INFORMATION ON FINANCIAL YEAR 2019
Groupe Mutuel Prévoyance-GMP
Overview of financial year 2019

“This is a historical moment”

These were the words that opened the first general meeting of delegates of Groupe Mutuel Prévoyance-GMP on 12 June 2019, after the merger with Mutuelle Valaisanne de Prévoyance.

The process, which was completed successfully, took effect on 1 January 2019. Groupe Mutuel Prévoyance-GMP is now strengthened through the acquisition of a client portfolio with similar characteristics and pension assets, allowing it to pursue its activities in ideal conditions. Companies and their insured employees were kept informed of the merger process by their LPP/BVG committee.

Change through continuity. An identical statutory and regulatory framework for both pension funds made it much easier for the merger to go forward. Nevertheless, the timing was ideal for updating the documents. The statutes were simplified and the administrative regulations were removed and replaced by organisational regulations. The origins in Canton Valais remain a strong anchor for the new merged entity, which is keeping its head office in Sion, while the administrative headquarters are in Martigny.

The national scope is reflected in the translation of the statutes and all regulations into German and Italian, or even English for most of them, as well as the translation of the company name into German – Groupe Mutuel Vorsorge-GMP – and Italian – Groupe Mutuel Previdenza-GMP. As a result, the pension fund has a new visual identity, with a new modern and dynamic logo, which combines the MVP and GMP logos.

The end of a chapter for Mutuelle Valaisanne de Prévoyance. Through the merger process, this pension fund led its clients and insured employees to a new entity, Groupe Mutuel Prévoyance-GMP, with a goal that remains unchanged: to build a reliable and efficient occupational pension plan. The transition went smoothly. These historical milestones were achieved with the trust of our various partners and, together, we are looking to the future with serenity.

Building up solid retirement assets

Groupe Mutuel Prévoyance-GMP now has 2,704 member companies and provided insurance to close to 24,300 persons in 2019. Insured persons’ individual accounts benefited from an interest of 2% in 2019, including a surplus share of 1% from the previous year.

At the end of 2019, the Pension Board decided to allocate 2% of the assets to a provision for the payment of additional interest in 2020 to the insured employees of those companies affiliated as at 31.12.2019, as well as to set up an additional provision for future interest of 2.5%.

2019, a memorable financial year

2019 was a historical financial years in many ways. Investment activities achieved the highest result since the 2008 crisis, despite a complex environment. This performance strengthened the financial situation, with a coverage ratio that increased to 115.2%, while reserves and provisions were consolidated.

In 2019, it was also possible to exceed the symbolic threshold of CHF 2 billion in assets under management and in balance sheet total.

Coverage ratio according to Art. 44 OPP2/BVV2

as at 31.12. 2019 2018

| Total assets | 2,200,984,151 | 954,639,320 |
| Commitments | -47,567,340 | -45,251,062 |
| Accruals for liabilities | -14,130,604 | -23,696,563 |
| Employer contribution reserves | -12,820,742 | -4,935,109 |
| Assets at 31.12 | 2,126,465,465 | 880,756,586 |

Retirement assets of active insured persons and pensioners 1,702,107,661 723,920,819
Technical provisions and funds linked to companies 109,119,000 24,865,885
Provision for the equalisation of the coverage ratio 35,127,000 0
Retirement assets and technical provisions 1,846,353,661 748,786,705
Coverage ratio 115.17% 117.62%

Before the merger, GMP reported a coverage ratio of 117.62% and MVP of 112.35%. The merger report included the method to be used to reduce both coverage ratios to an identical level of 112.35% as at 01.01.2019. An amount of CHF 35,127,000 was placed in a provision to equalise the coverage ratios. This amount is intended for the recipients of GMP that were present on the date of the merger and was distributed among the entities affiliated to GMP on the date of the merger, after deduction of the amounts to be allocated to the provision for exchange rate differences. Events that had an impact on the coverage ratio relating to GMP’s business prior to the merger will also be assessed and deducted from the amount to be allocated.

