Nestlé
Good Food, Good Life

Fonds de Pensions Nestlé

Annual Report 2016

This annual report features images taken from our new website www.fpn.ch.

In case of doubt or differences of interpretation, the French version shall prevail over the English and the German text.

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Impressum

Designed by : Fonds de Pensions Nestlé, Vevey, Switzerland
& Neidhart + Schön AG, Zurich, Switzerland
Printed by : Neidhart + Schön AG, Zurich, Switzerland

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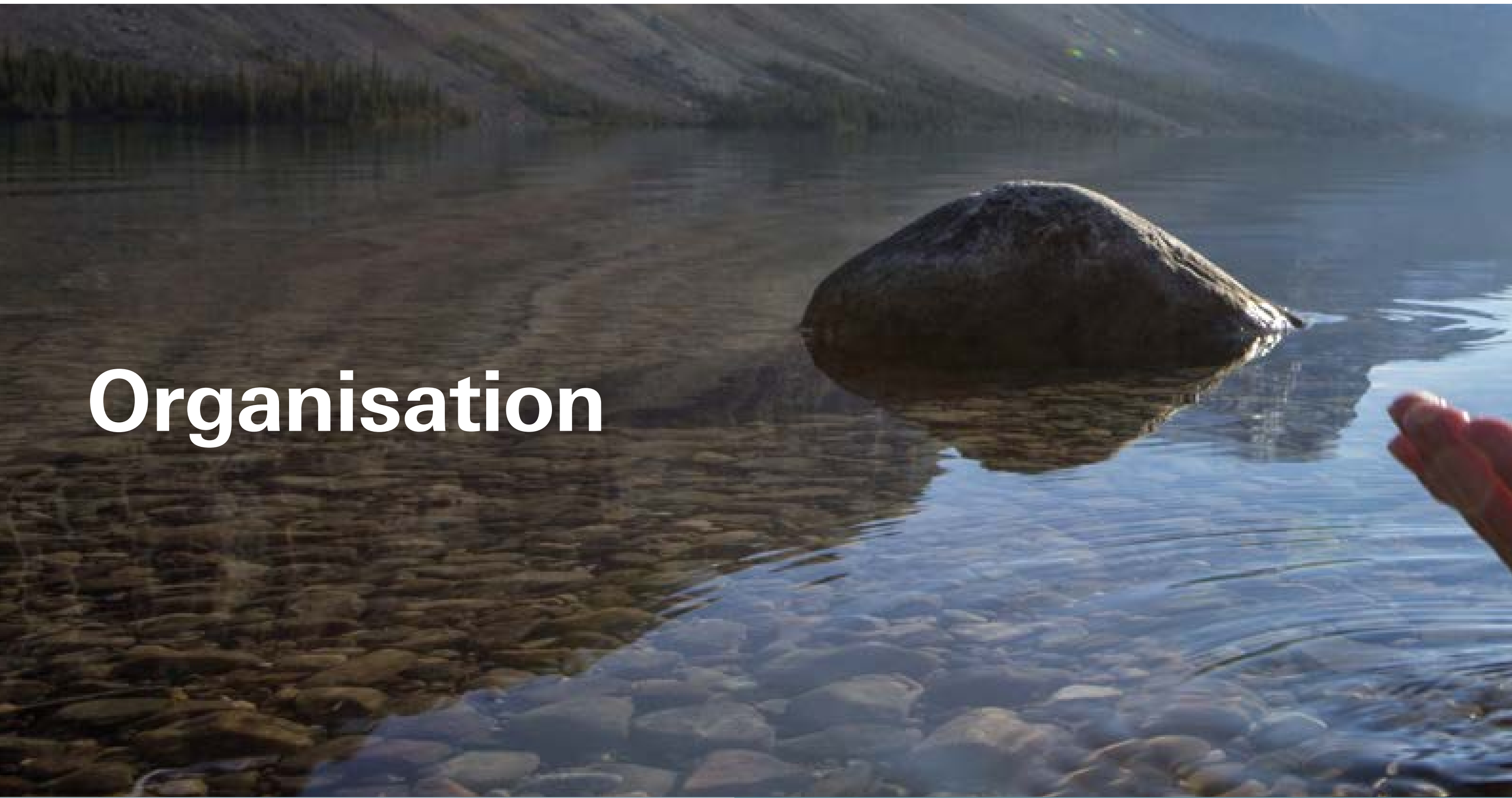

