116 817 754 185 359 4 Money market 6.4.1 500 688 093 672 699 3 Swiss government bonds 6.4.2 3 165 195 844 2 839 309 5 Non-government bonds 6.4.2 4 261 202 559 4 158 318 5 Government bonds industrialised nations ex Switzerland 6.4.2 5 178 926 650 5 000 768 0 Inflation-linked government bonds 6.4.2 1 594 735 207 2 302 367 4 Public corporate bonds ex CHF 6.4.2 5 781 084 549 5 295 981 2 Private corporate bonds 6.4.7 - 220 209 7 Government bonds ex CHF 6.4.2 1 607 416 694 1 439 986 6 Mortgages Switzerland 6.4.3 150 910 571 1 33 081 3 Equities Switzerland 6.4.4 1 179 888 745 1 149 050 3 Equities industrialised nations ex Switzerland 6.4.4 2 890 205 244 3 213 307 1 Commodities* 6.4.5 715 379 599 7 33 288 7 Precious metals* 6.4.5 715 379 599 7 33 288 7 Recal estate investments	Assets	Note	31.12.2015	31.12.2016
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Non-government bonds CHF 6.4.2 4 261 202 559 4 158 318 5 Government bonds industrialised nations ex Switzerland 6.4.2 5 178 926 650 5 000 768 0 Inflation-linked government bonds 6.4.2 1 594 735 207 2 302 367 4 Public corporate bonds ex CHF 6.4.2 5 781 084 549 5 295 981 2 Private corporate bonds 6.4.6 10 362 440 184 473 6 Private infrastructure bonds 6.4.7 - 220 209 7 Government bonds emerging markets hard currencies 6.4.2 1 607 416 694 1 439 986 6 Mortgages Switzerland 6.4.3 150 910 571 133 081 3 Equities industrialised nations ex Switzerland 6.4.4 1 179 888 745 1 149 050 3 Equities industrialised nations ex Switzerland 6.4.4 2 890 205 244 3 213 307 1 Commodities * 6.4.5 538 785 433 Precious metals * 6.4.5 715 379 599 733 238 7 Real estate investments Switzerland 6.4.8 2 531 459 660 2 644 545 5 5 Investments 6.4 36 460 060 541 37 828 426 8	Money market	6.4.1	500 688 093	672 699 396
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Government bonds emerging markets hard currencies 6.4.2 – 1 243 212 4 Government bonds emerging markets local currencies 6.4.2 1 607 416 694 1 439 986 6 Mortgages Switzerland 6.4.3 150 910 571 133 081 3 Equities Switzerland 6.4.4 1 179 888 745 1 149 050 3 Equities industrialised nations ex Switzerland 6.4.4 6 133 911 143 6 360 670 8 Equities emerging markets 6.4.4 2 890 205 244 3 213 307 1 Commodities * 6.4.5 538 785 433 Precious metals * 6.4.5 715 379 599 733 238 7 Real estate investments Switzerland 6.4.4 36 460 060 541 37 828 426 8 Operating assets 7.1 18 772 845 19 735 6 Prepaid expenses and accrued income 3 600 774 3 790 3	Private corporate bonds	6.4.6	10 362 440	184 473 685
Government bonds emerging markets local currencies 6.4.2 1 607 416 694 1 439 986 6 Mortgages Switzerland 6.4.3 150 910 571 133 081 3 Equities Switzerland 6.4.4 1 179 888 745 1 149 050 3 Equities industrialised nations ex Switzerland 6.4.4 6 133 911 143 6 360 670 8 Equities emerging markets 6.4.4 6 133 911 143 6 360 670 8 Equities emerging markets 6.4.4 2 890 205 244 3 213 307 1 Commodities * 6.4.5 538 785 433 1 Precious metals * 6.4.5 715 379 599 733 238 7 Real estate investments Switzerland 6.4.8 2 531 459 660 2 644 545 5 Investments 6.4 36 460 060 541 37 828 426 8 Operating assets 7.1 18 772 845 19 735 6 Prepaid expenses and accrued income 3 600 774 3 790 3	Private infrastructure bonds	6.4.7	_	220 209 720
Mortgages Switzerland 6.4.3 150 910 571 133 081 3 Equities Switzerland 6.4.4 1 179 888 745 1 149 050 3 Equities industrialised nations ex Switzerland 6.4.4 6 133 911 143 6 360 670 8 Equities emerging markets 6.4.4 2 890 205 244 3 213 307 1 Commodities * 6.4.5 538 785 433 Precious metals * 6.4.5 715 379 599 733 238 7 Real estate investments Switzerland 6.4.8 2 531 459 660 2 644 545 5 Investments 6.4 36 460 060 541 37 828 426 8 Operating assets 7.1 18 772 845 19 735 6 Prepaid expenses and accrued income 3 600 774 3 790 3	Government bonds emerging markets hard currencies	6.4.2	_	1 243 212 428
Equities Switzerland 6.4.4 1 179 888 745 1 149 050 3 Equities industrialised nations ex Switzerland 6.4.4 6 133 911 143 6 360 670 8 Equities emerging markets 6.4.4 2 890 205 244 3 213 307 1 Commodities * 6.4.5 538 785 433 Precious metals * 6.4.5 715 379 599 733 238 7 Real estate investments Switzerland 6.4.8 2 531 459 660 2 644 545 5 Investments 6.4 36 460 060 541 37 828 426 8 Operating assets 7.1 18 772 845 19 735 6 Prepaid expenses and accrued income 3 600 774 3 790 3	Government bonds emerging markets local currencies	6.4.2	1 607 416 694	1 439 986 630
Equities industrialised nations ex Switzerland 6.4.4 6 133 911 143 6 360 670 8 Equities emerging markets 6.4.4 2 890 205 244 3 213 307 1 Commodities * 6.4.5 538 785 433 Precious metals * 6.4.5 715 379 599 733 238 7 Real estate investments Switzerland 6.4.8 2 531 459 660 2 644 545 5 Investments 6.4 36 460 060 541 37 828 426 8 Operating assets 7.1 18 772 845 19 735 6 Prepaid expenses and accrued income 3 600 774 3 790 3	Mortgages Switzerland	6.4.3	150 910 571	133 081 321
Equities emerging markets 6.4.4 2 890 205 244 3 213 307 1 Commodities * 6.4.5 538 785 433 7 Precious metals * 6.4.5 715 379 599 733 238 7 Real estate investments Switzerland 6.4.8 2 531 459 660 2 644 545 5 Investments 6.4 36 460 060 541 37 828 426 8 Operating assets 7.1 18 772 845 19 735 6 Prepaid expenses and accrued income 3 600 774 3 790 3	Equities Switzerland	6.4.4	1 179 888 745	1 149 050 320
Commodities * 6.4.5 538 785 433 Precious metals * 6.4.5 715 379 599 733 238 7 Real estate investments Switzerland 6.4.8 2 531 459 660 2 644 545 5 Investments 6.4 36 460 060 541 37 828 426 8 Operating assets 7.1 18 772 845 19 735 6 Prepaid expenses and accrued income 3 600 774 3 790 3	Equities industrialised nations ex Switzerland	6.4.4	6 133 911 143	6 360 670 877
Precious metals * 6.4.5 715 379 599 733 238 7 Real estate investments Switzerland 6.4.8 2 531 459 660 2 644 545 5 Investments 6.4 36 460 060 541 37 828 426 8 Operating assets 7.1 18 772 845 19 735 6 Prepaid expenses and accrued income 3 600 774 3 790 3	Equities emerging markets	6.4.4	2 890 205 244	3 213 307 161
Real estate investments Switzerland 6.4.8 2 531 459 660 2 644 545 5 Investments 6.4 36 460 060 541 37 828 426 8 Operating assets 7.1 18 772 845 19 735 6 Prepaid expenses and accrued income 3 600 774 3 790 3	Commodities *	6.4.5	538 785 433	_
Investments 6.4 36 460 060 541 37 828 426 8 Operating assets 7.1 18 772 845 19 735 6 Prepaid expenses and accrued income 3 600 774 3 790 3	Precious metals *	6.4.5	715 379 599	733 238 779
Operating assets 7.1 18 772 845 19 735 6 Prepaid expenses and accrued income 3 600 774 3 790 3	Real estate investments Switzerland	6.4.8	2 531 459 660	2 644 545 570
Prepaid expenses and accrued income 3 600 774 3 790 3	Investments	6.4	36 460 060 541	37 828 426 808
• •	Operating assets	7.1	18 772 845	19 735 672
Total assets 36 482 434 160 37 851 952 8	Prepaid expenses and accrued income		3 600 774	3 790 338
	Total assets		36 482 434 160	37 851 952 817

* from June 2015 only energy commodities; precious metals now form a separate asset class

Liabilities

Liabilities			
Vested pension benefits and pensions		69 294 201	67 462 088
Other liabilities		5 281 462	6 160 167
Operating liabilities	7.1	18 772 845	19 735 672
Liabilities		93 348 508	93 357 927
Accrued expenses and deferred income		342 665	641 595
Employers' contribution reserves	6.11	31 354 607	38 090 013
Non-technical provisions	7.3	82 460 395	215 786 512
Pension fund capital – active members	5.2	15 601 712 730	16 020 447 140
Pension fund capital – pension recipients	5.4	19 509 223 883	19 182 946 916
Technical provisions	5.5	1 111 629 412	1 256 720 006
Pension fund capital and technical provisions		36 222 566 025	36 460 114 062
Fluctuation reserve	6.3	259 798 210	1 032 226 746
Uncommitted funds/underfunding of pension plans		- 207 436 251	_
Opening balance sheet		_	- 207 436 251
Expenditure (–) / income (+) surplus	5.9	- 207 436 251	207 436 251
Closing balance sheet		- 207 436 251	_
Uncommitted funds/underfunding Reinsurance	5.1	_	11 735 962
Total liabilities		36 482 434 160	37 851 952 817

