Committee on Budget, Finance and Administration
General Council
6-7 October 2022

WTO PENSION PLAN

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2021

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MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD

The Management Board of the World Trade Organization Pension Plan (WTOPP) is pleased to present to the General Council and to Plan participants and beneficiaries its 2021 Annual Report prepared in accordance with Article 5 of the Regulations of the Plan.

The Covid-19 pandemic continued to affect many aspects of our lives in 2021. The Pension Plan Secretariat and the Management Board maintained regular operations largely remotely and continued to hold Board and Working Group meetings virtually or, in the second half of the year, in hybrid format.

Most of the Board's work in 2021 was directed to actuarial matters. This included transitioning to a new consulting actuary, c-alm, and finalizing a full actuarial valuation based on new assumptions and 2020 participant data. Assumptions about improvements in life expectancy and future asset returns were updated, among others. The application of these and other actuarial assumptions to 2020 participant data led to the identification of a substantial projected actuarial imbalance that will have to be addressed. This finding was confirmed in a further interim actuarial valuation conducted with 2021 data. Consequently, work in 2022 will be largely devoted to developing recommendations to bring the actuarial position of the Plan back into long-term balance.

In 2021, the WTO Pension Plan investment portfolio had a real return of 9.7%. This strong performance results partly from improving economic fundamentals as the pandemic situation stabilized, and partly from changes in valuation not based on economic performance. More generally, prudent management of the investment portfolio has resulted in 5 year average rolling returns consistently above the target rate of return for the past decade. Nonetheless, two financial market crises early in the life of the plan mean that the historical average real return since the inception of the plan has been 2.6%, which is below the Plan's long term target.

It is important to bear in mind that price volatility as measured by the value of the portfolio on 31 December of each year is usually not a good indicator of the underlying economic potential of the investments. Current economic circumstances remain challenging for investors and are likely to remain so for some time. More information on the investment philosophy of the Management Board and details on the allocation of assets can be found in the report and its annexes.

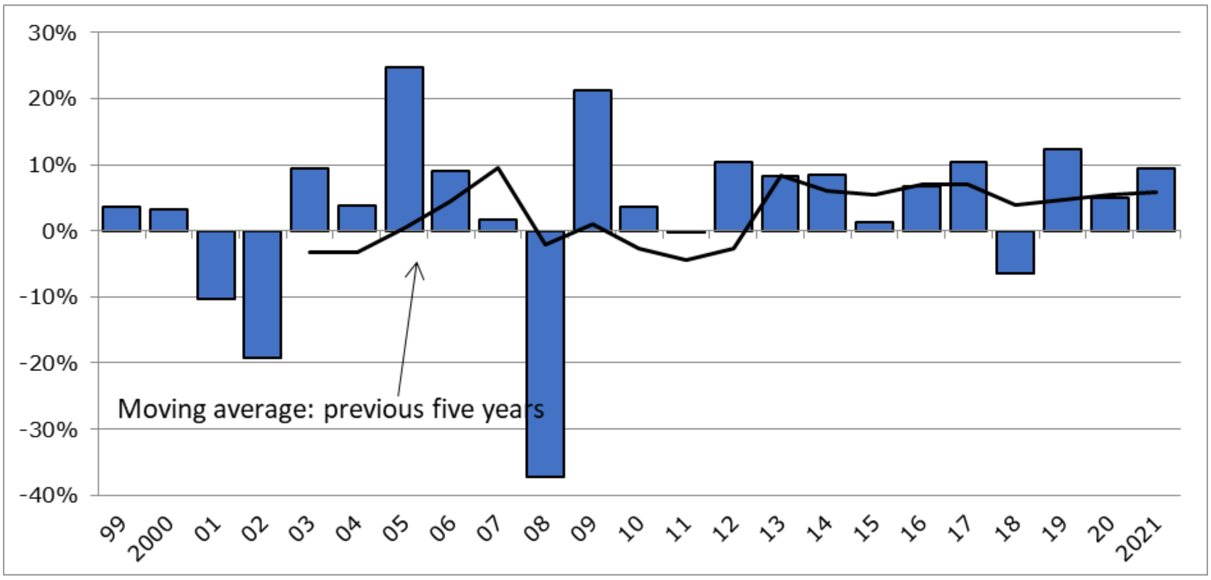
In closing, I would like to thank the members of the Management Board for their engagement and valuable contributions to matters concerning the Plan. On behalf of the Management Board, I would like to thank WTOPP Secretariat staff for their support and service. The Management Board and the Plan's Secretariat are fully engaged in ensuring the continued good governance and the sustainability of the WTO Pension Plan and are pleased to share this annual report with you.

Jean-Marc van Dril, Chair of the Management Board

1 HIGHLIGHTS

1.1 Investment return

Figure 1 Historical returns net of inflation and fees



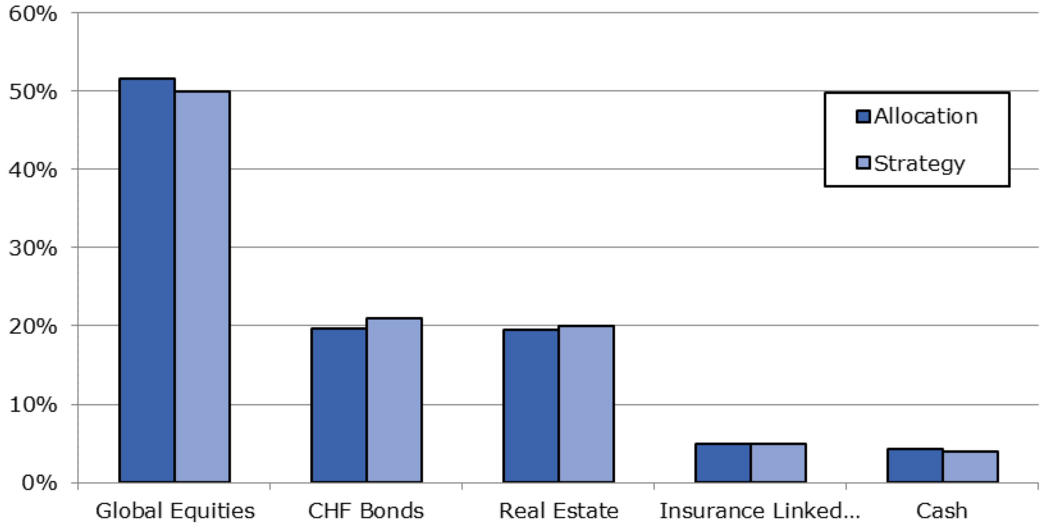
1. In 2021 the Pension Plan's investment portfolio delivered a nominal rate of return of 11.3%. As Swiss inflation for 2021 was 1.6%, the portfolio's real return was 9.7% for the year, considerably higher than the target rate set for actuarial valuation purposes. This good performance was fuelled by the post pandemic recovery, which supported economic fundamentals, but was also due to increasing market valuations. While above-average expected returns are generally welcome, over the past several years investment performances have been consistently inflated by market valuations that exceeded actual economic performance of the underlying assets. This increases the likelihood of below-target returns in the coming years.

