

Report of the Board of Trustees 2007

The results for 2007 have shown that the path chosen by the Board of Trustees in 2005 was a good one. The policy of increasing the number of affiliated companies and the setting up of a management structure, composed of the Chairman, Vice-Chairman and Manager of the Foundation, suitable for sustained growth, has borne its fruits and is enabling the future to be envisaged with confidence.

The handling of current affairs having been delegated to the Management, the activities of the Board of Trustees has mainly been concerned with the following points:

- The investment management included a rigorous follow-up. According to the figures obtained from our depository bank, the overall performance of the managed assets, including the real estate portfolio, has increased by nearly 5%. This excellent result, exceptional in comparison with other institutions of the same type, has enabled the Board of Trustees to set the remuneration of all the committed funds at 3%.
- In order to obtain the desired development, a marketing agreement has been concluded with Hpr, independent of the already existing agreement relating to the administrative, technical and accounting management of the Foundation. The sales activity has been placed under the responsibility of François Blaszczyk, former member of the Board of Trustees and now member of the management of Hpr. The sales efforts that had already taken off in 2006, have generated 76 new affiliations and contributed, in 2007, to the increase in pension capital by 50.86% to CHF 204.24 million. Despite a structural dilution of the degree of coverage caused by these considerable contributions, it has remained above 110%, largely due to the good results obtained in the asset management. The marketing efforts authorised in 2007 by Hpr, as well as the many brokers who have shown us their confidence, have enabled a new substantial increase in the affiliations to be predicted in 2008, in addition to a substantial growth in capital.
- Having regard to the importance of the real estate portfolio contribution to the investment results, the Board of Trustees has decided to allocate an average of one third of the Foundation's investments to this category of assets. This policy, as well as the sale of certain buildings with a limited potential, has justified some new acquisitions during the accounting period.
- In order to make consultation easier and more attractive, the Internet site has been completely renewed. From the month of May 2008, it will offer the possibility for the affiliates and insured to consult their own accounts directly and to carry out simulations.
- An unsatisfactory situation had compelled the Foundation to cancel its existing reinsurance agreements with La Bâloise. Although the renegotiation of the contract enabled a reduction in the premiums, the Board considered that other improvements were still possible. Some approaches will be made with the reinsurer in this direction.

After ten years of collaboration with its former expert, the Board considered it opportune to carry out a change. Following meetings with several high-quality candidates, its choice fell upon M. Christophe Steiger of NTY in Montreux.

The Board of Trustees is globally satisfied with the year under review and will continue in 2008 to work in the same spirit. Special attention will be accorded, however, to controlling the administrative expenses, and especially the covering of them by the contributions of the affiliated companies.

The Board wishes to thank, once more, all our partners, without whom such results would not have been possible.

For the Board of Trustees

Christina Rancic

Chairwoman of the Board of Trustees



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