Consolidated income statement

2016 with prior-year comparison, in CHF

	31.12.2015	31.12.201
Savings contributions – employees 5.2	459 809 679	474 712 31
Risk premiums – employees	10 065 242	10 218 66
Cost premiums – employees	163 614	188 38
Employee contributions	470 038 535	485 119 37
Savings contributions – employers 5.2	726 287 448	727 229 22
Risk premiums – employers	95 034 520	95 515 45
Cost premiums – employers	22 680 207	22 013 34
Employer contributions	844 002 175	844 758 02
Removal from employers' contribution reserve to finance contributions 6.11	- 468 402	- 283 02
Contributions from third parties	57 873	358 69
Lump-sum payments and buy-ins – active members 5.2	74 522 499	77 397 76
Buy-outs of pension reductions and pension buy-ins 5.4	39 234 557	39 587 82
Lump-sum payments and buy-ins	113 757 056	116 985 58
Payment of employers' contribution reserves 6.11	1 587 750	3 699 00
Contributions to the BVG Security Fund	5 367	24 36
Ordinary and other contributions and payments	1 428 980 355	1 450 662 01
Vested pension benefits received	327 411 335	327 343 86
Home ownership and divorce payments received	16 278 911	13 836 22
Payments on takeover of member portfolios 1.6	10 078	16 090 93
Entrance benefits 5.2	343 700 324	357 271 02
Inflow from contributions and entrance benefits	1 772 680 679	1 807 933 03
Retirement pensions	- 1 268 690 485	- 1 261 020 03
Survivors' pensions	- 305 744 425	- 305 966 05
Disability pensions	- 29 465 202	- 29 142 91
Other statutory benefits	- 53 038 808	- 47 186 17
Lump-sum benefits upon retirement	- 126 792 802	- 125 277 44
Lump-sum benefits in case of death / disability	- 3 797 116	- 8 809 85
Statutory benefits 5.4	- 1 787 528 837	- 1 777 402 49
Vested benefits paid on departure	- 361 719 398	- 419 674 46
Early withdrawals for home ownership / divorce	- 67 634 957	- 69 420 75
Transfer of additional funds on collective departure 1.6	0, 034 557	- 16 052 24
Vested termination benefits 5.2	- 429 354 355	- 505 147 47
Outflow for benefits and early withdrawals	- 2 216 883 192	- 2 282 549 96
Formation (–)/release (+) of pension fund capital – active members 5.2	- 1 540 514 296	- 230 630 28
Formation (–)/release (+) of pension fund capital – active members 5.2 Formation (–)/release (+) of pension fund capital – pension recipients 5.4		
	- 876 731 784 2 019 025 181	326 276 96
Formation (–)/release (+) of technical provisions 5.5		- 145 090 59
Interest on savings capital 5.2	- 254 990 841	- 188 104 12
Formation (–)/release (+) of employers' contribution reserves 6.11	- 5 706 700	- 6 735 40
Formation (-)/release (+) of pension fund capital, technical provisions and contribution reserves	- 658 918 440	- 244 283 44
Shares in surpluses for pension plans from internal Reinsurance 5.1 Charge in surpluses for pension plans from PUPUCA internal Operations 5.1	8 503 593	11 038 32
Shares in surpluses for pension plans from PUBLICA internal Operations	3 600 774	3 790 33
Pension plans	12 104 367	14 828 66
Risk premium received – internal Reinsurance, gross 5.1	6 129 506	6 126 60
Cost premium received – PUBLICA internal Operations, gross	22 843 821	22 201 72
PUBLICA Operations and PUBLICA Reinsurance	28 973 327	28 328 32
Income from insurance benefits	41 077 694	43 156 99
Risk premiums paid by pension plans for internal Reinsurance 5.1	- 6 129 506	- 6 126 60
Cost premiums paid by pension plans for PUBLICA internal Operations	- 22 843 821	- 22 201 72
Additional payment of cost premiums from non-technical provisions	- 676	
Contributions to Security Fund	- 3 801 982	- 4 746 33
Pension plans	- 32 775 985	- 33 074 66
Repayment of shares in surplus from PUBLICA Reinsurance 5.1	- 8 503 593	- 11 038 32
Repayment of shares in surplus from PUBLICA Operations	- 3 600 098	- 3 790 33
PUBLICA Operations and PUBLICA Reinsurance	- 12 103 691	- 14 828 66
Insurance expenses	- 44 879 676	- 47 903 32
Net insurance income	- 1 106 922 935	- 723 646

CHF - 475 million

from contributions and benefits

Consolidated income statement

2016 with prior-year comparison, in CHF

	Note	31.12.2015	31.12.2016
Net income from cash & cash equivalents	6.8	12 720	40 901
Net income from receivables	6.8	_	-
Net income from liabilities	6.8	- 1 233 248	- 846 911
Net income from money market	6.8	- 1 516 847	- 3 270 946
Net income from Swiss government bonds	6.8	99 548 476	71 614 520
Net income from non-government bonds CHF	6.8	70 463 925	49 971 659
Net income from government bonds industrialised nations ex Switzerland	6.8	- 5 923 159	95 692 312
Net income from inflation-linked government bonds	6.8	- 35 750 082	44 479 360
Net income from public corporate bonds ex CHF	6.8	- 43 785 816	199 203 549
Net income from private corporate bonds	6.8	- 345 563	- 667 758
Net income from private infrastructure bonds	6.8	_	4 836 452
Net income from government bonds emerging markets hard currencies	6.8	_	- 19 132 648
Net income from government bonds emerging markets local currencies	6.8	- 256 687 633	175 267 637
Net income from mortgages Switzerland	6.8	2 781 479	2 275 569
Net income from equities Switzerland	6.8	17 546 205	- 38 808 017
Net income from equities industrialised nations ex Switzerland	6.8	76 717 038	501 151 758
Net income from equities emerging markets	6.8	- 420 835 477	422 469 797
Net income from commodities *	6.8	- 251 711 197	69 753 956
Net income from precious metals *	6.8	- 55 338 866	73 614 248
Net income from real estate investments Switzerland	6.8	170 589 057	298 639 385
Asset management expenses	6.10	- 74 318 897	- 79 496 557
et investment income	6.8	- 709 787 886	1 866 788 266
prmation (–)/release (+) of non-technical provisions	7.3	- 13 895 656	- 133 326 116

/.3	- 13 895 656	- 133 326 116
	- 1 374 266	- 1 406 917
	2 383 766	2 432 450
	- 19 195 072	- 18 724 327
	- 8 297	- 19 579
	-	_
	- 230 542	- 230 542
	- 207 892	- 245 738
	- 83 890	- 20 047
7.2	- 19 725 693	- 19 240 233
	- 1 849 322 669	991 600 750
6.3	1 641 886 418	- 772 428 536
	- 207 436 251	207 436 251
	-	11 735 962
	7.2	- 1 374 266 2 383 766 - 19 195 072 - 8 297 - 230 542 - 207 892 - 83 890 7.2 - 19 725 693 - 1 849 322 669 6.3 1 641 886 418



207 436 251premium returned11 735 962to all pension plans

* from June 2015 only energy commodities; precious metals now form a separate asset class



Notes

1 Fundamentals and organisation

1.1 Legal form and purpose

PUBLICA is an undertaking of the Swiss Confederation established under public law. Its head office is in Bern, and it is entered in the commercial register.

As an autonomous 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 insured 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 Disability Pension Provision (BVG, SR 831.40).

1.2 BVG registration and Security Fund

Pursuant to the provisions of the BVG, PUBLICA is entered in the register of occupational pension plans 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 Disability Pensions (Vested Benefits Act, VBA, SR 831.42), and is thus affiliated with the Security Fund as per Art. 57 BVG, to which it contributes in accordance with the provisions of the Ordinance of 22 June 1998 on the BVG Security Fund (SFO, SR 831.432.1).

1.3 Legal basis

- PUBLICA Act of 20 December 2006 (status as at 1 January 2012)
- Regulations of the Board of Directors of PUBLICA governing the Staff of the Federal Pension Fund PUBLICA dated 6 November 2009 (status as at 1 October 2016)
- Framework pension plan regulations of the Swiss Federal Pension Fund PUBLICA of 26 March 2015
- 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
 - the Service Level Agreement on Services
 - the Service Level Agreement on Medical Examinations (not obligatory; as required)
 - the Winding-Up Regulations
- Corporate and Organisational Regulations of the Federal Pension Fund PUBLICA of 25 August 2015 (status as at 13 October 2016)
- Investment Guidelines of the Federal Pension Fund PUBLICA (PUBLICA Investment Guidelines) of 15 April 2010 (status as at 22 November 2016)
- Regulations governing the Provisions and Reserves of the Federal Pension Fund PUBLICA, the Pension Plans and PUBLICA Reinsurance of 22 November 2016
- 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
- PUBLICA policy document on hardship cases of 25 November 2010 (status as at 23 June 2016)
- Expenses policy for the active members and pension recipients of the Federal Pension Fund PUBLICA of 21 February 2008 (status as at 1 November 2012)
- Regulations governing the Remuneration of Members of the Board of Directors of the Federal Pension Fund PUBLICA of 26 November 2009 (status as at 1 July 2015)

- Regulations governing the Audit Committee of the Federal Pension Fund PUBLICA of 13 October 2011 (status as at 21 November 2013)
- Regulations governing the Actuarial Policy and Law Committee of the Federal Pension Fund PUBLICA of 22 November 2012 (status as at 21 November 2013)
- Regulations governing the Election of the Assembly of Delegates of the Federal Pension Fund PUBLICA of 17 November 2015 (status as at 13 October 2016)
- The Federal Personnel Act (FPA) of 24 March 2000 (status as at 1 January 2016) contains individual provisions concerning pension financing and pension benefits for the employers affiliated to PUBLICA that are subject to the FPA.

1.4 Supreme governing body, management and signing powers

The joint 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 highest 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 Executive Board are listed in the Annual Report.

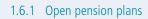
The Chair and Vice-Chair of the Board of Directors as well as the Director and Deputy, the Executive Board and the Head of Real Estate are entered in the commercial register as joint signatories, with two signatures being required.

Pension Actuary	Allvisa AG Seestrasse 6, P.O. Box 1544 8027 Zurich	www.allvisa.ch
Statutory Auditors	KPMG AG Hofgut 3073 Gümligen-Bern	www.kpmg.com
Supervisory authority	Bernische BVG- und Stiftungsaufsicht (BBSA) Belpstrasse 48 3007 Bern	www.aufsichtbern.ch
Property Valuer	Jones Lang LaSalle Ltd Prime Tower, Hardstrasse 201 8005 Zurich	www.joneslanglasalle.ch
Investment Controller	PPCmetrics AG Badenerstrasse 6, P.O. Box 8021 Zurich	www.ppcmetrics.ch

1.5 Pension Actuary, Statutory Auditors, supervisory authority, consultants

1.6 Affiliated employers

The range of employers that have either the option or the obligation to insure their employees' occupational pensions with PUBLICA is defined in the PUBLICA Act (Art. 4). As of 31 December 2016, the PUBLICA collective institution included 20 mutually independent pension plans (prior year: 21), of which seven were closed, pensioner-only plans without any active members. The pension plans have their own accounts and are managed by their own parity commissions.



