

Annual Report  
2021

## Key figures at a glance

	31 December 2021	31 December 2020
Investments in CHF	19,480 million	18,938 million
Active members' liabilities in CHF	7,660 million	7,483 million
Pensioners' liabilities in CHF	9,098 million	9,674 million
Technical provisions in CHF	517 million	223 million
Reserve for fluctuations in asset value in CHF	2,139 million	1,479 million
Technical funding ratio	112.4 %	108.5 %
Economic funding ratio	100.0 %	90.6 %
Interest on retirement savings capital	2.5 %	1.0 %
Technical interest rate	1.0 %	1.0 %
Investment return	4.2 %	3.9 %
Benchmark return	4.0 %	3.7 %
Asset management costs (TER-OPSC)	0.43 %	0.36 %
Net investment income in CHF	783 million	707 million
Regulatory benefits in CHF	-761 million	-755 million
Income/expenditure surplus in CHF	660 million	533 million
Administration costs per member in CHF	96	117
Number of active members	30,239	29,958
Number of pensioners	24,293	24,483
Number of risk-insured members	1,561	1,583

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# Chairman's introduction

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Dear members,

For many years, the population in our country has been surveyed according to a barometer of public concerns on behalf of a major Swiss bank. The survey provides information on what worries people have. One topic often ranks highly on this chart of concerns: the problem of ensuring a financially protected and sufficient income, including in old age.

This shows how important it is that people feel at ease and that they are taken seriously with respect to old age. This is where pension funds play a tremendously important role. Here, the willingness and ability to plan ahead, face upcoming challenges at an early stage and make the necessary course adjustments are essential parts of ensuring the sustainably successful future of the pension funds.

I am extremely pleased that the Pension Fund SBB (PF SBB) has been dealing intensively with this foresight for many years and demonstrating great commitment to anticipating the future. The positive development in recent years serves to confirm the path taken by the PF SBB in these efforts. This is also reflected by the key figures for the past financial year of 2021.

The PF SBB was able to achieve a performance of 4.2 percent on its investments and thereby increase the funding ratio from 108.5 to 112.4 percent. Our pension fund has most likely never had a better year-end funding ratio since SBB was extracted from federal administration, with the associated financing of the PF SBB with a funding ratio of 100 percent as at 1 January 1999. Many of you experienced the difficult years of underfunding of our PF SBB with us and helped contribute to the major efforts over the years that were required to come out of this unsatisfactory situation. You are therefore perfectly aware of the significance of us achieving such a positive funding ratio today. By all means, you can be proud of and pleased with this result.

It is an important task of the Board of Trustees to look ahead and ensure that interest commitments made to future pensioners correspond to real developments and are commensurate with the expected returns. For this reason, the Board of Trustees decided in June 2021 on a further reduction of the conversion rate as of 1 January 2023. The conversion rate for 65-year-olds will then amount to 4.54 percent. This further strengthens the stability of the PF SBB.

In order to cushion the effects for our members, the Board of Trustees resolved to increase the retirement savings capital of active members with a one-time capital contribution of 4 percent as a supplementary measure. This is financed with PF SBB funds. This one-time capital contribution has already been set aside and is taken into account in the above funding ratio.

The Board of Trustees is confident that this reduction from 2023 will enable the completion of the necessary process of adjusting the conversion rate to real developments.

In conjunction with the reduction of the conversion rate, the Board of Trustees also decided to revise the policy concerning the interest on retirement savings capital for active members. Now the effectively achieved performance will also be taken into account in addition to the funding ratio when applying annual interest to this savings capital. As a result, it will now be possible to grant active members a correspondingly higher rate of interest on their capital in years of high performance and allow them to participate even more directly in the course of business. The higher retirement savings result in a higher pension.

We have meanwhile already been able to apply the new policy for the first time. Interest of 2.5 percent is applied to the capital of active members as of the end of 2021. This value is significantly above the average of recent years. Without this change, minimum statutory interest of just 1 percent would have been applied even in the reporting year.

The topic of sustainability is also relevant when looking ahead to the future. For our PF SBB, this is likewise a key task that is important to the Board of Trustees. In June 2021, the Board of Trustees therefore specified the sustainability targets for corporate bonds and equities. By the end of 2022, we thus intend to reduce the carbon footprint of our SF SBB by 30 percent compared to the benchmark. And by the end of 2030, our carbon footprint should be decreased by at least 50 percent compared to the level at the end of 2020. Moreover, our first sustainability report was published in autumn.

I have now been on the Board of Trustees of the PF SBB for around nine years. In 2021, I had the privilege of taking over the chairmanship from Markus Jordi, which regularly alternates between the employer and employee side every four years. In my first year as chairman, it has again become clear that the members of the Board of Trustees do not shy away from provident, open and controversial discussion in their work for the PF SBB and their active members. At the same time, however, they always have their sights set on the shared goal and are prepared to reach a constructive compromise. For this, I sincerely thank our Vice Chairman Markus Jordi and all members of the Board of Trustees. My gratitude also goes to our CEO Iwan Lanz and the members of the Board of Directors. Once again, they all did brilliant work in 2021 and contributed significantly to the successful development of the PF SBB.

In particular, I wish to express my thanks to all employees of the PF SBB. As chairman, I often see what goes on behind the scenes. I am impressed by the high degree of professionalism and the great commitment I have seen. Our employees deserve my appreciation and gratitude.

Last but not least, I would also like to thank you, our members, for your trust and your interest in our PF SBB. This is an excellent basis to build on – with care, responsibility and success in mind!



Aroldo Cambi  
Chairman of the Board of Trustees

On 24 February 2022, Russia attacked neighbouring Ukraine and triggered a war. This has caused great suffering among the population and uncertainty as well as great volatility on the financial and commodity markets. Global economic activity is also likely to be negatively affected. Please note that all texts in this annual report were written before the start of this war.

# Financial year and outlook

## Annual report

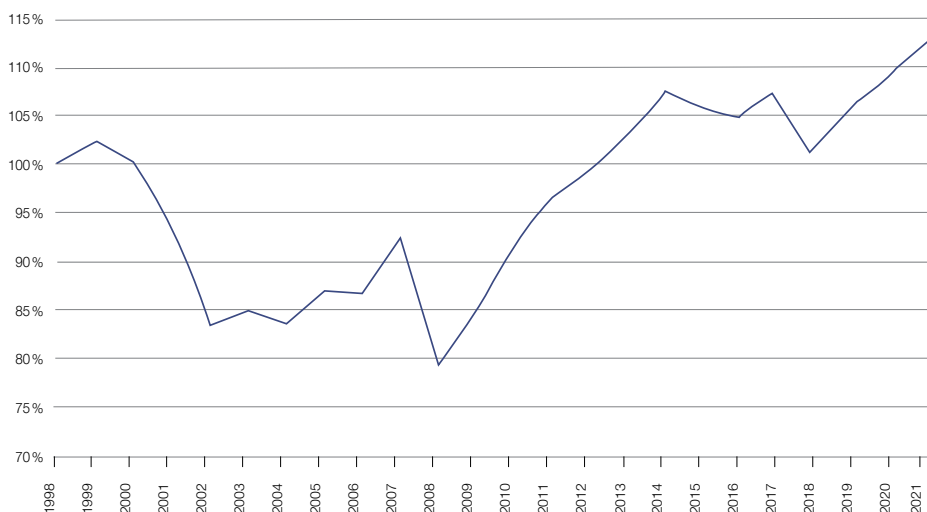
The hope that we expressed here last year of a swift end to the pandemic and a return to normality was unfortunately not fulfilled. The coronavirus again dominated our everyday lives in many respects in the past year. Once again, we were called upon to wear protective masks, maintain social distancing and work from home to protect others. Communication continued to occur primarily via virtual channels. Regrettably, ever-so-important personal and direct contact was not possible in many cases.

However, pleasing news did arrive from the capital markets, which developed astonishingly positively throughout the year in spite of the pandemic. In particular, the equity markets experienced a substantial boom and the Swiss Market Index (SMI) even reached an all-time high. The PF SBB also benefited from this and achieved a return on investment of 4.2 percent in 2021. The benchmark was thus exceeded by 0.2 percent. In view of the low equity allocation compared to other pension funds of around 16 percent – due to the reduced risk capacity resulting from our membership structure – this performance is highly positive.

This is especially the case as the interest rates influenced by the various central banks are still at very low levels on the capital markets. The resulting scarcity of investment opportunities also led to rising equity and real estate prices during this year.

Once again, the funding ratio of the PF SBB also developed pleasingly. It improved from 108.5 percent to 112.4 percent by the end of the year, thereby hitting a new record.

### Development of the technical funding ratio 31/12/1998 – 31/12/2021



Realistic assumptions on the development of interest rates and the various asset classes are key to sustained success and the expected returns. In order to further stabilise the financial security of the PF SBB, the Board of Trustees therefore decided on another reduction of the conversion rate as of 1 January 2023. This harmonises the interest commitment to future pensioners with the expected returns. The conversion rate for 65-year-olds as of 1 January 2023 will amount to 4.54 percent.

At the same time, the Board of Trustees agreed on a one-time capital contribution of 4 percent towards the retirement savings capital of active members as a supplementary measure paid by the fund. The costs of CHF 300 million are already taken into account in the funding ratio reported as at 31 December 2021 as new reserves set aside.

Above all, this one-time capital contribution will benefit older members who tend to have a higher retirement savings capital. The closer members are to retirement, the more extensively the one-time capital contribution will compensate for any pension losses due to the lower conversion rate.