Table 1 Net investment return

	Nominal	Real
2019	**12.6%**	**12.4%**
2020	**4.2%**	**5.0%**
2021	**11.3%**	**9.7%**

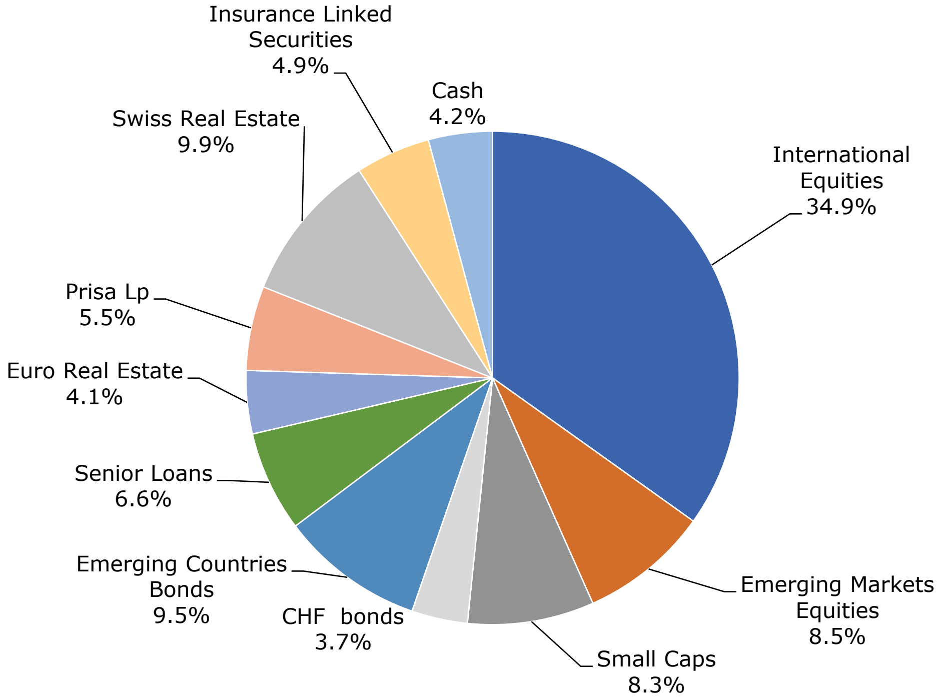
1.2 Asset allocation

Figure 2 Asset allocation as of 31 December 2021, actual vs. strategy



2. The WTOPP rebalances its portfolio in the first quarter of each year, by re-aligning as necessary the allocation to each asset class with the strategy.[1] This mechanism takes advantage of volatility in financial markets as it is carried out by selling securities that have become relatively more expensive and buying assets that have become relatively cheaper. Since a Board decision in 2020, a rebalancing will also be triggered by changes in financial markets causing the weight of equities in the portfolio to deviate from the strategic allocation by more than 10%.

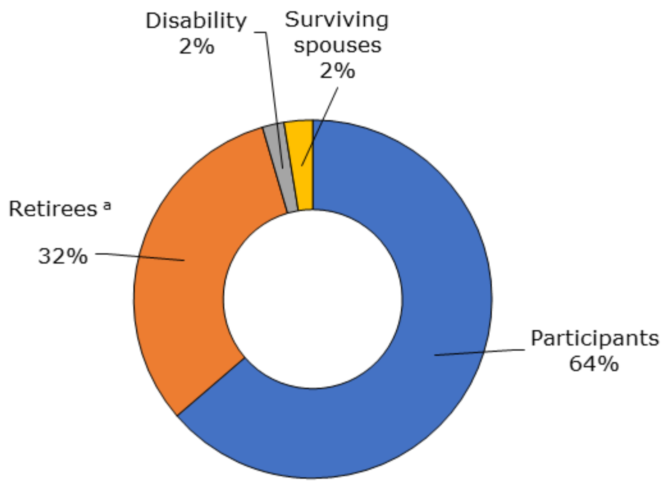
Figure 3 Detailed asset allocation 2021



[1] See reference to rebalancing in the Glossary and Annex 2 for more information on this approach.

1.3 Participants and beneficiaries 2021

Figure 4 Plan membership by type



a including deferred retirement benefits.

3. There were 716 participants on 31 December 2021, which was slightly higher than 709 participants on 31 December 2020. On the other hand, the number of beneficiaries increased from 408 to 427 over the same period.

Table 2 Plan membership

Membership	2020	2021
Number of Participants	709	716
Number of Beneficiaries	408	427

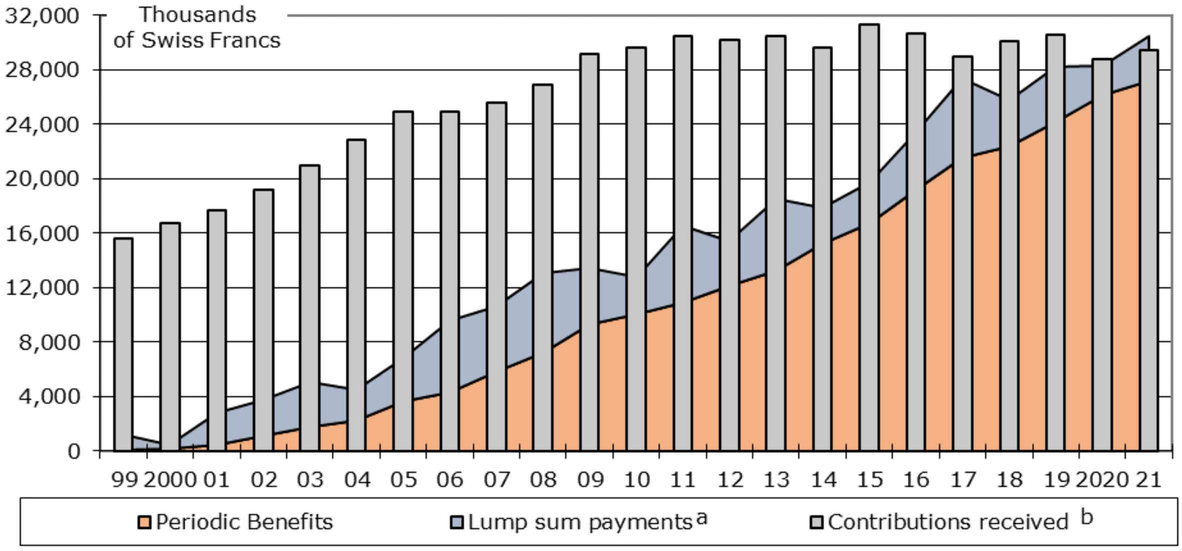
Table 3 Types of benefits

Types of benefits	Total number		Average monthly benefit	
	Year 2020	Year 2021	Year 2020	Year 2021
Retirement benefits	182	194	CHF 7,000	CHF 7,000
Early retirement benefits	136	138	CHF 5,100	CHF 5,000
Disability benefits [a]	22	22	CHF 5,600	CHF 5,600
Surviving spouse's benefits	26	29	CHF 4,100	CHF 4,200
Child's benefits	18	19	CHF 400	CHF 500
Deferred retirement benefits	24	25	-	-

a includes benefits paid to beneficiaries above retirement age (13 individuals at end 2021)

4. As the number of beneficiaries continues to increase, so do the benefits paid annually by the Plan. Periodic benefits and lump sum benefits amounted to CHF 30.5 million in 2021, which is over CHF 2 million more than the year before. The periodic benefits have exceeded the received contributions (CHF 29.4 million) for the first time in 2021. Pension benefits will continue rising but investment returns are expected to help keep the Plan's balance of income and expenditures positive in the coming years.

Figure 5 Contribution income and benefit expenditure



a Including transfer values paid to other Organizations.
b Including transfer values received from other Organizations.

2 SUMMARY OF MANAGEMENT BOARD ACTIVITIES

5. In 2021 the WTO Pension Plan Management Board met five times in regular Board meetings and once in a special session. The meetings occurred in a virtual or hybrid format due to COVID-19 restrictions. They took place on February 22nd, March 18th, April 27th, June 24th, October 4th and December 10th. As ongoing items, the agendas for all meetings included the presentation of the investment situation and a report by the Secretariat on matters arising since the previous meeting of the Management Board. Additionally, the Board's agenda included recurring items such as the approval of the Plan's Annual Report and Financial Statements for submission to the General Council and review of the Plan's actuarial position.

6. Outside the formal Board meetings, the Management Board Working Groups met nine times. For comparison, the working groups met six times in 2020, twelve times in 2019, and nine times in 2018. Six meetings addressed actuarial issues (focused on the development of the relationship with the new consulting actuary, c-alm, and the finalization of the assumptions for the pending full actuarial valuation), two dealt with investment (to prepare decisions on the Swiss real estate vehicle), and one addressed disabilities.

7. In 2021 the Board and Secretariat accomplished several important projects, such as completing the procurement process for a new Consulting Actuary and relaunching the periodic actuarial valuation process. A review of assumptions to be used for the 2020 actuarial valuation was also completed. In addition, a guideline for the validation of data and assumptions used in actuarial valuations, actuarial assumptions, and the actuary's methodology was developed and adopted.