Open pension plans 2016 with prior-year comparison, in CHF, number or percent

Pension plans with one employer		Units	31.12.2015	31.12.2016
ETH Domain	Active members	Number	18 830	19 031
	Pension recipients	Number	5 301	5 387
	Total active members and pension recipients	Number	24 131	24 418
	Available assets	CHF	6 227 916 809	6 558 398 239
	Pension fund capital & technical provisions	CHF	6 195 833 316	6 357 407 547
	Funded ratio as per BVV2	Percent	100.5%	103.2%
	Economic funded ratio	Percent	72.7%	84.9%
Swiss Federal Institute of Intellectual Property	Active members	Number	282	283
	Pension recipients	Number	62	64
	Total active members and pension recipients	Number	344	347
	Available assets	CHF	106 346 925	114 591 875
	Pension fund capital & technical provisions	CHF	107 808 148	112 627 222
	Funded ratio as per BVV2	Percent	98.6%	101.7%
	Economic funded ratio	Percent	69.6%	86.7%
Swissmedic	Active members	Number	427	422
	Pension recipients	Number	117	130
	Total active members and pension recipients	Number	544	552
	Available assets	CHF	217 797 550	228 362 304
	Pension fund capital & technical provisions	CHF	217 658 410	220 875 924
	Funded ratio as per BVV2	Percent	100.1%	103.4%
	Economic funded ratio	Percent	71.4%	86.3%
Swiss Federal Institute for Vocational Education and Training	Active members	Number	244	250
	Pension recipients	Number	35	41
	Total active members and pension recipients	Number	279	291
	Available assets	CHF	76 181 333	86 066 362
	Pension fund capital & technical provisions	CHF	76 932 508	84 072 536
	Funded ratio as per BVV2	Percent	99.0%	102.4%
	Economic funded ratio	Percent	70.1%	84.8%
Federal Audit Oversight Authority	Active members	Number	30	30
	Pension recipients	Number	1	1
	Total active members and pension recipients	Number	31	31
	Available assets	CHF	7 671 077	9 136 807
	Pension fund capital & technical provisions	CHF	7 901 385	8 715 364
	Funded ratio as per BVV2	Percent	97.1%	104.8%
	Economic funded ratio	Percent	69.5%	106.4%
Historical Dictionary of Switzerland	Active members	Number	24	
	Pension recipients	Number	12	
	Total active members and pension recipients	Number	36	
	Available assets	CHF	11 005 302	
	Pension fund capital & technical provisions	CHF	10 823 845	
	Funded ratio as per BVV2	Percent	101.7%	
	Economic funded ratio	Percent	71.7%	
Swiss Financial Market Supervisory Authority	Active members	Number	518	520
Swiss Financial Market Supervisory Authority	Pension recipients	Number	518	57
	Total active members and pension recipients	Number	574	577
	Available assets			
		CHF	199 529 034	222 210 626
	Pension fund capital & technical provisions	CHF	201 783 725	216 128 197
	Funded ratio as per BVV2	Percent	98.9%	102.8%
	Economic funded ratio	Percent	70.4%	93.2%

Open pension plans 2016 with prior-year comparison, in CHF, number or percent

ve members sion recipients al active members and pension recipients ilable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion recipients al active members and pension recipients ilable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion recipients al active members and pension recipients ilable assets sion recipients al active members and pension recipients sion recipients sion recipients al active members and pension recipients sion recipients sion recipients al active members and pension recipients sion recipients al active members and pension recipients sion recipients al active members and pension recipients sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion funded ratio ve members sion funded ratio set technical provisions set technical	Number Number CHF CHF Percent Percent Number Number CHF Percent Number CHF Percent Number CHF Percent Percent Number CHF CHF Percent Number CHF	153 46 199 100 699 639 101 833 966 98.9% 70.2% 124 51 175 62 843 500 63 545 292 98.9% 69.8% 69.8% 10 0 0 10 6 061 559 6 118 629	148 49 197 108 839 221 105 923 033 102.8% 84.6% 127 49 176 68 758 875 66 351 366 103.6% 86.9% 10 11 11 6 528 232
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ilable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion recipients al active members and pension recipients ilable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio	CHF CHF Percent Percent Number Number CHF CHF	62 843 500 63 545 292 98.9% 69.8% 10 0 10 6 061 559	68 758 875 66 351 366 103.6% 86.9% 10 1 1 1
sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion recipients al active members and pension recipients ilable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio	CHF Percent Percent Number Number CHF CHF	63 545 292 98.9% 69.8% 10 0 10 6 061 559	66 351 366 103.6% 86.9% 10 1 1 1
ded ratio as per BVV2 nomic funded ratio ve members sion recipients al active members and pension recipients ilable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio	Percent Percent Number Number CHF CHF	98.9% 69.8% 10 0 10 6 061 559	103.6% 86.9% 10 1 1
nomic funded ratio ve members sion recipients al active members and pension recipients ilable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio	Percent Number Number CHF CHF	69.8% 10 0 10 6 061 559	86.9% 10 1 11
ve members sion recipients al active members and pension recipients ilable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio	Number Number Number CHF CHF	10 0 10 6 061 559	10 1 11
sion recipients al active members and pension recipients ilable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio	Number Number CHF CHF	0 10 6 061 559	1 11
al active members and pension recipients ilable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio	Number CHF CHF	10 6 061 559	11
ilable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio	CHF CHF	6 061 559	
sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio	CHF		6 528 232
ded ratio as per BVV2 nomic funded ratio		6 118 629	0 520 252
nomic funded ratio	Percent		6 445 163
		99.1%	101.3%
ve members	Percent	71.0%	90.2%
	Number	228	256
sion recipients	Number	75	75
al active members and pension recipients	Number	303	331
	CHF	59 252 496	62 233 243
	CHF		60 743 808
	Percent		102.5%
•	Percent		85.6%
	Number		194
			81
•			275
· · ·			119 085 900
			115 529 504
			103.1%
•			82.9%
	recent	70.570	02.570
	Units	31.12.2015	31.12.2016
ve members	Number	40 107	40 226
sion recipients	Number	25 622	25 559
al active members and pension recipients	Number	65 729	65 785
ilable assets	CHF	24 084 698 737	25 098 577 439
sion fund capital & technical provisions	CHF	24 283 584 089	24 622 647 049
ded ratio as per BVV2	Percent	99.2%	101.9%
nomic funded ratio	Percent	71.2%	82.5%
ve members	Number	2 295	2 366
sion recipients	Number	863	900
al active members and pension recipients	Number	3 158	3 266
ilable assets	CHF	867 972 995	936 608 849
sion fund capital & technical provisions	CHF		892 925 911
			104.9%
nomic funded ratio		73.0%	83.7%
	lable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion recipients al active members and pension recipients lable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion recipients al active members and pension recipients lable assets sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion fund capital & technical provisions ded ratio as per BVV2 nomic funded ratio ve members sion recipients al active members and pension recipients lable assets sion recipients al active members and pension recipients al active members and	Iable assets CHF sion fund capital & technical provisions CHF ded ratio as per BVV2 Percent nomic funded ratio Percent ve members Number sion recipients Number al active members and pension recipients Number lable assets CHF sion fund capital & technical provisions CHF ded ratio as per BVV2 Percent nomic funded ratio Percent units Vumber units Vumber sion recipients Number al active members and pension recipients CHF off unded ratio Percent nomic funded ratio Percent units Vumber al active members Number sion recipients Number al active members and pension recipients Number al active members and pension recipients Number sion fund capital & technical provisions CHF ded ratio as per BVV2 Percent nomic funded ratio Percent n	Iable assetsCHF59 252 496sion fund capital & technical provisionsCHF60 081 036ded ratio as per BVV2Percent72.0%nomic funded ratioPercent72.0%ve membersNumber191sion recipientsNumber85al active members and pension recipientsNumber276liable assetsCHF113 470 035sion fund capital & technical provisionsCHF114 601 807ded ratio as per BVV2Percent99.0%nomic funded ratioPercent70.9%Units31.12.2015we membersNumber40 107sion recipientsNumber25 622al active members and pension recipientsNumber25 622al active members and pension recipientsNumber65 729liable assetsCHF24 084 698 737sion fund capital & technical provisionsCHF24 283 584 089ded ratio as per BVV2Percent71.2%we membersNumber2 295sion fund capital & technical provisionsCHF863al active members and pension recipientsNumber3 158liable assetsCHF867 972 995sion fund capital & technical provisionsCHF857 2972 995sion fund capital & technical provisionsCHF858 236 800ded ratio as per BVV2Percent701.1%

Open pension plans

2016 with prior-year comparison, in CHF, number or percent

Total open pension plans		Units	31.12.2015	31.12.2016
	Active members	Number	63 463	63 863
	Pension recipients	Number	32 326	32 394
	Total active members and pension recipients	Number	95 789	96 257
	Available assets	CHF	32 141 446 991	33 619 397 973
	Pension fund capital & technical provisions	CHF	32 306 742 958	32 870 392 624
	Funded ratio as per BVV2	Percent	99.5%	102.3%
	Economic funded ratio	Percent	71.5%	83.1%

New affiliations

The Board of Directors approved the following new employer affiliations in 2016:

Affiliated Organisations pension plan

- Swiss Coordination Centre for Research in Education
- Stiftung Haus des Sports
- Stiftung für Studentisches Wohnen Zürich
- Historical Dictionary of Switzerland Foundation

Departures / liquidations

The Historical Dictionary of Switzerland pension plan was fully liquidated with effect from 1 January 2016 and the beneficiaries were transferred to the Affiliated Organisations pension plan.

The Swiss Coordination Centre for Research in Education (SCCRE) was transferred to the Affiliated Organisations pension plan with effect from 1 January 2016 following a partial liquidation of the Confederation pension plan.