Organisation

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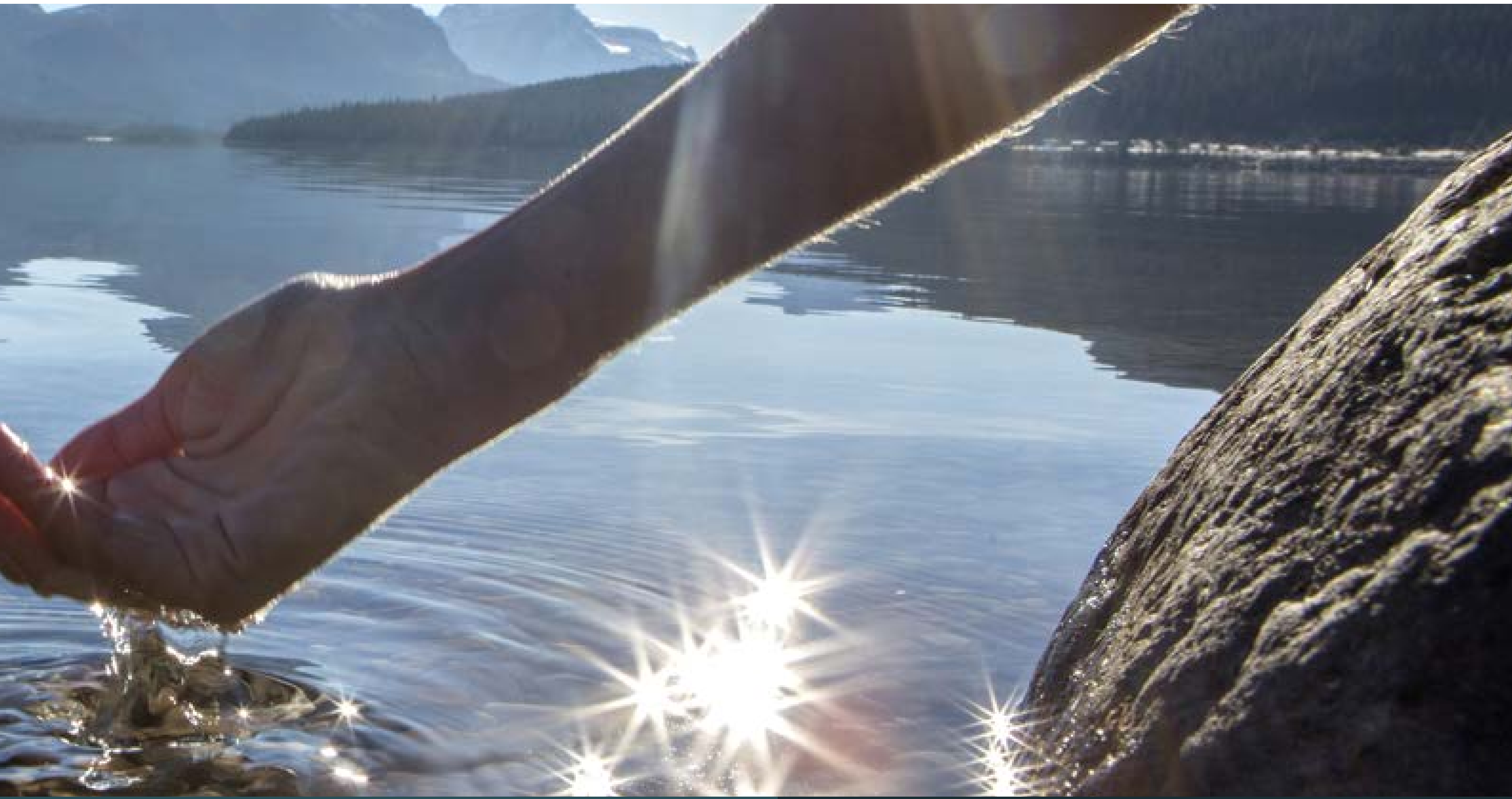
Organisation of the Fonds de Pensions Nestlé (at 31 December 2016)



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Investment Committee

Chairman of the Committee:
Mathieu Rieder, Nestec SA, Vevey
Pascal Frei, PPCmetrics SA

Oriane Seydoux, Nestec SA, Vevey
Daniel Weston, Nestlé Nespresso SA, Lausanne

Other contributors

Administration

Christophe Sarrasin, Director
Christian Rey, Head of Benefit administration

Investment Advisor

Nestlé Capital Advisers (NCA) SA, Vevey

Certified pension actuary

Jean-Marc Wanner, Nyon

Auditors

KPMG SA, Lausanne

Positive performance in 2016: 5.9%

Funding ratio: 106.9%

Year 2016

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Key points of the year 2016

Financial situation of the Fund

The Fonds de Pensions Nestlé (the Fund) posted a very good performance of **5.9%** in 2016 thanks to a better than expected financial year. This encouraging result is higher than the average performance of around 3.9% achieved by Swiss pension funds.

The Fund's funding ratio as at 31 December 2016 was **106.9%**, compared with 105.2% as at 31 December 2015. The funding ratio is one of the most commonly used statistical measures for evaluating the financial health of a pension fund, since it reflects the ratio of its assets to its obligations.

It should be noted that this funding ratio of 106.9% takes account of an amount of CHF 170.2 million, which corresponds to the value of a provision for a future reduction in the technical interest rate recognised on the liabilities side of the Fund's balance sheet.

This provision was created in 2015 and funded over the last two years with a view to anticipating the consequences of a reduction in the technical interest rate as mentioned on page 8 of this annual report.

Board of Trustees decisions

In 2016, the Board decided to:

- modify its strategic asset allocation, see page 8;
- keep the technical interest rate at 3% for the actuarial assessment as at 31 December 2016, taking into account the additional contribution of CHF 86.5 million to the provision for a future reduction in the technical interest rate on the same date;
- pay 1.25% on the retirement savings capital of active members in 2016 and not to grant any additional interest as at 31 December 2016;
- fix the rate of interest on the retirement savings capital of active members at 1% for 2017, in line with the decision of the Swiss Federal Council regarding the LOB minimum interest rate (LOB stands for the Federal Law on Occupational Benefit Plan);

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– not to grant any pension increase as at 1 January 2017 in light of the Fund's financial situation and the absence of inflation in 2016.