At the time of writing, the COVID-19 crisis had just begun. Cruelly harsh, both in human and economic terms, this global pandemic will undoubtedly have a major impact on our business activities. Our sound and cautious asset management approach will allow us to get through these events, the extent of which is still unknown.
Annuaire accounts 2019 - Summary

On 1 January 2019, Groupe Mutuel Prévôance-GMP took over the pension fund Mutuelle Valaisanne de Prévôance, with the head office in Sion, with all assets and liabilities in accordance with the provisions of the Swiss Merger Act (LFus/FusG). Groupe Mutuel Prévôance-GMP is hereinafter referred to by the simplified wording "GMP" and Mutuelle Valaisanne de Prévôance by "MVP". The balance sheet figures show the merged situation of GMP (GMP+MVP) as at 31.12.2019 and are compared with the figures of GMP as at 31.12.2018. For the operating account, the merged situation is presented for 2019 and compared with the GMP 2018 figures.

### Balance sheet

#### Assets in CHF

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>2,120,398,282</td>
</tr>
<tr>
<td>Operating liquidity</td>
<td>44,177,179</td>
</tr>
<tr>
<td>Deliverables</td>
<td>31,225,103</td>
</tr>
<tr>
<td>Accruals for assets</td>
<td>5,183,587</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>2,200,984,151</strong></td>
</tr>
</tbody>
</table>

#### Liabilities in CHF

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments</td>
<td>47,567,340</td>
</tr>
<tr>
<td>Accruals for liabilities</td>
<td>14,130,604</td>
</tr>
<tr>
<td>Employer contribution reserves</td>
<td>12,820,742</td>
</tr>
<tr>
<td>Retirement assets and technical provisions</td>
<td>1,846,353,661</td>
</tr>
<tr>
<td>Value fluctuation reserve</td>
<td>212,900,000</td>
</tr>
<tr>
<td>Fund assets / Uncommitted funds</td>
<td>67,211,804</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>2,200,984,151</strong></td>
</tr>
</tbody>
</table>

### Operating account

#### in CHF

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflows from contributions and entry benefits</td>
<td>388,864,012</td>
</tr>
<tr>
<td>Expenses relating to benefits and advance payments</td>
<td>-212,680,512</td>
</tr>
<tr>
<td>Adjustment / build-up of retirement assets, technical provisions and contribution reserves</td>
<td>-260,023,876</td>
</tr>
<tr>
<td>Revenue of insurance benefits</td>
<td>22,328,284</td>
</tr>
<tr>
<td>Insurance expenses</td>
<td>-14,509,505</td>
</tr>
<tr>
<td><strong>Net insurance result</strong></td>
<td><strong>-76,021,597</strong></td>
</tr>
<tr>
<td>Net return on investments</td>
<td>170,971,690</td>
</tr>
<tr>
<td>Other revenue</td>
<td>307,357</td>
</tr>
<tr>
<td>Merger fees</td>
<td>-177,656</td>
</tr>
<tr>
<td>Administrative fees</td>
<td>-11,040,328</td>
</tr>
<tr>
<td>Revenue / expenses surplus before build-up / adjustment of the value fluctuation reserve</td>
<td>84,039,467</td>
</tr>
<tr>
<td>Adjustment / build-up of the value fluctuation reserve</td>
<td>-42,500,000</td>
</tr>
<tr>
<td>Expenses (-) / revenue (+) surplus</td>
<td>41,539,467</td>
</tr>
</tbody>
</table>

### Capital investment activities

The financial performance achieved is not the result of stronger economic growth, lower geopolitical tensions or a significant increase in corporate profits. Once again, banks opened the credit tap, thereby concealing various global geopolitical tensions and increasing social unrest in a number of countries. These measures generated significant capital gains in all types of assets, from equities and bonds to gold and real estate.

### Allocation of investments

In accordance with the provisions of Swiss GAAP FER 26, the pension fund’s assets are valued at market value.