1.6.2 Closed pension plans

When they set up their own pension plans, Swisscom, SRG SSR idée suisse and RUAG 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

2016 with prior-year comparison, in CHF, number or percent

Pension plans with one employer		Units	31.12.2015	31.12.2016
Pensioners only – voluntarily insured	Pension recipients	Number	298	295
Pension entitlement from 01.06.2003	Available assets	CHF	119 403 922	117 400 623
	Pension fund capital & technical provisions	CHF	111 222 259	106 721 451
	Funded ratio as per BVV2	Percent	107.4%	110.0%
	Economic funded ratio	Percent	79.8%	82.6%
Pensioners only – Confederation	Pension recipients	Number	745	711
	Available assets	CHF	157 855 977	151 121 333
	Pension fund capital & technical provisions	CHF	147 456 994	138 656 604
	Funded ratio as per BVV2	Percent	107.1%	109.0%
	Economic funded ratio	Percent	85.3%	86.1%
Pensioners only – Swisscom Pension entitlement before 01.01.1999	Pension recipients	Number	6 028	5'780
	Available assets	CHF	2 212 036 324	2 105 709 990
	Pension fund capital & technical provisions	CHF	2 134 938 464	1 984 599 166
	Funded ratio as per BVV2	Percent	103.6%	106.1%
	Economic funded ratio	Percent	82.9%	84.2%



Closed pension plans

2016 with prior-year comparison, in CHF, number or percent

Pension plans with one employer		Units	31.12.2015	31.12.2016
Pensioners only – RUAG	Pension recipients	Number	2 080	1'974
Pension entitlement before 01.07.2001	Available assets	CHF	734 425 806	703 984 719
	Pension fund capital & technical provisions	CHF	693 730 594	645 982 346
	Funded ratio as per BVV2	Percent	105.9%	109.0%
	Economic funded ratio	Percent	83.7%	85.7%
Pensioners only – SRG SSR idée suisse	Pension recipients	Number	998	974
Pension entitlement before 01.01.2003	Available assets	CHF	551 054 836	529 693 825
	Pension fund capital & technical provisions	CHF	501 551 584	474 333 000
	Funded ratio as per BVV2	Percent	109.9%	111.7%
	Economic funded ratio	Percent	87.1%	88.0%
Pensioners only – PUBLICA Administration	Pension recipients	Number	86	85
	Available assets	CHF	82 809 617	81 956 650
	Pension fund capital & technical provisions	CHF	73 442 959	71 249 432
	Funded ratio as per BVV2	Percent	112.8%	115.0%
	Economic funded ratio	Percent	96.5%	98.3%
Joint pension plan				
Pensioners only – Affiliated Organisations	Pension recipients	Number	333	320
	Available assets	CHF	120 524 156	114 643 297
	Pension fund capital & technical provisions	CHF	117 786 289	109 690 210
	Funded ratio as per BVV2	Percent	102.3%	104.5%
	Economic funded ratio	Percent	81.1%	82.5%
Total closed pension plans				
· · ·	Pension recipients	Number	10 568	10 139
	Available assets	CHF	3 978 110 638	3 804 510 438
	Pension fund capital & technical provisions	CHF	3 780 129 143	3 531 232 209
	Funded ratio as per BVV2	Percent	105.2%	107.7%
	Economic funded ratio	Percent	83.8%	85.2%

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

2016 with prior-year comparison, in number of insurance situations

	Active members
01.01.15	62 547
Admissions	10 212
Departures	- 9 296
01.01.16	63 463
Admissions	11 942
Departures	- 11 542
31.12.16	63 863



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

2016 with prior-year comparison, in number of pension situation

	Retirement pensions	Retired person's child's pensions	Disability pensions	Disabled person's child's pensions	Surviving spouse/ life partner's pensions	Orphan's pensions	Total pension recipients
01.01.15	30 175	525	1 210	272	10 813	310	43 305
Admissions	1 361	202	94	110	743	116	2 626
Departures	- 1 547	- 230	- 177	- 149	- 817	- 117	- 3 037
01.01.16	29 989	497	1 127	233	10 739	309	42 894
Admissions	1 316	175	126	54	781	90	2 542
Departures	- 1 513	- 220	- 167	- 75	- 829	- 99	- 2 903
31.12.16	29 792	452	1 086	212	10 691	300	42 533

Additionally, a total of 1,916 retirement bridging pensions (prior year: 2,136) and 130 IV/AI replacement pensions (prior year: 152) were paid.

3 Implementation of the purpose

3.1 Note on the pension schemes

PUBLICA operates separate pension schemes for each pension plan. The employer allocates the insured members to the relevant pension schemes on the basis of objective criteria set out in the pension plan regulations.

As an all-encompassing pension fund, PUBLICA undertakes to provide the statutory pension benefits as a minimum and at the same time makes provision for benefits significantly in excess of the BVG minimum. The insured salary comprises the annual salary less the coordination offset of 30% of the annual salary, but no more than CHF 24,675 (status as at 31 December 2016).

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, insured 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 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 5.65%.

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 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 termination benefits. 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 and buy-ins, as well as income earned on pension plan assets. The level of employee contributions and the maximum buy-ins are set out in the individual pension plan regulations.

The 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 (SLA D). Individual services are invoiced separately using agreed fee schedules.

3.3 Further information on pension provision

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 BVG, neither the parity commissions nor the Board of Directors have decided to adjust pensions generally in line with the cost of living. Individual employers fund pension increases.

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 reserves Cash and cash equivalents, receivables, mortgages and liabilities as well as employers' contribution reserves 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. The market value 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 investment strategy (economic exposure).

4.2.7 Private corporate and infrastructure bonds

Unlisted private corporate and infrastructure bonds are valued at least quarterly and recognised at the current value. The valuation is carried out using the discounted cash flow (DCF) method. 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 manager responsible expects the corporate bond to become impaired, the valuation is reviewed by PUBLICA. The impairment is based on the lower of a valuation using historical default rates for comparable borrowers and the valuation proposed by the asset manager for debtors in financial difficulties.

4.2.8 Real estate

All directly held real estate is revalued annually and recognised at the current 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 3.7% and 5.3% (prior year: 4.0% and 5.6%) and includes a long-term inflation assumption of 0.5%. The average capital-weighted discount interest rate across the valued portfolio is 4.17% (prior year: 4.56% on a like-for-like basis).

4.2.9 Deferred taxes

For the purposes of deferred taxes, property gains taxes on the property 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.

4.2.10 Pension fund capital and technical provisions

The internal actuarial service prepares the basis for calculating the pension fund capital and technical provisions and supplies the data to the Pension Actuary. The Pension Actuary calculates the pension fund capital and technical provisions annually in accordance with recognised principles and on the basis of generally accessible actuarial tables. 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.

4.3 Changes to principles concerning valuation, accounting and reporting

The revision of the Regulations governing the Provisions and Reserves led to adjustments in the valuation and designation of liabilities. Deferred taxes are now calculated on the basis of the effective holding duration without adding 15 years (point 7.3). Owing to the inclusion of new asset classes, the valuation principles for private corporate and infrastructure bonds were expanded. The method of calculating the economic funded ratio was adjusted slightly in the year under review (point 5.10); it is now computed using a more market-consistent valuation method based on yield curves and generational tables. In the previous year it was based on a maturity-congruent, risk-free interest rate.

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 autonomous or are fully reinsured with PUBLICA Reinsurance. The pension plans concerned pay a risk premium for this reinsurance and also participate in any surpluses. Both the individual 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

2016 with prior-year comparison, in CHF		
	31.12.2015	31.12.2016
Operating assets – PUBLICA Reinsurance	174 958 846	165 126 613
Liabilities and deferrals	19 588 491	14 141 255
Technical provisions	135 693 924	58 489 228
Working capital – Reinsurance	-	70 817 000
Fluctuation reserve	19 676 431	9 943 168
Uncommitted funds	-	11 735 962
Liabilities and available risk capital – PUBLICA Reinsurance	174 958 846	165 126 613

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.

Following the revision of the Regulations governing the Provisions and Reserves, technical provisions have been recalculated and reduced. The provisions no longer required have been reimbursed to the reinsured pension plans in the form of shares in surplus.

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5.2 Development of pension fund capital for active members

The balance sheet item "Pension fund capital – active members" contains the total statutory vested termination benefits for active members of CHF 16.0 billion (prior year: CHF 15.6 billion). The interest rate on retirement assets fixed by the parity commissions for the year under review is between 1.25% and 1.75% (prior year: 1.5% and 2.25%). The following table shows the development in pension fund capital during the period under review.

Pension fund capital – active members

31.12.2014 to 3	1.12.2016, in CHF	mn and percent
-----------------	-------------------	----------------



Scale: 1 bn = 4 mm, 1 percent = 1 mm

The other changes include corrections, bookings relating to other periods and exceptional bookings.

5.3 Total BVG retirement assets

BVG retirement assets

2016 with prior-year comparison, in CHF and percent

	Units	31.12.2015	31.12.2016
Total BVG retirement assets	CHF	5 036 823 663	5 183 895 081
BVG minimum interest rate, set by Federal Council	Percent	1.75%	1.25%

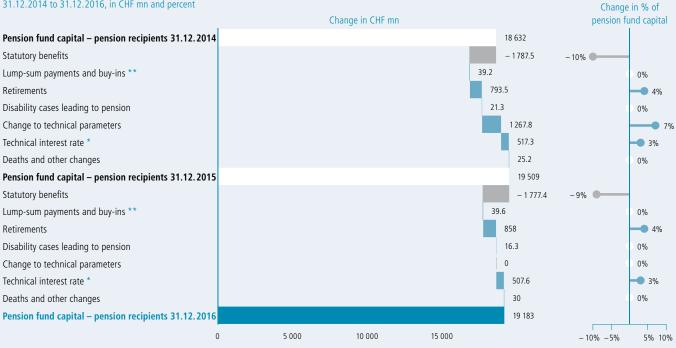
In addition to managing the pension fund capital of its active members, PUBLICA manages the retirement assets prescribed by the provisions of the BVG (shadow account). This ensures that the requirements for statutory minimum benefits are met in all cases. The reported BVG retirement assets are contained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

Development of pension fund capital for pension recipients 5.4

The pension fund capital for pension recipients corresponds to the net present value of current pensions including associated deferred annuities and decreased by CHF 326 million from the previous year's figure.







Approximate calculation

Buy-outs of pension reductions and pension buy-ins

Scale: 1 bn = 4 mm, 1 percent = 1 mm

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

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5.5 Composition, development and explanation of technical provisions

The technical provisions increased by CHF 145.1 million compared with the previous year.

Technical provisions

2016 with prior-year comparison, in CHF

Pension plans	31.12.2015	31.12.2016
Provision for change to technical parameters – active members	260 058 037	398 105 535
Provision for change to technical parameters – pension recipients	234 110 684	345 293 043
Provision for fluctuations in the membership of closed pension plans	53 884 062	55 578 259
Provision for outstanding claims (IBNR)	185 473 959	190 000 000
Provision for death and disability	108 795 000	76 000 000
Provision for guarantees (change of system)	107 386 861	106 985 501
Provision for cost-of-living adjustment and administrative expenses	26 226 885	26 268 439
Total technical provisions – pension plans	975 935 488	1 198 230 777
Total technical provisions – pension plans Reinsurance	975 935 488	1 198 230 777
	975 935 488 18 388 518	1 198 230 777 18 000 000
Reinsurance		
Reinsurance Provision for outstanding claims (IBNR)	18 388 518	18 000 000
Reinsurance Provision for outstanding claims (IBNR) Provision for death and disability	18 388 518 20 892 000	18 000 000
Reinsurance Provision for outstanding claims (IBNR) Provision for death and disability Provision for pricing	18 388 518 20 892 000 70 817 000	18 000 000 15 000 000
Reinsurance Provision for outstanding claims (IBNR) Provision for death and disability Provision for pricing Provision for hardship cases – active members / pensioners	18 388 518 20 892 000 70 817 000 14 053 610	18 000 000 15 000 000 - 14 118 949

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 essentially serve to meet a benefit obligation that is not taken into account in the pension fund capital and (unlike reserves) are to be allocated to specific causes. They are measured using recognised procedures and transparent assumptions.