8. Another significant accomplishment made by the Board and Secretariat was securing a clean audit opinion from the new External Auditors. In accordance with the Auditor's recommendation, a Financial Reporting Framework for the Plan has been adopted and an analysis of the applicability of IPSAS accounting standards for the Plan has commenced. The Management Board also reviewed four disability cases, and it adopted a guideline on honouring court orders in the context of divorces.

3 REVIEW OF THE WTOPP INVESTMENT PERFORMANCE

9. The investment portfolio had a nominal return of 11.1% in 2021, compared to 10.4% for the Pension Plan's benchmark. Swiss inflation for 2021 was close to 1.6%. Hence, the portfolio's real return was 9.5% for the year, well above the Plan's target.

10. The Plan's portfolio generated annual returns of +9.2% and +6.4% in nominal terms, respectively, over the last three and five years. The 5-year return exceeds the Plan's target return (Swiss inflation + 3.5%) by 2.4% per year.

11. The post pandemic recovery supported economic fundamentals in 2021: global corporate earnings rose significantly, and dividends increased around 10%. Equity valuations continued to expand, contributing significantly to the positive returns. Equity investments, which represent 50% of the Pension Plan's target allocation, had a return of 17.2% in 2021, close to the benchmark (16.8%).

12. Rising inflation pushed bond yields higher, causing negative returns in most bond markets. However, bond investments in the portfolio generated a positive return thanks to their lower sensitivity to interest fluctuations. Fixed income investments (21% of the Pension Plan's target asset allocation) returned 0.4% vs. -0.1% for the plan's benchmark. CHF denominated bonds delivered a negative performance in 2021 (-0.5%) while senior loans had a return of 4.3%.

13. Investments in Insurance Linked Securities (5% of the Pension Plan's target asset allocation) had a return of 3.5% for the year compared to 4.0% for the benchmark.

14. Real estate investments delivered a strong performance in 2021, driven by low vacancy rates, soaring property prices and a catch-up effect compared to 2020. Real estate investments represent 20% of the target asset allocation. The return on this portion of the portfolio was 11.4% for the year. The Swiss real estate fund (Credit Suisse 1A Immo PK) had a return of 11.0% in 2021 while the SXI index, which tracks the return of Swiss publicly traded real estate funds, had a return of 7.3%. International real estate funds, which include the Plan's investments in Warburg Henderson fund, PRISA LP and, since December 2018, CBRE Fund, had a consolidated return of 11.4%.

15. Despite the improvement in 2021, bond yields remain low in absolute terms and do not offer prospective returns compatible with the WTOPP's long term targets. On the other hand, valuations in equity and real estate markets have increased and are currently at elevated levels, well above those observed before Covid-19. Historically, higher valuations have been associated with lower prospective returns.

4 ACTUARIAL POSITION OF THE PLAN

16. The company c-alm AG was appointed as the Plan's new Consulting Actuary in the first half of 2021. It completed an actuarial valuation for the Plan based on 2020 data that identified a considerable funding gap, when compared to the last formal valuation in 2016. This difference was mainly due to the use of new assumptions, in particular regarding the Plan's future investment returns and expected longevity of participants and beneficiaries.

17. While the current contribution rate is 23.7% of pensionable remuneration, the valuation found that it should be 10.5% points higher to ensure a long-term balance with expenditures. This would be equivalent to a "required contribution rate" (or RCR) of 34.2% as of end 2020. An interim valuation as of 31 December 2021 confirms this large funding gap, albeit with a slightly lower 33.1% required contribution rate, due to higher than expected valuations of the Plan's investment assets.

18. Following the identification of this actuarial deficit, the principal focus of the Management Board in 2022 will be to formulate proposals to address the actuarial imbalance for adoption by the General Council. These adjustments will need to be thoroughly analysed and discussed. Options could in principle include increasing the assets by raising the actual contribution rate, directly adding more capital, reducing the liabilities by adjusting certain benefits, or a combination of all three options.

5 IPSAS ACCRUED LIABILITIES OF THE PLAN

19. The WTO's financial statements include an actuarial estimate of pension benefits that differs in scope and method from the WTOPP's actuarial valuation discussed in Section 4, above. In line with the International Public Sector Accounting Standards (IPSAS), this estimate is produced for reporting on the WTO's accrued liabilities for employee benefits as at 31 December of each year, which includes mainly pensions and after-service health insurance.

20. The IPSAS estimate of the pension liability represents the hypothetical liability of the Organization to cover all its current employees' and retirees' acquired pension entitlements as of 31 December 2021. Unlike the Plan's actuarial valuation discussed in Section 4 above, the IPSAS estimate does not consider future staff and uses a different methodology for setting the discount rate.

21. Both valuations are reported together with the balance sheet, in Statement 2 of the financial statements.

6 ORGANIZATION AND STRUCTURE OF THE PENSION PLAN ON 31 DECEMBER 2021

22. The Management Board of the Plan was duly constituted by the General Council in accordance with Article 4 of the Regulations on 26 March 1999.

23. The Regulations and Administrative Rules of the WTO Pension Plan were adopted by the General Council on 16 October 1998 (WT/L/282). The General Council approved the Rules of Procedure of the Management Board on 8 May 2001 (WT/L/402). The Regulations of the WTO Pension Plan were amended by the General Council on 1 December 2005, on 28 July 2009, on 26 October 2011, on 30 November 2015 and on 26 July 2017. The Administrative Rules were amended on 23 September 2005 and on 7 December 2016, and the Rules of Procedure were amended on 7 December 2016.

24. Key components of the governance and administrative structure of the Pension Plan included the following on 31 December 2021.

<table>
<tr><td colspan="4">Mr. Jean-Marc van Dril, Chairperson</td></tr>
<tr><td>Mr. Robert Cook</td><td rowspan="4">Members elected by the General Council</td><td>Ms. Antonia Carzaniga</td><td rowspan="4">Members appointed by the Director-General</td></tr>
<tr><td>Ms. Alicia Goujon</td><td>Mr. Christian Dahoui</td></tr>
<tr><td>Mr. Conor Harrington</td><td>Mr. Rainer Lanz</td></tr>
<tr><td>Ms. Darija Sinjeri</td><td>Mr. Thomas Verbeet</td></tr>
<tr><td>Ms. Wei-Ting Chiu</td><td rowspan="4">Alternates elected by the General Council</td><td>Ms. Kerry Allbeury</td><td rowspan="4">Alternates appointed by the Director-General</td></tr>
<tr><td>Mr. Loudon Mattiya</td><td>Ms. Laura Monnet</td></tr>
<tr><td>Mr. Rodolfo Rivas</td><td>Ms. Nthisana Phillips</td></tr>
<tr><td>Ms. Chiara Santangelo</td><td>Ms. Zheng Wang</td></tr>
<tr><td>Mr. Robert Luther</td><td colspan="3">Observer on behalf of the beneficiaries</td></tr>
<tr><td>Mr. Paul Rolian</td><td colspan="3">Alternate observer on behalf of the beneficiaries</td></tr>
</table>

Secretariat	John Breckenridge, Secretary Yann Marcus, Pensions Officer Dário Muhamudo, Pension Specialist
Accounting and Outsourced Administrative Support services	Trianon S.A.
Consulting Actuary	c-alm
Medical Adviser	Centre d'expertise médicale Lancy (CEML)
Investment Analyst/Consultant	MBS Capital Advice S.A.
Global Custodians	The Northern Trust Company Pictet Asset Services
Fund Managers	Babson Capital (senior loans portfolio hedged in CHF) Blackrock (emerging market bonds portfolio hedged in CHF) Crédit Suisse (Small cap equity portfolio, Swiss bond portfolio, Swiss real estate portfolio and senior loans portfolio hedged in CHF) GMO (emerging market bonds portfolio hedged in CHF) MFS (emerging market bonds portfolio hedged in CHF) NN (senior loans portfolio hedged in CHF) Pictet (Equity portfolios (global equities and emerging markets) Prisa LP (US Real Estate portfolio) Warburg Henderson (European real estate portfolio) CBRE (European real estate portfolio) Scor (Insurance Linked Securities) Gam (Insurance Linked Securities)
External Auditor	French Court of Audit

7 ACCOUNTS

25. The financial statements and schedules are presented in Section 9 of this Report. The notes to the financial statements found in Annex 1 include important additional explanations about the accounts. These notes are integral to understanding the accounts and the financial position of the Plan.

