Press Release

INSTITUTIONALSURVEY.CH:

THE COVERAGE RATIOS OF SWISS PENSION FUNDS HAVE INCREASED FURTHER AS A RESULT OF THE PLEASING STOCK MARKET PERFORMANCE IN 2006

Nyon/Zurich, April 16, 2007 **Swiss pension funds have seen a further improvement in their finances. Although the earnings situation did not look promising in the first half of 2006, the 8th edition of the Swiss Institutional Survey revealed a pleasing trend for the year as a whole: high performance expectations were largely met and the coverage ratios of the pension funds increased.**

The Swiss Institutional Survey is an online survey of Swiss pension funds and institutional investors, which is conducted by Lusenti Partners every six months and is sponsored by Credit Suisse. The latest survey involved 172 institutional participants with total assets of CHF 211.7 billion.

An average net performance of 6.6%
Swiss pension funds and other institutionals achieved another successful year of investing in 2006 with an average net performance of 6.6%, even if they were unable to match the previous year's record result of 11.3%. The main drivers of the positive returns were Swiss equities, which outperformed foreign equities by almost one third, as well as indirect real estate investments and – for the first time – private equity. It should be noted that this performance was achieved almost entirely in the second half of the year, following the meager total performance of 0.6% that was reported in mid-2006.

Coverage ratio close to the strategic target level of 15%
Overall, the coverage ratio of all the pension funds surveyed was 111.6% (unweighted mean). As a result of the upturn in the stock markets, the fluctuation reserves increased by 2 to 3 percentage points and are thus close to the strategic average target level of 15%. If the coverage of private-sector pension funds is taken into account, the unweighted average of the coverage ratios is as high as 117%.

Pension barometer – a slight increase in interest rates is expected
The pension barometer – an overall indicator of the state of the industry – reveals a general upturn in sentiment compared to the results for the previous year on account of the good stock market environment. Although a slight increase in interest rates is expected in Switzerland and Europe, no significant rate hikes are forecast.

Press Release

Continued shifts in asset allocation
The following trends have been observed since the survey began in 2004: an increase in (direct and indirect) real estate investments, alternative investments and, in particular, foreign equities; a significant decrease in CHF-denominated bonds and – to a much smaller extent – in mortgages. In addition, 2006 saw an acceleration of previously identified trends, particularly in terms of the growing importance of foreign investments. The positive deviation between the actual and strategic allocation that was observed at the end of the year is reflected mainly by a significant overweight in cash, matched by a reduction in the allocation to bonds.

The second part of the results relating to the current theme 'Investment Guidelines and Prudent Investor Rules' will be presented at a media event in Zurich on May 15, 2007.

###

All survey participants receive a free individualized comparison of their key figures – referred to as a 'Peer group comparison' – which includes extensive additional data on volatility and historical statistics in order to add value for the participants.

Additional information is available at:
www.institutionalsurvey.ch

Contact for media enquiries:

Lusenti Partners solutions for institutional investors

Dr. Graziano Lusenti
Lusenti Partners LLC
Rue Juste-Olivier 22, CH - 1260 Nyon (VD)
Tel: ++41-22-365.70.70, mobile: ++41-79-20.23.967
Fax: ++41-22-361.07.36
e-mail: g.lusenti@lusenti-partners.ch
Internet: www.lusenti-partners.ch

Press Release