Provision for changes to technical parameters

This provision wholly or partly funds the additional capital requirement resulting from an adjustment to the technical parameters. The initial level of the provision is set as of the reference date of introduction of updated mortality tables, and it is increased by at least 0.6% annually thereafter. This covers the future trend in life expectancy that is not reflected in the technical parameters applied. The provision can be additionally increased to wholly or partially cushion the impact on the benefits of active members and pension recipients resulting from a reduction in the conversion rate due to a change in the technical parameters.

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. The provision for fluctuations in the membership of closed pension plans is created to mitigate this risk.

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 corresponding 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 guarantees (change of system)

The provision for guarantees (change of system) is used to finance the pension components arising on the basis of Art. 25 of the PUBLICA Act (static guarantee of vested benefits).

Provision for cost-of-living adjustment and administrative expenses

Certain groups of pensioners no longer have an employer to assume their future administrative expenses. The provision for cost-of-living adjustments and administrative expenses 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.

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 pricing

The provision for pricing provides Reinsurance with time to adjust premiums in the event of an error in the actuarial basis. This provision was transferred to the Reinsurance working capital provision in the year under review.

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

See the confirmation from the Pension Actuary as at 31 December 2016 (point 12).

5.7 Actuarial tables and other actuarial assumptions

The calculations are based on the BVG 2010 actuarial tables (loaded) and static tables. The technical interest rate is 2.75% for the open pension plans and 2.25% for the closed pension plans. The results of past profit and loss analyses have shown that, where the risk results are concerned, the mortality of pension recipients among PUBLICA members is lower than the average of BVG 2010. For this reason, mortality rate predictions extrapolated to the year 2018 are used.

5.8 Changes to technical parameters and assumptions

No changes were made to the technical parameters and assumptions in 2016. Due to changes in the regulations, the method of calculating the provision for death and disability and the provision for fluctuations in the membership of the closed pension plans was adjusted. The provision for pricing is no longer maintained as an actuarial provision.



21 12 2016

34 43 3045

5.9 Funded ratio as per Art. 44 BVV2

The funded ratio as per Art. 44 BVV2 results from 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 BVV2

2016 with prior-year comparison, in CHF

	31.12.2015	31.12.2016
Actuarially required pension fund capital	36 151 749 025	36 460 114 062
Fluctuation reserve	259 798 210	1 032 226 746
Uncommitted funds (+)/underfunding (-)	- 207 436 251	11 735 962
Available assets	36 204 110 984	37 504 076 770
Funded ratio as per Article 44 BVV2	100.1%	102.9%

5.10 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 statutory retirement age are also taken into account. This potential obligation is derived from the current regulatory provisions on drawing an early retirement pension.

The corresponding calculations produced an economic funded ratio of 83.4% (prior year: 72.8%).

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, sticking close to a benchmark but 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 real estate or private corporate or infrastructure bonds 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 & Cie. in 2011. If PUBLICA Asset Management suddenly finds itself unable to manage the internally managed mandates itself, Pictet Asset Management 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 2016:

Asset management 2016

				_	Retrocessi	ons
Mandate		Asset manager	Licensing authority	Benchmark	Date of regulation	Received
Swiss government bonds	Swiss Federal Pension Fund PUBLICA	Bernische BVG– und Stiftungsaufsicht (CH) 1	Government bonds SBI	Index-tracking	-	prohibited
Non-government bonds CHF	Swiss Federal Pension Fund PUBLICA	Bernische BVG– und Stiftungsaufsicht (CH)	SBI AAA-A foreign borrowers (40%) and domestic borrowers (60%)	Index-tracking	_	prohibited
Non-government bonds CHF	Pictet et Cie	Swiss Financial Market Supervisory Authority FINMA (CH) ²	SBI AAA-A foreign borrowers (40%) and domestic borrowers (60%)	Index-tracking	12.08.2011	prohibited
Government bonds EUR	Swiss Federal Pension Fund PUBLICA	Bernische BVG– und Stiftungsaufsicht (CH) 1	JPM GBI Germany (50%), France (33%) and Netherlands (17%)	Index-tracking	_	prohibited
Government bonds USD	Swiss Federal Pension Fund PUBLICA	Bernische BVG– und Stiftungsaufsicht (CH)	JPM GBI USA	Index-tracking	-	prohibited
Government bonds GBP	Swiss Federal Pension Fund PUBLICA	Bernische BVG- und Stiftungsaufsicht (CH)	JPM GBI UK	Index-tracking	-	prohibited
Government bonds CAD	Swiss Federal Pension Fund PUBLICA	Bernische BVG- und Stiftungsaufsicht (CH)	JPM GBI Canada	Index-tracking	-	prohibited
Government bonds AUD	Swiss Federal Pension Fund PUBLICA	Bernische BVG- und Stiftungsaufsicht (CH)	JPM GBI Australia	Index-tracking	-	prohibited
Government bonds SEK	Swiss Federal Pension Fund PUBLICA	Bernische BVG- und Stiftungsaufsicht (CH)	JPM GBI Sweden	Index-tracking	-	prohibited
Inflation-linked government bonds EUR	Swiss Federal Pension Fund PUBLICA	Bernische BVG– und Stiftungsaufsicht (CH)	80% Barclays Euro Government EMU HICP-Linked Bond Index 1–10 Years 20% Barclays Euro Government EMU HICP-Linked Bond Index >10 Years	Index-tracking	-	prohibited
Inflation-linked government bonds USD	Swiss Federal Pension Fund PUBLICA	Bernische BVG- und Stiftungsaufsicht (CH) ¹	80% Barclays US Government Inflation-Linked Bond Index 1–10 Years 20% Barclays US Government Inflation-Linked Bond Index >10 Years	Index-tracking	-	prohibited
Currency hedging Inflation-linked government bonds	Russell Implementation Services Ltd	Financial Conduct Authority (UK) ⁴	Difference in relevant portfolio benchmark hedged vs. unhedged	Indexed	22.05.2014	prohibited
Public corporate bonds EUR	Union Investment Institutional GmbH	Federal Financial Supervisory Authority (DE) ⁴	Barclays EUR Corporate	Index-tracking	20.06.2011	prohibited
Public corporate bonds EUR	Standard Life Investments Limited	Financial Conduct Authority (UK) ⁴	Barclays EUR Corporate ex Financials	Index-tracking	25.08.2011	prohibited
Public corporate bonds USD	PIMCO Europe Ltd	Financial Conduct Authority (UK) ⁴	Barclays USD Corporate Intermediate	Index-tracking	04.05.2011	prohibited
Public corporate bonds USD	BlackRock Institutional Trust Company	Office of the Comptroller of the Currency (US) ⁴	Barclays USD Corporate Intermediate ex Financials	Index-tracking	04.05.2011	prohibited
Government bonds emerging markets hard currencies	UBS AG	Swiss Financial Market Supervisory Authority FINMA (CH) ³	JPM EMBIG Diversified Investment Grade (USD)	Index-tracking enhanced	26.02.2016	prohibited
Private corporate bonds	MetLife Investment Management Limited	Financial Conduct Authority (UK) ⁴	Barclays Global Agg Corp Composite Custom	Direct investments	29.09.2015	prohibited
Private corporate bonds	Pramerica Investment Management Limited	Financial Conduct Authority (UK) ⁴	Barclays Global Agg Corp Composite Custom	Direct investments	29.09.2015	prohibited
Private infrastructure bonds	MetLife Investment Management Limited	Financial Conduct Authority (UK) ⁴	Barclays Global Agg Corp Composite Custom	Direct investments	29.09.2015	prohibited
Private infrastructure bonds	Hastings Funds Management (UK) Limited	Financial Conduct Authority (UK) ⁴	Barclays Global Agg Corp Composite Custom	Direct investments	02.09.2015	prohibited
Currency hedging Corporate bonds foreign currency	Record Currency Management Limited	Financial Conduct Authority (UK) ⁴	Difference in relevant portfolio benchmark hedged vs. unhedged	Indexed	22.10.2008	prohibited
Government bonds emerging markets local currencies	Ashmore Investment Management Limited	Financial Conduct Authority (UK) ⁴	JPM GBI-EM Global Diversified	Index-tracking enhanced	21.02.2013	prohibited
Government bonds emerging markets local currencies	Investec Asset Management	Financial Conduct Authority (UK) ⁴	JPM GBI-EM Global Diversified	Index-tracking enhanced	21.02.2013	prohibited
Mortgages Switzerland	Swiss Federal Pension Fund PUBLICA	Bernische BVG– und Stiftungsaufsicht (CH) ¹	Based on lower interest-rate band BEKB variable mortgages	Direct investments	-	prohibited
Equities Switzerland	Credit Suisse AG	Swiss Financial Market Supervisory Authority FINMA (CH) ²	SMI	Indexed	01.12.2008	prohibited
Equities Switzerland	Pictet Asset Management SA	Swiss Financial Market Supervisory Authority FINMA (CH) ²	SMI	Indexed	02.12.2008	prohibited

Asset management

2016

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					Retrocessi	ons
Mandate		Asset manager	Licensing authority	Benchmark	Date of regulation	Received
Equities industrialised nations ex Switzerland ⁶	Credit Suisse Funds AG	Swiss Financial Market Supervisory Authority FINMA (CH) ³	MSCI (gross) Europe ex Switzerland (25%) ⁵ , North America (50%)5, Japan (10%) and Pacific ex Japan (15%)	Indexed	09.11.2005	prohibited
Equities industrialised nations ex Switzerland	BlackRock Advisors (UK) Limited	Financial Conduct Authority (UK) ⁴	MSCI (gross) Europe ex Switzerland (25%), North America (50%), Japan (10%) and Pacific ex Japan (15%)	Indexed	27.06.2005	prohibited
Currency hedging Equities industrialised nations ex Switzerland	Russell Implementation Services Ltd	Financial Conduct Authority (UK) ⁴	Difference in relevant portfolio benchmark hedged vs. unhedged	Indexed	28.10.2008	prohibited
Equities emerging markets ⁶	Pictet Asset Management SA	Swiss Financial Market Supervisory Authority FINMA (CH) ²	MSCI (net) Emerging Markets 5	Indexed	19.08.2010	prohibited
Equities emerging markets ⁶	Vanguard Asset Management Ltd	Financial Conduct Authority (UK) ⁴	MSCI (net) Emerging Markets	Indexed	19.08.2010	prohibited
Precious metals	Morgan Stanley & Co. International Plc	Financial Conduct Authority (UK) ⁴	S&P GSCI TR Precious Metals	Index-tracking (swaps)	02.11.2009	prohibited
Precious metals	JPMorgan Chase Bank, N.A.	Financial Conduct Authority (UK) ⁴	London Gold Price PM Auction USD	Indexed	20.05.2015	prohibited
Real estate Switzerland	Swiss Federal Pension Fund PUBLICA	Bernische BVG– und Stiftungsaufsicht (CH) ¹	KGAST Immo Index	Direct investments	_	prohibited
Real estate investments Switzerland	LIVIT AG	n/a	n/a	Direct investments	23.11.2011	prohibited
Real estate investments Switzerland	Von Graffenried AG Liegenschaften	n/a	n/a	Direct investments	27.06.2016	prohibited
Real estate investments Switzerland	Privera AG	n/a	n/a	Direct investments	27.06.2016	prohibited
Real estate investments Switzerland	psm Center Management AG	n/a	n/a	Direct investments	02.07.2012	prohibited
Real estate investments Switzerland	Mata Treuhand AG	n/a	n/a	Direct investments	02.07.2012	prohibited
Real estate investments Switzerland	Immosupport by Fritz und Caspar Jenny AG	n/a	n/a	Direct investments	14.05.2012	prohibited
Real estate investments Switzerland	Bilfinger Real Estate AG	n/a	n/a	Direct investments	01.07.2014	prohibited