A new strategic allocation is effective as of 01.01.2019. Alternative investments consist of private equity and private debt. Absolute returns relate to defensive structured products, variable-rate bonds, mortgages, secured capital and loans.

### Allocation of the Fund’s investments

#### as at 31.12 2019

<table>
<thead>
<tr>
<th>31.12.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>221,949,850</td>
</tr>
<tr>
<td>26,805,572</td>
</tr>
<tr>
<td>504,126,030</td>
</tr>
<tr>
<td>141,360,691</td>
</tr>
<tr>
<td>159,750,892</td>
</tr>
<tr>
<td>266,648,141</td>
</tr>
<tr>
<td>372,842,546</td>
</tr>
<tr>
<td>189,497,000</td>
</tr>
<tr>
<td>19,893,813</td>
</tr>
<tr>
<td>74,236,978</td>
</tr>
<tr>
<td>24,075,923</td>
</tr>
<tr>
<td>119,151,846</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

### Return per asset type (net of expenses)

<table>
<thead>
<tr>
<th>2019</th>
<th>Performance Benchmark Index</th>
<th>Performance achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swiss shares (SMI Expanded with dividends)</td>
<td>31.19%</td>
<td>32.01%</td>
</tr>
<tr>
<td>Foreign shares (Composite)</td>
<td>20.01%</td>
<td>22.06%</td>
</tr>
<tr>
<td>Swiss franc bonds (SBI AAA–BBB Total return)</td>
<td>3.05%</td>
<td>2.21%</td>
</tr>
<tr>
<td>Bonds hedged in CHF (Barclays Global Aggregate hedged in CHF)</td>
<td>4.61%</td>
<td>4.75%</td>
</tr>
<tr>
<td>Bonds in foreign currencies (Composite)</td>
<td>5.60%</td>
<td>5.72%</td>
</tr>
<tr>
<td>Private equity (MSCI World +2%)</td>
<td>4.12%</td>
<td>-0.12%</td>
</tr>
<tr>
<td>Private debt (Libor CHF 12 months +3%)</td>
<td>1.42%</td>
<td>1.46%</td>
</tr>
<tr>
<td>Absolute return (minimum LPP/BVG rate)</td>
<td>1.00%</td>
<td>5.54%</td>
</tr>
<tr>
<td>Direct real estate (4%)</td>
<td>4.00%</td>
<td>2.45%</td>
</tr>
<tr>
<td>Indirect real estate (SXI Real Est. Funds TR Index)</td>
<td>20.67%</td>
<td>15.86%</td>
</tr>
<tr>
<td>Liquidity (JPM Cash index CHF 3 months)</td>
<td>-0.68%</td>
<td>-1.30%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10.08%</strong></td>
<td><strong>9.18%</strong></td>
</tr>
</tbody>
</table>

The realised return on investment is calculated using the MWR (Money Weighted Return) method.
Aim and calculation of the value fluctuation reserve

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value fluctuation reserve as at 1 January</td>
<td>82,200,000</td>
</tr>
<tr>
<td>Contributions from the value fluctuation reserve following the merger with MVP</td>
<td>88,200,000</td>
</tr>
<tr>
<td>Build-up / adjustment</td>
<td>42,500,000</td>
</tr>
<tr>
<td>Value fluctuation reserve as at 31.12</td>
<td>212,900,000</td>
</tr>
</tbody>
</table>

Purpose of the value fluctuation reserve as a % of commitments

- 2019: 11.53%
- 2018: 10.98%

The calculation method for the value fluctuation reserve is defined by the Risk Adjusted Capital. This method takes into account:
- the remuneration of the Fund’s retirement assets at the minimum LPP/BVG rate
- the volatility of the investment strategy chosen by the Fund
- the expected return of the investment strategy chosen by the Fund
- the degree of likelihood of occurrence.