However, younger members should also continue to benefit from the attractive benefits of the PF SBB. For this reason, the Board of Trustees decided to revise the policy on applying interest to retirement savings capital in conjunction with the adjusted conversion rate.

The effectively achieved performance on investments will now also play an important role in addition to the funding ratio for the interest on retirement savings capital. In years of good performance, the interest on retirement savings capital should also be higher, where possible, resulting in correspondingly higher benefits. This policy change has already been applied for the first time in the reporting year: thanks to the new arrangement, interest of 2.5 percent could be applied to the retirement savings capital as at the end of 2021. This is well above the minimum interest rate of 1 percent stipulated by the federal council.

The adjustment of current pensions is likewise based on this provision. The Board of Trustees decided to leave current pensions at the existing level for 2022.

In consideration of the [Paris climate target](#), the Board of Trustees refined the sustainability policy of the PF SBB in June 2021. The course already embarked upon has now been amended with specific implementation measures. By the end of 2022, we wish to reduce the carbon footprint by 30 percent compared to the benchmark index. In addition to the sustainability targets of SBB AG, the carbon footprint of the PF SBB is even set to be reduced by 50 percent by 2030 compared to the value as at the end of 2020.

Sustainability is based on the three pillars "Environment," "Social" and "Governance," often abbreviated to ESG. The Board of Trustees focused on the environmental dimension in the first specification step in 2021.

The PF SBB published its first sustainability report in the autumn of 2021. In the future, we intend to provide updates on target achievement with annual sustainability reports and create additional transparency on the topic of sustainability.

In 2021, the administration costs of the PF SBB amounted to CHF 96 per member. This is an exceedingly good value compared to other pension funds. According to a Swisscanto study, the mean administration costs per member amounted to CHF 347 for Swiss pension funds in 2021. For public-sector pension funds, this figure was CHF 240 and for private-sector pension funds CHF 357.

The online portal of the PF SBB, myPK, is used intensively. Once again, myPK was further developed in 2021. The new upload feature allows members to submit documents to the PF SBB for processing directly online. This simplifies processes, including early withdrawals for home owner-



ship, for example. Therefore, pensioners can now also submit their life certificate online or adjust their home or invoice address independently if necessary.

The PF SBB website was also completely revised. The fresh, modernised look is neat, clearly structured and designed based on the SBB website.

The PF SBB regularly conducts a survey among its employees. The aim is to measure the satisfaction of employees and identify any need for action at an early stage. Just like the previous surveys, the survey in 2021 paints a very positive picture. The satisfaction and attachment of employees with their employer, the PF SBB, are very high.

Following the general elections for the Board of Trustees in 2020, the chair also switched from the employer to the employee side in 2021. For a period of four years (until the end of 2024), Aroldo Cambi has assumed the office of chairman as representative of the employees, and the previous chairman Markus Jordi switched to vice chair as the employer representative. In July, we unfortunately learned the sad news of the passing of member of the Board of Trustees Hanspeter Eggenberger. Stefan Bruderer joined the Board of Trustees as his successor. Another change resulted from the departure of the previous CFO of SBB AG, Christoph Hammer. Nadine Graf entered the Board of Trustees as his successor and representative of the employer side.

## Investments

### Investment returns

In spite of major uncertainty due to the coronavirus pandemic, the financial markets broke new records. However, the year did not develop as linearly as it may seem at first glance. The prospect of an imminent return to normality due to the availability of the new Covid-19 vaccine helped valuations climb at the start of the year. Nonetheless, the recurring waves of the pandemic and rising inflation figures once again caused uncertainty. Financial markets were, however, able to stabilise as a result of the expansionary monetary policy and recorded significant gains again towards the end of the year. An exception is China, where the financial markets struggled throughout the entire year. This was partly due to severe interventions by Chinese regulators in the economy as well as a more restrictive monetary policy.

The generally positive developments on financial markets outside China not only benefited equities but also equity-like REITs (foreign real estate investments) and private equity, which generated record earnings in the last year. The annual performance of the PF SBB was 4.2 percent and was thus 0.2 percentage points above the benchmark<sup>1</sup>.

<sup>1</sup> In order to measure the performance of an asset manager, returns are measured against those of a comparable portfolio, which is used as a benchmark.



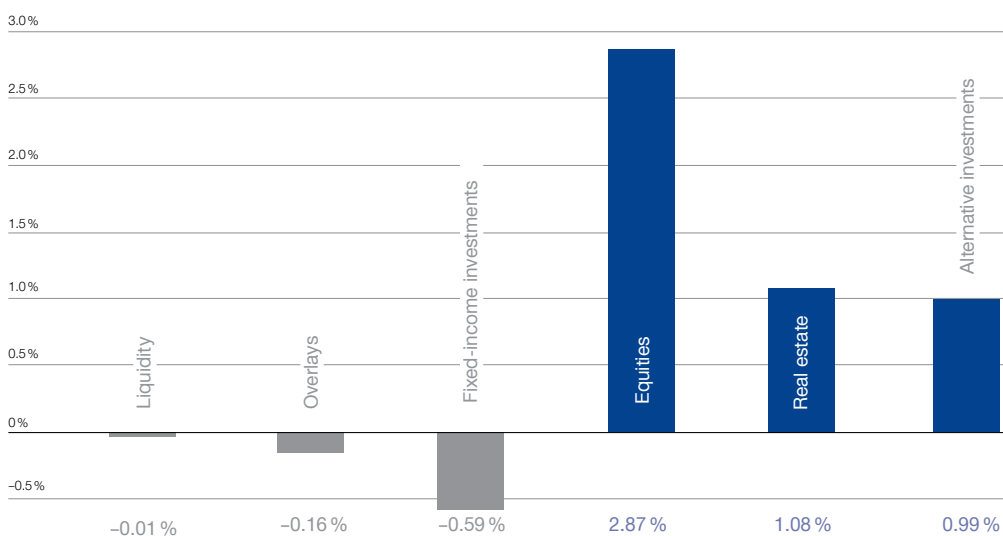
### Investment returns of the Pension Fund SBB (PF SBB) compared to the benchmark and the most common pension fund indices 2017 – 2021

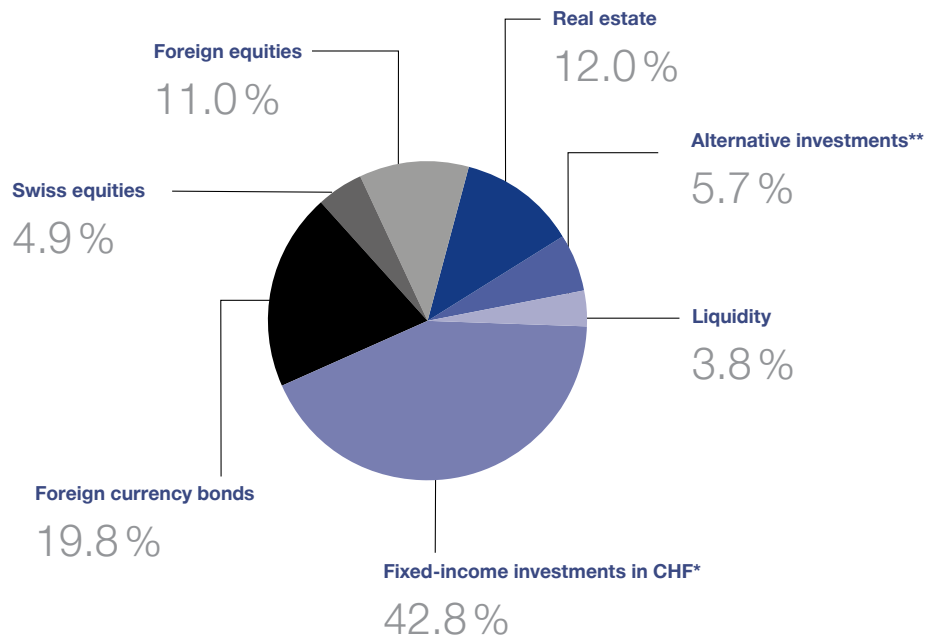
Year	PF SBB	Benchmark	CS PF index	UBS PF index	Swisscanto PF index
2017	5.4%	4.9%	8.0%	8.0%	7.2%
2018	-2.0%	-1.9%	-3.2%	-3.3%	-3.5%
2019	9.1%	8.9%	11.5%	11.3%	11.5%
2020	3.9%	3.7%	4.1%	4.1%	3.6%
2021	4.2%	4.0%	8.2%	8.1%	9.3%

The returns on bond markets were somewhat more restrained. Due to increased interest rates, CHF bonds lost value; with a weighting of almost 30 percent, they were the main performance driver of the entire capital assets of the PF SBB. This is also the reason why the PF SBB has a lower return compared to many other pension funds. The high proportion of pensioners significantly restricts the risk capacity of the fund, which is why the PF SBB holds relatively few equities. However, it was equities that performed particularly well in the last year.

#### Contributions to return according to investment category

The product of the weight of an investment category and the corresponding return provides the contribution to return reported in the adjacent chart. The sum total results in the overall return. The boom can also be seen here: the contributions to return of equities, real estate and alternative investments, which include private equity, are positive, while those of fixed-income investments, currency hedging and liquidity are negative.



**Asset allocation as of 31 December 2021**

\* Fixed-income investments in CHF include liquidity, investments in the employer's entity, CHF bonds and mortgages

\*\* Alternative investments include private equity and infrastructure as well as insurance-linked investments

Compared to the beginning of 2021, the weighting of foreign equities was reduced by 1 percent in favour of private equity and now amounts to 7.5 percent. Private equity has risen to 4 percent.

