

Pension funds and institutional investors

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The pension funds of the Basel region, among them the pension funds of Roche, Novartis and the canton of Basel-Stadt, are among the largest institutional investors in the region. They manage the retirement savings of hundreds of thousands of current and former employees, and their assets amount to tens of billions of francs. They invest in Swiss and foreign bonds, shares, real estate, private equity, infrastructure and other assets, either directly or through external asset managers.¹

The pension fund of the canton of Basel-Stadt, which insures the employees of the canton, the university, the hospitals and other public institutions, is one of the largest public pension funds of Switzerland. Its funding position, its investment strategy and the pension promises it can make are recurring subjects of cantonal politics. The low interest rates of the 2010s, which reduced the returns on bonds, forced the pension funds to lower their conversion rates and their promised pensions, which affected the retirement income of their members.

The pension funds are important clients of the Basel banks and asset managers, which manage part of their assets, provide custody services and advise them on their investment strategies. They also exercise their voting rights as shareholders of Swiss and foreign companies. Since the popular initiative against rip-off salaries of 2013, Swiss pension funds have been required to vote their shares in Swiss listed companies in the interest of their members. This has made them active participants in the governance of companies, among them the pharmaceutical groups of Basel.²

1 Notes

1. On the pension funds of the Basel region (pension funds of Roche, Novartis and the canton of Basel-Stadt) and their assets, see their annual reports. To be verified. ↩

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2. On the obligation of Swiss pension funds to exercise their voting rights in Swiss listed companies in the interest of their insured persons (Art. 71a and 71b BVG, previously the Ordinance against Excessive Compensation), see SR 831.40. To be verified. ↩

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