The Board also acknowledged the appointment of Yves Sudan by Nestlé Switzerland as deputy to Anna Quaranta.

The Board approved the transfer of Froneri employees belonging to the savings plan (new plan) to an external collective insurance foundation. However, it accepted the proposal to keep Froneri employees covered by the objective pension plan (old plan) in the Fund. In this regard, the Board noted that the conditions for partial liquidation were fulfilled and the certified pension actuary will prepare a report on this during 2017.

Finally, the Board modified the content of articles 2, 15, 18, 19 and 20 of the Fund regulations (savings plan, version dated 1 July 2013) by way of an amendment to the regulations. The two changes are as follows:

Payment of vested benefits for employees working abroad for another company within the Nestlé Group
To date, the retirement savings capital of employees who left Switzerland to work for another Nestlé Group company without having expatriate status has remained in the Fund. From now onwards, this retirement savings capital may no longer be kept in the Fund and will be subject to the same conditions as vested benefits.

Implementation of new rules on sharing occupational pension benefits
New rules on pension sharing in the event of divorce entered into force on 1 January 2017. The change relates principally to the sharing of retirement savings capital, even if an insured event (disability or retirement) has already occurred for one of the spouses.

These amendments entered into force on 1 January 2017.

Balance sheet

In millions of CHF

	2016	2015
Assets		
Investments		
Liquidities and short-term investments	186.9	304.9
Equities	2246.7	1853.6
Private equities	448.9	508.4
Bonds	2266.2	2107.2
Swiss real estate	692.8	647.0
International real estate	317.8	332.5
Hedge funds	498.5	517.3
Commodities	115.1	180.2
Total	**6773.0**	**6451.0**
Accrued income	20.0	34.7
Assets: grand total	**6793.0**	**6485.7**
Liabilities		
Accrued expenses	40.7	35.4
Employers' contributions reserve	57.2	59.0
Pension reserves and technical provisions		
Pension reserve for active members	2515.1	2482.5
Pension reserve for pensioners	3403.4	3348.3
Provision for increased life expectancy	122.5	100.5
Provision for death and disability risks	53.9	58.4
Provision for a future reduction in the technical interest rate	170.2	83.7
Total	**6363.0**	**6167.8**
Downward risk provision	**430.0**	**317.9**
Disposable surplus	**0.0**	**0.0**
Liabilities: grand total	**6793.0**	**6485.7**

Income statement

In millions of CHF	2016	2015
Contributions		
Employers' contributions	132.9	128.6
Members' contributions	86.2	85.2
Employer credits	9.6	11.9
Additional voluntary contributions by insured members (voluntary purchases)	56.4	52.7
Subsidies from Guarantee Fund	0.2	0.0
Total	**285.3**	**278.3**
Vested benefits from other institutions and refunds		
Vested benefits rolled over from other institutions	39.3	38.3
Reserve transfers from other Nestlé Funds + Swiss	6.2	15.5
Refunds of early withdrawals for home ownership and divorce	3.6	3.4
Transfer from the Fonds de Pensions Complémentaire Nestlé (retirees)	117.4	147.1
Total	**166.5**	**204.3**
Statutory benefits paid out		
Staturory pensions	(282.1)	(276.7)
Lump sums and one-time allowances	(20.4)	(29.4)
Total	**(302.5)**	**(306.1)**
Vested benefits and early withdrawals		
Vested benefits rolled over to other institutions	(184.9)	(95.5)
Early withdrawals for home ownership and divorce	(15.3)	(13.7)
Restoration to the employers - granted advances	(15.4)	(15.0)
Total	**(215.6)**	**(124.2)**
Dissolution (constitution) of pension reserves and technical provisions		
Pension reserve for active members	(2.5)	(77.2)
Provision reserve for pensioners	(55.1)	(75.1)
Provision for increased life expectancy	(22.1)	(21.9)
Provision for death and disability risks	4.5	2.2
Remuneration of savings capital	(30.1)	(40.4)
Employers contributions reserve	(3.2)	1.1
Provision for a future reduction in the technical interest rate	(86.5)	(83.7)
Total	**(195.0)**	**(295.0)**
Net return on investments		
Gross return on investments	448.9	(47.7)
Asset management fees: accounted directly	(3.2)	(3.2)
Asset management fees: on collective investments	(68.6)	(69.1)
Total	**377.1**	**(120.0)**
Contribution to the Guarantee Fund	(0.7)	(0.7)
Administration costs (active members and pensioners)	(3.2)	(3.0)
Dissolution (constitution) of downward risk provision	(112.2)	366.7
Balance of income (losses)	0.0	0.0

Change of strategic asset allocation

At its meeting in November 2016, the Fund's Board of Trustees followed the recommendation of its Investment Committee to significantly modify and simplify the strategic asset allocation of its investments. The transition will take place in stages and is due to be completed by the end of 2017.

There are three main reasons behind this change of direction:

Paradigm shift on the financial markets

As we have stated in the past, we are facing a macroeconomic and financial environment that is as uncertain as it is unique, characterised in particular by extremely low or even negative interest rates. Return expectations across all asset classes have therefore had to be revised significantly downwards. In addition, some investments, notably alternative investments in hedge funds, are no longer deemed relevant in the new asset allocation. It has therefore become necessary to adapt our strategic asset allocation.