26. The income and expenditure statement for the period 1 January – 31 December 2021 is reproduced in Statement 1.

27. The balance sheet as at 31 December 2021 is reproduced in Statement 2.

28. The source and application of funds for the period 1 January – 31 December 2021 are reproduced in Schedule A.

29. Details of the exchange rates used for closing the accounts on 31 December 2021 and the currency breakdown as of 31 December 2021, after hedging, are provided in Schedule G.

30. A glossary of terms to facilitate an understanding of the tables is reproduced in Schedule J.

31. Explanations of significant events in the 2021 accounts can be found in the notes in Annex 1.

8 EXTERNAL AUDITOR

32. The report of the External Auditor on the Accounts of the WTO Pension Plan for the year ended 31 December 2021 is produced separately from the Annual Report.

OPINION OF THE EXTERNAL AUDITOR

Cour des comptes
FRANCE

Le Premier president

Paris, 3 0 JUIN 2022

To
Mr Jean-Marc VAN DRIL
Chairman of the Management Board of the Pension Plan of the World Trade Organization

AUDIT OPINION

We have audited the Financial Statements of the Pension Plan of the World Trade Organization (WTOPP) for the 12-month period ended 31 December 2021. These Financial Statements include a Statement of income and expenditure, the Balance Sheet and additional tables. They have been prepared in conformity to the Regulations of the WTO Pension Plan and Rules of procedure of the Plan under the responsibility of the Secretariat of the Management Board of the Pension Plan of the World Trade Organization, and in accordance to the principles and accounting methods in use since the creation of _the Plan and formally approved on 24 June 2021. They are Special Purpose Financial Statements. Our responsibility is to express an opinion on these statements based on our audit.

We have conducted our audit in accordance with the International Standards on Auditing (ISA). These standards require us to plan and perform our audit in order to obtain reasonable assurance that the Financial Statements are free from material misstatements. An audit namely consists in collecting, by sampling, audit evidence regarding the amounts and the information presented in the Financial Statements. It also consists in evaluating the appropriateness of the accounting principles and estimates made by the Secretariat of the Plan, and the overall presentation of the Financial Statements. We believe that the evidence collected is sufficient and appropriate to constitute a reasonable basis for our opinion.

In our opinion, the Financial Statements give a fair view of the financial position of the Pension Plan of the World Trade Organization as at 31 December 2021, as well as of the profit and loss result at date, in conformity with the special accounting framework of the Pension Plan of the World Trade Organization.

Emphasis of matter

We alert users that the Financial Statements are prepared in accordance with a special purpose framework and that, as a result, they may not be suitable for another purpose.

(signed)
Pierre MOSCOVICI

9 FINANCIAL STATEMENTS

9.1 Management letter of representation

33. Pursuant to Article 5(d) of the WTO Pension Plan Regulations, the Management Board of the WTO Pension Plan is responsible for these financial statements. The financial disclosures in this report are intended to fairly present the Plan's financial results in a manner that is complete and understandable.

34. The Management Board is responsible for establishing and maintaining adequate internal control over financial reporting so as to provide reasonable assurance regarding the reliability of these financial statements for external purposes. This includes policies and procedures that 1) provide for the maintenance of records that accurately and fairly reflect the transactions of the Plan, 2) provide reasonable assurance that transactions are authorized and recorded in compliance with the Plan's Regulations and Rules and 3) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the Plan's assets. However, due to the inherent limitations of internal control over financial reporting, these controls may not prevent or detect all misstatements.

35. Based on the above, the Management Board has concluded that these financial statements present fairly the Plan's financial position and performance as of 31 December 2021.

Jean-Marc van Dril	John Breckenridge
Chair	Secretary
WTOPP Management Board	WTO Pension Plan

9.2 Statement 1: Income and expenditure statement

INCOME AND EXPENDITURE STATEMENT (expressed in Swiss Francs)		
	2021	**2020**
Income		
Investment income		
Profit on securities	75,371,340	28,322,317
Currency revaluation	-	45,307
	75,371,340	**28,367,624**
Contributions		
Organization, regular contributions	19,486,923	19,216,651
Organization, additional contributions	-	-
Participants, regular contributions	9,778,321	9,608,334
Interests on validations	361	408
Restorations	136,669	-
Transfers from other organizations	32,150	-
	29,434,424	**28,825,393**
Reimbursements claims under the death and disability insurance	**645,051**	**1,346,247**
Total income	**105,450,815**	**58,539,264**
Expenditure		
Periodic benefits		
Retirement benefits (Art. 23)	15,771,686	15,209,952
Early retirement benefits (Art. 24)	8,331,035	8,169,088
Disability benefits – (Art. 28)	1,478,417	1,483,685
Surviving Spouse benefits (Art. 29)	1,456,261	1,180,840
Child benefits (Art. 30)	109,448	98,006
	27,146,847	**26,141,571**
Lump sum benefits		
Withdrawal settlements (Art. 26)	710,058	582,051
Commutations (Articles 23c), 24d), and 25c))	2,139,862	1,588,468
Residual settlements (Article 33)	483,242	-
Transfers to other organizations	33,257	-
Interests on transfers to other organizations	1,726	-
	3,368,145	**2,170,519**
Participants' death and disability coverage	**707,813**	**697,185**
Loss on investment		
Currency revaluation	2,950	-
Negative credit interest	197,963	166,885
	200,913	**166,885**
Investment and other administrative expenses		
Management fees	577,824	509,415
Trianon and other administrative costs	209,943	227,155
Consultancy fees	120,000	120,000
Actuarial expenses	93,738	46,000
Bank charges	28,928	24,946
	1,030,433	**927,516**
Total expenditure	**32,454,151**	**30,103,676**
Profit / Loss (-) for the period	**72,996,664**	**28,435,588**

9.3 Statement 2: Balance sheet

Balance sheet (expressed in Swiss Francs)					
Assets	**At 31.12.2021**	**At 31.12.2020**	**Liabilities**	**At 31.12.2021**	**At 31.12.2020**
Investments			**Current liabilities**		
Securities	706,361,395	632,128,748	Accrued expenses	540,004	161,828
Cash and cash equivalents[a]	30,985,894	31,171,342		**540,004**	**161,828**
	737,347,289	**663,300,090**	**Capital**		
Current Assets			Capital as at 1 January	665,585,646	637,150,059
Withholding taxes to be recovered	1,775,026	1,533,772	Profit / Loss (-)	72,996,664	28,435,588
Accrued income	-	913,612		738,582,311	**665,585,646**
Receivable additional contributions	-	-			
	1,775,026	**2,447,384**			
Total assets	**739,122,315**	**665,747,474**	**Total liabilities**	**739,122,315**	**665,747,474**

a Cash and cash equivalents include cash on bank accounts and cash held on investment accounts with custodian banks, which amount to CHF 27,964,674 and CHF 2,975,776 respectively. Cash held on investment accounts for extended periods of time is normally immaterial. However, since 2019 the Plan has started to use investment accounts to shelter operating cash from negative interests.

36. Please note that this balance sheet shows neither the present value of future benefits (the pension liability) on the liability side, nor the capitalized future contributions on the asset side. In the WTO's financial statements, the pension liabilities are estimated at CHF 1,438 million according to IPSAS accounting rules. If the Pension Plan's asset value of CHF 739 million is deducted from this amount, the result is an estimated net accrued liability for employee benefits of CHF 701 million. This net value represents the hypothetical liability of the Organization to cover all its current employees' and retirees' pension entitlements as of 31 December 2021. It differs from the long-term valuation used in managing the Plan mainly in that it does not consider future staff and uses a different methodology for setting the discount rate.

37. On the other hand, the actuarial model used in managing the Plan per Article 9 of the Regulations takes into account future pension contributions and benefits for an open group of participants, and a projected real return rate based on expected return of the strategic portfolio allocation (see Schedule D). Its purpose is to produce best, yet conservative, estimates of future benefits, pension contributions and the investment returns. This model estimates the present value of future benefits at CHF 1,945 million, which, as explained in Section 4 of the Annual report, represents a significant funding gap. The Management Board is working on a proposal for measures to close this funding gap.