## Outlook

After the coronavirus has now held the world in its grasp for two years, with the new year we once again hope that the pandemic may soon come to an end and that normal business operations can resume. Real in-person contact should characterise our lives and work once again and replace video conferences and social media as soon as possible. We look forward to this.

This year, the implementation of the steps agreed by the Board of Trustees to reduce the carbon footprint will form a key topic in the asset area. The aim of implementing a reduction of 30 percent compared to the benchmark by the end of 2022 should be achievable. At the same time, we wish to expand the sustainability policy to direct real estate investments in Switzerland and mortgages. In summer 2022, the second sustainability report will present the results attained in 2021 and provide transparent details on the further steps planned.

In the insurance area, the new provisions in connection with the amendments of the Disability Act (IVG) will be implemented as of 1 January 2022. Moreover, the operational implementation of the reduction of the conversion rate is planned for 1 January 2023. Further adjustments will come into effect at this date. For instance, the pension plan will be expanded in terms of voluntary additional savings and the option to choose the amount of the partner pension will be introduced. In order to serve our customers even better, we will carry out a customer survey regarding “withdrawal for home ownership,” “voluntary buy-in” and “old-age retirement.”

The new data protection law also affects the PF SBB. We are currently examining whether and to what extent adjustments to our provisions are required in order to quickly implement any necessary steps.

In terms of our IT, we will continue to deal extensively with the continuous further development of cyber-security in 2022. The security of our customer data is of utmost importance to us. Our responsibility and investments in this area are therefore substantial.

# Financial statements

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## Balance sheet (in CHF)

<b>Assets</b>	<b>Explanatory notes</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Investments</b>	<b>6.5</b>	<b>19,480,400,124</b>	<b>18,937,968,866</b>
Liquid funds and money market claims		742,342,282	784,900,663
Receivables		415,642	710,571
Mortgage loans		1,635,556,934	1,631,965,380
Investments with employer	6.11	1,006,907,209	1,091,794,011
Bonds		9,469,441,690	9,219,298,903
Equities		3,087,596,199	3,054,213,077
Real estate direct		373,170,483	333,759,272
Real estate indirect		1,956,706,787	1,734,277,750
Alternative investments		1,093,967,166	897,215,566
Currency and swap overlay		114,295,732	189,833,673
<b>Deferred revenues and prepaid expenses</b>		<b>135,025</b>	<b>422,964</b>
Deferred revenues and prepaid expenses: administration		68,914	1,060
Deferred revenues and prepaid expenses: real estate direct		66,111	421,904
<b>Total assets</b>		<b>19,480,535,149</b>	<b>18,938,391,830</b>
<b>Liabilities</b>			
<b>Liabilities</b>	<b>7.1</b>	<b>50,491,212</b>	<b>65,109,049</b>
Vested termination benefits accounts and pensions		44,135,060	58,560,652
Other liabilities		1,106,152	1,198,397
Mortgages		5,250,000	5,350,000
<b>Accrued liabilities and deferred income</b>	<b>7.1</b>	<b>5,414,552</b>	<b>4,604,764</b>
Accrued liabilities and deferred income: administration		3,372,771	3,218,647
Accrued liabilities and deferred income: real estate direct		2,041,781	1,386,117
<b>Non-technical provisions</b>	<b>7.2</b>	<b>10,310,845</b>	<b>9,277,111</b>
<b>Pension liabilities and technical provisions</b>		<b>17,275,233,072</b>	<b>17,380,791,975</b>
Active members' liabilities	5.2	7,660,288,331	7,483,315,921
Pensioners' liabilities	5.4	9,098,244,741	9,674,115,395
Technical provisions	5.6	516,700,000	223,360,659
<b>Reserve for fluctuations in asset value</b>	<b>6.4</b>	<b>2,139,075,468</b>	<b>1,478,598,931</b>
<b>Foundation capital, freely disposable resources /underfunding</b>		<b>10,000</b>	<b>10,000</b>
<b>Balance at the beginning of the period</b>			
<b>Expenditure surplus (+) – / income surplus (-)</b>		<b>0</b>	<b>0</b>
<b>Foundation capital, freely disposable resources /underfunding at the end of the period</b>		<b>10,000</b>	<b>10,000</b>
<b>Total liabilities</b>		<b>19,480,535,149</b>	<b>18,938,391,830</b>

## Income statement (in CHF)

	Explanatory notes	2021	2020
<b>Ordinary and other contributions and transfers-in</b>	<b>7.3</b>	<b>611,409,274</b>	<b>606,203,118</b>
Employee contributions		238,328,017	237,314,983
Employer contributions		333,021,611	331,848,779
Other contributions to costs by employers		9,317,534	7,805,319
One-time payments and purchase amounts		30,742,112	29,234,037
<b>Entry benefits</b>		<b>131,022,970</b>	<b>157,453,132</b>
Vested termination benefits transfers		121,559,905	148,329,701
Deposits for early withdrawals for encouragement of home ownership/divorce		8,879,652	7,487,756
Transfers following take-over of members reserve for fluctuations in asset value		583,413	0
Transfers following take-over of members in pensioners' liabilities		0	1,635,675
<b>Inflow from contributions and entry benefits</b>		<b>742,432,244</b>	<b>763,656,250</b>
<b>Regulatory benefits</b>	<b>7.4</b>	<b>-761,286,564</b>	<b>-754,960,486</b>
Retirement pensions		-464,153,987	-472,870,307
Survivors' pensions		-168,946,146	-172,789,695
Disability pensions		-34,251,411	-35,522,781
Other regulatory benefits	7.4.1	-11,827,604	-11,294,208
Lump sum payments on retirement		-78,004,200	-59,539,431
Lump sum payments on death /disability		-4,103,216	-2,944,064
<b>Non-regulatory benefits</b>	<b>3.3</b>	<b>-2,030,319</b>	<b>-2,096,095</b>
<b>Vested benefits upon departure</b>		<b>-199,930,924</b>	<b>-190,210,670</b>
Vested termination benefits for leavers		-160,645,244	-158,721,635
Early withdrawals for encouragement of home ownership/divorce		-39,285,680	-31,489,035
<b>Outflow for benefits and early withdrawals</b>		<b>-963,247,807</b>	<b>-947,267,251</b>
<b>Increase (-)/decrease (+) in pension liabilities and technical provisions</b>		<b>105,558,903</b>	<b>18,055,656</b>
Increase of active members' liabilities	5.2	-2,274,069	-87,185,809
Increase/decrease of pensioners' liabilities	5.4	575,870,654	-323,811,580
Increase/decrease in technical provisions	5.6 / 5.7	-293,339,341	-499,766,423

\*PHO = promotion of home ownership

	Explanatory notes	2021	2020
Interest on retirement capital	5.2	-174,698,341	-70,713,378
<b>Insurance costs</b>		<b>-2,659,140</b>	<b>-2,638,487</b>
Contributions to the Guarantee Fund BVG/LPP		-2,659,140	-2,638,487
<b>Net insurance income</b>		<b>-117,915,800</b>	<b>-168,193,832</b>
<b>Net investment income</b>	<b>6.9</b>	<b>783,130,620</b>	<b>707,251,188</b>
Liquidity		-2,329,815	-17,445,231
Mortgage loans		19,657,332	20,199,432
Investments with employer		43,610,808	46,885,227
Bonds		-52,773,664	67,815,477
Equities		582,485,769	201,017,930
real estate direct		22,730,714	5,646,865
Real estate indirect		194,295,754	81,489,829
Alternative investments		256,101,087	-958,229
Currency and swap overlay		-197,991,470	369,880,547
Retrocessions	6.10	865,882	735,104
Asset management costs	6.10	-83,521,777	-68,015,763
<b>Increase (-) / decrease (+) in non-technical provisions</b>		<b>0</b>	<b>0</b>
<b>Income from services rendered and other income</b>	<b>7.5</b>	<b>576,830</b>	<b>702,139</b>
<b>Administration costs</b>	<b>7.6</b>	<b>-5,315,113</b>	<b>-6,492,383</b>
General administration costs		-5,136,609	-6,335,364
Auditor and pension actuary		-128,709	-108,490
Supervisory authorities		-49,795	-48,529
<b>Expenditure surplus (-)/income surplus (+) before the creation of the reserve for fluctuations in asset value</b>		<b>660,476,537</b>	<b>533,267,112</b>
<b>Increase of (-)/decrease of (+) reserve for fluctuations in asset value</b>	<b>6.4</b>	<b>-660,476,537</b>	<b>-533,267,112</b>
<b>Income surplus</b>		<b>0</b>	<b>0</b>

# Explanatory notes to the financial statements

## 1 General information and organisation

### 1.1 Legal form and objectives

The PF SBB is a foundation governed by private law with registered office in Bern. It protects the employees of member companies and their relatives against the economic consequences of old-age, disability and death.

### 1.2 Registration with BVG/LPP and the Guarantee Fund BVG/LPP

The Foundation complies with OPA mandatory requirements as an enveloping fund and is entered into the Occupational Benefits Register of the Canton of Bern under number BE.0837. It makes contributions to the Guarantee Fund BVG/LPP.