The downward revision of the expected returns on the Fund's asset classes thus has a negative impact on the expected overall performance of the Fund over the next ten years, irrespective of the changes made. Whereas the Fund was only recently able to look forward to returns of around 3.5% over the next decade, it will now have to settle for a more modest level of just over 2%. It is therefore imperative that we conduct an in-depth analysis of our technical interest rate of 3%, and this study is currently underway.

We must remember that the technical interest rate is used not only to calculate the Fund's obligations to its pensioners but also to determine the capital conversion rates for active insured members at retirement age.

Change in strategic asset allocation in 2017

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Willingness to simplify and improve the efficiency of our investment philosophy

To date, the Fund's policy as regards to its investment philosophy has been geared largely towards "active" investment strategies rather than those commonly referred to as "passive". The former aim to outperform the basket of securities they use as their investment benchmark (and to generate excess returns). Passive investment strategies, meanwhile, allow you to practically guarantee the return on the basket in question. The latter are thus certainly less ambitious, but easier to implement and above all much less expensive. In future, we will be favouring these passive strategies in sectors where we believe this makes sense. This will enable us to focus our resources and attention more strongly on a reduced number of active strategies remaining in our global portfolio.

In the same vein, the decision has been taken to dispose of all of our investments in hedge funds and commodities, which account for 10% of our total allocation. The reasoning behind this major decision is as follows:

- While results have been relatively satisfactory from a historical perspective, it should be borne in mind that these types of investment are very costly, particularly in an environment characterised by very low interest rates and expected returns;
- The potential risk and therefore cost of choosing a wrong underlying asset manager is very high, much higher than for more traditional investment strategies;
- Asset manager monitoring is much more intense and costly;
- There is also a higher level of reputational risk at stake;
- Finally, we have been able to propose less costly investment alternatives that do no significantly change the Fund's risk/return profile and do not affect the protection of its funding ratio.

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Management and control of our asset management fees

As indicated above, one consequence of the investment policy pursued up until 2016 was higher asset management fees (total expense ratio or TER) for the Fund. Our fees were significantly higher than those of our peers in Switzerland. It is difficult to justify this in an environment such as the one we are currently facing, with low interest rates and poor expected returns. These fixed operating costs are simply too high in the face of the poor returns expected for the Fund over the next few years.

As a result, the Fund's new strategic asset allocation, which will be finalised in late 2017/early 2018, will be as follows:

Allocation in %

	end 2016	2017–2018
Liquidities and short-term investments	3%	3%
Equities	31%	**33%**
Private equities	7%	7%
Bonds	34%	**35%**
Swiss real estate	9%	**15%**
International real estate	6%	**7%**
Hedge funds	7%	**0%**
Commodities	3%	**0%**
Total	**100%**	**100%**

Complete exit from investments in hedge funds and commodities primarily in favour of investments in Swiss real estate. There will also be a marginal increase in the allocations in both listed equities and bonds.

Finally and as already mentioned, this new strategic asset allocation will have no detrimental impact, relative to the 2016 allocation, on either the Fund's expected risk-adjusted return over the next few years or the protection of its funding ratio.

www.fpn.ch New website now live !

A website has been created to improve communication from our Fund. You can visit it as of now at www.fpn.ch.

There are various tabs to grab your attention. You will find useful information for active insured members, those approaching retirement and pension beneficiaries. The topic of investments is also addressed in more detail. You will find our key figures and the history of the Fund. Another page is dedicated to administration contacts and the members of the Board of Trustees and Investment Committee.

The website enables insured members to access documents online, in particular their pension certificate.

There is also a fully secure simulation module for active insured members, enabling them to carry out various calculations on the basis of their personal details.

Members can determine the impact of changing their savings plan (Basic, Standard and Top), calculate their maximum voluntary purchase amount, simulate early withdrawal according to their needs and discover their projected retirement pension at their desired retirement age.

The website also allows you to download all the documents you may need to consult, and to contact us directly via the contact form.

We should also make it clear that the site will continue to evolve, principally in response to your feedback and comments, for which we thank you in advance.

Investments

2016 in review

We should remember that 2016 did not get off to a very good start, with the financial markets shrouded in uncertainty due in particular to the UK's potential exit from the European Union (Brexit) and the US presidential elections. The results of these two major political events came as a surprise. Coupled with a slowdown in economic activity at the start of the year, we could have been expecting the worst during the year under review.

2016 ultimately displayed two very distinct sides, with a relatively disappointing first phase followed by something of a recovery in the second part of the year.

The start of the year saw the fears referred to in the introduction borne out, since it coincided with a drop in global economic growth. The following two examples illustrate this trend:

- US economic activity hit by a lagging industrial sector following the delayed effect of the appreciation of the US dollar;
- The fall in commodity prices continued, confirming the deflationary fears and the negative impact on emerging markets.

Following this very subdued first period, the second part of the year was fortunately much better due to an upturn in economic growth. For 2016 at least, the unexpected outcomes of the votes on Brexit and the US presidency had only a limited negative impact on the financial markets.

This phase of improvement was influenced in particular by strong domestic demand in the US and the healthy labour market, which stimulated available income and consumption. The rise in commodity prices subsequently provided the expected positive effect on emerging countries and deflation risks.

