

# Hitachi Group Pension Fund

## Short Annual Report 2021

Key figures	2021	2020
Capital investments and participations in CHF	661 079 074	565 563 198
Income (+) / expenditure (-) surplus in CHF	45 689 503	62 789 948
Employer contributions in CHF	25 618 610	12 353 402
Employee contributions in CHF	18 056 085	8 639 315
Pension benefits in CHF	1 389 270	131 755
Capital benefits in CHF	7 346 042	2 713 576
Return on capital investments in % <sup>1)</sup>	10.38	4.88
Coverage ratio in %	120.1	112.7
Fluctuation reserve in % <sup>2)</sup>	20.1	12.7
Target fluctuation reserve in % <sup>2)</sup>	21.5	21.1

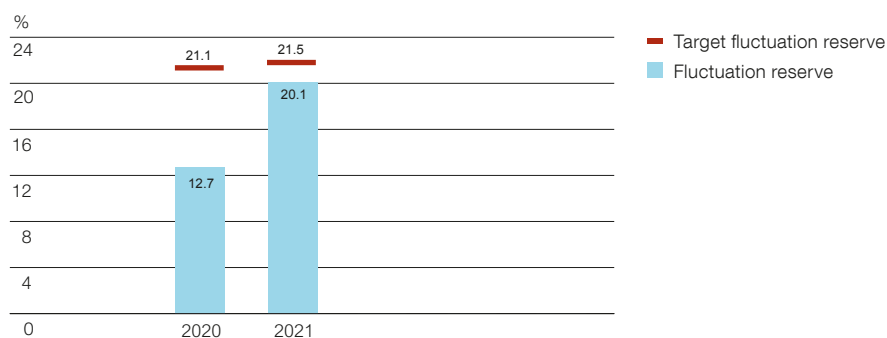
<sup>1)</sup> 1.1.–31.12.2021; 1.7.–31.12.2020

<sup>2)</sup> As a percentage of pension liabilities (savings and coverage capital) and actuarial reserves

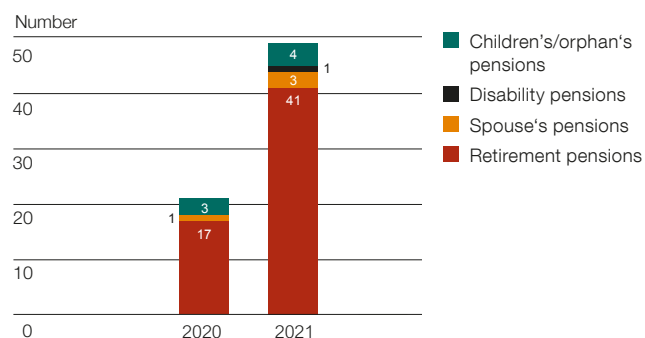
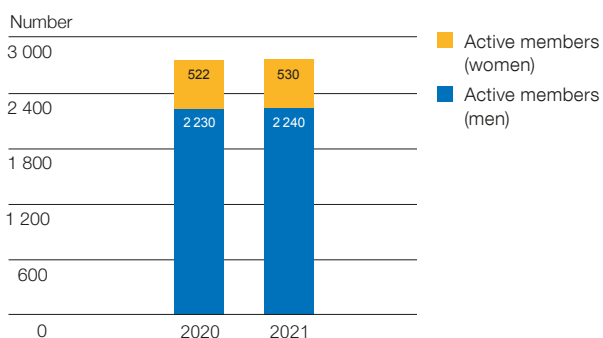
Membership	2021	2020
Members	2 770	2 752
Pensioners	49	21
<b>Total</b>	<b>2 819</b>	<b>2 773</b>

Benefits	2021	2020
Pension increase in CHF	-	-
One-time bonus for pensioners in CHF	-	-
Conversion rate at 65 in %	5.45	5.65
Interest on savings capital in %	2.00	2.00
Actuarial interest rate	1.75	1.75

### Fluctuation reserve



### Breakdown active members/pensioners



### Excellent result in 2021

With the approval of effective vaccines against Covid-19, hopes of an early return to normal economic and social life emerged at the beginning of 2021. In response, the financial markets boomed. Announcements by the central banks that they would hold off on raising interest rates despite high inflation added further impetus, with the stock markets benefiting in particular, leading to a sharp rise over the course of the year. The Pension Fund generated an excellent return of 10.38% in the 2021 investment year.

The coverage ratio rose to 120.1% and an amount of CHF 6.9 million was allocated to the Fund in favour of the members. The Board of Trustees will take a decision regarding the further use of these funds.

### Interest on savings capital in 2021 and 2022

In 2021, the savings capital of the active members was subject to a 2.0% interest rate (1.0% BVG interest + 1.0% additional interest compensating for the reduction of the conversion rate; financed by the employer).

For 2022, the Board of Trustees has set an interest on savings capital of 1.0% (BVG interest rate). Furthermore, a 1.0% additional interest will be credited to compensate for the reduction of the conversion rate. The costs of the additional interest are borne by the employer.

According to a Board of Trustees resolution, current pensions were not adjusted as of 1 January 2022.

