

Management Report point

The 2024 financial year at a glance

2024: a year of transformation and consolidation

On the eve of the second pillar pension scheme's 40th anniversary, 2024 marked a major milestone for Fondation Collective Groupe Mutuel, with the transformation of the foundation into an open platform, bringing together several independent entities, and the introduction of innovative pension solutions.

In this context, Groupe Mutuel Prévoyance-GMP adopted a new organisational structure as a member of Fondation Collective Groupe Mutuel. With 2,919 affiliated companies and 29,840 insureds who paid contributions during the past financial year, GMP is the largest entity. The growth in turnover (+6.2%) and the increase in the balance sheet total (more than CHF 3 billion) bear witness to the fact that it is now a recognised pension solution.

The past year can also be described as "remarkable" in financial terms. Investment activities generated a return of 7.8%, which allowed a significant proportion of the profits to be distributed to insured members and our financial security to be strengthened. GMP's coverage ratio stands at 114.1%.

Coverage ratio in accordance with Art. 44 OPP2/BVV2 as of 31.12. in CHF

	2024	2023
Total assets	3 153 988 165	2 781 725 030
Commitments	-97 203 969	-66 339 244
Accruals and deferred income	-22 307 940	-21 532 697
Employer contribution reserve	-15 904 015	-16 794 464
Available assets as of 31.12.	3 018 572 242	2 677 058 625
Pension fund assets and pensioners	2 598 518 516	2 230 098 428
Members' uncommitted funds	3 230 072	3 639 601
Technical provisions	43 876 616	59 576 616
Pension fund assets and technical provisions	2 645 625 204	2 452 295 864
Coverage ratio	114.10%	109.17%

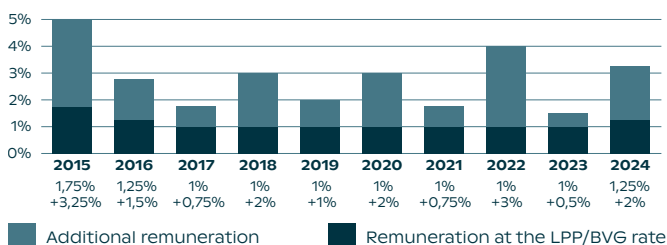
A high-performance platform now available to insured employees

At the beginning of 2024, a new IT application for pension management was made available to internal managers, customers and brokers. From July 2024, insured members were also able to log on to the portal and access all the information relating to their pension and retirement account in real time.

New interest allocation method

On 1 January 2024, insured employees received the LPP/BVG rate of 1.25%, to which was added the 0.75% share of the previous year's result, for contracts in force during the previous year. As of 31 December 2024, the pension fund committee decided to add 1.25% as a distribution of the result for the year 2024. As a result, insured persons received a maximum rate of 3.25% in 2024. The policy of distributing high interest rates has therefore been upheld year after year.

From 2025, the interest allocation method will change. From now on, the minimum LPP/BVG rate will be applied during the financial year, and the surplus will be allocated in December, based on the result for the ongoing financial year. This method is in line with current market practice and provides greater clarity for insured members.



Merger of the Foundation Boards

The process of merging Fondation Collective Groupe Mutuel and Fondation Collective Opsion was successfully completed in 2024, and the Foundation Board now comprises 10 members from both foundations. This merging of the boards means that we can capitalise on extensive experience in occupational pension provision and skills in a wide range of fields.

Election of the Pension Fund Committee

The GMP Pension Fund Committee was elected by the General Meeting of Delegates on 19 June 2024. The pension fund committee represents the joint pension fund in its dealings with the Foundation. Its role is to prepare and submit to the Foundation Board the main decisions of the joint pension fund: annual interest rate, pension conversion rate, choice of strategic allocation, etc.

ESG – Sustainable and responsible investment

In 2024, we continued and strengthened our measures for positioning assets from an ESG perspective. The annual audit by Conser – ESG verifier SA awarded GMP's portfolio an A- rating, with the benchmark remaining at B+.



ESG integration: Historically, the rating has fluctuated between A- and A, as the distribution of ESG consensus in the portfolio is close to the thresholds that tip the final assessment. The proportion of issuers with a positive consensus has increased to 88% (86% in 2023).

Exclusions: The criteria defined in the ESG charter are complied with. The portfolio is significantly less exposed than its benchmark index to companies operating in ethically sensitive sectors or publicly excluded by Swiss and international institutional investors for non-compliance with international standards.

