



AXA Foundation 1e

# Annual Report 2023

AXA Foundation 1e, Winterthur

Foreword by the Board of Trustees	4 – 5
Balance sheet	7
Operating account	8
Notes to the financial statement	11 – 25
Report of the Statutory Auditor on the Financial Statements	26 – 28

**“AXA Foundation 1e is setting new standards with its fully digital end-to-end solution, which is unique in the market to date.”**

The Board of Trustees of the  
AXA Foundation 1e, Winterthur

## Foreword by the Board of Trustees on the 2023 Annual Report

Dear reader

Established in 2022, the AXA 1e Foundation is still young but becoming increasingly established in the market. Thanks to a continuous flow of new affiliated clients opting for this management solution since market launch, the portfolio of insureds is steadily growing.

AXA Foundation 1e is setting new standards with its fully digital end-to-end solution, which is unique in the market to date. Its client base consists primarily of large and medium-sized enterprises that

are looking for an innovative, one-stop solution and at the same time want to benefit from AXA's expertise in occupational benefits and asset management. Depending on their personal risk profile, insureds can choose from five investment strategies that differ primarily in terms of their equity component. Insureds can select which option they prefer, from "low risk" with no equities all the way up to 75% equities.

AXA's experts make sure the assets of insured members are invested in the financial markets with a focus on returns.

**“Depending on their personal risk profile, insureds can choose from five investment strategies that differ primarily in terms of their equity component.”**

With the exception of the 1e 20 strategy, all investment strategies offered have already been selected and therefore opened. The investment strategies delivered a positive performance last year:

- AXA 1e low risk 0.73%
- AXA 1e 20\* –
- AXA 1e 35 4.47%
- AXA 1e 50 3.87%
- AXA 1e 75 5.66%

\*not yet opened

AXA 1e Foundation services are fully online: Insureds can use the myAXA pensions portal at any time to view their retirement assets or change their investment strategy.

Following steady growth, the time has come to replace the AXA Board of Trustees that was appointed when the Foundation was set up. At the start of 2024, the Foundation therefore announced its first elections and is looking for interested persons

who wish to take the helm of the Foundation as members of the Board of Trustees. From July 1, 2024, the Foundation will be led by a Board of Trustees consisting of two employee and two employer representatives. We wish the new members of the Board of Trustees every success and great foresight in their role.

The AXA Foundation 1e will continuously expand its offering, such that in the event of a temporary undershooting of the entry threshold, for example, the assets will be able to remain in the Foundation 1e. By the same token, we are constantly monitoring developments in the market in order to attend to the needs of our insureds in an optimum manner.

The Foundation can look back on a successful first year, as highlighted in the Annual Report. We hope that many more insureds will choose our Foundation in future in order to benefit from AXA's flexible solution.

Thank you for placing your trust in us.

Muriel Haunreiter, Managing Director of the AXA Foundation 1e, Winterthur

# Financial statements 2023

## Balance sheet

in CHF	Index explanatory notes	31.12.2023
<b>Assets</b>		
<b>Investments</b>		<b>1'784'604.13</b>
Liquid funds		401'763.58
Accounts receivable	7.1.1	635.45
Securities	6.4	1'382'205.10
<b>Prepayments and accrued income</b>	7.1.2	<b>24'229.10</b>
<b>Total assets</b>		<b>1'808'833.23</b>
<b>Liabilities</b>		
<b>Liabilities</b>		<b>40'820.23</b>
Vested termination benefits accounts and pensions	7.2.1	14'415.85
Liabilities in respect of AXA Life Ltd	7.2.2	4'975.10
Other liabilities	7.2.3	21'429.28
<b>Accrued liabilities and deferred income</b>		<b>0.00</b>
<b>Employer-paid contribution reserve</b>		<b>0.00</b>
<b>Non-actuarial reserves</b>		<b>0.00</b>
<b>Pension liabilities and actuarial reserves</b>		<b>1'431'616.80</b>
Active participants' liabilities	5.3	1'431'616.80
Pensioners' liabilities	5.4	0.00
Actuarial reserves	5.5	0.00
<b>Reserve for fluctuations in asset value</b>	6.3	<b>0.00</b>
<b>Foundation capital</b>		<b>336'396.20</b>
Balance at the beginning of the period		0.00
Income surplus of Foundation		336'396.20
<b>Total liabilities</b>		<b>1'808'833.23</b>

# Operating account

in CHF	Index explanatory notes	30.09.22-31.12.23
<b>Ordinary and other contributions and transfers</b>		<b>460'580.10</b>
Employee contributions	7.3.1	83'181.30
Employer contributions	7.3.1	214'230.80
One-time payments and purchase amounts		163'168.00
<b>Entry lump-sum transfers</b>		<b>961'667.75</b>
Vested termination benefits transfers		961'667.75
<b>Inflow from contributions and entry lump-sum transfers</b>		<b>1'422'247.85</b>
<b>Regulatory benefits</b>		<b>0.00</b>
<b>Termination benefits</b>		<b>-14'795.40</b>
Vested termination benefits for leavers		-14'795.40
<b>Outflow for benefits and withdrawals</b>		<b>-14'795.40</b>
<b>Increase in pension liabilities</b>		<b>-1'431'616.80</b>
Increase in active participants' liabilities (net)		-1'375'684.40
Changes in pension capital as a result of earnings in securities		-55'932.40
<b>Income from insurance benefits</b>		<b>0.00</b>
<b>Insurance cost</b>		<b>-31'768.05</b>
Risk premium		-22'235.20
Cost premium	7.3.2	-9'519.60
Contributions to the BVG (LOB) Guarantee Fund		-13.25
<b>Net result of insurance activities</b>		<b>-55'932.40</b>
<b>Net return on investments</b>	6.9	<b>39'288.45</b>
Securities income		57'278.31
Other income from assets		1'815.58
Administration cost of investments	6.10.1	-19'805.44
<b>Other income</b>	7.3.3	<b>357'000.40</b>
<b>Other expenses</b>		<b>0.00</b>
<b>Administration expenses</b>	7.3.2	<b>-3'960.25</b>
Auditor's costs		0.00
Costs of occupational pensions actuary		-3'360.25
Supervisory authorities' costs		-600.00
<b>Income surplus prior to increase/decrease in reserve for fluctuations in asset value</b>		<b>336'396.20</b>
Increase/decrease in reserve for fluctuations in asset value		0.00
<b>Income surplus of Foundation</b>		<b>336'396.20</b>

# Notes to the financial statements 2023

## Explanatory notes

### 1 Basis and organization

#### 1.1 Legal form and purpose

AXA Life Ltd established a foundation on September 30, 2022, in accordance with Art. 80 ff. of the Swiss Civil Code under the name of "AXA Stiftung 1e, Winterthur" (AXA Foundation 1e, Winterthur) (UID: CHE-241.048.206 HR).

The Foundation has its registered office in Winterthur. It is subject to statutory supervision.

The Foundation was established in order to provide non-mandatory occupational retirement, survivors', and disability benefits. Its purpose is to protect employees and employers of affiliated companies in accordance with its regulations against the economic consequences of loss of earnings resulting from old age, disability, or death. The Foundation insures exclusively salary elements above one and a half times the upper threshold according to Art. 8 (1) BVG/OPA and offers exclusively occupational benefits plans with different investment strategies (Art. 1e BVV 2/OPO 2).

Companies may also affiliate to the Foundation for their Boards of Directors.

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

The Foundation is not entered in the register for occupational pension schemes. It pays contributions to the BVG (LOB) Guarantee Fund and is registered under serial no. ZH NR720.

#### 1.3 Details on the document and regulations

	Version	New version as at
Deed of foundation	2022	
Election regulations	01.01.2023	
Organization regulations of the Foundation	01.10.2022	
Organization regulations of the Occupational Benefits Fund Commission	01.01.2023	01.01.2024
Occupational benefits fund regulations/ occupational benefits plans	01.01.2023	01.01.2024
Regulations for the promotion of home ownership	01.01.2023	
Investment regulations	01.01.2023	
Regulations on the partial liquidation of a foundation	01.01.2023	
Regulations on the partial and total liquidation of occupational benefits funds	01.01.2023	
Regulations on surplus participation	01.01.2023	
Cost regulations	01.01.2023	

## 1.4 Supervisory board, authorized signatories, and management

### 1.4.1 Board of Trustees

Members	Function	Term of office
Rosa Maria Masino	Chair	Since 2022
Alex Härtsch		Since 2022
Dominic Lutz		Since 2022
Karin Berchtold		Since 2022

The Board of Trustees comprises employees of AXA Life Ltd. The election of the new Board of Trustees will take place by June 30, 2024.

Documents must be signed by two trustees to be legally binding.

### 1.4.2 Occupational Benefits Fund Commissions (OBFC)

The management bodies of the separately managed occupational benefits funds for affiliated employers. These bodies consist of employee and employer representatives.

### 1.4.3 Management

Management	Muriel Haunreiter, AXA Life Ltd (from August 1, 2023) Fabian Ryser, AXA Life Ltd (until July 31, 2023)
Management company, administration, bookkeeping, and distribution	AXA Life Ltd, Winterthur

## 1.5 Occupational pensions actuary, auditor, supervisory authority, data protection officer

Occupational pensions actuary	Contractual partner: Libera AG, Basel Appointed actuary: Dr. Ruben Lombardi, licensed occupational pensions actuary in accordance with Art. 52d BVG/OPA
Auditors	KPMG AG, Zurich
Supervisory authority	BVG and Foundation Supervision of the Canton of Zurich (BV)
Data protection officer	AXA Life Ltd, Winterthur

## 1.6 Affiliated employers

(number of affiliation contracts)	30.09.22-31.12.23
Balance as at September 30, 2022	0
Additions	4
Withdrawals	0
<b>Balance as at December 31, 2023</b>	<b>4</b>

## 2 Active members and pensioners

### 2.1 Active participants

	30.09.22-31.12.23
Balance as at September 30, 2022	0
Additions	25
Withdrawals	-4
<b>Balance as at December 31, 2023</b>	<b>21</b>

### 2.2 Pension recipients

None

## 3 Implementation of objectives

### 3.1 Characteristics of the pension plans

The occupational benefits fund regulations issued by the Board of Trustees form the framework of the individual pension plans of the affiliated occupational benefits funds.

Each affiliated occupational benefits fund has issued a pension plan. It stipulates the type and amount of occupational benefits as well as the amount and composition of the contributions.

### 3.2 Financing, financing method

The financing of the occupational benefits cover depends on the individual pension plans of the occupational benefits funds.

### 3.3 Share of insurance surpluses

AXA Life Ltd calculates the surplus participations annually in accordance with the regulatory provisions of the federal government.

## 4 Significant accounting policies and valuation methods, consistency

### 4.1 Statement of compliance with Swiss GAAP FER 26

The balance sheet, operating account, and explanatory notes on the annual financial statements are in accordance with the accounting recommendations of Swiss GAAP FER 26.

### 4.2 Significant accounting policies and valuation methods

The significant accounting policies and valuation methods are in compliance with the statutory provisions and are implemented as follows:

- Currency conversion:	Rates on the balance sheet date
- Liquid funds, accounts receivable, liabilities and deferrals/accruals:	Nominal value less necessary value adjustments
- Securities:	NAV on the balance sheet date
- Active participants' liabilities:	In accordance with the regulatory provisions

### 4.3 Changes in principles regarding valuation, bookkeeping, and financial accounting

None

## 5 Actuarial risks / risk benefit coverage / coverage rate

### 5.1 Type of risk benefit coverage, reinsurance

The actuarial risks of disability and death are reinsured under a group insurance contract with AXA Life Ltd. Retirement benefits are only paid out as a lump sum.

### 5.2 Assets and liabilities from insurance contracts

No surrender Values

### 5.3 Development of retirement assets

	30.09.22-31.12.23
	CHF
Balance as at September 30, 2022	0.00
Retirement credits	265'644.05
One-time payments and purchase amounts	163'168.00
Vested termination benefits transfers	961'667.75
Vested termination benefits for leavers	-14'795.40
Changes in pension capital as a result of earnings in securities	55'932.40
<b>Balance as at December 31, 2023</b>	<b>1'431'616.80</b>

### 5.4 Pensioners' liabilities

There were no pensioners in the Foundation as at December 31, 2023.

### 5.5 Actuarial reserves

Due to the full reinsurance of actuarial risks by AXA Life Ltd, the Foundation does not require any actuarial reserves.

### 5.6 Conclusions of the last actuarial report

The first actuarial report will be produced by Libera AG, based on the annual financial statements as at December 31, 2024.

### 5.7 Actuarial principles and other significant actuarial assumptions

#### Reinsurance coverage of risks

The Foundation has reinsured the actuarial risks of disability and death under a group insurance contract with AXA Life Ltd. The actuarial principles are based on the currently prevailing group life insurance rate of AXA Life Ltd as approved by the Swiss Financial Market Supervisory Authority FINMA.

### 5.8 Change in actuarial bases and assumptions

No change

### 5.9 Foundation coverage rate according to Art. 44 BVV 2 / OPO 2

	31.12.2023
<b>Net assets at market values (pension assets)</b>	CHF
Assets	1'808'833.23
./. Liabilities	-40'820.23
<b>Total pension assets</b>	<b>1'768'013.00</b>
<b>Actuarial pension liabilities (PL)</b>	
Active participants' liabilities	1'431'616.80
<b>Total PL</b>	<b>1'431'616.80</b>
<b>Foundation coverage rate according to Art. 44 BVV 2 / OPO 2</b>	<b>123.5 %</b>

All occupational benefits funds have a coverage ratio of 100 %.



## 6 Comments on investments and net return on investments

### 6.1 Organization of investment activities, investment advisor, investment manager, and investment rules and regulations

The organization of investment activities as well as the principles, duties, and authorities applicable to asset management are set out in the investment regulations.

The Foundation offers insureds five different strategies for investment of the retirement assets, one of which is a strategy with low-risk investments as defined in Art. 53a BVV 2/OPO 2. Insureds each select an investment strategy; the retirement assets cannot be split between multiple investment strategies. It is possible to change investment strategy at any time, with the exception of December 25 to the first trading day of the following year.

The investment strategies are reviewed by the Foundation on a regular basis and on the occurrence of any extraordinary events. The Foundation adapts, revokes, or replaces the investment strategies in place whenever such a move becomes necessary.

#### Asset management by AXA Insurance Ltd

(authorized in accordance with Art. 48f para. 4g BVV 2/OPO 2)

Asset manager	AXA Insurance Ltd, Winterthur
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The provisions of Art. 48f BVV 2/OPO 2 are being complied with.

#### Investment manager per asset class as at December 31, 2023

Asset class	Investment manager	Registration
CHF bonds	AXA Investment Managers Switzerland Ltd, Zurich	FINMA (Switzerland)
Foreign currency bonds (hedged)	AXA Investment Managers Paris SA, Paris	AMF (France)
	PIMCO Europe GmbH, Munich, with delegation of investment decisions to Pacific Investment Management Company LLC, Newport Beach	BaFin (Germany) SEC (USA)
	Zürcher Kantonalbank, Zurich	FINMA (Switzerland)
Emerging market bonds	AllianceBernstein Limited, London, with delegation of investment decisions to AllianceBernstein LP, New York	FCA (UK) SEC (USA)
	Wellington Management International Ltd., London, with delegation of some investment decisions to Wellington Management Company LLP, USA	FCA (UK) SEC (USA)
Swiss equities	Credit Suisse Asset Management (Switzerland) Ltd, Zurich	FINMA (Switzerland)
Equities, global (hedged)	UBS Asset Management Switzerland AG, Zurich	FINMA (Switzerland)
Emerging market equities	UBS Asset Management Switzerland AG, Zurich	FINMA (Switzerland)
Swiss real estate	UBS Asset Management Switzerland AG, Zurich	FINMA (Switzerland)

### Account / custody account management

The accounts and custody accounts are managed by Credit Suisse (Schweiz) AG.

### 6.2 Availment of expanded investment possibilities (Art. 50 para. 4 BVV 2 / OPP 2) with conclusive proof of compliance with security and risk distribution (Art. 50 para. 1 to 3 BVV 2 / OPP 2)

The Foundation is making use of the option of expanded investment possibilities within the meaning of Art. 50 para. 4<sup>bis</sup> BVV 2/OPO 2.

Within the range of investment strategies available, beneficiaries can choose an investment strategy with an equity component of 50 % or more. In the context of a risk analysis, their attention is drawn to the increased risk of the chosen strategy. The insured alone bears the investment risk.

The foundation is in a growth phase. To ensure liquidity, the debtor limit in accordance with Art. 54 para. 1 BVV 2/OPP 2 temporarily. The proportion of liquid assets is 22.21 % (maximum under BVV 2 10 %).

The Board of Trustees is aware of the excess in accordance with Art. 54 para. 1 BVV 2/OPO 2, but considers the investment to be secure and the fulfilment of the purpose of pension provision is not at risk.

### 6.3 Reserve for fluctuations in asset value

A reserve for fluctuations in asset value is not required. Investment risk is borne by the insured.

### 6.4 Breakdown of investments into investment categories

Asset class: low-risk	31.12.2023		Strategy in %	Bandwidth	
	CHF	in %		min.%	max.%
<b>Liquidity</b>	<b>24'917</b>	<b>100.00</b>	<b>100</b>	<b>70</b>	<b>100</b>
<b>Nominal assets</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>30</b>
CHF bonds	0	0.00	0	0	30
<b>Total</b>	<b>24'917</b>	<b>100.00</b>			
<i>of which foreign currencies (not hedged)</i>		0.00			

Asset class: AXA 1e 35	31.12.2023		Strategy in %	Bandwidth	
	CHF	in %		min.%	max.%
<b>Liquidity</b>	<b>5'663</b>	<b>2.79</b>	<b>2</b>	<b>0</b>	<b>10</b>
<b>Nominal assets</b>	<b>106'379</b>	<b>52.41</b>	<b>53</b>	<b>35</b>	<b>73</b>
CHF bonds	30'471	15.01	15	10	20
Global bonds	60'441	29.78	30	25	35
Emerging market bonds	7'732	3.81	4	0	9
High-yield bonds	7'735	3.81	4	0	9
<b>Equities</b>	<b>70'864</b>	<b>34.92</b>	<b>35</b>	<b>24</b>	<b>45</b>
Swiss equities	14'282	7.04	7	4	10
Global equities	52'579	25.91	26	20	30
Emerging market equities	4'003	1.97	2	0	5
<b>Real estate</b>	<b>20'041</b>	<b>9.88</b>	<b>10</b>	<b>0</b>	<b>20</b>
<b>Total</b>	<b>202'947</b>	<b>100.00</b>			
<i>of which foreign currencies (not hedged)</i>		4.87			

Asset class: AXA 1e 50	31.12.2023		Strategy	Bandwidth	
	CHF	in %		in %	min.%
<b>Liquidity</b>	<b>18'102</b>	<b>2.83</b>	<b>2</b>	<b>0</b>	<b>10</b>
<b>Nominal assets</b>	<b>239'883</b>	<b>37.47</b>	<b>38</b>	<b>22</b>	<b>58</b>
CHF bonds	70'212	10.97	11	6	16
Global bonds	133'293	20.82	21	16	26
Emerging market bonds	18'187	2.84	3	0	8
High-yield bonds	18'191	2.84	3	0	8
<b>Equities</b>	<b>318'946</b>	<b>49.81</b>	<b>50</b>	<b>37</b>	<b>65</b>
Swiss equities	64'091	10.01	10	5	15
Global equities	235'672	36.80	37	32	42
Emerging market equities	19'183	3.00	3	0	8
<b>Real estate</b>	<b>63'350</b>	<b>9.89</b>	<b>10</b>	<b>0</b>	<b>20</b>
<b>Total</b>	<b>640'281</b>	<b>100.00</b>			
<i>of which foreign currencies (not hedged)</i>		4.87			

Asset class: AXA 1e 75	31.12.2023		Strategy	Bandwidth	
	CHF	in %		in %	min.%
<b>Liquidity</b>	<b>10'927</b>	<b>2.12</b>	<b>2</b>	<b>0</b>	<b>10</b>
<b>Nominal assets</b>	<b>65'944</b>	<b>12.83</b>	<b>13</b>	<b>2</b>	<b>33</b>
CHF bonds	20'399	3.97	4	0	9
Global bonds	35'841	6.97	7	2	12
Emerging market bonds	4'842	0.94	1	0	6
High-yield bonds	4'862	0.95	1	0	6
<b>Equities</b>	<b>386'213</b>	<b>75.13</b>	<b>75</b>	<b>60</b>	<b>90</b>
Swiss equities	77'689	15.11	15	10	20
Global equities	282'482	54.95	55	50	60
Emerging market equities	26'042	5.07	5	0	10
<b>Real estate</b>	<b>50'976</b>	<b>9.92</b>	<b>10</b>	<b>0</b>	<b>20</b>
<b>Total</b>	<b>514'060</b>	<b>100.00</b>			
<i>of which foreign currencies (not hedged)</i>		5.67			

BVV 2 / OPO 2 report	31.12.2023	
	CHF	in %
<b>Liquidity</b>	<b>59'609</b>	<b>3.30</b>
<b>Nominal assets</b>	<b>412'206</b>	<b>22.78</b>
CHF bonds	121'082	6.69
Global bonds	229'575	12.69
Emerging market bonds	30'761	1.70
High-yield bonds	30'788	1.70
<b>Equities</b>	<b>776'023</b>	<b>42.90</b>
Swiss equities	156'062	8.63
Global equities	570'733	31.55
Emerging market equities	49'228	2.72
<b>Real estate</b>	<b>134'367</b>	<b>7.43</b>
<b>Total securities</b>	<b>1'382'205</b>	
Liquid funds	401'764	22.21
Receivables	635	0.04
Prepayments and accrued income	24'229	1.34
<b>Total assets</b>	<b>1'808'833</b>	<b>100.00</b>

Category limits according to Art. 55 BVV 2 / OPO 2	31.12.2023		Maximum BVV 2 / OPO 2
	in %	in %	
Equities	42.90		50
Real estate	7.43		30
Foreign currency without hedging	3.89		30

Restriction of individual borrowers according to Art. 54 para. 1 BVV 2 / OPO 2	31.12.2023		Maximum BVV 2 / OPO 2
	in %	in %	
Claims per borrower	22.21		10

#### Confirmation of compliance with limits

The Foundation is making use of the option of expanded investment possibilities within the meaning of Art. 50 para. 4<sup>bis</sup> BVV 2/OPO 2 (see 6.2). The limits according to Art. 54 excluding para. 1, Art. 54b, Art. 55, and Art. 57 BVV 2/OPO 2 are being complied with.

**6.5 Current (open) financial derivative instruments**

No derivatives are held directly. However, the Foundation has invested in collective investment vehicles in which financial derivative instruments are used. The provisions of Art. 56a BVV 2/OPO 2 are being complied with.

**6.6 Deeds of pledge**

None

**6.7 Open commitments**

None

**6.8 Market value and counterparties in securities lending**

The Foundation did not engage in direct securities lending and repurchase agreements, since it invests exclusively in collective investment schemes. Securities lending and repurchase agreements are only permitted as part of collective investment vehicles and if in compliance with the Federal Collective Investment Schemes Act (CISA) and its implementing provisions. In repurchase agreements, the Foundation may only act as the lender.

**6.9 Comments on net return on investments****30.09.22-31.12.23**

CHF

	<b>30.09.22-31.12.23</b>
<b>Securities income</b>	<b>57'278.32</b>
Securities income from low-risk asset class	73.90
Securities income from AXA 1e 35 asset class	8'105.77
Securities income from AXA 1e 50 asset class	24'610.68
Securities income from AXA 1e 75 asset class	24'487.97
<b>Other income from assets</b>	<b>1'815.58</b>
Interest on liquid assets	1'815.58
<b>Administration cost of investments</b>	<b>-19'805.44</b>
<b>Total</b>	<b>39'288.46</b>

**Investment performance****30.09.22-31.12.23**

	<b>Benchmark in %</b>	<b>TWR total in %</b>
Asset class: low-risk	0.95	0.73
Asset class: AXA 1e 35	4.80	4.47
Asset class: AXA 1e 50	3.61	3.87
Asset class: AXA 1e 75	6.25	5.66

Performance is calculated using the time-weighted rate of return (TWR) method.

**6.10 Comments on the asset management costs****6.10.1 Administration cost of investments****30.09.22-31.12.23**

CHF

TER for AXA 1e 35 asset class	199.55
TER for AXA 1e 50 asset class	632.97
TER for AXA 1e 75 asset class	513.24
Transaction costs for AXA 1e 35 asset class <sup>1</sup>	2'919.55
Transaction costs for AXA 1e 50 asset class <sup>1</sup>	8'647.66
Transaction costs for AXA 1e 75 asset class <sup>1</sup>	6'890.17
Other direct asset management costs	2.30
<b>Total administration cost of investments</b>	<b>19'805.44</b>

<sup>1</sup> Transaction costs totalling CHF 18,457.38 were assumed by the Founder.

**31.12.2023**

CHF

Total investments	1'784'604.13
Total transparent investments	1'784'604.13
<b>Total investment costs as a percentage of transparent investments</b>	<b>1.11 %</b>
<b>Cost transparency ratio</b>	<b>100.00 %</b>

**Non-transparent collective investment schemes**

None

**6.10.2 Refunds / retrocessions**

Any refunds/retrocessions from investments are credited to the Foundation.

The use of any retrocessions, remuneration, fees, commission, repayments, discounts, sales commissions, etc., which persons and institutions entrusted with asset management receive in the exercise of their activities on behalf of the Foundation is governed by the arrangements entered into under the asset management agreements. On an annual basis, they must submit a written confirmation or statement and pass on all pecuniary advantages to the Foundation that they receive above and beyond this amount from their activities on behalf of the Foundation.

**6.10.3 Shareholders' rights**

The Foundation does not invest in equities directly and therefore has no shareholders' rights.

### 6.11 Accounts receivable from affiliated employers

There were no outstanding accounts receivable from affiliated employers as at December 31, 2023.

The Foundation levies default interest of 4.00 % on any outstanding accounts receivable.

## 7 Comments on other positions in the balance sheet and operating account

### 7.1 Comments on asset accounts

#### 7.1.1 Accounts receivable

This position contains Foundation receivables from the Federal Tax Administration (reclaim of withholding taxes).

#### 7.1.2 Prepayments and accrued income

These consist of contributions earned but not yet settled.

### 7.2 Comments on liability accounts

#### 7.2.1 Vested termination benefits accounts and pensions

These consist of vested termination benefits not yet transferred to other occupational benefits institutions.

#### 7.2.2 Liabilities in respect of AXA Life Ltd

These comprise balances on Foundation accounts with AXA Life Ltd.

#### 7.2.3 Other liabilities

These are mainly liabilities to third parties.

### 7.3 Comments on operating accounts

#### 7.3.1 Breakdown of total contributions

	30.09.22-30.06.23
	CHF
Savings contributions	265'644.05
Risk contributions	22'235.20
Cost contributions	9'519.60
Contributions to the BVG (LOB) Guarantee Fund	13.25
<b>Total</b>	<b>297'412.10</b>
of which employee contributions	83'181.30
of which employer contributions	214'230.80

#### 7.3.2 Cost premiums / administration expenses

##### Cost premiums

	30.09.22-31.12.23
	CHF
Costs for general administration expenses	9'432.63
Marketing and advertising expenses	86.97
<b>Total</b>	<b>9'519.60</b>

The cost premium is an element of the insurance cost booked in the reporting year. It reflects the compensation which the Foundation pays to AXA Life Ltd for administration and services in accordance with the insurance and management contract as well as to recompense sales costs such as closing and brokerage commissions.