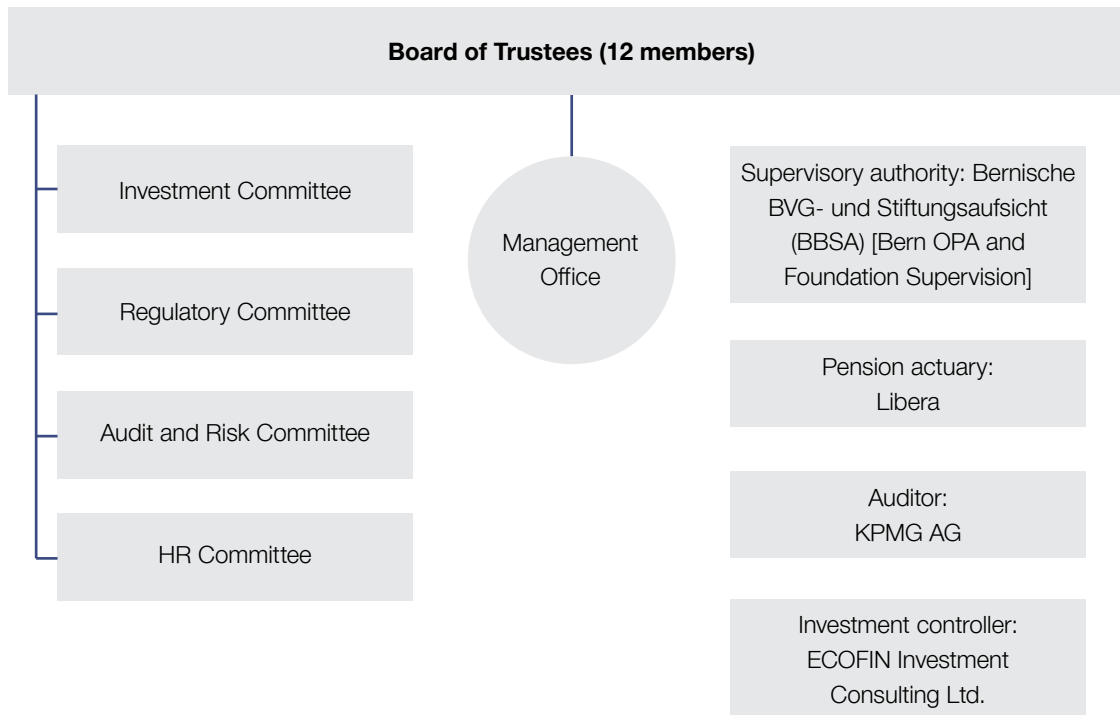
### 1.3 Foundation deed and regulations

	Approved on	Valid from
Foundation deed	4 July 2016 (last revised)	12 September 2016
Organisational regulations	4 December 2017 (last revised)	04 December 2017
Election regulations for members of the Board of Trustees	4 September 2015 (last revised)	01 January 2016
Regulations governing provisions and reserves	8 December 2021 (last revised)	8 December 2021
Partial liquidation regulations	24 June 2009 (last revised)	1 June 2009
Pension plan regulations	20 September 2021 (last revised)	1 January 2022
Investment regulations	11 September 2017 (last revised)	11 September 2017
Policy on the exercise of voting rights	12 December 2019 (last revised)	1 January 2020
Regulations on the implementation of the ASIP Charter	12 September 2018 (last revised)	12 September 2018
Regulations on the interest of the retirement savings capital and adjustment of pensions	8 December 2021 (last revised)	8 December 2021
Sustainability policy	24 June 2021 (last revised)	1 October 2021

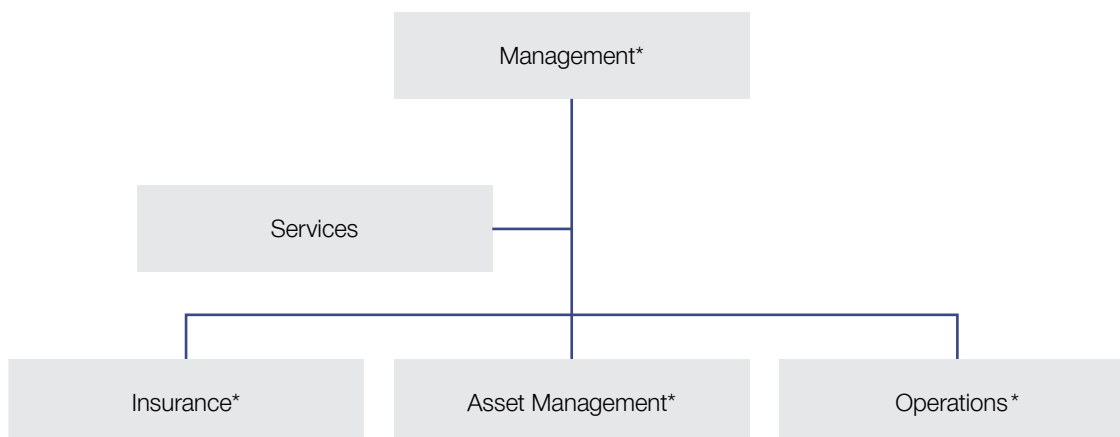


## 1.4 Joint body and authorised signatories

Organisation of the PF SBB



Organisation of the Management Office



\*Heads are members of the management

Board of Trustees 2021		Term in office	Representative of the
Aroldo Cambi	Chairman	until 31 December 2024	Employee
Markus Jordi	Vice Chairman	until 31 December 2024	Employer
Désirée Baer		until 31 December 2024	Employer
Stefan Bruderer	from 20 September 2021	until 31 December 2024	Employee
Hanspeter Eggenberger		until 23 July 2021	Employee
Nadine Graf	from 3 November 2021	until 31 December 2024	Employer
Christoph Hammer		until 2 November 2021	Employer
Anton Häne		until 31 December 2024	Employer
Sibylle Hug		until 31 December 2024	Employer
Marjan D. Klatt		until 31 December 2024	Employee
René Knubel		until 31 December 2024	Employee
Daniel Ruf		until 31 December 2024	Employee
Franziska Schneider		until 31 December 2024	Employee
Nicolas Zürcher		until 31 December 2024	Employer

**Authorised signatories, with joint signatory authority:<sup>1</sup>**

Aroldo Cambi	Chairman of the Board of Trustees
Markus Jordi	Vice Chairman of the Board of Trustees
Iwan Lanz	Director, Managing Director
Dominik Irniger	Vice Director, Head of Asset Management
Christoph Ryter	Vice Director, Head of Insurance
Patrick Zuber	Vice Director, Head of Operations
Adrian Bernasconi	Head of Mortgages
Mario Fascetti	Head of IT and Organisation
Geneviève Gaillard	Senior Customer and Corporate Customer Advisor
Raoul Gyger	Senior Portfolio Manager Fixed Income
Daniel Hutter	Head of Manager Selection
Jacqueline Küng	Deputy Head of Mortgages
Thomas Löffler	Analyst Asset Management
Cynthia Moser	Deputy Head of Active Members
Andrea Niggli	Head of Active Members
Yves Nyffenegger	Senior Corporate Customer Advisor
Marika Oldani	Head of Systems Control
Stefan Orecchio	Head of Real Estate Switzerland Direct
Ulrike Pfuhl	Analyst, Manager Selection Team
Stefan Reber	Head of Accounting
Antonio Santucci	Head of Pensions
Salvatore Sperti	Deputy Head of Pensions
Christine Trachsel	Senior Customer Advisor Mortgages
Christof Tschanz	Customer Advisor Mortgages

**Address**

Pension Fund SBB, Hilfikerstrasse 4, 3014 Bern, Telephone 051 226 18 11, Email info@pksbb.ch

<sup>1</sup> As at 01 January 2022

### 1.5 Pension actuary, auditor, advisors, supervisory authority

Supervisory authority	Bernische BVG- und Stiftungsaufsicht BBSA, [Bern OPA and Foundation Supervision]
Pension actuary	Contractual partner: Libera AG, Zurich, head actuary: Benno Ambrosini
Auditor	Contractual partner: KPMG, Bern, head auditor: Erich Meier
Investment controlling	ECOFIN Investment Consulting AG, Zurich, Christian Fitze

### 1.6 Affiliated employers and number of active members

	31 December 2021	31 December 2020
Lémanis AG	10	11
login Berufsbildung	421	378
Pension Fund SBB	53	53
RailAway AG	54	59
RegionAlps SA	85	81
SBB AG and SBB Cargo AG	29,124	28,889
SBB HISTORIC	22	25
STB Sensetalbahn AG	1	0
Stiftung Valida	342	348
Swiss Travel System AG	24	25
Terminal Combiné Chavornay SA	2	2
TILO SA	175	169
Voluntary members / continuation of the insurance relationship in accordance with Section 47a OPA	3	1
Persons counted more than once*	-77	-83
<b>Total</b>	<b>30,239</b>	<b>29,958</b>

\* Active members who are employed by more than one of the member employers

## 2 Active members and pensioners

### 2.1 Active members

	31 December 2021	31 December 2020
Men	24,539	24,459
Women	5,700	5,499
<b>Total active members</b>	<b>30,239</b>	<b>29,958</b>

Changes in scheme membership	2021	2020
Persons joining scheme	2,467	2,827
Persons leaving scheme	-1,398	-1,184
Deaths	-47	-44
Retirements (old-age/disability)	-741	-668
<b>Total</b>	<b>281</b>	<b>931</b>

### 2.2 Pensioners

	31 December 2021	31 December 2020
Pensioners	14,796	14,669
Disability pension recipients (up to age 65)	927	999
Partial disability pension recipients (up to age 65)	667	698
Widows and widowers	7,713	7,932
Orphans	163	167
Recipients of welfare benefits from SBB	295	309
Recipients of divorcee's pension	23	15
Persons counted more than once*	-291	-306
<b>Total pensioners</b>	<b>24,293</b>	<b>24,483</b>

\* Pensioners with multiple pensions

<b>Changes in scheme membership</b>	<b>2021</b>	<b>2020</b>
New pensioners	819	720
Leaving pensioners	-692	-831
New disability pension recipients	59	70
Leaving disability pension recipients	-131	-116
New partial disability pension recipients	48	55
Leaving partial disability pension recipients	-79	-62
New widows and widowers	453	472
Leaving widows and widowers	-672	-776
New orphans	25	22
Leaving orphans	-29	-20
New recipients of welfare benefit payments from SBB	-	-
Leaving recipients of welfare benefit payments from SBB	-14	-22
New divorce pensions	8	3
Leaving recipients of divorce pensions	-	-
Change in persons counted more than once	15	6
<b>Total</b>	<b>-190</b>	<b>-479</b>

### 2.3 Risk-insured members

	<b>31 December 2021</b>	<b>31 December 2020</b>
Risk-insured members (see section 3.2)	1,561	1,583

## 3 Implementation of objectives

### 3.1 Characteristics of the pension plan

The PF SBB operates an occupational benefits plan according to a defined contribution system. Employees are accepted from member companies provided that they have an annual salary of at least CHF 3,000. The coordination deduction – which has remained unchanged since 2004 – amounts to CHF 25,320. It is weighted according to the level of employment.