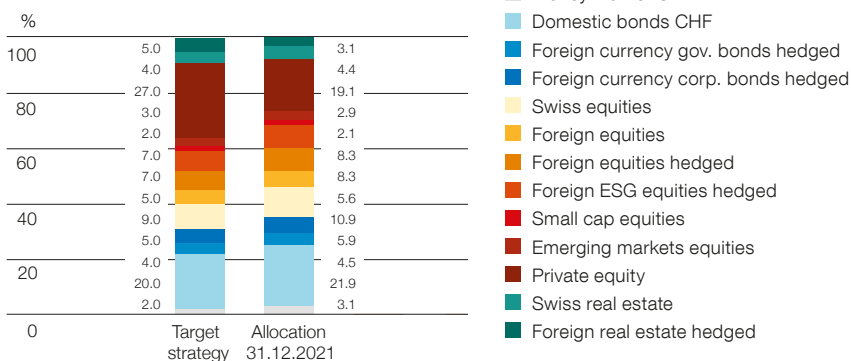
### In light of recent events

Given the current geopolitical circumstances resulting from the war in Ukraine and its impact on the global economy and financial markets, the Board of Trustees is keeping a close eye on the development of the financial investments with a view to making adjustments if necessary.

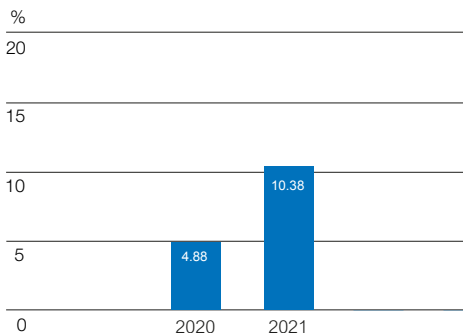
<b>Balance sheet</b>	31.12.2021 CHF	31.12.2020 CHF
<b>Assets</b>		
Capital investments and participations	661 079 074	565 563 198
Other assets	2 712 679	1 268 897
<b>Total assets</b>	<b>663 791 753</b>	<b>566 832 095</b>
<b>Liabilities</b>		
Liabilities and accruals	15 969 837	9 053 330
Employer contributions reserve	0	0
Active members' liabilities (savings capital)	461 015 808	443 519 351
Pensioners' liabilities (coverage capital)	27 078 791	11 648 740
Actuarial reserves	51 247 865	39 820 726
Fluctuation reserve	108 479 451	62 789 948
Foundation capital, disposable assets	0	0
<b>Total liabilities</b>	<b>663 791 752</b>	<b>566 832 095</b>

<b>Operating Account</b>	1.1.–31.12.2021 CHF	1.7.–31.12.2020 CHF
Regulatory contributions	43 674 695	20 992 717
Vested benefits, purchase, one-time payments	29 633 072	537 038 540
<b>Inflow from contributions and entry benefits</b>	<b>73 307 768</b>	<b>558 031 257</b>
Retirement, survivors' and disability benefits	-8 735 312	-2 845 331
Termination benefits	-30 898 098	-9 901 568
Advance withdrawals for home ownership / divorce	-2 747 749	-1 807 824
<b>Outflow for benefits and withdrawals</b>	<b>-42 381 159</b>	<b>-14 554 723</b>
Accrual pension plan capital, actuarial and contribution reserves	-44 353 647	-494 988 817
Security fund contributions	-240 451	-200 000
<b>Net result from insurance activities</b>	<b>-13 667 490</b>	<b>48 287 717</b>
Net result from investment of assets	60 273 764	15 047 742
Other income	87 256	0
Administration expenses	-1 004 026	-545 511
Accrual fluctuation reserve	45 689 503	-62 789 948
<b>Income surplus</b>	<b>0</b>	<b>0</b>

#### Investment strategy in %



#### Return on capital investments (in 2020, period 1.7.–31.12.2020)



## Official Bodies

### Board of Trustees

#### Employer representatives

(Term of office 1.7.2020–30.6.2024)  
 Ron Steijn (Chairman)  
 Christoph Käubler  
 Katharina Ohlhoff  
 Rafaela Vogt

#### Employee representatives

(Term of office 1.7.2020–31.3.2024)  
 Jörg Lehmann (Vice Chairman)  
 Robert Fellmann  
 Jeannette Müller  
 Nathalie Thürwächter

#### Investment Risk Committee (IRC)

(Term of office 1.1.–31.12.2021)  
 Jörg Lehmann (Chairman)  
 Katharina Ohlhoff (Vice Chairman)  
 Marco Bagutti (external consultant)  
 Ron Steijn  
 Michael J. Theurillat (external consultant)  
 Nathalie Thürwächter

#### General management (Avadis Vorsorge AG)

Katrin Wagner (General Manager)  
 Joachim Schrott (Dep. General Manager)

#### Occupational benefits expert

Christoph Plüss, Allvisa AG, Zurich

#### Auditor

PricewaterhouseCoopers Ltd., Zurich

#### Asset management

Avadis Investment Foundation and Avadis Investment Foundation 2, Zurich  
 AFIAA Investment Foundation for International Real Estate Investments, Zurich

#### Investment consultant ALM study

Roger Baumann, c-alm AG, St. Gallen

#### Supervisory authority

BVSA, BVG- und Stiftungsaufsicht Aargau, Aarau

#### Further information

The full annual report is legally binding.  
 It can be obtained at <https://www.hitachienergy.com/career/about-us/vorsorge>.

#### Hitachi Group Pension Fund

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