Art. 48f para. 4 let. a. BVV2 registered pension plans under Article 48 BVG Art. 48f para. 4 let. d. BVV2 banks under the Banking Act

Art. 48f para. 4 let. f. BVV2 fund management companies Art. 48f para. 4 let. h. BVV2 fund management companies Art. 48f para. 4 let. h. BVV2 financial intermediaries operating outside Switzerland that are subject to supervision by a foreign supervisory authority

Each 50% MSCI capital-weighted, 25% MSCI minimum volatility and 25% MSCI fundamental weighted indices

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 banks:

Global Custodian (custodian bank for foreign securities and consolidation of all assets)	J.P. Morgan (Switzerland) Ltd Dreikönigstrasse 21 8022 Zurich	www.jpmorgan.com
CH Custodian (custodian bank for CH securities)	Credit Suisse Custody & Transaction Services Uetlibergstrasse 231 8070 Zurich	www.credit-suisse.com

6.2 Extensions to the range of permitted investments (Art. 50 BVV2)

The private corporate bonds and private infrastructure bonds alternative asset classes are implemented via diversified mandates and do not constitute collective investments within the meaning of Art. 53 para. 4 BVV2, so that the extension provided for in Art. 50 para. 4 BVV2 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 positive operating result, fluctuation reserves were created.

Target size and calculation of the fluctuation reserve 2016 with prior-year comparison, in CHF

	2015	2016
Fluctuation reserve 01.01	1 901 684 628	259 798 210
Change in fluctuation reserve debited (+)/credited (-) to income statement	- 1 641 886 418	772 428 536
Total fluctuation reserve 31.12	259 798 210	1 032 226 746
Fluctuation reserve deficit 31.12	12 389 906 611	9 418 274 476
Target fluctuation reserve	12 649 704 821	10 450 501 222
Fluctuation reserve as % of target	2.1%	9.9%
Target size of fluctuation reserve in % of pension fund capital and technical provisions	34.9%	28.7%

In accordance with the Regulations governing the Provisions and Reserves of PUBLICA, the fluctuation reserve takes account of two different elements: the fluctuation risk on investments and the fluctuation risk on pension liabilities.

The component of the fluctuation reserve set aside for investments ensures that investment risks can be borne. It is necessary to take on investment risks in order to achieve the target returns. The percentage specified depends on the risk/return characteristics of the strategic asset allocation, the safety level sought and the investment horizon. The minimum target value has been fixed, on the basis of a safety level of 97.5% and an investment horizon of one year, at 17.0% (prior year: 16.4%) of the sum of the pension fund capital and the technical provisions.

The component of the fluctuation reserve set aside to cover pension liabilities serves to absorb potentially higher liabilities. The target size of this reserve is 50% of the difference between the pension fund capital calculated using the technical interest rate and that calculated using the risk-free interest rate.



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 over time.

Strategic asset allocation – open pension plans 2016, in percent

2010, in percent	Allerenterent	Dura mata		Tactical bandwidths as a % of stra	ategy weighting
Asset class	Allocation at 31.12.2016	Pro rata strategy	Long-term - strategy	Minimum	Maximum
Money market	1.6 %	3.0%	3.0%	0%	200%
Swiss government bonds	5.7%	6.0%	6.0%	80%	120%
Non-government bonds CHF	11.0%	12.0%	10.0%	80%	120%
Government bonds EUR currency hedged	4.5%	4.5%	2.5%	50 %	150%
Government bonds USD currency hedged	4.7%	4.9%	1.5%	50%	150%
Government bonds GBP currency hedged	1.8%	2.0%	1.0%	0%	200%
Government bonds CAD currency hedged	1.8%	2.0%	1.0%	0%	200%
Government bonds AUD currency hedged	1.0%	1.0%	1.0%	0%	200%
Government bonds SEK currency hedged	0.5%	0.5%	1.0%	0%	200%
Government bonds industrialised nations ex Switzerland	14.3%	14.9%	8.0%	80%	120%
Inflation-linked government bonds EUR currency hedged	1.5%	1.5%	1.5%	50 %	150%
Inflation-linked government bonds USD currency hedged	4.7%	4.5%	4.5%	50 %	150%
Inflation-linked government bonds	6.2%	6.0%	6.0%	80%	120%
Public corporate bonds EUR currency hedged	7.1%	7.0%	7.0%	50 %	150%
Public corporate bonds USD currency hedged	7.1%	7.0%	7.0%	50 %	150%
Public corporate bonds ex CHF	14.2%	14.0%	14.0%	80%	120%
Private corporate bonds	0.6%	0.5%	2.0%	50%	150%
Private infrastructure bonds	0.7%	0.6%	2.0%	50%	150%
Government bonds emerging markets hard currencies	3.1%	3.0%	3.0%	80%	120%
Government bonds emerging markets local currencies	4.3%	4.0%	4.0%	80%	120%
Mortgages Switzerland	0.4%	0.0%	0.0%		
Equities Switzerland	3.1%	3.0%	3.0%	50%	150%
Equities Europe partially currency hedged	4.7%	4.3%	4.3%	50 %	150%
Equities North America partially currency hedged	9.0%	8.5%	8.5%	50 %	150%
Equities Pacific partially currency hedged	4.4%	4.3%	4.3%	50 %	150%
Equities industrialised nations ex CH partially currency hedged	18.1%	17.0%	17.0%	50%	150%
Equities emerging markets	9.6%	9.0%	9.0%	50%	150%
Precious metals partially currency hedged	1.9%	2.0%	2.0%	80%	120%
Real estate investments Switzerland	5.2%	5.0%	7.0%	80%	120%
Real estate investments ex Switzerland	0.0%	0.0%	4.0%	80%	120%
Total	100.0%	100.0%	100.0%		
Total not currency hedged	18.7%	17.7%	17.7%		
Total currency hedged	81.3%	82.3%	82.3%		

Strategic asset allocation – closed pension plans

2016, in percent

	Allocation at	Pro rata	Long-term -	Tactical bandwidths as a % of strategy weighting		
Asset class	31.12.2016	strategy	strategy	Minimum	Maximum	
Money market	3.1%	3.0%	3.0%	0%	200%	
Swiss government bonds	24.7%	26.0%	26.0%	80%	120%	
Non-government bonds CHF	9.3%	10.0%	10.0%	80%	120%	
Government bonds EUR currency hedged	1.5%	1.5%	1.6%	50%	150%	
Government bonds USD currency hedged	1.6%	1.7%	0.9%	50%	150%	
Government bonds GBP currency hedged	0.6%	0.7%	0.6%	0%	200%	
Government bonds CAD currency hedged	0.6%	0.7%	0.6%	0%	200%	
Government bonds AUD currency hedged	0.3%	0.3%	0.6%	0%	200%	
Government bonds SEK currency hedged	0.2%	0.2%	0.6%	0%	200%	
Government bonds industrialised nations ex Switzerland	4.8%	5.0%	5.0%	80%	120%	
Inflation-linked government bonds EUR currency hedged	1.3%	1.3%	1.3%	50%	150%	
Inflation-linked government bonds USD currency hedged	3.9%	3.8%	3.8%	50%	150%	
Inflation-linked government bonds	5.2%	5.0%	5.0%	80%	120%	
Public corporate bonds EUR currency hedged	6.7%	6.5%	6.5%	50%	150%	
Public corporate bonds USD currency hedged	6.7%	6.5%	6.5%	50%	150%	
Public corporate bonds ex CHF	13.4%	13.0%	13.0%	80%	120%	
Government bonds emerging markets hard currencies	5.3%	5.0%	5.0%	80%	120%	
Equities Switzerland	3.1%	3.0%	3.0%	50%	150%	
Equities Europe partially currency hedged	1.9%	1.8%	1.8%	50%	150%	
Equities North America partially currency hedged	3.7%	3.5%	3.5%	50%	150%	
Equities Pacific partially currency hedged	1.8%	1.8%	1.8%	50%	150%	
Equities industrialised nations ex CH partially currency hedged	7.4%	7.0%	7.0%	50%	150%	
Precious metals partially currency hedged	2.8%	3.0%	3.0%	80%	120%	
Real estate investments Switzerland	20.9%	20.0%	20.0%	80%	120%	
Total	100.0%	100.0%	100.0%			
Total not currency hedged	3.3%	3.4%	3.4%			
Total currency hedged	96.7%	96.6%	96.6%			

In the case of equity and bond investments from industrialised nations other than Switzerland, currency risks are 80% hedged and 100% hedged, respectively, using currency forwards. For economic reasons, currencies of emerging nations are not hedged. Derivative financial instruments are reported under the associated asset classes. Investments in the individual asset classes are presented in a detailed breakdown in the balance sheet.

6.4.1 Cash and cash equivalents, receivables

Cash and cash equivalents include operating cash from pension business, which is credited to strategic cash (money market) after each monthly closing.

At CHF 118.9 million, the current accounts of employers with contributing receivables are the largest single items under the item "Receivables". The employees' and employers' contributions are billed at the end of each month. The contributions for the month of December were due and payable on 31 December 2016.

6.4.2 Bonds

In 2016 the following adjustments were made on the basis of the long-term strategic asset allocations. The pro-rata weighting of nominal government bonds in foreign currencies in the open pension plans was reduced from 16.0% to 14.9%. The weighting of French and US government bonds was reduced in favour of two new portfolios of Australian and Swedish government bonds. In the closed pension plans, the weighting of "Swiss government bonds" was reduced from 31% to 26%.

In the "Public corporate bonds" asset class, the strategic allocations to USD and EUR were reduced from 8% to 7% for the open pension plans and left unchanged at 6.5% each for the closed pension plans. The



four mandates are implemented in line with an index, with two partners each replicating a benchmark without taking account of the financial sector.