### 3.2 Financing, financing method

The occupational benefits plan is an enveloping plan, which is operated on a defined-contribution basis in accordance with Article 15 VBA (Swiss Vested Benefits Act). Savings contributions by active members and the employer differ according to age:

#### Savings contributions as a percentage of the salary liable for contributions

Age	Savings contribution Active members	Savings contribution Employer	Total credited to retirement assets
22–29	7.00 %	7.50 %	14.5 %
30–39	8.50 %	9.00 %	17.5 %
40–49	11.00 %	13.00 %	24.0 %
50–65	12.50 %	18.00 %	30.5 %
66–70	7.75 %	9.25 %	17.0 %

In addition, during the reporting year active members paid 0.5 percent of the wage subject to contributions for risk premiums in respect of death and disability. The employers assume 1.5 percent for the risk premiums in respect of death and disability and a contribution for financing 20 percent of the costs of bridging pensions (0.2 percent). If the employers assume further financing of bridging pensions for a portion of their active members, they pay an additional contribution of 0.3 percent.

Young persons aged between 17 and 22 are insured against the risks of disability and death as risk-insured members. Risk-insured members and the employer each pay a contribution of 0.5 percent.

### 3.3 Further information regarding pension plan activities

As of 1 January 2001, the PF SBB has taken over the existing welfare benefit payments of SBB AG, in respect of which it has received the necessary pension liabilities. Since then, welfare benefit payments have been paid out by the PF SBB on behalf of SBB AG. These constitute non-regulatory benefits. Welfare benefit payments are treated in the same way as disability pensions for the purposes of adjustment in line with inflation and over-compensation.



## 4 Significant accounting and valuation principles, consistency

### 4.1 Statement of compliance according to Swiss GAAP FER 26

These financial statements comply with the Swiss GAAP FER 26 accounting standard.

### 4.2 Significant accounting and valuation principles

Significant accounting and valuation principles comply with the provisions of Articles 47, 48 and 48a OPO 2 (Swiss Occupational Pensions Ordinance 2) and Swiss GAAP FER 26. Actual figures or figures available on the balance sheet date are booked:

Currency conversion	Market prices at the year end
Liquid funds, receivables, liabilities, mortgages	Nominal value, for claims and mortgages minus necessary value corrections
Securities	Exchange closing price at the year end
Unlisted funds	Net asset values at the year end
Listed real estate funds	Exchange closing price at the year end
Swiss real estate direct	Market value on 30 November. The market value is calculated according to the DCF method. This involves the application of recognised standards. The interest rates used for this purpose are the standard market rates. New purchases after the balance sheet date are valued at the purchase price. Unrealised real estate gains taxes are limited to the property. For this purpose, a scenario involving a sale after five or ten years is assumed.
Derivatives	Market value For OTC options the replacement value at the year end is taken as the market value.
Private equity (listed)	Exchange closing price at the year end
Private equity (unlisted)	Most recently available valuation adjusted by capital flows at the year end
Hedge funds, infrastructure, ILS	Most recently available valuation adjusted by capital flows at the year end or as estimated by the manager
Pension liabilities and technical provisions	Pension liabilities and technical provisions are calculated by the fund according to the technical and regulatory assumptions and recognised principles and audited annually by the expert for occupational pensions.

### 4.3 Changes in policies concerning valuation, bookkeeping and accounting

Valuation, reporting and accounting have been governed by the same principles as during the previous year.

## 5 Insurance risks /risk benefit coverage /funding ratio

### 5.1 Type of risk benefit coverage, reinsurance

The PF SBB is autonomous. It bears the insurance risks for age, disability and death, along with the investment risks for the investments.

### 5.2 Changes in pension liabilities and return on savings capital for active members (without technical provisions)

	2021	2020
	CHF	CHF
Active members' liabilities at the start of the reporting year	7,483,315,921	7,325,416,734
Savings contributions by employees	227,786,166	226,824,844
Savings contributions by the employer	291,402,683	290,403,076
Vested termination benefits transfers	121,559,905	148,329,701
Purchases	30,742,112	29,234,037
Payments into the scheme due to early withdrawals for PHO	7,224,042	5,711,684
Payments into the scheme due to divorce	1,655,610	1,776,071
Vested termination benefits for leavers	-160,645,244	-158,721,635
Early withdrawals for PHO	-19,755,333	-16,773,326
Early withdrawals for divorce	-19,530,347	-14,715,709
Decrease due to retirement, death or disability	-481,008,576	-427,590,673
Interest on retirement capital	174,698,341	70,713,378
Interest on bridging pension account	783,042	344,842
Interest on early retirement account	1,543,110	640,330
Correction to increase minimum contribution under Article 17 VBA	1,975	0
Partial reactivations, retrospective changes	514,924	1,722,567
<b>Active members' liabilities at the end of the reporting year</b>	<b>7,660,288,331</b>	<b>7,483,315,921</b>
Number of active members	30,239	29,958
Salary liable for contributions on 31/12/2021 (31/12/2020)	2,046,776,663	2,029,575,878

The interest rate is set by the Board of Trustees and amounts to 2.5 percent during the reporting year (previous year 1.0 percent).

### 5.3 Total retirement savings capital in accordance with the law on occupational pensions (BVG/LPP) (active members)

	31 December 2021	31 December 2020
	CHF	CHF
Retirement savings capital according to the OPA (shadow accounts)	3,187,710,347	3,170,779,632
Minimum OPA interest rate, set by the federal council	1.0%	1.0%

### 5.4 Changes to pension liabilities for pensioners (without technical provisions)

	2021	2020
	CHF	CHF
Level of pension liabilities (PL) at the start of the reporting year	9,674,115,395	9,350,303,815
Pension payments including capital withdrawal	-759,213,666	-754,112,518
Risk premium in respect of death of pensioners	166,495,071	161,371,143
PL freed up from deaths of pensioners	-276,303,054	-321,200,877
New PL created for survivors from deaths of pensioners	95,069,211	94,683,174
New PL created for old-age retirements	493,328,210	419,511,021
New PL created for disability cases	69,508,355	72,685,666
New PL created for survivors from deaths of active members	20,968,629	18,606,725
Technical interest rate (approximate)	94,816,435	140,254,557
Assumption adjustment / change of technical interest rate	-481,784,945	491,619,075
Various changes	1,245,100	393,614
<b>Total pensioners' liabilities at the end of the reporting year</b>	<b>9,098,244,741</b>	<b>9,674,115,395</b>
Number of pensioners	24,293	24,483

## 5.5 Conclusions of the last actuarial report

By letter of 4 February 2022, the PF actuary Benno Ambrosini, from the firm Libera, confirmed the calculations of pension liabilities and technical provisions as stated in the balance sheet (see confirmation of the pension actuary at the end of this report).

## 5.6 Technical assumptions, assumptions and technical provisions

The calculation of actuarial obligations is based on the regulations governing provisions and reserves adopted on 08 December 2021. The OPA 2020 (generational table for the year 2022) with a technical interest rate of 1.0 percent is used as a technical assumption. The reference date for all calculations is 1 January 2022.

Active members' liabilities correspond to the sum total of individual vested termination benefits that would be payable in the event of the departure of all active members on the reference date. These incorporate the increase in the minimum amount according to Article 17 VBA.

The pensioners' liabilities correspond to the present value of existing pensions as well as insured reversionary pensions (widows, widowers etc.).

The provision set aside for "pending disability claims" is intended to cover the costs of expected disability claims that were known about on the balance sheet date or that are anticipated based on experience. The target value of this provision amounts to 200 percent of the risk premium calculation for the disability risk according to the OPA 2020. Due to the conversion to the new technical assumptions of OPA 2020, the provision can be reduced by CHF 27.6 million in order to maintain achievement of this target value.

The risk provision for "death and disability" is intended to cover against fluctuations in the incidence of claims by active members. The target value of this risk provision must be at least 50 percent and no more than 200 percent of the maximum annual excess loss from the risks of death and disability that may be expected with a 98 percent degree of probability (basis: OPA 2020). Due to the conversion to the new technical assumptions of OPA 2020, the upper limit is reduced. For this reason, this risk provision may be reduced by CHF 4.2 million to maintain achievement of the upper limit of 200 percent.