Impact investing: The portfolio's exposure to high-impact investment themes (clean energy, water management, green and sustainable bonds, micro-finance, green infrastructure) is close to 10%.

Exercise of voting rights and commitments: GMP met its objective of systematically exercising voting rights for Swiss shares held directly, following the guidelines of the Ethos Foundation. A shareholder dialogue with 18 companies was conducted in order to influence climate policy and non-compliance with international standards of foreign companies.

Climate policy: The portfolio's exposure to the coal (0.4%) and oil and gas (0.9%) sectors remained stable compared to 2023. Exposure to companies that do not have a verified transition plan to a net-zero economy and active in coal mining and/or coal-based power generation is only 0.1% of the portfolio. CO₂ emissions have also continued to fall and are well below the benchmark index.

Real estate: In 2023, directly held real estate achieved an ESG rating of B, up from B- in the 2022 assessment. CO₂ indicators as well as energy intensity continued to improve.



-14%
CO₂ emissions



-10%
Thermal consumption



-10%
Electricity consumption

Financial statements 2024 – Summary

Total employee and employer contributions amounted to CHF 217,089,763, up 6.2% on the previous year. Income from investment activities showed a substantial surplus of CHF 212,425,653. Administrative and commercial expenses amounted to CHF 13,941,227 and represented 6.4% of the premiums collected, a slightly lower rate than the previous

year (6.6%). The surplus income for the financial year before setting up the value fluctuation reserve amounts to CHF 148,184,277, which is entirely allocated to the value fluctuation reserve. As of 31 December 2024, the balance sheet total was CHF 3,153,988,165, that is an increase of 13.4%.

Balance sheet

Assets in CHF	31.12.2024	31.12.2023
Investments	3 074 497 621	2 693 868 756
Operating cash and cash equivalents	56 348 024	54 333 941
Current assets	15 951 017	27 779 846
Deferred charges	7 191 503	5 742 487
Total assets	3 153 988 165	2 781 725 030
Liabilities in CHF	31.12.2024	31.12.2023
Commitments	97 203 969	66 339 244
Accruals and deferred income	22 307 940	21 532 697
Employer contribution reserve	15 904 015	16 794 464
Pension fund assets and technical provisions	2 645 625 204	2 452 295 864
Value fluctuation reserve	372 947 037	224 762 760
Foundation capital / Uncommitted funds	0	0
Total liabilities	3 153 988 168	2 781 725 030

Operating account

in CHF	2024	2023
Inflows from contributions and entry benefits	493 973 693	482 305 151
Expenses relating to benefits and advance payments	-356 811 096	-336 680 976
Release / creation of pension capital, technical provisions and contribution reserves	-191 997 471	-154 381 446
Income from insurance services	22 206 668	18 443 559
Insurance expenses	-18 158 124	-17 504 141
Net income from insurance activities	-50 786 331	-7 817 852
Net investment result	212 425 653	125 277 720
Other revenue	486 182	337 083
Administrative fees	-13 941 227	-13 591 434
Revenue / expenses surplus before build-up / adjustment of the value fluctuation reserve	148 184 277	104 205 516
Adjustment / build-up of the value fluctuation reserve	-148 184 277	-104 205 516
Excess of expenses (-) / income (+)	0	0

Investment activities

The management of different asset types in 2024 provided a return on equity of 7.78% net of fees. The benchmark index was 8.94% (excluding fees) and the UBS LPP index, 7.6%. In accordance with the provisions of Swiss GAAP FER 26, the Foundation's assets are valued at market value.

The private markets comprise investments in private equity, infrastructure and private debt. Performance is calculated using the TWR (Time Weighted Return) method. A new strategy was introduced on 12 December 2024.