Finally, and in line with this two-sided macroeconomic context, Switzerland behaved in a similar fashion. The end of the year nevertheless enabled it to close 2016 with GDP growth of 1.5%.

Performance of the Pension Fund

In 2016, the Fund thus posted a positive performance (net of costs) of 5.9%. The performance in the year under review is attributable to the following factors: All asset classes made a positive contribution to the performance of the Fund, in particular listed equities which contributed 3.6%. Bonds contributed 1.8%, private equities 0.7% and real estate 0.8%. Finally, currency effects detracted 1.2% from the overall performance. For the main asset classes, the Fund posted the following performance (expressed in Swiss francs) in 2016:

Performance in %

	2016	2015	3 years average [1]
Equities	11.4	(4.5)	6.7
Private equities	8.9	6.7	11.9
Bonds	6.5	(0.6)	6.4
Swiss real estate	6.8	7.3	7.5
International real estate	2.3	0.3	5.2
Hedge funds	2.3	(0.1)	5.5
Commodities	9.2	(22.4)	(8.4)

1) annualised

Comparison of the Fund's performance against its objectives

The objective of the Fund over the long term, in terms of performance, is measured by means of its strategic asset allocation. Its performance is computed based on indices which compose it and which exclude any fees whether management or transaction-related. On the other hand, the Fund's performance, i.e. 5.9%, does take account of management and transactions fees.

The performance of the Fund was slightly lower than that of its strategic asset allocation (6.2%) in 2016, i.e. an underperformance of 0.3%. This underperformance is attributable to the following factors:

- Private equities, measured against listed equities, detracted 0.6%;
- International real estate and commodities also made negative contributions of -0.1% and -0.2% respectively;
- Listed equities made a positive contribution of 0.6%.

Over five years, the Fund's performance is below that of its strategic asset allocation.

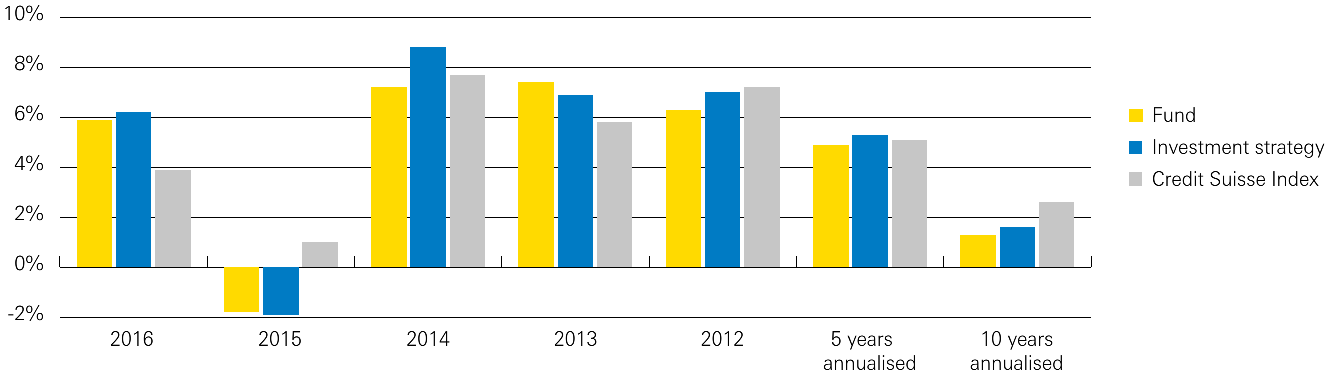
Performance in %

	2016	2015	2014	2013	2012	5 years [1]	10 years [1]
Fund	**5.9**	**(1.8)**	**7.2**	**7.4**	**6.3**	**4.9**	**1.3**
Fund Strategic asset allocation	6.2	(1.9)	8.8	6.9	7.0	5.3	1.6
Credit Suisse Swiss Pension Fund Index [2]	3.9	1.0	7.7	5.8	7.2	5.1	2.6
Pictet LPP-40 plus index	4.2	1.0	10.8	7.7	10.0	6.7	3.0

1) annualised
2) This index replaces the Swiss pension funds average ASIP (Association suisse des institutions de prévoyance, Swiss Pension Funds Association) used until 31 December 2015

The Fund's choice of its strategic asset allocation can be evaluated by comparing the Fund's performance with that of the Credit Suisse Swiss Pension Fund Index. The Fund outperformed this index by 2% in 2016. This outperformance is attributable in particular to our lower allocation in both domestic equity and domestic bonds compared with our peers.

The higher alternative investments allocation is also a positive contributor, while the lower real estate allocation has a negative impact. Over five years, the Fund's performance (4.9% p.a.) is slightly below that of the Credit Suisse index (5.1% p.a.).