9.4 Schedule A: Source and application of funds

Source and application of funds (expressed in Swiss Francs)		
	2021	**2020**
Funds as at 1 January	**665,747,474**	**637,325,896**
Plus:		
Source		
Receipt of contributions	29,434,424	28,825,393
Investment income	75,170,427	28,200,739
Reimbursements of death and disability insurance claims	645,051	1,346,247
Increase in current liabilities	378,176	-
Total	105,628,078	58,372,379
Less:		
Application		
Settlement of benefits	30,514,992	28,312,090
Participants' death and disability coverage	707,813	697,185
Investment and other administrative expenses	1,030,433	927,516
Reduction in current liabilities	-	14,009
Total	32,253,238	29,950,800
Funds as at 31 December	**739,122,315**	**665,747,474**

9.5 Schedule B: Breakdown of expenditures

Expenditures (Expressed in Swiss Francs)		
	2021	**2020**
Investment Management fees [a]		
MFS	110,521	147,667
Northern Trust	19,001	37,168
Pictet [b]	448,302	324,580
Total	**577,824**	**509,415**
Consultancy fees		
MBS Capital Advice	120,000	120,000
Actuarial expenses		
Mercer (2020) c-alm (2021) [c]	93,738	46,000
Administrative costs		
Trianon and other administrative costs	209,943	227,155
Other expenses		
(bank charges and external audit)	28,928	24,946
Total	**1,030,433**	**927,516**

Note: Costs related to the WTOPP Secretariat are borne by the WTO and are not reflected in the Plan's Financial Statements (see paragraph 9 of Annex 1).

a management fees shown in this table are fees invoiced separately to the Plan as well as custody fees. They exclude management fees embedded in the reported value of the holdings. which are estimated at CHF 1,690,700 for 2021.

b the increase in fees is due to the high performance of equity funds, which are managed and/or deposited with Pictet, as well as the Board's decision to increase asset allocation in the second half of 2020.

c actuarial fees in 2021 cover exceptional costs of transitioning to a new actuary, including setting up the new model and benchmarking against previous actuarial results.

9.6 Schedule C: Investment mandate overview

Investment mandate overview						
Asset class	**Fund Manager**	**Benchmark**	**Ex-ante tracking error**	**Inception**	**Location**	**Website**
Global Equities	Pictet & Cie	40% MSCI Europe, 40% MSCI North America, 20% MSCI Pacific	Indexed	January 2011	Geneva, Switzerland	pictet.com
Emerging Markets Equities	Pictet & Cie	MSCI Emerging Markets	Indexed	May 2016	Geneva, Switzerland	pictet.com
Global Small Caps Equities	Credit Suisse	MSCI World ex Switzerland Small Caps	Indexed	August 2020	Zürich, Switzerland	credit-suisse.com
Emerging Market Bonds	BlackRock	JP Morgan EMBI Glob Div. hedged in CHF	Indexed	January 2016	New York, United States	blackrock.com
Emerging Market Bonds	MFS	JP Morgan EMBI Glob Div. hedged in CHF	2%-3%	January 2011	Boston, United States	mfs.com
Emerging Market Bonds	GMO	JP Morgan EMBI Glob Div. hedged in CHF	3%-5%	January 2011	Boston, United States	gmo.com
Senior Loans	Barings	CS Loans index hedged in CHF	3%-5%	October 2012	New York, United States	babsoncapital.com
Senior Loans	Credit Suisse	CS Loans index hedged in CHF	2%-4%	October 2012	New York, United States	credit-suisse.com
Senior Loans	NN	CS Loans index hedged in CHF	2%-4%	October 2012	Phoenix, United States	Inginvestment.com
US Real Estate	PRISA LP	NCREIF Fund Index ODCE	-	February 2015	Madison, United States	pramericarei.com
European Real Estate	Warburg Henderson	6.5% p.a.	-	December 2006	Hamburg, Germany	warburg-henderson.com
European Real Estate	CBRE	-	-	December 2018	London, United Kingdom	cbre.com
Swiss Real Estate	Credit Suisse	SXI Real Estate Fund Index	-	November 2008	Zürich, Switzerland	credit-suisse.com
Insurance Linked Securities	Scor	Swiss Re Global CAT bond Hedged CHF	-	December 2019	Paris, France	scor.com
Insurance Linked Securities	Gam	Swiss Re Global CAT bond Hedged CHF	-	December 2019	Connecticut, USA	gam.com/fr/managers/fermat-capital-management
CHF Bonds	Credit Suisse	SBI AAA-BBB 1-5 Y	-	August 2020	Zürich, Switzerland	credit-suisse.com

9.7 Schedule D: Asset allocation

Asset Allocation as of 31 December 2021				
Assets	**MCHF**	**Current weightings**	**Strategy**	**Deviation from the strategy**
Global equities	**380.2**	**51.6%**	**50.0%**	**1.6%**
Developed markets	256.7	34.8%	32.0%	2.8%
Emerging Markets	62.4	8.5%	10.0%	-1.5%
Small Caps	61.1	8.3%	8.0%	0.3%
CHF bonds[a]	**145.2**	**19.7%**	**21.0%**	**-1.3%**
CHF Bonds	27.0	3.7%	4.0%	-0.3%
Emerging countries bonds	69.6	9.4%	10.0%	-0.6%
Senior loans[b]	48.6	6.6%	7.0%	-0.4%
Real Estate	**145.0**	**19.7%**	**20.0%**	**-0.3%**
European Real Estate	31.5	4.3%	5.0%	-0.7%
U.S. Real Estate	40.6	5.5%	5.0%	0.5%
Switzerland Real Estate	72.8	9.9%	10.0%	-0.1%
Other Investments	**36.1**	**4.9%**	**5.0%**	**-0.1%**
Insurance Linked Securities[a]	36.1	4.9%	5.0%	-0.1%
Cash	**31.0**	**4.2%**	**4.0%**	**0.2%**
Total	**737.4**			

Note: Numbers may not add precisely to totals provided due to rounding.

a Hedged in CHF. The Plan hedges 80% of foreign bonds and ILS investments renewed quarterly.

b Senior loans are floating rate fixed income instruments, granted to sub-investment grade borrowers, have the highest level of seniority in the capital structure of corporate issuers and are secured by the assets of the borrowing company.

9.8 Schedule E: Investment performance

Investment Performance as of 31 December 2021(expressed in nominal terms)					
	Over 1 year p.a.	**Over 3 years p.a.**	**Since inception p.a.**	**TE[a]**	**IR[a]**
TOTAL					
Consolidated securities	**11.3%**	**9.2%**	**5.7%**	**2.99%**	**-0.32**
Added value[b]	0.7%	-1.0%	-0.2%		
EQUITY					
Consolidated equities	**17.2%**	**14.7%**	**8.7%**	**0.53%**	**-0.18**
Added value	0.3%	-0.1%	0.4%		
Developed markets	**21.6%**	**15.7%**	**9.2%**		
Added value	-0.2%	-0.2%	-0.2%		
Emerging markets	**-0.2%**	**7.6%**	**8.7%**		
Added value	-0.7%	-0.5%	0.1%		
Small Caps	**19.5%**				
Added value	*0.2%*				
FIXED INCOME[c]					
Consolidated fixed income[d]	**0.4%**	**4.1%**	**2.9%**	**2.39%**	**0.14**
Added value	0.5%	0.3%	0.1%		
Emerging countries bonds	**-2.0%**	**3.7%**	**4.1%**		
Added value	1.0%	0.0%	0.4%		
Senior loans	**4.3%**	**2.6%**	**2.1%**		
Added value	-0.2%	-1.0%	-0.7%		
CHF Bonds	**-0.5%**				
Added value	-0.1%				
REAL ESTATE					
Consolidated real estate	**12.2%**	**5.2%**	**4.5%**	---	---
Added value[b]					
Warburg Henderson	**-5.5%**	**-2.5%**	**3.4%**	---	---
Added value[b]					
CBRE	**5.4%**	**2.3%**	**1.1%**	---	---
Added value[b]					
Prisa	**24.6%**	**6.0%**	**6.6%**	---	---
Added value	-1.3%	-0.4%	-2.6%		
Credit Suisse	**11.0%**	**7.0%**	**4.6%**	---	---
Added value	3.7%	-5.4%	-2.0%		
OTHER INVESTMENTS					
Insurance linked Securities[c]	**3.5%**				
Added value	-0.5%				

Note: Performances are presented net of fees and costs. Consolidated performances (over 1 year, 3 years and since inception in August 1999) are calculated taking into account previous investment vehicles, which were liquidated prior to this reporting exercise and do not appear separately in the table.