Technical provisions

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for gaps in conversion rates</td>
<td>33,453,000</td>
</tr>
<tr>
<td>Provision for increase in life expectancy</td>
<td>3,226,000</td>
</tr>
<tr>
<td>Provision for small number of pensioners</td>
<td>3,540,000</td>
</tr>
<tr>
<td>Provision for the equalisation of coverage ratios</td>
<td>35,127,000</td>
</tr>
<tr>
<td>Provision for additional interest</td>
<td>30,600,000</td>
</tr>
<tr>
<td>Provision for future interest allocation</td>
<td>38,300,000</td>
</tr>
<tr>
<td>Total of technical provisions</td>
<td>144,246,000</td>
</tr>
</tbody>
</table>

Regulations for actuarial liabilities govern the constitution of provisions. Identical rules for both pension funds have allowed for a contribution from MVP in line with the provisions of GMP regulations. The provision for additional interest is intended for the allocation of a 2% increase in interests for the following financial year, as decided by the Pension Board. The provision for future interest of 2.5% of the assets will be allocated by decision of the Pension Board.

Background and organisation

Groupe Mutuel Prévoyance-GMP is a semi-autonomous joint pension fund of the “defined contribution plan” type, with its head office in Sion. Its purpose is to serve as a multi-employer pension fund for employers and self-employed individuals, to provide employees and the self-employed with benefits coverage in the event of retirement, death or disability, and to invest savings capital in accordance with the relevant rules and regulations. The Pension Fund 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. The bodies of the Pension Fund are the Pension Board, the Meeting of Delegates and the Auditors. The Pension Board is the highest body of the Pension Fund. It has all powers and performs all tasks that have not been expressly assigned to another body. The Meeting of Delegates appoints and revokes the members of the Pension Board. The Meeting of Delegates reviews the annual report of the Pension Board.

Pension Board

- Mrs Karin Perraudin, President¹
- Mr Bruno Pache, Vice-President¹
- Mr Patrick Varone, Secretary¹
- Mr Marc-Etienne Berdoz, Member
- Mrs Patricia Lorenz, Member
- Mr Frédéric Perraudin, Member
- Mr Stéphane Roduit, Member
- Mr Thierry Rosset, Member
- Mr Benoît Schoechli, Member

¹ joint signatures in pairs

Founders’ representatives, excluding the Board

- Mr Fabio Naselli Feo
- Mr Nicolas Debons

Numbers

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured employers as at 31.12.</td>
<td>2,704</td>
<td>1,783</td>
</tr>
<tr>
<td>Active members as at 31.12.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>10,371</td>
<td>5,257</td>
</tr>
<tr>
<td>Women</td>
<td>9,151</td>
<td>4,412</td>
</tr>
<tr>
<td>Total</td>
<td>19,522</td>
<td>9,669</td>
</tr>
<tr>
<td>Number of persons who contributed during the financial year</td>
<td>24,296</td>
<td>11,695</td>
</tr>
</tbody>
</table>

Pensioners

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age pensions</td>
<td>1,026</td>
<td>346</td>
</tr>
<tr>
<td>Spouse’s / partner’s pensions</td>
<td>86</td>
<td>23</td>
</tr>
<tr>
<td>Disability pensions</td>
<td>331</td>
<td>121</td>
</tr>
<tr>
<td>Pensions for children (of pensioners or disabled members)</td>
<td>171</td>
<td>68</td>
</tr>
<tr>
<td>Orphan pensions</td>
<td>47</td>
<td>28</td>
</tr>
<tr>
<td>Pensions of divorced spouse</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>1,662</td>
<td>586</td>
</tr>
</tbody>
</table>

The financial statements 2019 can be downloaded from the website (in French, German and Italian), at the address: www.groupemutuel.ch/rapportLPP
You may also order them by email: lpp@groupemutuel.ch

Groupe Mutuel Prévoyance-GMP
Rue des Cèdres 5 – P.O. Box – 1919 Martigny
0848 803 777 – www.groupemutuel.ch

Administrator: