

Caisse de Pension Hewlett-Packard Plus
Pensionskasse Hewlett-Packard Plus
Pension Fund Hewlett-Packard Plus

Pension Fund
Hewlett Packard
Plus



Annual report 2024



Financial year 2024

Dear members of our pension fund

The Board of Trustees is pleased to present to you the 2024 Annual Report. After a solid financial year in 2023, the financial markets continued to develop positively, and we can look back on a very pleasing financial year in 2024. The equity markets in particular developed positively in 2024 and helped to achieve a good investment performance. Moreover, the other investment areas, apart from Global Real Estate, also contributed to the positive result. The good results further strengthened the already stable situation of our pension fund. This solid base also helps us in more challenging times, such as those we are currently experiencing in the first half of 2025. The keywords here are geopolitical uncertainties with correspondingly volatile financial markets, low interest rates in Switzerland and US\$-related exchange rate losses.

In 2024, we were able to achieve a very good performance of 6.1 % with our investments - with an investment strategy that requires a moderate risk appetite due to the high proportion of pensioners. Thanks to the good investment results, the coverage ratio of our Hewlett-Packard Plus pension fund improved across all affiliated companies from 116.6 % in 2023 to 120.0 % at the end of 2024. The affiliations HPE and Hemmersbach were above the target value for the fluctuation reserves and were able to create free funds.

Once again, this position gave the Board of Trustees leeway to credit an attractive interest rate on the savings capital of active members, as was already the case in the previous year, then at a slightly lower level. Additionally, it gave room to allow pensioners to participate in the good result with a bonus. When making these decisions, the Board of Trustees pays close attention to ensuring that they are made in a balanced and fair manner based on objective factors, particularly regarding the partial interests of active employees and pensioners.

In the year 2024, our pension fund conducted an Asset Liability Management (ALM) study. Pension funds usually carry out such studies every 3 to 5 years or in the event of major changes. As a result, the financial orientation and future investment strategy are adapted to the current circumstances. In particular, the risk capacity of a pension fund is considered due to the required coverage capital for the pensions. Based on the ALM study conducted for our pension fund, the Board of Trustees approved the updated investment strategy in summer 2024. The adjustments are on a reasonable scale, without massive fundamental upheavals. Further details can be found under "Future investment strategy".

Even though asset management is an important topic, there are always other matters and activities on the agenda. As in the previous year, certain adjustments were made to the regulations, partly due to external requirements (regulator) or to introduce some further general improvements to the regulations. In addition, we had to process and resolve some individual cases dating back to the time when the DXC affiliation left our pension fund. Otherwise, the financial year proceeded along the usual operational tracks.

From an organizational perspective, it should be noted that Philippe Gerber, a long-standing member of the Board of Trustees had to leave HPE and therefore had to step down at the end of November 2024. He was an HPE employee in the GTC division, which was sold to HCL Tech worldwide. A big thank you to Philippe Gerber for his dedication and commitment to our pension fund. The replacement election for the new member of the Board of Trustees as an employee representative was not initiated until the beginning of 2025.

Arthur Huber, Chairman of the Board of Trustees

Franziska Schertenleib, Managing Director

Balance sheet as of 31 December 2024

The table below shows the most important balance sheet values and key figures for 2024 as well as a comparison over five years.

The coverage ratio increased to 120.0 % and the pension fund has fully accumulated fluctuation reserves as well as free funds. This aspect is important when deciding on the interest rate for savings assets and allowed the Board of Trustees to once again distribute an attractive interest rate in 2024. At that point in time, the well-known turbulences on the financial markets in early 2025 were not foreseeable, for which the accumulated fluctuation reserves are likely to become important again.

In terms of total assets, the table below shows two major jumps downwards for 2021 and 2022. These are due to the departure of the DXC affiliation from our fund in 2021 and the financial market situation and negative performance in 2022.

A note at this point: due to the pensioner-heavy structure, we generally have higher outflows than inflows and are therefore cash flow negative. If the assets nevertheless remain stable, it means that we have been able to offset the higher outflows with investment performance.

| Balance Sheet over 5 years Millions of CHF | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Assets | 1'175 | 1'170 | 1'166 | 1'349 | 1'670 |
| Short-Term Debts and Employer Contribution Reserve | -9 | -10 | -4 | -9 | -18 |
| Total Assets - net | 1'160 | 1'160 | 1'162 | 1'340 | 1'652 |
| Retirement savings capital of active members | 171 | 190 | 188 | 197 | 382 |
| Pensioners' retirement savings capital | 750 | 695 | 710 | 737 | 827 |
| Actuarial provisions (technical reserves) | 46 | 110 | 114 | 140 | 177 |
| Liabilities | 967 | 995 | 1'012 | 1'074 | 1'386 |
| Investment fluctuation reserve (Excess of Assets) | 174 | 165 | 150 | 266 | 266 |
| Free Funds | 19 | | | | |
| Coverage ratio art 44 BVV2 | 120.0% | 116.6% | 114.8% | 124.8% | 119.2% |
| Performance (net of WHTax and costs) | 6.1% | 4.4% | -10.4% | 6.8% | 5.2% |

Overview of affiliated companies as of 31 December 2024

The table below shows that all affiliated companies have a good or solid coverage ratio of over 100 %. This is based on a new technical interest rate of 0.8 % for the HPE affiliation and 2.0 % for each of the two smaller affiliations Hemmersbach and Microfocus, with a higher proportion of active insured people. The lower the technical interest rate, the higher the required actuarial reserves are with the necessary technical reserves for pensioners.

The technical interest rate is regularly reviewed in the context of the expected long-term bank interest rates and 10-year government bonds as well as the degree of obligations (proportion of pensioners' capital in relation to the total obligations) and is adjusted if necessary.

In accordance with the requirements and recommendations of the regulator, the Board of Trustees has decided to reduce the technical interest rate for the HPE affiliation from 1.0 % to 0.8 %. In view of the structure and the current conditions in the financial markets, there could in future be pressure to reduce the technical interest rate even further to a possible 0.5 %.

| Balance Sheet per Affiliation at 31.12.2024 in Million CHF | HPE | Hemmers- bach | Entco Microfocus | Total |
|---|----------------|--------------------------|-----------------------------|----------------|
| Total Assets incl Company Contrib. Res | 1'140.0 | 18.3 | 16.7 | 1'175.0 |
| Shortterm Debt and Accounts Payable | -12.3 | 0.0 | -1.2 | -13.5 |
| Employer Contribution Reserve | -1.3 | 0.0 | -0.1 | -1.4 |
| Total Assets - net | 1'126.4 | 18.2 | 15.4 | 1'160.0 |
| Net Assets by Affiliation as a % of Total | 97.10% | 1.57% | 1.32% | 100% |
| Savings capital of active members | 155.3 | 8.0 | 7.8 | 171.1 |
| Pensioners' retirement savings capital | 737.9 | 6.5 | 5.3 | 749.6 |
| Actuarial provisions | 46.0 | 0.2 | 0.3 | 46.4 |
| Liabilities | 939.1 | 14.6 | 13.3 | 967.1 |
| Investment Fluctuation Reserve (IFR) | 169.0 | 2.6 | 2.1 | 173.8 |
| Free Funds | 18.2 | 1.0 | 0.0 | 19.2 |
| Coverage ratio art 44 BVV2 | 119.9% | 124.6% | 115.6% | 120.0% |
| Technical interest of pension capital | 0.80% | 2.00% | 2.00% | 0.82% |
| Interest credit to the active insured members | 5.00% | 5.00% | 5.00% | |

Development of insured members

When investing pension fund assets, the focus is always on securing benefits in the long term. The specific risk capacity of the fund, i.e. its actual financial situation and the **structure and expected development of the number of insured persons**, must be taken into account.

The table below shows the structure of active insured persons and pensioners in total and broken down to the individual affiliations. The number of members at the end of 2024, excluding child's pensions, is 1,135. The number of active insured persons totals 297 and the number of pension recipients, again excluding child's pensions, is 838, which represents a share of just under 74 %. This means that we are a pensioner-heavy fund, which results in related requirements for the investment strategy.

The total number of active insured persons has fallen by 38. This is in line with the development that has already taken place in recent years. Of course, from a pension fund perspective, we would prefer a different trend with many active members. However, the fact that we have a very high proportion of pensioners is not so much due to a continuous reduction but primarily stems from the time when the former Hewlett-Packard company was split into individual companies. At that time, the company in general stipulated that pensioners should remain with the HPE affiliation.

Overview of members and affiliation membership

| Active Members | HPE | +/- | Hemmersbach | +/- | MFC | +/- | Total | |
|-------------------------------|------------|------------|-------------|-----------|-----------|-----------|------------|------------|
| Beginning of Year 1.1.2024 | 299 | | 16 | | 20 | | 335 | |
| New members affiliation | 14 | | | | 1 | | 15 | |
| Leaving members | -29 | | -2 | | -7 | | -38 | |
| Members being retired | -13 | | | | -2 | | -15 | |
| Deaths | | | | | | | | |
| End of Year 31.12.2024 | 271 | -28 | 14 | -2 | 12 | -8 | 297 | -38 |

| Pensioners | HPE | +/- | Hemmersbach | +/- | MFC | +/- | Total | |
|---------------------------------|--------------|------------|-------------|-----------|-----------|-----------|--------------|------------|
| Beginning of Year 1.1.2024 | 850 | | 7 | | 5 | | 862 | |
| Net changes | | 7 | | | | 1 | | 8 |
| End of Year 31.12.2024 | 857 | | 7 | | 6 | | 870 | |
| thereof: | | | | | | | | |
| Pensioners | 673 | -8 | 7 | | 4 | 1 | 684 | -7 |
| Disabled pensioners | 11 | -1 | | | | | 11 | -1 |
| Widows and widowers | 142 | 10 | | | 1 | | 143 | 10 |
| Children and orphans | 31 | 6 | | | 1 | | 32 | 6 |
| Total of insured members | 1'128 | -21 | 21 | -2 | 18 | -7 | 1'167 | -30 |

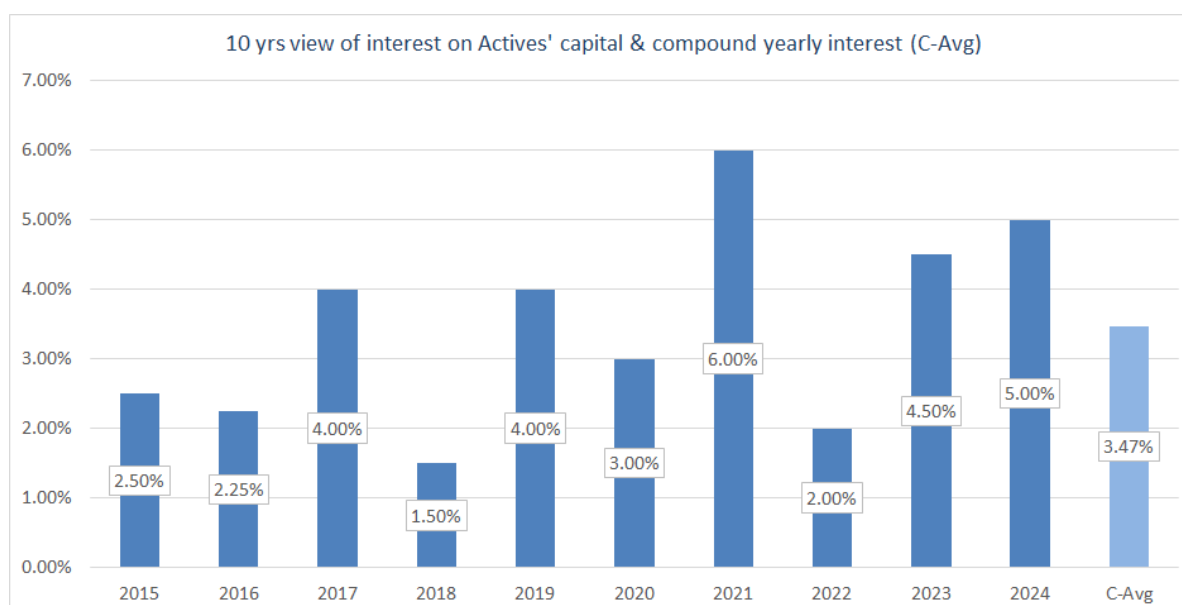
Interest on savings capital 2024

As explained in the 2024 investment performance section below, our good investment results were above the target value for the fluctuation reserves, which led to free funds and for all affiliations to an improved coverage ratio.

This allowed for an interest rate on the savings capital of active insured persons that was above the long-term average, as well as the distribution of a bonus to pensioners (retirement, spouse's and disability pensions). For all HP Plus affiliations (HPE, Hemmersbach and Opentext/Microfocus), the savings capital of active insured persons belonging to HP Plus on 31 December 2024 earned interest at 5 %.

Given the current market conditions, we are aiming for an average interest rate of 3.0 % on savings capital in the long term. However, the latter is always dependent on longer-term market developments, i.e. inflation and the general interest rate level. We have experienced a special situation with these two factors in recent years, first with the prolonged phase of negative interest rates and then again with unusually high inflation rates.

The following chart shows the development of the interest on the savings capital of active insured persons as well as the compound average interest per year over the last 10 years.



We would like to draw your attention to the possibility of making voluntary purchases into the pension fund. The maximum possible purchase amount in relation to the reference age is stated on the insurance certificate. In addition, purchases can be made for early retirement and an AHV bridging pension. In each specific case, the maximum possible purchases are calculated individually by AVADIS Vorsorge AG.

When making such purchases, it should be noted that there may be tax consequences if a lump-sum withdrawal from the pension fund is planned (e.g. on retirement, etc.), **if voluntary purchases were made in the previous 3 years!** In the event of a lump-sum withdrawal, the tax authorities may not accept the deductions made for voluntary purchases within the previous 3 years in the tax statement - and additional tax would be due. **IMPORTANT:** a WEF advance withdrawal (home ownership subsidy) also counts as a lump-sum withdrawal!

Investment performance 2024

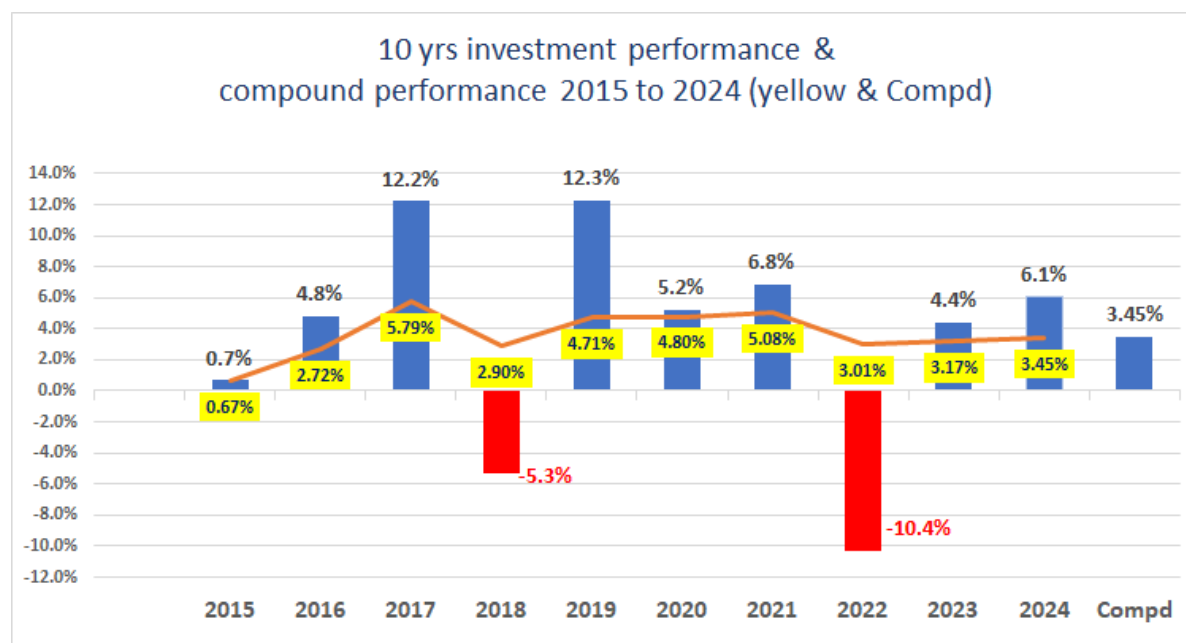
After a pleasing investment year in 2023, which helped us to strengthen the pension fund's financial situation, our investments again performed very well in 2024. Thanks to the good investment results, the affiliations HPE and Hemmersbach exceeded the target value for the fluctuation reserves, while it was just reached by HP Plus overall, thus creating free funds and improving the coverage ratio once again for all affiliations. The coverage ratio at the end of 2024 was 120.0 % compared to 116.6 % in the previous year. It should be noted that the increase would have been even higher without the creation of technical reserves corresponding to a reduction in the technical interest rate from 1.0 % to 0.8 %. Depending on the structure of the pension fund and the situation on the financial markets, the regulator makes recommendations or sets targets for the level of the technical interest rate (TIR). Given the expected developments, this could mean a reduction of the TIR to 0.5 % for our pension fund. The Board of Trustees has decided to provide for this reduction only by the formation of a technical reserve and further in several small steps (currently to 0.8 %) for the time being, to await future market developments.

With a return of 6.1 % in 2024, we are clearly above the cumulative, annualised 10-year average of 3.45 %, which is above the expected return based on our investment strategy. The target return is around 1.5 % lower. In the longer term, we would like to earn interest on the savings capital of the active insured persons at 2 % to 3 % above current interest rates. This objective has led the Board of Trustees to maintain an equity component of 30 % to date.

The strategic equity component (currently 31.5 % of investments) contributed 77 % to the total return in the good stock market year 2024. Bonds, which account for 42 % of investments, only contributed

12 % to the total return. Bonds have generally not been very attractive in terms of returns in recent years but are important for preserving value while minimizing risk. They are also an asset class with high liquidity, which is important for our pension fund. The return on global real estate funds is still slightly negative but is now well on the way to stabilizing. Our investment in insurance-linked securities (ILS) is still suffering losses in one of the funds. By contrast, the "classic" ILS (catastrophic or cat bonds) remained clearly positive. ILS nevertheless contributed 7.4 % to the overall return, with only 4.5 % of total investments.

Long-term development of investment performance:



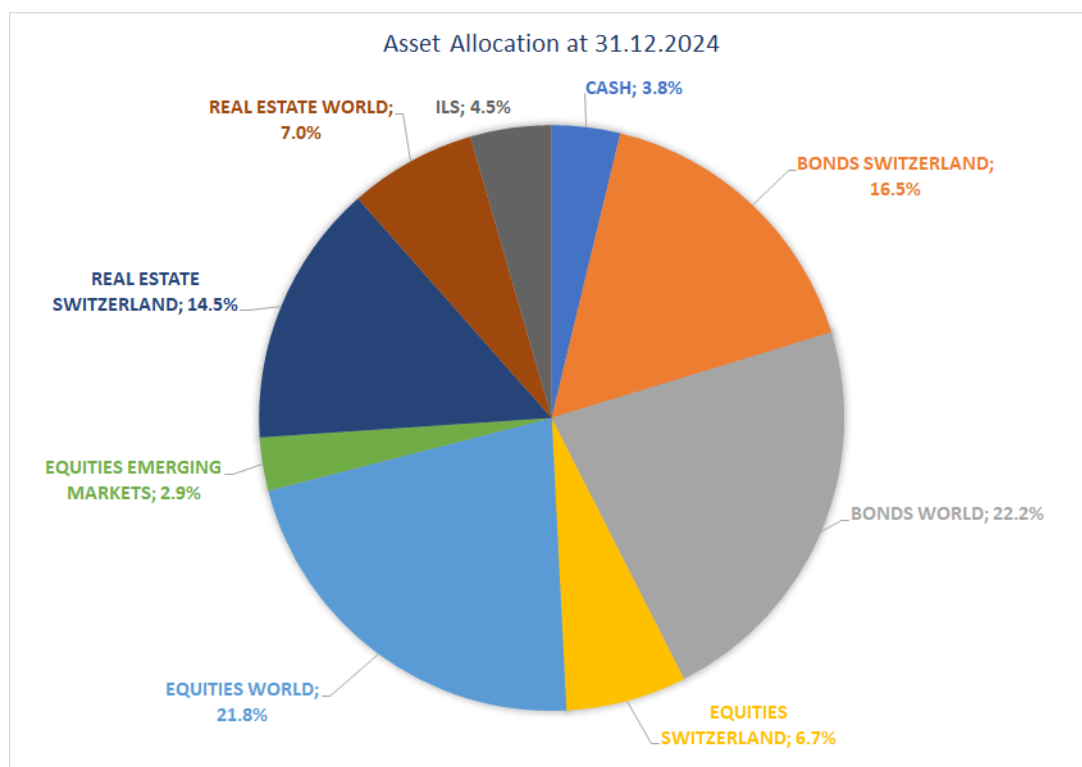
Future investment strategy

For a pension fund it's common to carry out an in-depth analysis of its financial orientation every 3 to 5 years, known as an asset liability management study (ALM). This study serves to verify the investment strategy and to adapt it to the current circumstances. In particular, the risk capacity of a pension fund is taken into account, based on the required capital to cover the pensions. HP Plus conducted such a study in 2024, based on which the Board of Trustees approved the updated investment strategy in summer 2024. The related adjustments to the investment strategy were already started in December 2024 and will continue in the first half of 2025, depending on the liquidity of the asset class. It may take somewhat longer for long-term investments, such as indirect real estate investments.

The adjustments resulting from the ALM study are within reasonable limits, without fundamental upheavals. As a target value, we will continue to maintain an equity allocation of 30 % and fixed income (bonds and cash) will be increased by 2 % to 46 %, in particular with the cash allocation being raised from 2 % to 6 % due to our increased cash requirements. The most significant change in the investments is that we have significantly reduced "Emerging Markets" in favor of Swiss Bonds. Indirect real estate investments were reduced by 2 % to 20 % overall, with the reduction being applied to global real estate investments. We are retaining 4% ILS (insurance-linked securities) because they are fundamentally decoupled from traditional investments such as equities or bonds.

One of the parameters resulting from an ALM study is the expected return. For our new investment strategy, this is 2.9 %.

Breakdown of assets by investment category as of 31 December 2024



Asset management and administration costs 2024

Asset management costs amounted to 0.52 % of assets under management. They were therefore slightly lower than in the previous year 2023 at 0.57 %. Asset management costs in this area correspond to the expected costs. Of course, we always endeavor to optimize these costs as well.

At CHF 675,370 for 2024, the general administrative costs have more or less remained identical to the previous year's CHF 670,070. Compared to the previous year, this represents a minimal increase of CHF 9 to CHF 575 per insured person. There are various reasons why these costs were not slightly lower, given that we had to deal with one-off projects in 2023 (e.g. data protection). One significant one-off cost item in 2024 was the processing of some individual cases resulting from the partial liquidation of DXC from our pension fund (including a complex disability case). Here we had to call in an external lawyer and it also resulted in additional expenses for our actuarial expert. These additional expenses however, did more than pay-off, as we were largely able to assert our positions. There were also several rather complex and time-consuming pension planning and advisory cases among our members. We also had to make various adjustments to the regulations due to new regulations and requirements imposed by the regulator and some further changes and improvements which the board wanted to introduce. The scope of the changes was to such an extent that we had to use external translation services for the two additional language versions of the regulations. However, we now have a stable basis for the future in all three languages. Ultimately, the French version is the legally binding one.

It is important to us to provide our members with high-quality services that go beyond purely administrative processing. At the same time, we have always endeavored to keep costs under control and optimize them wherever possible. We have a number of projects in progress that support this objective and should have a clear impact from the 2026 financial year onwards.

The general administration fees cover the costs of AVADIS Vorsorge AG, our service provider for administrative management, the pension fund expert WTW, the auditor (Balmer-Etienne AG) as well as those for the supervisory authority ASFIP, the Board of Trustees and the pension fund management by ASSEPRO Vorsorge AG.

Sustainability

We have not yet defined detailed ESG guidelines for our pension fund overall, but our investment regulations have included general principles for ESG investments since 2021. We have also been a member of the Ethos Foundation for many years and participate in the Ethos Engagement Pools for Swiss and global equities.

We are invested in various investments that are aligned with ESG criteria. For example, we invest in a Swiss Small & Mid Caps equity fund, which is managed in accordance with Ethos guidelines and therefore fulfils ESG criteria to a high degree.

ESG reporting, as is now required by companies, is not yet mandatory for pension funds. However, the Swiss Pension Fund Association has issued recommendations in this regard, which are currently being adopted and introduced step by step by many larger pension funds.

Originally on the agenda, it was planned to address the topic of defining ESG guidelines and reporting in greater depth in 2024. Due to upcoming projects related to the organizational setup of our pension fund and the necessary contract renewals with our service providers, we had to prioritize those projects from a timing perspective.

Organization 2024

In 2024, HPE divested its GTC division and sold it to HCL Tech as at 30 November 2024. Our Board of Trustees member Philippe Gerber was part of this organization and subsequently had to step down from the Board of Trustees as an employee representative. We would like to thank Philippe Gerber for his many years of valuable work on the Board of Trustees and Investment Committee!

The election of a new employee representative from HPE to replace Philippe Gerber will take place at the beginning of 2025.

Employee representative

| | |
|------------------|---------------------------------------|
| Babaci Nabil | HPE CH, Geneva |
| Gerber Philippe | HPE CH, Bern (until 30 November 2024) |
| Gigante Gianluca | HPE CH, Zurich |

Employer representative

| | |
|---------------|--|
| Brütsch Kurt | HPE CH, (President until 31 Dec. 2023; Board of Trustees from 1 Jan. 2024) |
| Huber Arthur | HPE CH, Zurich (President from 1 January 2024) |
| Mondon Katrin | HPE CH, Zurich |

Pensioner representative

| | |
|----------------|--|
| Rychener Peter | non-voting member of the Board of Trustees |
|----------------|--|

Managing Director

Rolf Wehrli, ASSEPRO Vorsorge AG, Zurich (until 31.1.2024)
Franziska Schertenleib, ASSEPRO Vorsorge AG, Zurich (from 1 February 2024)
Tel. 058 590 46 61 / Email: f.schertenleib@pensionplus.ch

Investment Committee

Ivana Reiss, Kurt Brütsch, Philippe Gerber (until 30 November 2024), Arthur Huber, Peter Rychener

Administration

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Zollstrasse 42, 8005 Zurich

Tel.: 058 585 33 99 (D/E/F) / Email: hp@avadis.ch

For pensioners: Tel.: 058 585 13 34) / Email: leistungsdienst@avadis.ch

Auditors

Balmer-Etienne AG, lead auditor Ueli Christen

Pension fund expert

WTW (Willis Towers Watson), Ileana Christodorescu

Further information can be found on our website www.pensionplus.ch, in French, German and English.
No password is required for access.

You can also contact us by e-mail at info@pensionplus.ch

Appendix: Balance sheet and Profit & Loss account (in CHF 1,000)

| Balance sheet | 31.12.2024 | 31.12.2023 |
|--|-------------------|-------------------|
| | KCHF | KCHF |
| Cash & deposits | 44'179 | 18'925 |
| Receivables | 1'470 | 1'280 |
| Bonds | 455'479 | 460'006 |
| Equities | 369'429 | 326'921 |
| Alternatives | 51'855 | 49'295 |
| Real Estate | 253'753 | 315'174 |
| Total assets | 1'176'165 | 1'171'601 |
| Accounts payable | 10'687 | 6'665 |
| Other liabilities | 4'054 | 4'047 |
| Employer contribution reserve | 1'402 | 1'035 |
| Employer contribution reserve with renounced use | | |
| Old age saving capital | 171'073 | 189'810 |
| Actuarial reserve pensioners | 749'622 | 694'698 |
| Technical provisions | 46'380 | 110'379 |
| Investment fluctuation reserve / (funding gap) | 173'754 | 164'967 |
| Free reserves | 19'193 | |
| Total liabilities | 1'176'165 | 1'171'601 |

| Profit & Loss account | 2024 | 2023 |
|--|----------------|----------------|
| | KCHF | KCHF |
| Employee contributions | 4'963 | 5'404 |
| Employer contributions | 5'696 | 6'248 |
| Voluntary contributions | 3'750 | 3'354 |
| Special employer contributions | 6'071 | 6'172 |
| Utilisation employer contribution reserve | -5'574 | -6'116 |
| Entry payments received | 5'042 | 4'994 |
| Pensions and capital payments | -53'495 | -53'070 |
| Extra-regulatory benefits (adapting pensions) | -3'801 | -3'784 |
| Vested benefits exit payments | -28'481 | -11'608 |
| Vested benefits exit payments Entserv / DXC | | |
| Dissolution/attribution saving capitals | 26'711 | 5'922 |
| Dissolution/attribution actuarial reserve pensioners | -54'924 | 15'757 |
| Dissolution/attribution technical provisions | 63'999 | 3'244 |
| Interest of old age saving capital | -7'975 | -7'825 |
| Dissolution/attribution employer contribution reserve | -497 | -55 |
| Dissolution/attribution employer contribution reserve with renounced use | | |
| Insurance expenses | -100 | -1'305 |
| net result from investments | 66'672 | 48'734 |
| Others | 599 | 1 |
| Administration expenditures | -675 | -670 |
| Profit/loss before dissolution / attribution fluctuation reserve | 27'980 | 15'394 |
| Investment fluctuation reserve / (funding gap) 1.1 | 164'967 | 149'573 |
| Dissolution / attribution fluctuation reserve | 27'980 | 15'394 |
| Investment fluctuation reserve / (funding gap) 31.12 | 192'947 | 164'967 |