The provision for "plan changes" was created before 1 January 2007 in view of the transformation from the defined-benefit to the defined-contribution model. It is thus required in order to finance the guarantees for older members provided at the time of transformation as well as the retirement losses incurred between 2019 and 2022 owing to the staggered reduction in conversion rates (as against the interest commitment of 2 percent). Both in the reporting year and in the following years, the conversion rate includes an interest commitment of less than 2 percent. This provision is therefore fully closed as at the end of the reporting year.

On 8 December 2021, the Board of Trustees decided on the introduction of a provision "retirement losses." This is intended to pre-finance the retirement losses resulting from an excessive regulatory rate compared to the actuarial conversion rate. The target value corresponds to the difference between the estimated retirement losses and risk gains in the event of the mortality of pensioners for the next seven years and amounts to CHF 80 million as at the end of the reporting year.

In connection with the reduction of the conversion rate as of 1 January 2023, all active members receive a contribution to retirement capital to mitigate the effects. On 8 December 2021, the Board of Trustees decided on the provision "increase in retirement savings capital as of 1 January 2023" in the amount of CHF 300 million. This is intended to pre-finance this increase (including the bridging pension and early retirement accounts). The provision will then be fully closed following the increase in retirement savings capital as of 1 January 2023.

Composition of technical provisions	31 December 2021	31 December 2020
	CHF	CHF
Provision for pending disability claims	105,700,000	133,300,000
Risk provision for death and disability	31,000,000	35,200,000
Provision for plan changes	0	54,860,659
Provision for retirement losses	80,000,000	0
Provision for adjustment to technical assumptions	300,000,000	0
<b>Total technical provisions</b>	<b>516,700,000</b>	<b>223,360,659</b>

## 5.7 Changes in technical assumptions and assumptions

Effects on technical provisions	2021	2020
	CHF	CHF
Technical provisions at the start of the reporting year	223,360,659	723,127,082
Change in value due to adjustment of calculation basis*	292,239,341	-492,800,000
Adjustment to new calculation as at 31/12/	1,100,000	-6,966,423
<b>Total technical provisions at the end of the reporting year</b>	<b>516,700,000</b>	<b>223,360,659</b>

\* Compared to the previous year, the provision for "plan changes" in the amount of CHF 54.9 million was completely closed. The conversion to the OPA 2020 assumptions led to the reduction of the provision "pending disability claims" by CHF 27.9 million and the reduction of the risk provision "death and disability" by CHF 5.0 million. The provision "retirement losses" in the amount of CHF 80 million and the provision "increase in retirement savings capital as at 1 January 2023" in the amount of CHF 300 million have been newly created.

## 5.8 Funding ratio pursuant to Article 44 OPO 2

	31 December 2021	31 December 2020
	CHF	CHF
Necessary pension liabilities and technical provisions	17,275,233,072	17,380,791,975
+ Investments	19,480,400,124	18,937,968,866
+ Deferred revenues and prepaid expenses	135,025	422,964
- Liabilities	-50,491,212	-65,109,049
- Accrued liabilities and deferred income	-5,414,552	-4,604,764
- Non-technical provisions	-10,310,845	-9,277,111
Available assets to cover regulatory liabilities	19,414,318,540	18,859,400,906
<b>Funding ratio</b>	<b>112.4 %</b>	<b>108.5 %</b>
(available resources as a % of necessary resources)		

The income surplus in 2021 amounted to CHF 660.5 million. This was credited in full to the reserve for fluctuations in asset value.

## 6 Notes on investments and the net return on investment

### 6.1 Organisation of investment activity, investment regulations

<b>Members of the Investment Committee</b>		
<b>Name</b>	<b>Function / designation</b>	<b>Representative of the</b>
Nicolas Zürcher	Chairman of the Investment Committee Member of the Board of Trustees	Employer
Désirée Baer	Member of the Board of Trustees	Employer
Aroldo Cambi	Chairman of the Board of Trustees	Employee
Reto Kuhn	External member	Employer
Daniel Ruf	Member of the Board of Trustees	Employee
Markus Schneider	External member	Employee

<b>Members of the Real Estate Investment Committee</b>	
<b>Name</b>	<b>Function / designation</b>
Nicolas Zürcher	Chairman of the Investment Committee
Urs Hausmann	External member
Oliver Sidler	External member

<b>Service providers</b>	
Investment controlling	ECOFIN Investment Consulting AG, Zurich, Christian Fitze
Custodian banks	JP Morgan (Suisse) SA, Geneva, Global Custodian, Credit Suisse (Schweiz) AG, Zurich
Single-investor fund Gotthard	Fund management: UBS Fund Management (Switzerland) AG, Zurich Custodian bank: JP Morgan (Switzerland) Ltd, Geneva
Real estate direct valuer	Wüest Partner AG, Zurich
Accounts	For payment transactions and liquidity we work mainly with: Bernier Kantonalbank, Credit Suisse (Schweiz) AG, Hypothekarbank Lenzburg, JP Morgan (Suisse) SA, Postfinance AG, UBS (Schweiz) AG

### 6.2 Asset management mandates and asset managers

<b>Mandate</b>	<b>Asset manager</b>	<b>Style</b>	<b>Supervisory authority</b>
Liquidity (investments)	PF SBB	Active	BBSA (Switzerland)
Swap overlay	Credit Suisse	Active	FINMA (Switzerland)
Currency overlay	Cardano	Passive	AFM (Netherlands)



<b>Mandate</b>	<b>Asset manager</b>	<b>Style</b>	<b>Supervisory authority</b>
Mortgages	PF SBB	Active	BBSA (Switzerland)
SBB loan	PF SBB	–	BBSA (Switzerland)
CHF bonds	PF SBB	Active	BBSA (Switzerland)
Global government bonds	Blackrock	Passive	FCA (UK)
Global government bonds	Credit Suisse	Passive	FINMA (Switzerland)
Global corporate bonds	Wellington	Active	SEC (USA)
USA corporate bonds	Columbia	Active	SEC (USA)
European high-yield bonds	Robeco	Active	AFM (Netherlands)
USA high-yield bonds	Nomura	Active	SEC (USA)
USA high-yield bonds	Aegon USA	Active	SEC (USA)
Emerging market bonds	Goldman Sachs	Active	FCA (UK)
Emerging market bonds	Neuberger Berman	Active	FCA (UK)
Real estate CH direct	PF SBB	Active	BBSA (Switzerland)
Real estate CH listed	Credit Suisse	Passive	FINMA (Switzerland)
Real estate CH listed	UBS	Passive	FINMA (Switzerland)
Real estate CH listed	Maerki Baumann	Active	FINMA (Switzerland)
Real estate CH listed	Lombard Odier	Active	FINMA (Switzerland)
Real estate CH unlisted	PF SBB	Active	BBSA (Switzerland)
Real estate global	Credit Suisse	Passive	FINMA (Switzerland)
Equities SPI20	UBS	Passive	FINMA (Switzerland)
Equities SPI Extra	UBS	Passive	FINMA (Switzerland)
Equities MSCI Europe ex CH	UBS	Passive	FINMA (Switzerland)
Equities MSCI North America	UBS	Passive	FINMA (Switzerland)
Equities USA small and mid caps	William Blair	Active	SEC (USA)
Equities MSCI Pacific	Credit Suisse	Passive	FINMA (Switzerland)
Equities MSCI emerging markets	Pictet	Passive	FINMA (Switzerland)
Equities MSCI emerging markets	Ninety One	Active	FCA (UK)
Private equity and infrastructure	Other	Active	BBSA; FINMA (Switzerland) SEC (USA), AFM (Netherlands)
Insurance-linked investments	Other	Active	FINMA (Switzerland), FCA (UK) SEC/BMA (USA/Bermuda)

### 6.3 Expansion of investment possibilities (Article 50(4) BVV/OPO 2) with coherent explanation of the compliance with certainty and risk diversification (Article 50(1-3) BVV/OPO 2)

The PF SBB has invoked the ability to expand investment opportunities pursuant to Article 50(4) OPO 2 as follows:

- Alternative investments pursuant to Article 53(1)(e) and Article 53(3) OPO 2 may be held directly notwithstanding Article 53(4)(2) OPO 2 (only a collective and diversified form of investment is permitted).

This concerns bonds in the amount of CHF 301.5 million which are considered alternative investments pursuant to OPO 2 (see text explanations in section 6.5) as well as equities, which are not listed on an exchange, in the amount of CHF 1.3 million.

The Board of Trustees concludes that the investments are carefully selected, managed and monitored. The investment risk is also assessed and judged on an ongoing basis and is compared with the risk budget approved by the Board of Trustees. Security is assessed by an overall consideration of assets and liabilities. The principle of reasonable risk diversification is complied with. Thus, the specifications pursuant to Article 50 (1-3) OPO 2 are fully observed.

### 6.4 Target reserve for fluctuations in asset value and calculation of the reserve

It has been possible to increase the size of the reserve for fluctuations in asset value further due to the positive operating result. In accordance with the amended regulation governing provisions and reserves dated 8 December 2021, the reserve for fluctuations in asset value now only covers the fluctuation risk for the investments. It is intended to balance out the adverse effects of short-term fluctuations in the value of investments on regulatory benefit commitments. The reserve for fluctuations in asset value thus influences the risk capacity and supports the implementation of the long-term investment strategies of the PF SBB. The minimum target value is now based on an increased security level of 99 percent and the horizon of 2 years. Based on a simulation of the future development of the funding ratio, the Board of Trustees set the target value to 20 percent of the total pension liabilities and technical provisions. This value is regularly reviewed, in particular as part of an ALM study.

	31 December 2021	31 December 2020
	CHF	CHF
Reserve for fluctuations in asset value	2,139,075,468	1,478,598,931
Size of the reserve for fluctuations in asset value	3,455,000,000	4,336,600,000
Reserve deficit in the reserve for fluctuations in asset value	1,315,924,532	2,858,001,069
Reserve for fluctuations in asset value as a % of the target value	61.9%	34.1%

## 6.5 Breakdown of investments into investment categories

	Total million CHF 2021	Proportion of portfolio 2021	Proportion of benchmark 2021	Total million CHF 2020	Proportion of portfolio 2020	Proportion of benchmark 2020
<b>Nominal value investments</b>	<b>12,733</b>	<b>65.8 %</b>	<b>70.5 %</b>	<b>12,624</b>	<b>67.1 %</b>	<b>70.5 %</b>
Liquidity	623	3.2 %	3.5 %	682	3.6 %	3.5 %
Investments with employer	1,005	5.2 %	6.0 %	1,090	5.8 %	6.5 %
CHF bonds	5,638	29.1 %	32.0 %	5,483	29.1 %	31.0 %
Mortgages	1,636	8.5 %	8.5 %	1,632	8.7 %	9.0 %
Foreign currency bonds	3,831	19.8 %	20.5 %	3,737	19.9 %	20.5 %
<b>Equities</b>	<b>3,088</b>	<b>16.0 %</b>	<b>13.0 %</b>	<b>3,054</b>	<b>16.2 %</b>	<b>14.0 %</b>
Swiss equities	952	4.9 %	4.0 %	864	4.6 %	4.0 %
Foreign developed country equities	1,813	9.4 %	7.5 %	1,799	9.5 %	8.5 %
Foreign emerging country equities	323	1.7 %	1.5 %	391	2.1 %	1.5 %
<b>Real estate</b>	<b>2,312</b>	<b>12.0 %</b>	<b>10.5 %</b>	<b>2,052</b>	<b>10.9 %</b>	<b>10.5 %</b>
Swiss real estate	1,988	10.3 %	9.0 %	1,822	9.7 %	9.0 %
Global real estate	324	1.7 %	1.5 %	230	1.2 %	1.5 %
<b>Alternative investments</b>	<b>1,094</b>	<b>5.6 %</b>	<b>6.0 %</b>	<b>897</b>	<b>4.8 %</b>	<b>5.0 %</b>
Private equity and infrastructure	800	4.1 %	4.0 %	550	2.9 %	3.0 %
Hedge funds	1	0.0 %	0.0 %	2	0.0 %	0.0 %
Insurance-linked investments	293	1.5 %	2.0 %	345	1.9 %	2.0 %
<b>Currency and swap overlay</b>	<b>114</b>	<b>0.6 %</b>	<b>0.0 %</b>	<b>190</b>	<b>1.0 %</b>	<b>0.0 %</b>
<b>Total</b>	<b>19,341</b>	<b>100 %</b>	<b>100 %</b>	<b>18,817</b>	<b>100 %</b>	<b>100 %</b>

### Reconciliation of the total of all investment categories to the investment balance sheet value

	31 December 2021	31 December 2020
	CHF million	CHF million
Total of all investment categories according to adjacent table	19,341	18,817
Operating liquidity*	119	103
Receivables	2	2
Liabilities contained in Swiss real estate**	18	16
Investment balance sheet value	19,480	18,938

\*A portion of liquidity (CHF 119 million) is held for current payments outside asset management.

\*\* In addition to the assets on the asset side of the balance sheet (CHF 2,005.6 million), the figure for Swiss real estate also contains the related obligations on the liability side such as mortgages (CHF 5.3 million), non-technical provisions (CHF 10.3 million) and prepaid revenues and deferred expenses (CHF 2.0 million).

The PF SBB has received a loss guarantee of CHF 26.7 million from SBB for a mortgage portfolio acquired by SBB in 2012. The guarantee will expire on 31 December 2022.

The investment categories CHF bonds and foreign currency bonds within the list of investments include securities in the form of bonds that must be treated as alternative investments in accordance with Article 53(3) OPO 2. These are comprised of

- CHF 126.8 million in the category CHF bonds
- CHF 174.7 million in the category foreign currency bonds

In accordance with OPO 2, the investment category of alternative investments thus increases from 5.7 percent to 7.3 percent; the investment category of nominal value investments reduces from 65.8 percent to 64.3 percent. The category limits according to Article 55 OPO 2 have been complied with, also taking into account this reallocation.

#### 6.6 Current (outstanding) derivative financial instruments

Derivative financial instruments are used in order to hedge against foreign currency risks, to increase duration and to ensure efficient portfolio management. There is no leverage effect on the total assets. The maximum limits under Article 55 OPO 2 have been complied with at all times. Liquid or semi-liquid assets are available as collateral to cover all derivative positions.

**Forex forward transactions as currency hedging (in CHF million)**

Currency	Market value		Commitment increase		Commitment reduction	
	2021	2020	2021	2020	2021	2020
CHF			6,380.4	6,002.1		
USD	23.6	84.0			-4,667.7	-4,388.4
EUR	26.4	-4.1			-1,300.8	-1,269.2
GBP	1.9	-3.1			-218.4	-203.4
AUD	1.2	-2.5			-72.6	-70.0
CAD	1.3	-0.2			-75.8	-3.3
Other	-0.1	-0.1	9.2	7.2		

**Swaps (in CHF million)**

Type	Market value		Commitment increase		Commitment reduction	
	2021	2020	2021	2020	2021	2020
Interest swaps	33.9	97.7	1,325.1	659.0		

**Futures (in CHF million)**

Type	Market value		Commitment increase		Commitment reduction	
	2021	2020	2021	2020	2021	2020
Bond index futures	1.7	-0.2	390.2	351.5	-238.5	-217.1
Equity index futures long	0.3	0.6	23.3	20.6		

### 6.7 Open commitments not called off

The PF SBB has issued the following capital commitments that have not yet been called off (in CHF million):

Investment category	31 December 2021	31 December 2020
	CHF million	CHF million
Real estate	0.0	0.0
Infrastructure	10.6	11.4
Private equity	689.8	587.1

### 6.8 Market value and counterparties of securities under securities lending

	31 December 2021	31 December 2020
	CHF million	CHF million
Market value	551.1	453.5

The PF SBB has incorporated additional guarantees into the securities lending contract signed with J.P. Morgan and Credit Suisse. The requirements applicable to securities lending under the FINMA Ordinance on Collective Investment Schemes have been complied with (Federal Social Insurance Office Instruction of 20 January 2009).

Revenues from securities lending amounted to CHF 1.1 million during the financial year, as against CHF 1.1 million for the previous year. The vast majority has been booked with the institutional mutual fund Gotthard.

## 6.9 Comments on net return on investments

	Return Portfolio 2021	Return Benchmark 2021	Return Portfolio 2020	Return Benchmark 2020
<b>Nominal value investments</b>	<b>-0.1 %</b>	<b>-0.6 %</b>	<b>0.8 %</b>	<b>1.3 %</b>
Liquidity	-1.0 %	-0.8 %	-4.0 %	-0.8 %
Investments with employer	4.0 %	4.0 %	4.0 %	4.0 %
CHF bonds	-2.1 %	-2.3 %	1.1 %	1.1 %
Mortgages	1.1 %	1.1 %	1.1 %	1.1 %
Foreign currency bonds	1.4 %	1.3 %	0.1 %	-0.4 %
<b>Equities</b>	<b>20.4 %</b>	<b>22.5 %</b>	<b>6.8 %</b>	<b>6.1 %</b>
Swiss equities	23.3 %	23.4 %	3.8 %	3.8 %
Foreign developed country equities	22.6 %	26.1 %	8.3 %	6.4 %
Foreign emerging country equities	1.5 %	0.5 %	7.2 %	8.0 %
<b>Real estate</b>	<b>9.9 %</b>	<b>10.4 %</b>	<b>3.9 %</b>	<b>4.1 %</b>
Swiss real estate	7.2 %	7.2 %	7.2 %	7.4 %
Global real estate	30.9 %	31.1 %	-16.3 %	-16.2 %
<b>Alternative investments</b>	<b>23.9 %</b>	<b>25.0 %</b>	<b>-3.9 %</b>	<b>-3.6 %</b>
Private equity and infrastructure	38.3 %	38.3 %	-1.9 %	-1.9 %
Insurance-linked investments	-2.4 %	4.2 %	-7.0 %	-6.1 %
<b>Total</b>	<b>4.2 %</b>	<b>4.0 %</b>	<b>3.9 %</b>	<b>3.7 %</b>

For the overlays only return contributions can be shown. The return contributions of currency and swap overlays amount to -1.1 percent (previous year 2.1 percent).

## 6.10 Comments concerning asset management costs

The following asset management costs have been recognised in the income statement:

	2021	2020
	CHF	CHF
Asset management costs booked directly in the income statement	11,621,937*	11,713,008*
* Of which:		
TER costs	11,085,051	11,442,687
TTC costs	536,886	270,321
Sum total of all cost indicators of collective investments	71,899,840	56,302,755
<b>Total asset management costs recognised in the income statement</b>	<b>83,521,777</b>	<b>68,015,763</b>
././. Retrocessions received**	-865,882	-735,104
Net asset management costs	82,655,895	67,280,659
Cost-transparent investments	19,340,939,839	18,817,420,546
Asset management costs reported as a percentage of cost-transparent investments	0.43 %	0.36 %
Cost-transparency ratio	100 %	100 %

\* According to Instruction 02/2013 of the Ultimate Supervisory Board for Occupational Benefits, any costs that are directly imputable to asset management and any costs not related to transactions are TER costs. Any transaction costs that the pension fund must pay directly are TTC costs (transaction costs for collective investments are disregarded).