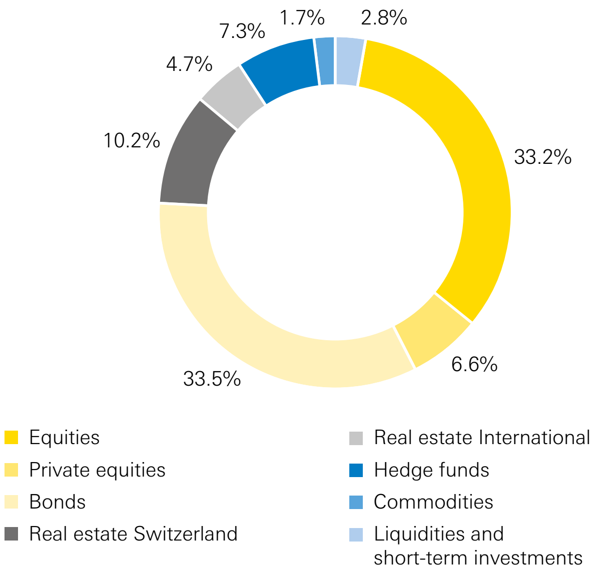


Assets allocation

The Fund's assets were allocated as follows as at 31 December 2016:

Allocation in %

	31.12.2016	31.12.2015	Strategic allocation
Liquidities and short-term investments	2.8	4.7	3.0
Equities	33.2	28.7	31.0
Private equities	6.6	7.9	7.0
Bonds	33.5	32.7	34.0
Swiss real estate	10.2	10.0	9.0
International real estate	4.7	5.2	6.0
Hedge funds	7.3	8.0	7.0
Commodities	1.7	2.8	3.0
Total	**100.0**	**100.0**	**100.0**



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Investment Committee activities

The Investment Committee's main activities in the year under review was to continue and above all step up its discussions, launched in 2015, regarding the relevance of the Fund's strategic asset allocation.

As already outlined above in the "Focus" section on page 8 of this annual report, in 2016 the Investment Committee focused primarily on addressing the adequacy of the Fund's investment structure given the new conditions and requirements encountered on the financial markets. The result of this work led to a new strategic asset allocation, which was presented to the Fund's Board of Trustees in November 2016 and is set out on page 10.

The optimisation exercise was also implemented with a view to gaining strict control of the Fund's asset management fees (TER) and simplifying its investment philosophy.

In this context, the Investment Committee took the following key decisions:

- To propose to the Board of Trustees meeting in November 2016 that the Fund dispose of all its investments in hedge funds and commodities, primarily in favour of investments in Swiss real estate. This recommendation was based on the fact that the committee was able to identify investment alternatives that are every bit as attractive, offering similar risk/return and portfolio diversification profiles but at a much lower cost;
- To take no preventative action regarding the Fund's asset allocation in the wake of last June's Brexit vote. The committee took the view that the Fund would not be significantly affected by the UK's exit from the European Union, as its asset allocation was already sufficiently balanced and diversified;

Our challenges: longer life expectancy and lower expected returns on the financial markets

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- To approve the appointment of the manager HarbourVest in place of the current manager SCM/Mercer to manage the Fund's investments in private equities. Factors such as HarbourVest's depth of resources and network, the discipline and coherence of its investment approach and its historical performance achieved over a very long period played a decisive role in this choice;
- To acknowledge the appointment of the bond manager BlackRock to replace Nestlé Capital Management in the multimanager collective investment fund Robusta Global Credit Bond Fund.

Conclusion

2016 can be summarised for the Fund in two points: a very good performance of 5.9% and major changes.

Although predicted to be a difficult year, 2016 actually turned out much better than anticipated in terms of the financial performance of the Fund's investments.

Over the next few years the Fund will face major challenges such as the ongoing increase in life expectancy and even lower expected returns on the financial markets across all asset classes.

The Fund has already implemented a number of measures to tackle these challenges. For example, it has created provisions on the liabilities side of its balance sheet (namely the provision for a future reduction in the technical interest rate and the provision for increased life expectancy) and adapted its strategic asset allocation. Other measures are still necessary, however, such as the review of the technical interest rate that is currently taking place.

All these initiatives have a single objective: to ensure the long-term financial sustainability of your Fund. This is our mission, one we intend to carry out with success.

Funding ratio and actuarial situation

Actuarial situation

In millions of CHF

	31.12.2016	31.12.2015
Available assets	**6695.1**	**6391.2**
Liabilities		
Pension reserve for active members	2515.1	2482.5
Pension reserve for pensioners	3403.4	3348.3
Provision for increased life expectancy	122.5	100.4
Provision for death and disability risks	53.9	58.4
Provision for a future reduction in the technical interest rate	170.2	83.7
Total	**6265.1**	**6073.3**
Technical surplus		
Downward risk provision	430.0	317.9
Disposable surplus	0.0	0.0
Total	**430.0**	**317.9**
Funding ratio (assets / liabilities)	**106.9%**	**105.2%**

Available assets

The available assets are determined by subtracting short-term debt, transitional liabilities and ordinary contributions reserves from total balance sheet assets (page 6).