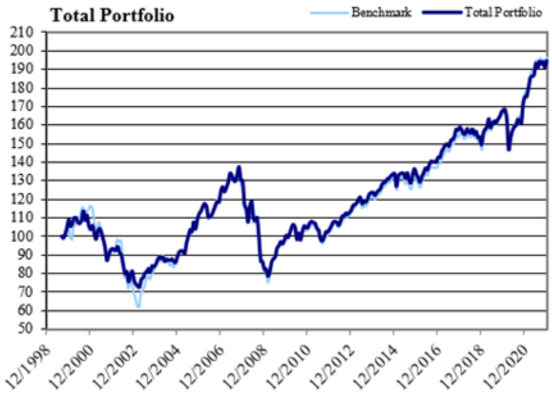
a TE = tracking error over 3 years, IR = information ratio over 3 years

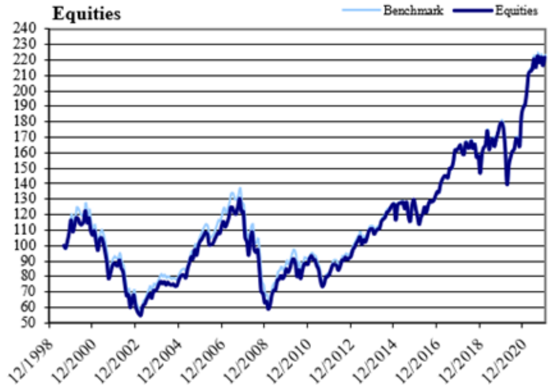
b Added value compares the performance to benchmarks, except when there is no formal benchmark (Warburg Henderson and CBRE), as specified in Schedule C.

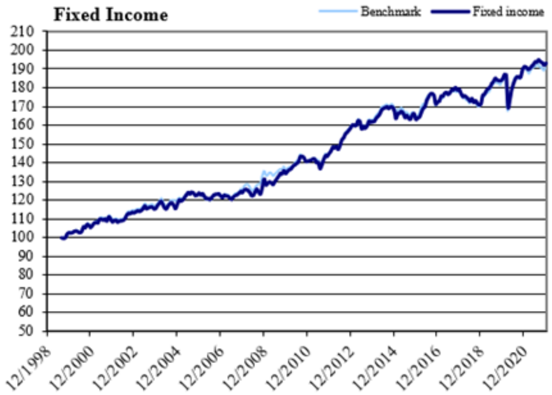
c In line with its investment principles, the Plan minimizes currency risk on its fixed income and ILS investments by investing in CHF-denominated instruments, or by hedging investments denominated in currencies other than CHF. In the latter case, the hedging instruments' gains, losses, and costs are embedded in the asset class' performance, which is consistent with the fact that the return target expected out of these instruments is being considered in CHF terms when making investment decisions.

d In addition to the bonds' performance, the consolidated fixed income performance also includes the interest paid on the Plan's cash.

9.9 Schedule F: Investment performance history from inception to 31 December 2021



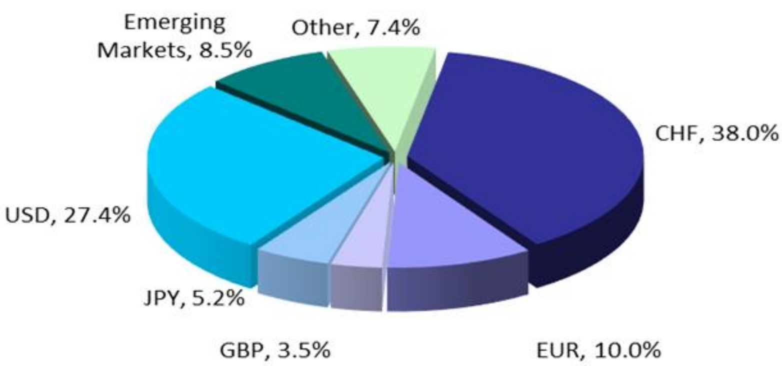




9.10 Schedule G: Exchange rates used for closing on 31 December 2021

Currency pair	Exchange rates
CHF per 1 EUR	1.0362
CHF per 1 USD	0.9112
JPY per 1 CHF	126.3842
CHF per 1 GBP	1.2341

Figure 6 : Currency breakdown as of 31 December 2021 after hedging



9.11 Schedule H: Participation in the Pension Plan

The following tables show the trends in the numbers of participants and beneficiaries in the Pension Plan in the course of 2021.

Number of participants and beneficiaries on 31 December 2021

	2020	2021
Active members	709	716
Beneficiaries	408	427

Participants in the Pension Plan in 2021

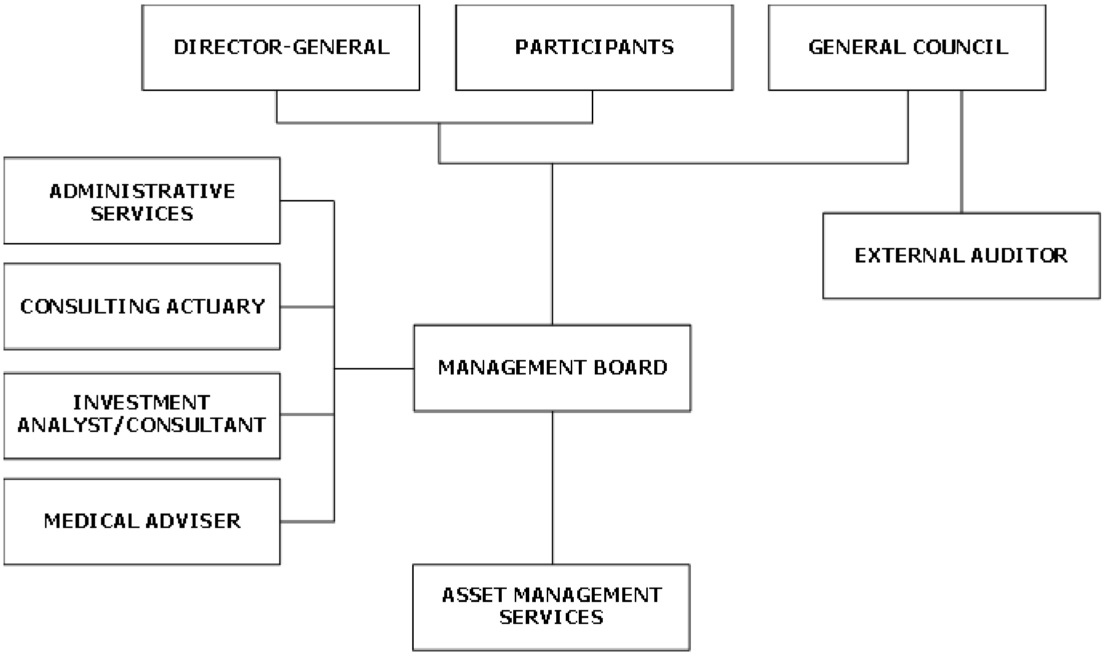
Total number on 31 December 2020	**709**
Movements in 2021	
- Entries	122
- of which re-entries under the terms of Art. 15(b) of the Regulations	48
- Separations	115
Total number on 31 December 2021	**716**
Breakdown of separations in 2021	
- retirement	14
- early retirement	3
- deferred retirement	1
- withdrawal settlement	26
- transfer out	0
- deferment of decision	69
- death	2
- disability	0
Total separations	**115**

Benefits paid by the Pension Plan

Type of benefit	At 31 December 2020	New benefits in 2021	Benefits ended in 2021	At 31 December 2021
Retirement[a]	182	14	-2	194
Early retirement[b]	136	3	-1	138
Deferred retirement[c]	24	1	0	25
Surviving spouse's benefit	26	3	0	29
Partial /total disability benefit	22	0	0	22
Child's benefit	18	2	-1	19
Total benefits	**408**	**23**	**-4**	**427**

a Includes no deferred benefit that commenced being paid in 2021.
b Includes no deferred benefits that commenced being paid in 2021.
c Includes only deferred pension benefits not yet in payments, for former staff members who made that choice on their separation and those who made the choice later, after initially deferring their decision. Deferred pensions in payments are classified as retirement or early retirement benefits.