\*\* According to the Code of Conduct of the Swiss Funds Association, which has been declared to be generally binding, asset managers are subject to various duties of loyalty and care. These include the obligation to credit any trailer fees or retrocessions in full to the fund assets.

When using external funds, the PF SBB policy is to directly claim back distribution fees under contractual agreements with fund providers. During the reporting year, it was possible to obtain CHF 0.9 million as a result, compared to CHF 0.7 million during the previous year. In addition, each year all asset managers along with the custodian bank are required to disclose all remuneration that they have received in relation to PF SBB investments. All contractual partners contacted have signed a standard form distributed by the PF SBB or have signed a comparable declaration. No additional recoverable remuneration was established in this regard in 2021.



### 6.11 Comments concerning investments with employer

	31 December 2021	31 December 2020
	CHF	CHF
Outstanding amounts for occupational disability	1,238,654	991,153
Outstanding ordinary pension fund contributions	533,237	532,651
Receivables from employers	1,771,891	1,523,804
<b>Unsecured investments with employer</b>	<b>1,771,891</b>	<b>1,523,804</b>
<b>Secured investments with employer</b>	<b>1,005,135,318</b>	<b>1,090,270,207</b>
<b>Total investments in the employer's entity</b>	<b>1,006,907,209</b>	<b>1,091,794,011</b>

#### Secured investments with employer

At the start of 2007, SBB paid a restructuring contribution of CHF 1,493 million. SBB paid CHF 293 million by direct deposit. The PF SBB granted SBB a secured loan of CHF 1,200 million on 1 January 2007 with a term of 25 years at an interest rate of 4 percent with repayments starting from the end of 2011. The loan agreement was approved on 25 October 2006 by the Federal Social Insurance Office.

At the start of 2010, SBB paid a further restructuring contribution of CHF 938 million. SBB paid CHF 138 million by direct deposit. The PF SBB granted SBB a secured loan of CHF 800 million on 1 January 2010 with a term of 25 years at an interest rate of 4 percent with repayments starting from the end of 2010. The loan agreement was approved on 5 January 2010 by the Federal Social Insurance Office.

As collateral for the two loans, SBB cedes to the PF SBB all current and future rental revenues earned from selected SBB railway stations.

#### Statement of changes to secured investments with employer

	2021	2020
	CHF	CHF
Loan to SBB AG on 01/01/	1,090,270,207	1,172,130,676
Repayment on 31/12/	-85,134,889	-81,860,469
<b>Loan to SBB AG on 31/12/</b>	<b>1,005,135,318</b>	<b>1,090,270,207</b>

### 6.12 Exercise of shareholder rights

The PF SBB has adopted regulations on the exercise of voting rights, which have been approved by the Board of Trustees. On the basis of these, operating in conjunction with Institutional Shareholder Services (ISS) the PF SBB complies with statutory requirements (Ordinance against Excessive Compensation at Listed Companies) and votes within all Swiss companies limited by shares in which it holds equities either directly or via single-investor funds. The PF SBB also exercises its shareholder rights in connection with the approximately 240 largest foreign holdings and in companies with high environmental, social and governance (ESG) risks. Detail reporting concerning our voting behaviour is available on an ongoing basis on our website pksbb.ch (under section "Anlagen/Stimmrechtspolitik").

## 7 Comments on other items in the balance sheet and income statement

### 7.1 Liabilities and accrued liabilities and deferred income

Liabilities	31 December 2021	31 December 2020
	CHF	CHF
Departures pending as at 31/12/	36,701,569	47,377,540
New scheme members, purchases, PHO repayments*	1,997,174	3,152,568
Liabilities to members	1,114,772	1,376,154**
Capital disbursements	4,321,545	6,654,390
Other liabilities	1,106,152	1,198,397**
Real estate direct mortgages	5,250,000	5,350,000
<b>Total liabilities</b>	<b>50,491,212</b>	<b>65,109,049</b>

\* Payments that have not yet been allocated to an individual member

\*\* In the figures for the previous year, a reallocation of CHF 699,699 was carried out from other liabilities to liabilities to members

Accrued liabilities and deferred income	31 December 2021	31 December 2020
	CHF	CHF
Contributions to the Guarantee Fund BVG/LPP	2,659,140	2,638,487
Other	713,631	580,160
real estate direct	2,041,781	1,386,117
<b>Total accrued liabilities and deferred income</b>	<b>5,414,552</b>	<b>4,604,764</b>

### 7.2 Non-technical provisions

CHF 10.3 million (previous year CHF 9.3 million) have been booked under non-technical provisions for deferred real estate taxes. The change is booked through profit and loss in the result from real estate.

### 7.3 Ordinary and other contributions

CHF 9.3 million francs (previous year CHF 7.8 million) have been charged to the employer under "other contributions to costs by the employer" for occupational disability costs.

### 7.4 Regulatory benefits

#### 7.4.1 Other regulatory benefits

The largest cost items under other regulatory benefits are: CHF 6.2 million (previous year CHF 5.5 million) of repayable bridging pensions and CHF 5.6 million (previous year CHF 5.8 million) of disability insurance replacement pensions.

## 7.5 Other income

	2021	2020
	CHF	CHF
Revenues from services (collection for third parties)	369,723	368,251
Withholding tax levying commission	25,911	47,786
Various revenues	181,196	286,102
<b>Total other income</b>	<b>576,830</b>	<b>702,139</b>

## 7.6 Administration costs (without internal asset management)

	2021	2020
	CHF	CHF
Salaries and wages	3,024,934	3,120,391
Social benefits	726,781	631,144
Other staff costs	261,896	309,552
Cost of premises	178,129	806,796
Other administration costs	259,154	507,802
IT costs	570,816	854,114
Auditor and pension actuary	128,709	108,490
Supervisory authorities	49,795	48,529
Legal, consulting and communication costs	114,899	105,565
<b>Total administration costs</b>	<b>5,315,113</b>	<b>6,492,383</b>

Administration costs per member amount to CHF 96 (previous year CHF 117). The previous year includes one-off costs as a result of the relocation of the management office (tenant fitout and furnishings).

The costs of the asset management area are included under asset management costs TER-OPSC (see 6.10).

## 8 Supervisory authority requirements

By letter of 17 June 2021, Bernische BVG- und Stiftungsaufsicht (BBSA) [Bern OPA and Foundation Supervision] gave notice of its decision concerning the examination of reporting for 2020. The reporting was acknowledged without any comments.

## 9 Further information regarding the financial situation

### 9.1 Legal proceedings in course

As at 31 December 2021, there were three pending legal proceedings of minor financial importance in the insurance area and real estate area.

### 9.2 Special business transactions and transactions involving assets

No special business transactions or transactions involving assets need be noted.

### 9.3 Pledge of assets

As at 31 December 2021, assets of CHF 715.8 million were pledged as collateral for currency hedging and interest swaps.

### 9.4 Partial liquidation

No changes occurred in the reporting year which led to a partial liquidation.

## 10 Events subsequent to the balance sheet date

None.

# Report of the auditor

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**This report is a translation of the German version. In case of doubt, only the original German version shall apply, in which the auditor's report is also reproduced.**

# Confirmation of the Pension Actuary.

## LIBERA

### Confirmation of the accredited occupational pension expert

Based upon the portfolio data provided to us by the Pension Fund SBB, we, as accredited occupational pension experts, hereby confirm to the Foundation Board and the supervisory authority the following content as at 31 December 2021:

- Libera is an independent expert for occupational benefits approved by the Occupational Pension Supervisory Commission OPSC in accordance with Art. 52d and 52e BVG and Art. 40 ff. BVV 2.
- The assessment of the Pension Fund SBB was carried out in accordance with the FRP guidelines of the Swiss Chamber of Pension Fund Experts, in particular FRP 5.
- The pension capitals and technical provisions were calculated by using the technical bases BVG 2020 generation tables and a technical interest rate of 1.0%. The pension capitals of the prospective spouse's pensions were calculated using the collective method.
- We consider the use of the technical bases BVG 2020 generation tables as appropriate.
- We evaluate the technical interest rate of 1.0% for determining the pension capital for pensioners and the technical provisions as appropriate from today's perspective.
- With pension assets of 19'414'318 thousands of francs and pension capitals of 17'275'233 thousands of francs, the **coverage ratio** in accordance with Art. 44 BVV 2 is **112.4%** as at 31 December 2021.
- The **technical provisions** are in accordance with the regulations on the formation of provisions and reserves. We consider the measures taken to cover actuarial risks to be adequate.
- We consider the target value of the fluctuation reserve set by the Board of Trustees in the amount of 20% of the pension capital to be appropriate. However, it was not possible to accrue sufficient fluctuation reserve to meet the target value.
- The economic coverage ratio as at 31 December 2021 is 100.8% and is calculated on the basis of the yield curve defined by the interest rates of the Swiss government bonds and using the BVG 2020 generation tables.
- The comprehensive risk assessment indicates a **medium risk** to the long-term financial stability of the Pension Fund SBB.
- All regulatory actuarial provisions regarding benefits and financing comply with the legal regulations.
- The Pension Fund SBB provides as at 31 December 2021 **sufficient security** to be able to fulfill its actuarial obligations. It therefore meets the requirements of Art. 52e para. 1 BVG.

Zürich, 4 March 2022

Libera AG, contractual partner



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