Breakdown of investments and performance (net of fees) by investment category

As of 31.12.2024	Benchmark	in CHF	in %	Performance benchmark index	Performance achieved
Investment category					
Cash and cash equivalents	JPM Cash Index CHF 3 months	132 584 749	4,31%	1,76%	-5,42%
Swiss and foreign bonds in CHF	SBI AAA-BBB Total return	773 533 685	25,16%	5,35%	5,75%
Foreign currency bonds hedged in CHF	Bloomberg Global Agg Hedged in CHF	90 931 792	2,96%	-1,01%	-2,20%
Loans and mortgages	LPP/BVG minimum rate	58 152 035	1,89%	1,25%	2,52%
Bonds in foreign currencies	Composite	173 680 243	5,65%	6,93%	7,01%
Swiss shares	SMI Expanded with dividends	392 312 002	12,76%	6,51%	8,49%
Foreign shares	Composite	592 872 751	19,28%	21,11%	18,47%
Direct real estate	3.25%	302 672 297	9,84%	3,25%	2,68%
Indirect real estate	Composite	269 846 747	8,78%	17,59%	10,67%
Private markets	Composite	111 938 376	3,64%	6,51%	9,55%
Defensive structured products	CHF Saron rate 24 months + 2%	116 874 714	3,80%	3,15%	4,98%
Microfinance	SWX-MIV Debt Index	59 098 076	1,92%	0,36%	1,42%
Total		3 074 497 621	100,00%	8,94%	7,78%

Target and calculation of the value fluctuation reserve

in CHF	2024	2023
Value fluctuation reserve as of 01.01.	224 762 760	120 557 244
Build-up / adjustment	148 184 277	104 205 516
Value fluctuation reserve as of 01.01.	372 947 037	224 762 760
Target for the value fluctuation reserve as a % of commitments	16.44%	16.52%
Target for the value fluctuation reserve in CHF	434 950 000	405 100 000

The purpose of the value fluctuation reserve is to cover specific market risks in order to fund pension benefits in the long-term. Its target is to achieve a security level of 99.75% taking into account the expected return and volatility of every investment category and taking into account the diversification gain.

In 2024, the reconstitution of the value fluctuation reserve continued, reaching 85.7% of its target as of 31 December 2024.

Technical provisions

as of 31.12. in CHF	2024	2023
Provision for pension losses	34 176 616	34 176 616
Provision for risk fluctuation and expenses	9 700 000	9 700 000
Provision for additional interest	0	15 700 000
Total of technical provisions	43 876 616	59 576 616

The regulations for actuarial liabilities regulate the creation of provisions. The provision for pension losses is created to prefinance the costs of ordinary or early retirements resulting from the application of a regulatory conversion rate higher than the conversion rate corresponding to the technical bases used.

The provision for risk fluctuation is intended to cover the costs of disability and death benefits when a high claims ratio weighs on the result.

The provision of CHF 15,700,000 was dissolved to finance the distribution of additional interest of 0.75% in 2024 on the retirement savings capital of active insured employees in contracts in force as of 31 December 2023.

Background and organisation

As of 31 December 2024, Groupe Mutuel Prévoyance-GMP is a semi-autonomous defined-contribution mutual pension fund affiliated to Fondation Collective Groupe Mutuel, with its registered office in Sion. The foundation is registered under the number 304 083 with the Supervisory Authority for LPP/BVG Pensions and Foundations in Western Switzerland and the LPP/BVG Security Fund.

Foundation Board

Mrs Karin Perraudin, President¹
Mr Claude Conoley, Vice-President¹
Mme Patricia Lorenz, Secretary¹
Mr Giordano Coletti, Member
Mrs Stéphanie Emery Haenni, Member
Mr François Frezza, Member
Mr Laurent Nicod, Member
Mr Alain Métrailler, Member
Mr Bruno Pache, Member
Mr Michel Pannatier, Member

¹ joint signatures in pairs

GMP pension fund committee

Mr Frédéric Balet, President
Mr Thierry Rosset, Vice-President
Mr Patrick Varone, Secretary
Mr Fabrice Constantin, Member
Mr Stéphane Roduit, Member
Mrs Aline Schoechli, Member

The 2024 financial statements of the Groupe Mutuel Prévoyance-GMP joint pension fund can be downloaded from the website, at the address: www.groupemutuel.ch/rapportLPP. You may also order them by email: lpp@groupemutuel.ch

Numbers

Insured employers as of 31.12	2024	2023
	2 919	2 880

Active members as of 31.12	2024	2023
Men	15 583	12 121
Women	12 426	10 968
Total	28 009	23 089

Number of persons who contributed during the financial year	2024	2023
	29 840	28 727

Pensioners as of 31.12	2024	2023
Old-age pensions	1 554	1 425
Spouses' / partners' pensions	117	116
Disability pensions	477	402
Pensions for children (of pensioners or disabled members)	239	181
Orphan pensions	64	63
Divorced spouse's pensions	2	1
Total	2 453	2 188

groupe**mutuel**

Groupe Mutuel Prévoyance-GMP
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