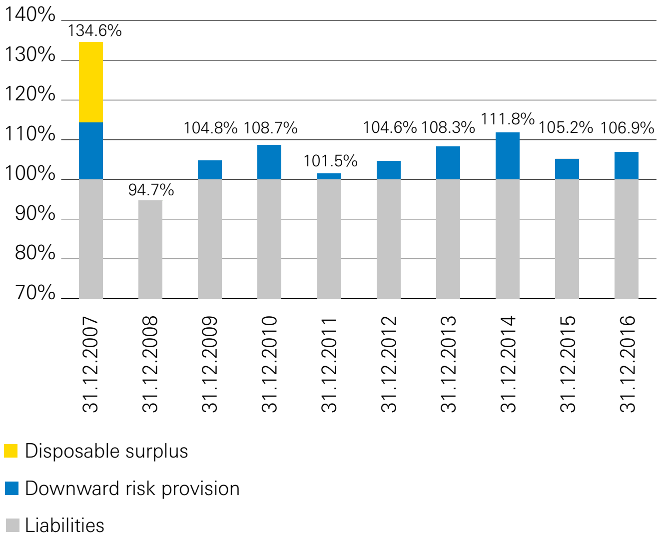
Liabilities

The Fund's liabilities consist of:

- The **pension reserve for active members**, which corresponds to the total of the accrued retirement savings capitals of those members;
- The **pension reserve for pensioners**, which is the total amount necessary to ensure payment of current pensions. These reserves are often defined as mathematical reserves and are calculated from 31 December 2011 using 2010 actuarial tariffs and take into account a technical discount rate or internal rate of return of 3%;
- The **provision for increased life expectancy**, which has been set up to cover the future costs which the Fund expects to incur due to this trend. This provision is funded by an annual allocation calculated on the basis of the pension reserve for pensioners. This provision stood at 3.6% or CHF 122.5 million as at 31 December 2016;
- The **provision for death and disability risks**, which aims to cover the inevitable fluctuations between the effective costs per benefit claim and its average costs. This provision stood at CHF 53.9 million as at 31 December 2016;
- The **provision for a future reduction in the technical interest rate**, which will cover any subsequent increase in liability relating to a potential decrease in the technical interest rate for pensioners. As agreed with the certified pension actuary, a provision was created at the end of 2015. It was funded by a further CHF 86.5 million in 2016 and stood at CHF 170.2 million as at 31 December 2016.

Funding ratio

On 31 December 2015, the Fund's funding ratio was **106.9%** (compared to 105.2% at the end of 2015). It is calculated by dividing the Fund's available assets by its liabilities, i.e. the sum of pension reserves for active members and for pensioners as well as the technical provisions.



Technical surplus

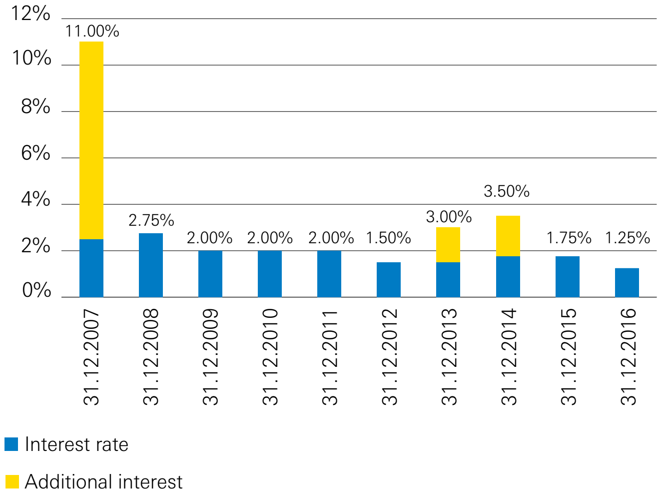
The technical surplus consists of:

- The **downward risk provision**, which absorbs the inevitable variations in the Fund's investment results. At the end of 2016, the downward risk provision amounted to CHF 430.0 million, which represents 6.9% of the Fund's total liabilities. As the target of the downward risk provision is set at 20% of liabilities, the target value was not reached by 31 December 2016. Over the coming years, the Fund will therefore have to generate sufficient performance to build up this reserve again;
- **Disposable surplus**. As the downward risk provision has not yet been filled up, the Fund did not have any disposable surplus at the end of 2016.

Interest payments on retirement savings capital of active insured members

By decision of the Board, the retirement savings capital of active members were credited with the minimum LOB interest of 1.25% in 2016. No additional interest was granted.

The average annual interest paid on retirement savings capital is 2.2% over both the past three and five years. This is still higher than the annual interest paid according to the minimum rate under LOB (1.6%) over these same two periods. Taking into account the past ten years, interest paid on the Fund's retirement savings capital totals 3.1% compared with 1.9% for LOB.



In %

	2016	2015	2014	2013	2012	5 years	10 years
Interest rate	1.25	1.75	1.75	1.50	1.50	1.55	1.90
Additional interest (31.12)	0.00	0.00	1.75	1.50	0.00	0.65	1.14
Total remuneration	1.25	1.75	3.50	3.00	1.50	2.20	3.04

Adjustment of pensions in payment

The decision to adjust pensions in payment is the responsibility of the Board of Trustees since the Fund regulations do not provide for these to be systematically indexed to the cost of living, measured by the consumer price index or rate of inflation. This decision is based on a number of parameters, which of course include the rate of inflation, but also the Fund's performance, its financial health (funding ratio) and the principle of fairness between active members and pensioners.

