

## Investment Regulations

### 1 Purpose

- 1.1 The foundation board has issued these investment regulations on the basis of Art. 49a of the Ordinance on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVV2). They define the objectives and principles as well as the implementation and monitoring of the investments.
- 1.2 Assets are invested in accordance with the applicable provisions of the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVG) and BVV2.

### 2 Investment objectives and principles

- 2.1 The primary focus of the investments is the financial interests of the insured persons.
- 2.2 The assets must be invested in such a way as to ensure that a return on investment in line with the investment risk can be achieved.
- 2.3 The Foundation defines investment strategies that ensure an adequate return and risk distribution and that the expected liquidity requirements can be met, in line with the provisions on investment security in Art. 50 –52 BVV2.
- 2.4 The Foundation pursues different investment strategies for individual insured persons in line with their risk capacity and tolerance. In determining the risk capacity, the Foundation is guided by the information that the insured person has provided to the Foundation. Each individual insured person selects an investment strategy from among those offered by the Foundation in line with their risk capacity and risk tolerance.
- 2.5 For insured persons who, because of their risk capacity or tolerance, do not want to or are not able to manage their pension capital using an individual investment strategy, the pension capital will be managed using the low-risk investment strategy offered within the pension scheme. There is no entitlement to a minimum interest rate or the preservation of capital.
- 2.6 With respect to investment solutions pursuant to BVV2 Art. 1e (1e investments), a maximum of ten strategies may be offered per pension scheme, whereby at least one strategy must be low-risk (pursuant to Art. 19a para. 1 FZG). The number of strategies may also be restricted by supervisory requirements.
- 2.7 The investment strategies offered by the Foundation may be expanded pursuant to the provisions of Art. 50 para. 4bis BVV2. If an insured person chooses an investment strategy with extended investment ranges, there shall be increased requirements for the insured person in terms of individual risk capacity, risk tolerance and total assets.

### 3 Investment guidelines

- 3.1 The following are permitted as investments:
  - a) Cash;
  - b) The following receivables which are for a fixed monetary amount:
    1. Postal cheques and bank balances,
    2. Money market investments with a term of up to 12 months,
    3. Medium-term notes,
    4. Bonds, including those with conversion or option rights,
    5. Secured bonds,
    6. Swiss mortgage titles,
    7. Promissory letters from Swiss public-law entities,
    8. Surrender values of collective insurance agreements,
    9. In the case of investments based on a standard, broadly-diversified and broadly-used bond index: the receivables contained in the index;

- c) Solely or jointly owned real estate, including buildings under leasehold and building land;
  - d) Participations in companies, such as shares and participation certificates, similar securities such as profit participation certificates, and cooperative share certificates; participations in companies and similar securities are permitted if they are listed on a stock exchange or traded on another regulated market that is open to the public.
  - e) Alternative investments with no additional funding obligations, such as hedge funds, private equity, insurance-linked securities, commodities, infrastructure and other receivables not specified in b), but only in the form of diversified collective investments, diversified certificates or diversified structured products.
- 3.2 For implementation of the investment strategy pursuant to Art. 3 para. 1 a) – d), both direct investments and collective investments pursuant to Art. 56 BVV2 are permitted.
  - 3.3 A maximum of 10% of the total assets from a single debtor may be invested in receivables pursuant to Art. 53 para. 1 b BVV2.
  - 3.4 Investments in participations pursuant to Art. 53 para. 1 d BVV2 may not exceed more than 5% of total assets.
  - 3.5 The following category restrictions also apply at the Foundation level:
    - a) 50% for investments in shares
    - b) 30% for investments in real estate, with a maximum of one-third outside of Switzerland
    - c) 15% for alternative investments
    - d) 30% for foreign currencies with no currency hedging
  - 3.6 The category restrictions pursuant to Art. 3.3 to 3.5 may be exceeded if the security, risk distribution, risk capacity and risk tolerance permit this.
  - 3.7 Investments may only be made in assets that can be liquidated within one month. An extension of this deadline requires the prior consent of the Foundation and is only possible if the risk capacity and tolerance of the insured person permit this.
  - 3.8 The use of derivative financial instruments is permitted within the scope of the respective risk capacity and tolerance subject to the provisions of Art. 56a BVV2. The use of directly held derivative financial instruments is not permitted.
  - 3.9 Loans may not be granted to the sponsor, the employer pursuant to Art. 57 BVV2 or its employees – irrespective of whether the loan is secured or unsecured.
  - 3.10 Securities lending is not permitted if doing so makes it impossible to exercise voting rights.