9.12 Schedule I: Structure of the WTO Pension Plan



9.13 Schedule J: Glossary of terms

Accrued expenses include expenses incurred but not paid in the current accounting year.

Accrued income includes income which has been earned but not yet received in the current accounting year.

Active investment management is a form of portfolio management whereby the portfolio manager invests the assets in a manner different from the benchmark in an attempt to produce higher returns than the benchmark. The disadvantages of such a management style are characterized by higher management fees, higher trading costs as well as the risk of significantly underperforming.

Actuarial expenses include expenses charged by the consulting actuary for the provision of actuarial services.

Administrative costs include costs incurred in the general administration of the Pension Plan. They do not include the costs for the Plan's Secretariat, which are borne by the WTO (Article 5(f) of the Plan Regulations).

Commutation refers to retirement benefits, early retirement benefits and deferred retirement benefits commuted at the request of the participant, into a lump sum not exceeding 1/2 of the actuarial equivalent of the benefit or the amount of the participant's own contributions, whichever is the larger.

Consultancy fees include the fees charged by the investment analyst/consultant.

Contributions refer to sums payable for restoration, validation and benefit as detailed in Art. 20 of WTOPP Regulations.

Contributions receivable refers to contributions due in respect of contributory service in the accounting year but received after 31 December of the accounting year.

Currency hedging. In line with the Plan's investment principles, the Plan seeks to limit exposure to currency risk on debt instruments because they bear a currency risk that is theoretically not compensated in the long term, and because they play a stabilizing role to regulate the portfolio's short term volatility and allow rebalancing gains. When investing in debt assets denominated in currencies other than CHF, the Plan therefore hedges the currency risk. Technically, this involves the use of forward contracts, in which two parties agree to exchange a set amount of one currency for another at a predetermined exchange rate at some future date. If the currency of the investment depreciates causing losses on the portfolio, the hedging instruments will offset some of these losses. Hedging can have a cost, largely based on differences between lending and borrowing interest rates of the respective currencies.

Currency revaluation represents the adjustment of foreign currency-denominated bank account balances at 31 December 2021 to the exchange rate for that day. This adjustment reflects the variation in the exchange rate applicable to foreign currency-denominated bank account balances at the beginning of the year and in the exchange rates applicable to movements in the same accounts during the year, at the time each transaction took place.

Indexed management is a form of portfolio management that attempts to deliver the returns of the underlying benchmark by replicating exactly or by getting as close as possible to the composition of the benchmark at any point in time. It differs from active management in that it is significantly less costly and does not reflect the views, forecasts or opinions of the investment manager.

IR or Information Ratio is defined as the outperformance of the investment manager above the index divided by the portfolio's tracking error. The information ratio is used to represent a manager's skill. Generally, any ratio over 0.30 is thought of as demonstrating skill. IR refers to the information ratio over three years.

Insurance Link Securities (ILS) are financial instruments whose values are driven by insurance premiums and loss events. ILS enable re/insurance companies to enter into a risk transfer contract with investors in the capital markets, where the investor puts a collateral in exchange for a premium. Depending on whether the risk happens, the collateral will be drawn or returned to the investor, and the premium adjusted for the next term.

Interest on validations and **interest on restorations** refer to interest payments made under Articles 20(d) and 20(e) of the Plan Regulations.

Management fees include fees paid for the management of WTO portfolios.

Organization, additional contributions refers to the additional contributions paid by the Organization to compensate for the additional actuarial cost generated by the early separation of participants in the context of restructuring exercises.

Profit/loss on securities is the result of:

- capital gain/loss realized on securities;
- profit arising from the distribution of dividends and interest received on investments;
- revaluation of securities at their market price at 31 December (unrealized profit or loss).

Rate of return is the percentage of change in value of the portfolio over a specified period, taking into account both the investment income and the change in the market value of the portfolio. It is expressed as an equivalent annual rate. <u>The nominal rate of return</u> is the financial return of the assets and is before correction for inflation (measured on the basis of the annual movement of the consumer price index in Switzerland). <u>The real rate of return</u> is calculated by subtracting the change in the Swiss CPI from the nominal rate of return. The term gross means that the return is calculated before the deduction of investment related costs while the term net refers to the return including all investment related expenses. <u>The target real rate of return</u> is the long-term real rate of return that the Plan needs to achieve in order to meet its liabilities.

Rebalancing refers to the realignment of the allocation of the Plan's portfolio with its strategy. A predefined process identifies the triggers and other operational aspects (e.g. timing) of rebalancing actions. The rules are approved by the Board and applied automatically. This mechanism takes advantage of the inevitable excesses of financial markets.

Regulations and Administrative Rules refer to the Regulations and Administrative Rules adopted by the General Council on 16 October 1998, as amended by the General Council on 1 December 2005, on 28 July 2009, on 26 October 2011, on 30 November 2015, on 7 December 2016 and on 26 July 2017.

Restoration refers to the inclusion in contributory service of the prior contributory service of a former participant who again becomes a participant.

Senior loans are floating rate fixed income instruments, granted to sub investment grade borrowers, have the highest level of seniority in the capital structure of corporate issuers and are secured by the assets of the borrowing company.

Time-weighted return is a measure of compound return. It reduces the distorting effect of inflows and outflows and is used to compare the returns of investment managers and their respective benchmarks. The time-weighted return is very similar to the geometric mean return.

TE or Tracking error is defined as the standard deviation of the portfolio's outperformance versus the benchmark. It is used as a measure to determine the risk of the portfolio versus its benchmark. This measure should not be confused with absolute risk; even though a portfolio has a very low tracking error, it can still be very risky due to the underlying nature of the market in which it invests. For an indexed management mandate, the tracking error would usually be less than 0.8. Anything above this would be considered active. TE is over 3 years.

Validation is defined in Art. 2(v) of WTOPP Regulations, as the inclusion in contributory service of a period of non-contributory service which occurred prior to the commencement of participation.

Withholding taxes to be recovered includes amounts of withholding tax levied by national tax authorities and subject to recovery after 31 December 2021. Recoverable withholding tax reflects the Plan's recognition as a tax-exempt entity due to its connection to the WTO. As an International Organization, the WTO is exempted from most national taxes such as value-added tax (VAT), federal stamp duty and tax on the interest earned on investments. Annually the Plan files tax reimbursement claims to the Swiss and other authorities. Occasionally the Plan's tax-exempt status is not automatically recognized by some national jurisdictions, in which case significant administrative and political intervention is often required to have this status fully recognized.

ANNEXES

ANNEX 1 NOTES TO THE FINANCIAL STATEMENTS

1. Pursuant to Article 14(a) of the Regulations of the Pension Plan, the unit of account of the Pension Plan is the Swiss franc. For practical reasons, the current United Nations operational rates of exchange are used for the conversion of other currencies into the Swiss franc, except in the case of the investment portfolios where the rates shown in Schedule G were used for valuation purposes.

2. The accounting year is 1 January to 31 December.

3. Pursuant to Article 13 of the Regulations of the Plan and Rule A.8 of the Rules of Procedure, the Management Board shall be responsible for the financial security and probity of the Plan and, in particular, the maintenance of its actuarial balance and of financial controls and accounts.

4. Pursuant to Article 5(e) of the Regulations of the Plan and Rule C.1 of the Rules of Procedure, an audit of the accounts of the Plan shall be made annually by the External Auditor, namely the External Auditor of the WTO. The provisions of Chapter XI ("External Audit") and the Appendix ("Additional terms of reference governing external audit") of the WTO Financial Regulations shall apply mutatis mutandis to the audit.