In %

	2016	2015	5 years [1]
Pension adjustment rate (at 1 January of the following year)	0.0	0.0	0.0
Inflation rate	0.0	(1.3)	(1.9)

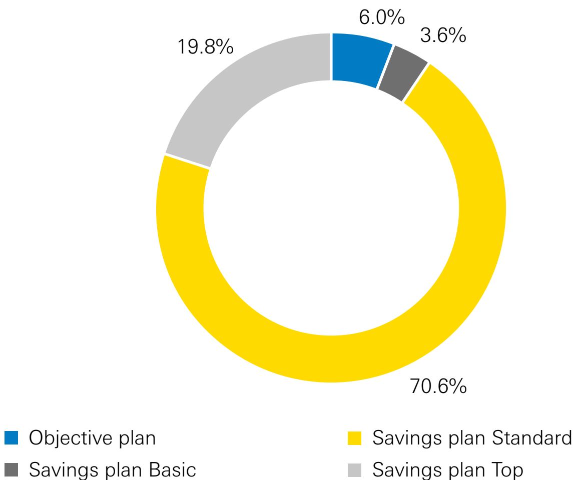
1) Inflation between 01.01.2012 and 31.12.2016

The Board of Trustees decided not to adjust pensions in payment on 1 January 2017, given that the rate of inflation has been low and at times even negative in recent years, the Fund's financial situation has not yet reached the desired level to achieve the target downward risk provision of 20%, and fairness between active members and pensioners must be maintained.

Membership statistics: Active members and pensioners

Active members

	Men	Women	Total
Members on 1 January 2016	**6 901**	**4 619**	**11 520**
Entries	682	553	1 235
Departures	(1 000)	(724)	(1 724)
Due to disability	(4)	(5)	(9)
Due to retirement	(104)	(54)	(158)
Due to departure from the Fund	(492)	(498)	(990)
Due to departure to Froneri	(393)	(166)	(559)
Due to death	(7)	(1)	(8)
Members on 31 December 2016	**6 583**	**4 448**	**11 031**
Average age as at 31 Dec. 2016	42.8	40.6	41.9



The number of active members fell as at 31 December 2016. This was mainly due to the departure of Froneri employees, with 559 members of the new savings plan being transferred on 1 October 2016 from the new entity to an external collective foundation offering similar benefits to the Fund. However, the 82 Froneri members covered by the objective pension plan (old plan) have been kept in the Fund.

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Simulation

Breakdown of active members by savings plan	2016		2015	
Objective plan (old plan)	**659**	**6.0%**	**819**	**7.1%**
Savings plan (new plan)	**10 372**	**94.0%**	**10 701**	**92.9%**
Basic	399	3.6%	439	3.8%
Standard	7 788	70.6%	8 075	70.1%
Top	2 185	19.8%	2 187	19.0%

Other information				
Payments in connection with divorce	39		30	
Cash withdrawals for home ownership	136		117	

The number of active members of the objective plan (old plan) is falling constantly, as the change of savings plan implemented on 1 July 2013 only affected members born in 1959 and after. On this basis, the objective plan is projected to no longer exist from December 2023 onwards.

The savings plan allows members to choose annually from three contribution levels. The breakdown remains relatively stable, with members continuing to favour the Standard plan.

Early withdrawals following divorce and to encourage home ownership increased in 2016.

The number of active members fell in 2016, mainly due to the transfer of Froneri employees

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Simulation

Pensioners

	Retirement	Disability	Surviving spouse	Children	Total
Pensioners on 1 January 2016	**3 798**	**219**	**1 256**	**259**	**5 532**
New pensions	177	14	73	52	316
Pensions terminations	(6)	(19)	-	(43)	(68)
Deaths	(127)	(3)	(76)	-	(206)
Pensioners on 31 December 2016	**3 842**	**211**	**1 253**	**268**	**5 574**
Average age as at 31 December 2016	74.5	54.2	78.5	16.2	71.9

Evolution of total headcount

	2016	2015	2014	2013	2012
Active members	11 031	11 520	11 601	10 976	10 633
Pensioners	5 574	5 532	5 484	5 385	5 326
Total as at 31 December	**16 605**	**17 052**	**17 085**	**16 361**	**15 959**
Ratio active members / pensioners	1.98	2.08	2.12	2.04	2.00
Ratio pension reserve for pensioners	59.0 %	58.2 %	58.0 %	59.7 %	64.8 %

The Jomini Social Grant can help pensioners with an unforeseen expense

Documents

Contact

The number of pension beneficiaries continues to grow at the same rate as in previous years.

Despite the decrease in the number of active members, however, the share of pensioners' pension reserves added to the provisions dedicated to them (59%) remains stable relative to that of active members.

The incidence of disability remains stable thanks to the efforts of human resources and their proactive intervention strategy.

Jomini Social Grant

On her death in 2000, Mrs Marie-Madeleine Jomini, the widow of Mr Marcel Jomini, founder of the Louis Dapples Foundation, left CHF 2.2 million with no conditions regarding how the money was to be used.

In 2001, the Board of Trustees decided to set up the Jomini Social Grant (Fonds de Secours Jomini) with the aim of providing unique financial support to beneficiaries of a Fund pension and to pensioners' spouses. Those seeking assistance must have a modest income and be domiciled in Switzerland.

An unforeseen expense such as high dental fees or a hearing aid may qualify for a payment from the Jomini Social Grant.

A written request together with supporting documentation must be submitted to the administration of the Fonds de Pensions Nestlé, Avenue Nestlé 55, 1800 Vevey.

Grant decisions are made by a committee made up of HR representatives from the Centre and Nestlé Switzerland, as well as from the Fund.

Fonds de Pensions
Nestlé

Fonds de Pensions Nestlé,
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