For the open pension plans, the strategic allocation to "Government bonds emerging markets in local currencies" was reduced by one percentage point to 4%. The portfolio management guidelines permit active elements to steer the country and currency allocations and avoid the disadvantages of classic replication of bond benchmarks.

The strategic allocation to "Government bonds emerging markets in hard currencies" approved by the Board of Directors was implemented progressively from March 2016 onwards, and completed in August with an allocation of 3% for the open pension plans and 5% for the closed pension plans. These bonds are issued by emerging markets in US dollars and the currency risk is fully hedged.

6.4.3 Mortgages

Mortgage loans amounting to CHF 133.1 million (prior year: CHF 150.9 million) were granted to housing cooperatives.

6.4.4 Equities

The equity portfolios are managed fully in line with an index by a total of four external partners. The benchmark for each portfolio is the relevant regional MSCI index (reinvested), with the exception of Switzerland, where the Swiss Market Index (SMI reinvested) is used. The benchmarks and the weightings within the extended benchmarks are unchanged from the previous year. As in the previous year, no investment was made in Transocean in either of the SMI mandates during 2016. The company was delisted from the Swiss exchange at its own request on 31 March 2016 and is thus no longer included in the SMI. In accordance with the index rules, the SIX Swiss Exchange accepted the Swiss Life Holding share into the SMI. As of 1 April 2016, the two Swiss mandates therefore correspond exactly to the SMI once again.

As of 23 December 2016, FINMA approved an application for the creation of two new sub-funds in the PUB Institutional Fund Umbrella. During the first quarter of 2017, the Europe ex Switzerland and North America equity mandates can therefore be incorporated into the new sub-funds as contributions in kind.

6.4.5 Commodities and precious metals

The commodity portfolios underwent a further substantial restructuring in the year under review. Based on the ALM study 2015 the Board of Directors decided in January 2016 to liquidate the energy investments in their entirety. The collateral previously used to underpin the energy futures and the excess return swap was used to further increase the inflation-linked government bonds in accordance with the strategic asset allocation.

No changes were made to the precious metals portfolio. The strategic weighting, consolidated over the two strategic asset allocations, remains unchanged from the prior year, at 2.1%. As at the end of 2016, one third of the portfolio consisted of the excess return swap, with the remaining two thirds in a physical gold hold-ing. PUBLICA manages funding internally and collateral is exchanged daily.

6.4.6 Private corporate bonds

In January 2016 the Board of Directors confirmed the build-up of this new asset class, assigning it a strategic weighting of 2% in the new strategic asset allocation. To the end of the year, the two external partners made 43 investments with a total volume of CHF 185 million.

6.4.7 Private infrastructure bonds

In January 2016 the Board of Directors confirmed the build-up of this new asset class, assigning it a strategic weighting of 2% in the new strategic asset allocation. To the end of the year, the two external partners made 15 infrastructure investments with a total volume of CHF 220 million.

6.4.8 Real estate

PUBLICA's real estate portfolio comprises a total of 67 properties at average to very good locations in three principal segments – residential, office and retail – as well as one unbuilt plot of land. After deduction of deferred taxes amounting to CHF 106.4 million (point 7.3), the net asset value (NAV) stands at CHF 2.5 billion. The overall performance for 2016 is 9.81% (including change in deferred taxes). High demand for real estate is also being reflected in revaluation gains, which contributed a total of 4.95 percentage points (including change in deferred taxes). The largest revaluation gains are on residential properties.

6.5 Current (open) derivative financial instruments

As at 31 December 2016, the following derivative positions were open:

Current (open) derivative financial instruments and collateral

2016 with prior-year comparison, in CHF

31.12.2016	Net replacement value	Net total exposure in mn	Collateral received	Collateral pledged
Interest-rate swaps	25 279 637	175	25 085 572	-
Commodity swaps	- 3 350 895	166	-	5 744 089
Currency forwards	- 155 112 541	19 365	-	364 903 871
Equity futures	622 618	95	-	_
Commodity futures	-	-	-	
Bond futures	418 680	75	-	_
31.12.2015	Net replacement value	Net total exposure in mn	Collateral received	Collateral pledged
Interest-rate swaps	29 399 750	175	30 105 263	_
Commodity swaps	- 48 033 214	537	-	44 704 092
Currency forwards	- 213 567 680	19 004	-	127 612 590
Equity futures	256 480	77	-	_
Commodity futures	- 22 576 106	230	-	-
Bond futures	- 75 674	18	-	_

Interest-rate swaps are used to control interest-rate risks. One third of the investment in precious metals is replicated via a corresponding swap transaction. Currency forwards are used for strategic hedging of the currency risks arising from bond and equity investments in industrialised nations other than Switzerland and reduce the currency risk to which the portfolio as a whole is exposed. Equity futures are used to efficiently reinvest dividends already contained in the equity indices but not yet paid out.

PUBLICA employs a prime brokerage set-up to ensure the efficient management of counterparty risks in its currency hedging programmes. As at end-2016, 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 on payment of a fee. The only counterparty risk is 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.

To hedge the counterparty risks involved in interest-rate swaps, these too are covered by collateral.

The necessary collateral for all exposure-increasing derivatives is available in the form of cash and cash equivalents. This means there is no leverage effect on the overall portfolio.



6.6 Open capital commitments

There are no open capital commitments as at 31 December 2016.

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 2016 securities valued at CHF 1,172.7 million were on loan (compared with CHF 1,213.5 million as at 31 December 2015).

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 influence 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

2016 in CHF and percent, after deduction of all asset management expenses

	Portfolio performance	Benchmark performance	Difference portfolio – benchmark	Investments CHF mn
Money market	- 0.41%	- 0.91%	0.50%	673
Swiss government bonds	2.00%	2.07%	- 0.07%	2 839
Non-government bonds CHF	1.15%	1.01%	0.14%	4 158
Government bonds EUR	3.41%	3.41%	0.00%	1 554
Government bonds USD	- 0.77%	- 0.96%	0.19%	1 643
Government bonds GBP	8.57%	8.52%	0.05%	621
Government bonds CAD	- 2.10%	- 2.16%	0.06%	643
Government bonds AUD	- 5.61%	- 5.44%	- 0.17%	353
Government bonds SEK	- 3.04%	- 2.74%	- 0.30%	187
Government bonds industrialised nations ex Switzerland	1.71%	1.62%	0.09%	5 001
Inflation-linked government bonds	2.95%	2.76%	0.19%	2 302
Public corporate bonds EUR	4.58%	4.39%	0.19%	2 651
Public corporate bonds USD	2.27%	2.05%	0.22%	2 645
Public corporate bonds ex CHF	3.41%	3.22%	0.19%	5 296
Private corporate bonds	8.01%	6.60%	1.41%	185
Private infrastructure bonds	8.26%	9.19%	- 0.93%	220
Government bonds emerging markets hard currencies	2.32%	2.18%	0.14%	1 243
Government bonds emerging markets local currencies	11.88%	11.63%	0.25%	1 440
Mortgages Switzerland	1.57%	2.26%	- 0.69%	133
Equities Switzerland	- 3.38%	- 3.38%	0.00%	1 149
Equities industrialised nations ex Switzerland	8.19%	8.35%	- 0.16%	6 361
Equities emerging markets	12.92%	13.24%	- 0.32%	3 213
Precious metals	9.04%	8.38%	0.66%	733
Real estate investments Switzerland	9.81%	5.52%	4.29%	2 538
Total	5.06%	4.71%	0.35%	37 484
Total without currency hedging	5.92%	5.59%	0.33%	37 632
Open pension plans	5.16%	4.87%	0.29%	33 570
Closed pension plans	4.33%	3.38%	0.95%	3 812
Reinsurance	1.13%	1.01%	0.12%	102



6.10 Asset management expenses

With a cost transparency level of 100%, asset management expenses stand at 21.4 basis points (prior year: 20.1 basis points). Asset management expenses are made up of the main items listed in the following table:

Asset management expenses

2016 with prior-year comparison, in CHF

	2015	2016
External asset managers – securities	- 23 302 085	- 22 788 052
External asset managers – real estate	- 6 333 570	- 6 177 816
External asset managers – mortgages	- 188 228	- 168 356
Internal asset managers – securities	- 5 219 880	- 5 212 010
Internal asset managers – real estate	- 2 545 661	- 2 755 139
Asset manager expenses	- 37 589 424	- 37 101 373
Custody fees and management	- 6 552 963	- 7 549 357
Custodian expenses	- 6 552 963	- 7 549 357
TER costs	- 44 142 386	- 44 650 728
Stamp tax	- 9 965 308	- 12 084 058
Withholding tax (not reclaimable)	- 11 927 996	- 16 724 644
Other taxes	-	_
Taxes	- 21 893 304	- 28 808 702
Trading fees, commissions, other costs	- 7 614 481	- 5 568 847
Transaction expenses	- 7 614 481	- 5 568 847
Transaction expenses and taxes (TTC costs)	- 29 507 785	- 34 377 549
Investment Controller	- 179 280	- 179 280
Other consultancy (legal, tax, ALM, etc.)	- 489 446	- 289 000
Other expenses (SC costs)	- 668 726	- 468 280
Total asset management expenses	- 74 318 897	- 79 496 557
Average cost-transparent capital investments	37 045 538 416	37 144 243 674
TER expenses (costs) in basis points	11.9	12.0
Transaction expenses and taxes in basis points	8.0	9.3
Other expenses in basis points		0.1
Asset management expenses in basis points	20.1	21.4
Total of all key cost figures reported in the income statement in CHF for collective investment schemes	-	
Cost transparency level	100%	100%

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 12.0 basis points (prior year: 11.9 basis points) should be applied.

Asset management expenses do not include the custodian fees in connection with securities lending amounting to CHF 1.1 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 0.4 million (prior year: CHF 0.6 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 BVV2 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 employers' contribution reserves 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. The employers' contribution reserve was used in particular for voluntary deposits into the fluctuation reserve, employers' contributions and to provide additional interest on active members' pension fund capital. One pension fund decided during the year to waive the use of the employers' contribution reserves, but reversed this before the end of the year.

The interest rate on the employers' contribution reserve depends on the funded ratio and the BVG minimum interest rate, but cannot be negative.