Statement of income and expenditure

5. The Pension Plan registered a profit on securities of CHF 75.4 million. This represented a 11.3% nominal investment return and, taking Swiss inflation into account, 9.7% in real terms. This performance was significantly higher than the Plan's long-term target of 2.8% over the next ten years and 3.5% thereafter. Notwithstanding this good performance, current economic circumstances remain challenging and there is a strong sentiment among investment professionals that earning high returns in the current low interest rate environment will be more difficult in the next few years.

6. Regular contributions received from the Organization and the participants amounted to CHF 29.3 million, up CHF 0.4 million compared with 2020.

7. Both periodic benefits and lump sum benefits increased by more than CHF 1.0 million, to CHF 27.1 million and CHF 3.3 million respectively. For the first time in the history of the Plan, the sum of benefits paid out exceeded the total amount of contributions received, by about CHF 1 million. This difference will increase as the population of retirees will continue to increase in the coming years.

8. The Plan received CHF 0.6 million as reimbursements of claims under its death and disability insurance coverage, which is comparable to the CHF 0.7 million premium paid for the coverage.

9. Investment and other administrative expenses have slightly increased and exceeded CHF 1.0 million, which is normal as a majority of these fees are linked to the size of the portfolio. They are presented in further detail in Schedule B "Breakdown of Expenditures". The costs of providing a Secretariat for the Pension Plan are borne by the WTO and not reflected as a cost to the Plan. The Secretariat consists of a part-time Secretary and three full-time staff. In 2021, staff costs amounted to CHF 516,928 including salaries and benefits. Additionally, the Secretariat does not pay rent for office space and computers or phone services. These are estimated to be CHF 23,365 based on the WTO cost accounting methodology.

Balance sheet

10. The value of assets increased mainly due to investment gains registered in 2021. Cash and cash equivalents amounted to about CHF 31.0 million in 2021.

11. Withholding taxes to be recovered amounted to CHF 1.8 million in 2021, a decrease compared to CHF 2.4 million in 2020. This decrease was mainly due to a late reimbursement of Swiss taxes from previous years but also from recovering taxes paid outside Switzerland. With effective assistance from the Plan's custodian banks, the Pension Plan Secretariat continues to pursue the recovery of all withholding taxes, including taxes over five year old that are written off from the financial statements.

ANNEX 2 INVESTMENT PRINCIPLES OF THE PENSION PLAN

1. Pursuant to Article 13 of the Regulations of the Pension Plan and Rule A.9 of the Rules of Procedure, the Management Board shall be responsible for the secure investment of all Plan assets, the formulation of investment policies after taking appropriate professional advice, and the appointment of investment managers to implement that policy.

2. Derivatives may be used within the global hedged fixed income mandate for hedging purposes, where they provide the opportunities to achieve the objective of the Plan more efficiently than would be the case through the direct dealing in underlying securities. Derivative instruments for this mandate are restricted to forward foreign currency contracts, futures, covered bond options and interest rate options. Leverage and net short positions are not allowed.

3. In 2013 the Management Board approved a consolidated set of investment guidelines to articulate more precisely the Plan's approach to investment. A summary of these guidelines was shared with Plan participants and beneficiaries and can be found below. In 2020 the investment guidelines were revised in order to include the Board's decision on the new strategic asset allocation (50% equities, 30% fixed income and 20% real estate) and the new additional rule for rebalancing, however the principles behind the below summary remain unchanged.

Summary of the WTO Pension Plan's approach to investment

Long-term investing

4. The WTOPP is a long-term investor because its commitments are long-term and because behavior and decisions made with a long-term view are more likely to succeed. The long-term focus is rooted in the belief – supported by historical analysis – that in the long run, market returns will tend to reflect the assets' economic achievements.

5. This long-term orientation enables the Management Board to deploy its time efficiently by focusing on investment decisions with significant impact on portfolio returns while avoiding time spent on issues where the outcome is random or where the long-term impact is negligible.

6. Cognizant of the unreliable nature of short- or medium-term forecasts and the potential losses they may cause, the Management Board will not engage in "timing" short-term market fluctuations. Bets on the short- or medium-term evolution of financial markets may convert temporary losses into permanent impairment of capital.

Investment risk

7. The WTOPP should be concerned with permanent capital impairment. Non-recoverable loss permanently reduces future earning power. For example, money lent to a borrower that cannot fully honor its debt will not only permanently impair capital but also its capacity to generate future earnings.

8. Price volatility is commonly considered as a measure of investment risk. However, volatility fails to measure long-term investment risk and is only a threat to long-term investors if they misread its significance. For example, if a company's share price quickly falls by 50%, its volatility will skyrocket. However, if the long-term perspective of the company has not changed, the risk for investors has been greatly reduced, not increased. Thus, investors should focus on the long-term perspective not on market driven price volatility.

9. The valuation of an asset affects its future returns. Therefore, the valuation of assets is a risk that can produce damages similar to permanent capital loss. This is why it should be monitored on an on-going basis.

10. Monitoring the valuation does not constitute an attempt to predict the short-term evolution of market prices, but to appraise the long-term potential profitability of an investment given its current characteristics.

Allocation of assets

11. Asset allocation is the main source of portfolio returns. Particular attention will therefore be paid to the definition and implementation of WTOPP's "strategic asset allocation".

12. Each asset class in the portfolio must generate a measurable income and must contribute to increasing the value of the WTOPP's assets. This increase must be driven by reliable, identifiable economic factors. The prospective return potential of each asset class may be assessed on the basis of these appropriate factors.

13. The WTOPP will maintain adequate diversification because expected returns on asset classes may take a long time to materialize and because the non-correlation of different assets helps dampen volatility and hence help avoid ill-considered decisions.

14. Asset classes and financial structures that do not produce income, lack transparency or use significant leverage are not appropriate for WTOPP. Commodities, hedge funds, venture capital, as well as structured products are therefore excluded from WTOPP's investment universe.

15. The WTOPP seeks to avoid changes in asset allocation based on short-term views and forecasts: all too often such changes only result in increasing costs. Changes in asset allocation are only warranted when justified by significant changes in the measurable characteristics of the Plan's investments allocated to an asset category or by fundamental changes in the Plan's liabilities or structure.

Style of management

16. The objective of the implementation process is to execute the investment strategy as closely as possible while minimizing costs and avoiding unwanted implementation risks.

17. The Management Board implements the WTOPP's strategic allocation predominantly through indexed vehicles or portfolios.[1] Indices will be selected with utmost care, so that they truly represent the asset class in which the WTOPP's strategy intended to invest.

18. The choice of passive management is motivated by the observation that, over time, active management has performed less well, is less diversified, less predictable and more costly. Moreover, active management tends to be based, in most cases, on short-term views.

19. The WTOPP may use active management when passive management is not feasible or when tangible and clearly identifiable reasons lead to the belief that active management represents a better path.

20. Overall, the Plan will strive to minimize risks related to the implementation of the investment strategy. These risks include, but are not limited to, active management risk, unwanted credit risk and legal structure risk.

Rebalancing

21. The WTOPP adopts a counter-cyclical approach through a systematic annual rebalancing mechanism whose function is to maintain the weight of the assets aligned with the strategic allocation. Rebalancing exercises are undertaken at least annually, normally in February. Since a Board decision in 2020, a rebalancing will also be triggered by changes on financial markets causing the weight of equities in the portfolio to deviate by more than 10% from the strategic allocation.

22. The systematic rebalancing is an effective way for the Plan to maintain a stable exposure to the market while taking advantage of market volatility.

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[1] Indexed vehicles aim to generate returns that are equal to those of a market index.

Cost and conflicts of interest

23. Cost sensitivity is an integral part of the investment strategy. Costs should be maintained as low as possible without hindering the Plan's capacity to achieve its targets.

24. The supply of investment services or products is primarily driven by the financial interests of providers rather than by investors. The Management Board will therefore be particularly vigilant in choosing investment solutions that fit in its strategy and targets. The WTOPP will avoid investment vehicles in which the investment manager is paid a performance-based fee.[2]

25. The investment guidelines adopted by the Management Board are intended to generate sustainable returns over time and promote sound decisions even in times of economic stress and uncertainty. The guidelines are periodically reviewed to ensure they remain appropriate to the structure and circumstances of the Plan.

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[2] Such arrangements are unfair for investors because of the asymmetry of risk and reward