##### Administration expenses<sup>1)</sup>

	30.09.22-31.12.23
	CHF
Costs of occupational pensions actuary	3'360.25
Costs of direct supervision	600.00
<b>Total administration expenses</b>	<b>3'960.25</b>

<sup>1)</sup> These costs were assumed by the Founder.

#### 7.3.3 Other income

This position contains transfers from the Founder for the financing of the initial capital as well as the Foundation's costs.

**8 Supervisory authority requirements**

None

**9 Further information regarding financial situation****9.1 Underfunding/comments on measures taken (Art. 44 BVV 2 / OPO 2)**

The Foundation is not underfunded.

**9.2 Guarantee on formation of the Foundation (Art. 18 BVV 1 / OPO 1)**

Credit Suisse (Schweiz) AG has provided the Foundation with an irrevocable guarantee of CHF 500,000. This applies until December 31, 2027.

**9.3 Legal proceedings in course**

None

**10 Events after the balance sheet date**

None



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## Report of the statutory auditor to the Foundation Board of AXA Foundation 1e, Winterthur, Winterthur

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of AXA Foundation 1e, Winterthur (the Occupational pension scheme), which comprise the balance sheet as at 31 December 2023, the operating accounts for the financial year from 30 September 2022 to 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law, the foundation deed and the scheme regulations.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Occupational pension scheme in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Foundation Board is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Foundation Board's Responsibilities for the Financial Statements

The Foundation Board is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law, the articles of association and the scheme regulations, and for such internal control as the Foundation Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



**AXA Foundation 1e,  
Winterthur, Winterthur**  
Report of the Statutory Auditor  
to the Foundation Board on the  
Financial Statements

#### Responsibilities of the Expert in Occupational Benefits for the Audit of the Financial Statements

The Foundation Board appoints a statutory auditor as well as an expert in occupational benefits for the audit. The expert in occupational benefits is responsible for evaluating the necessary reserves for underwriting insurance-related risk, consisting of pension liabilities and actuarial reserves. Assessing the evaluation of the pension liabilities and actuarial reserves is not a task of the statutory auditor pursuant to Art. 52c para. 1 let. a of the Swiss Occupational Pensions Act (OPA). In accordance with Art. 52e para. 1 OPA, the expert in occupational benefits also evaluates whether the occupational pension scheme provides assurance that it can meet its obligations and whether all insurance-related provisions regarding benefits and funding in the scheme regulations comply with the legal requirements.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the occupational pension scheme.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, other than pension liabilities and actuarial reserves evaluated by the expert in occupational benefits.

We communicate with the Foundation Board regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



AXA Foundation 1e,  
Winterthur, Winterthur  
Report of the Statutory Auditor  
to the Foundation Board on the  
Financial Statements

## Report on Other Legal and Regulatory Requirements

The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organization, management and investments are applied. In accordance with Art. 52c para. 1 OPA and Art. 35 of the Occupational Pensions Ordinance 2 (OPO 2) we have performed the prescribed procedures.

We have assessed whether:

- the organization and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to the size and complexity of the Occupational pension scheme;
- the investment of assets complies with legal and regulatory requirements;
- measures have been taken to ensure loyalty in fund management and whether the governing body has ensured to a sufficient degree that duties of loyalty are fulfilled and interests are disclosed;
- the non-committed funds or discretionary dividends from insurance contracts have been used in compliance with the legal and regulatory provisions;
- the legally required information and reports have been issued to the supervisory authority;
- the Occupational pension scheme's interests are safeguarded in disclosed transactions with related parties.

The individual debtor limit for cash and cash equivalents pursuant to Art. 54 para. 1 BVV2 was exceeded in the reporting year and was also not complied with on the balance sheet date (see note 6.2 of the annual financial statements).

We confirm that the applicable legal, statutory and regulatory requirements have been met, with the exception of the effects of the investment situation described in the previous paragraph.

We recommend that the financial statements submitted to you be approved.

KPMG AG

Erich Meier  
Licensed Audit Expert  
Auditor in Charge

Carole Gehrler  
Licensed Audit Expert

Zurich, 24 June 2024

Enclosure:

- Financial statements consisting of the balance sheet, operating accounts and notes