Employers' contribution reserves

2015	2016
25 647 907	31 354 607
9 603 512	7 716 802
- 3 981 826	- 1 061 726
85 015	80 329
31 354 607	38 090 013
	25 647 907 9 603 512 - 3 981 826 85 015



7 Note on other items in the balance sheet and income statement

7.1 Operating assets / liabilities

The operating assets/liabilities comprise the following:

Operating assets and liabilities – PUBLICA Operations

2016 with prior-year comparison, in CHF

	31.12.2015	31.12.2016
Current assets	16 041 226	17 855 603
Investment assets	2 731 619	1 880 069
Operating assets – PUBLICA Operations	18 772 845	19 735 672
Debt	5 665 886	6 442 882
Working capital	13 106 959	13 292 789
Liabilities – PUBLICA Operations	18 772 845	19 735 672

7.2 Administrative account – 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 point 6.10 in asset management expenses under the items "Internal asset managers", "Other expenses", and as a component of custodian expenses. The item "Marketing and advertising" includes the general administrative expenses in connection with customer acquisition.

Administrative expenses

2016 with prior-year comparison, in CHF

	2015	2016
Personnel expenses	- 18 841 928	- 18 716 410
General administrative expenses	- 10 251 635	- 9 771 207
Financial expenses	- 225 783	- 164 784
Apportionments to Asset Management	10 124 275	9 928 074
General administration	- 19 195 072	- 18 724 327
Marketing and advertising	- 8 297	- 19 579
Statutory Auditors	- 230 542	- 230 542
Pension Actuary	- 207 892	- 245 738
Supervisory authority	- 83 890	- 20 047
Administrative expenses	- 19 725 693	- 19 240 233
No. of active members	63 463	63 863
No. of pension recipients	42 894	42 533
Total active members and pension recipients	106 357	106 396
Administrative expenses per active member/pension recipient	185	181

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, changes). They are charged according to the quantity used.

7.3 Non-technical provisions

The cost premiums paid by employers are compared with the administrative costs actually caused. Surpluses of CHF 3.8 million flow into the non-technical provisions of the pension plans. They are used to fund uncovered administrative costs.

Non-technical provisions

2016 with prior-year comparison, in CHF

	31.12.2015	31.12.2016
Provision for cost fluctuations	34 780 365	38 570 704
Deferred taxes	47 680 030	106 398 808
Provision for working capital – Reinsurance	-	70 817 000
Non-technical provisions	82 460 395	215 786 512

Under Art. 27 and 43 of the Regulations governing the Provisions and Reserves, 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 target values, negotiations are conducted with the employers concerned with a view to setting new cost scales, unless otherwise agreed.

Deferred taxes on the real estate portfolio were increased by CHF 58.7 million (prior year: CHF 10.3 million) in the year under review. The effect of the one-off valuation adjustment on the effective holding period is CHF 33.9 million. Changes are booked and released via the corresponding account in the income statement.

The Reinsurance working capital provision of CHF 70.8 million ensures the sustainability of the reinsurance concept.

8 Requirements of the supervisory authorities

No special requirements are currently imposed by the supervisory authorities. PUBLICA was asked by the regulatory authority for occupational pension schemes of the Canton of Bern (Bernische BVG- und Stiftungsaufsicht (BBSA)) to comment on Art. 50 para. 2 BVG. This article stipulates that, from 1 January 2015 onwards, institutions under public law may issue either the financing or benefit provisions of their pension scheme, but not both. The interpretation of this provision and possible conflicts with the provisions of federal personnel law are the subject of ongoing discussions with the Federal Department of Finance.



9 Further information concerning the financial situation

9.1 Underfunded pension plans

As of 31 December 2016 none of the pension plans was underfunded.

PUBLICA monitors the situation of the closed pension plans closely, as the options for closed, pensioner-only memberships to remedy underfunding are limited and additional financial support may be required. The Board of Directors of PUBLICA has therefore initiated discussions with the Confederation with the aim of drawing up a proposal for securing the financial stability of the closed pension plans over the long term.

9.2 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.

9.3 Ongoing legal proceedings

The legal proceedings currently ongoing relate to individual cases and are not an indicator of systematic problems.

9.4 Collective departures

Collective departures are mentioned in section 1.6.1.

10 Post-balance sheet events

There have been no extraordinary events since the balance sheet date.

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Report of the Statutory Auditor to the Fund Commission of the

Swiss federal pension fund PUBLICA, Bern

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the financial statements of Swiss federal pension fund PUBLICA, which comprise the balance sheet, operating accounts and notes (pages 35 to 66) for the year ended 31 December 2016.

Fund Commission's Responsibility

The Fund Commission is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the regulations. This responsibility includes designing, implementing and maintaining an internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Fund Commission is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibility of the expert in occupational benefits

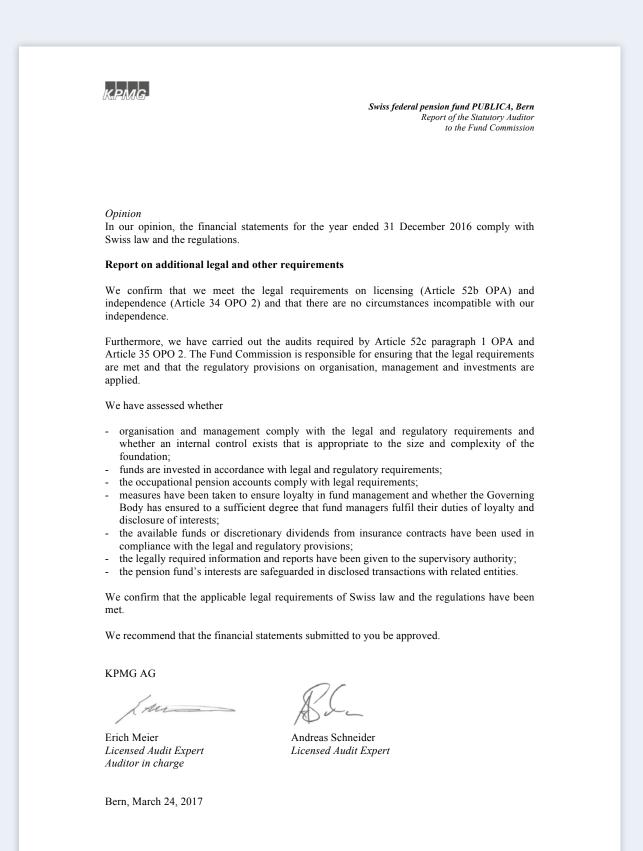
In addition to the auditor, the Fund Commission appoints an expert in occupational benefits to conduct the audit. The expert regularly checks whether the occupational benefit scheme can provide assurance that it can fulfil its obligations and that all statutory insurance-related provisions regarding benefits and funding comply with the legal requirements. The reserves necessary for underwriting insurance-related risks should be based on the latest report provided by the expert in occupational benefits in accordance with Article 52e paragraph 1 of the Occupational Pensions Act (OPA) and Article 48 of the Occupational Pensions Ordinance 2 (OPO 2).

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG AG/SA, a Swits corporation, is a subsidiary of KPMG Holding AG/SA, which is a member of the KPMG network of independent firms affiliated with KPMG International Cooperative (KPKMB international), a Swits legal entity.



12 Confirmation from the Accredited Pension Actuary

ALLVISA VORSORGE

Mandate

Allvisa AG was mandated by the Board of Directors of the PUBLICA Collective Institution (hereinafter referred to as the "Pension Fund") to prepare an actuarial report as at 31 December 2016 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 the directive BV W-03/2013 of the Occupational Pension Supervisory Committee;
- the actuarial report was prepared in accordance with the principles and guidelines of the Swiss Association
 of Actuaries and the Swiss Chamber of Pension Actuaries.

Available documents

We received the data for the active insured and pensioners that are relevant to the calculations from the Pension Fund's management. The Pension Fund confirmed by e-mail of 20 January 2017 that the figures as reported are definite and that the same numbers of insured members were used for the balance sheet.

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	16,020,447,140
-	Total pension capital of pensioners:	CHF	19,182,946,916
-	Total technical provisions:	CHF	1,256,720,006

Confirmation by pension actuary

In compliance with our duties as pension actuary, we confirm as at 31 December 2016 that

- we are of the opinion that the technical interest rates of 2.75% and 2.25% that are applied are not appropriate (see comments under "Recommendations");
- we are of the opinion that the BVG 2010 (PY 2018) actuarial tables applied to the Pension Fund are appropriate;
- the consolidated funding ratio pursuant to Art. 44 BVV 2 is 102.9%;
- the consolidated economic funding ratio is 83.4%;
- the Pension Fund offers sufficient guarantee that it can fulfil its obligations (Art. 52e para. 1(a) BVG);
- the funding ratio pursuant to Art. 44 BVV 2 of the open pension plans is 102.3%, while the funding ratios of the individual open pension plans range from 101.3% to 104.9%;

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ALLVISA VORSORGE

- the risk capacity of the open pension plans is limited;
- the funding ratio pursuant to Art. 44 BVV 2 of the closed pension plans is 107.7%, while the funding ratios of the individual closed pension plans range from 104.5% to 115.0%;
- the risk capacity of the closed pension plans is limited;
- the consolidated value fluctuation reserve equals 9.9% of its target value;
- 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 Board of Directors intends reducing the technical interest rate for the open pension plans from 2.75% to 2.00% and for the closed pension plans from 2.25% to 1.25% from 1 July 2018. The intention is also to switch from the BVG 2010 (PY 2018) actuarial tables to the BVG 2015 (PY 2021) actuarial tables. These measures should improve the stability of the pension plans.

Recommendations

As the **closed pension plans** no longer have any insured members, there is no rehabilitation potential. This should be considered when measuring the liabilities. We therefore recommend that the Board of Directors adopts a more conservative valuation of the liabilities of the closed pension plans.

According to the Pension Fund, the short-term yield that is expected from the investment strategy of the **closed pension plans**, which should take account of the fact that there is no rehabilitation potential, is 0.5% (long-term yield 0.9%). To ensure the financial equilibrium of the closed pension funds, the technical interest rate should be between 0.0% and 0.3% if the actuarial tables continue to apply as demographic tables. With this approach, the expected return on investment would also finance the increase in life expectancy (0.6 percentage points of the pension liabilities per year). This means that the intended reduction of the technical interest rate to 1.25% from 1 July 2018 is not enough.

As an alternative it should be considered whether the rehabilitation potential can be reinstated, for example by way of a guarantee issued by the Federal government.

According to the Pension Fund, the short-term yield that is expected from the investment strategy of the **open pension plans** is 1.8% (long-term yield 1.7%). After the intended reduction of the technical interest rate to 2.0%, the target return will still be more than 2%, even if the pension assets of the active insured should only earn 1.0% interest. This means that the intended reduction of the technical interest rate to 2.00% from 1 July 2018 is not enough. This does not ensure financial equilibrium. It should also be assumed that it will not be possible to reach interest rate equality of the insured and pensioners within the next few years.

ALLVISA VORSORGE

We therefore recommend to the Board of Directors to review the technical interest rate for the open pension plans after the reduction to 2.00% at the latest in 2020 again (= when the new actuarial tables will be published).

Zurich, 24 March 2017

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Thank you for your interest.

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