### 4 Selection of investment strategy

- 4.1 For 1e investments, each individual insured person must confirm their selection of investment strategy pursuant to Art. 6.2 by signature or equivalent authentication. The insured person thereby confirms that he/she has been informed of the costs and risks of the investment strategies in accordance with Art. 19a FZG and also acknowledges that there is no entitlement to a minimum interest rate or capital preservation if the investment strategy is chosen freely. If the insured person does not choose an investment strategy, the pension assets will be invested in the low-risk strategy.
- 4.2 The Foundation offers every pension scheme at least one low-risk strategy. The Foundation does so on the basis of the applicable ordinance, which describes low-risk investments in greater detail.
- 4.3 Very small pension assets are not invested, particularly when the price of the selected investment instrument is greater than the corresponding pension capital. Such amounts are held as cash and cash equivalents.

- 4.4 The Foundation determines on the basis of the individual insured person's personal risk capacity and tolerance whether the strategy selected by the insured person can be implemented as requested.
- 4.5 A personal actuarial retirement account is maintained for each insured person, which can be used to view the current pension capital. All income and changes in value are credited to or deducted from the insured person's individual retirement account as appropriate.
- 4.6 If securities cannot be sold immediately when an insured person leaves the Foundation, the Foundation shall be entitled to transfer these securities to the insured person's or survivor's private custody account at the market value at the date of departure as part of the termination benefits.

## 5 Implementation of the investments

- 5.1 The investment strategies offered by the Foundation have defined target weightings of asset classes and investment instruments. The pension fund commission of the affiliated company determines the investment strategies offered within the pension scheme and the investment instruments used for them.
- 5.2 For the target weightings, the tolerance level for deviations is 1 percentage point at position level. If an insured person's strategy exceeds or falls below this tolerance level on a trading day (second bank working day of the week), this strategy is automatically rebalanced.
- 5.3 Ordinary savings contributions, voluntary purchases and transferred vested benefits are generally invested in the selected investment strategy on the second bank working day of the week and the first bank working day of the following month.
- 5.4 If there are no written instructions to the contrary, the Foundation shall purchase new units in the most recently selected investment strategy on an ongoing basis.
- 5.5 The fees and their settlement are based on the provisions of the cost regulations and the pension plan.
- 5.6 Investment strategies may be changed at no charge. The corresponding risk capacity and tolerance must be taken into account in this case. The desired adjustment will be made by the Foundation upon receipt of the corresponding notification, usually on the first second banking day of the week following the trading day.
- 5.7 A switch to the low-risk investment strategy can be made at any time and is carried out by the Foundation on the trading day.
- 5.8 Change requests must be submitted to the Foundation via the App. The Foundation assumes no liability for orders that are late, not fully transmitted, or not carried out.
- 5.9 On the basis of the employer's notice of exit, the foundation will disinvest the securities in the investment strategy on the day of exit or, if this is not possible, on the first possible trading day following the day of exit from the foundation. If the exit announcement is made after that day, the securities in the investment strategy will be divested on the next possible trading day.
- 5.10 If, for objective reasons (system failure, cyber security incident, loss of personnel, force majeure, etc.), the Foundation is unable to place the buy or sell orders on the trading day (second bank working day of the week), it will do so as soon as possible. In such cases, it shall not be liable for any inconvenience or losses incurred by the insured persons as a result.
- 5.11 The procedure for exercising the shareholder rights is defined in the organisational regulations.

## 6 Organisation and procedures

- 6.1 The Foundation board
- defines the goals and the investment principles.

- monitors compliance with the investment principles, and in particular compliance with the investment requirements pursuant to Art. 71 para. 1 BVG, Art. 49 – 58 BVV2.
- ensures that only investment strategies for which there is a regulatory basis are used.
- is responsible for disclosing any investment expansions pursuant to Art. 50 para. 4bis BVV2 in the annual report.
- takes appropriate organisational measures for the implementation of the integrity and loyalty regulations.

## 6.2 The insured person

- chooses a personal investment strategy in the App, taking account of their risk capacity and tolerance, in the scope of the investment strategies offered by the Foundation or the pension scheme.
- confirms the selected investment strategy by signing a form or by means of equivalent authentication provided by the Foundation. By doing so, the insured person confirms that they have been informed of the various investment strategies and the related risks and expenses within the meaning of Art. 19a FZG. The insured person further confirms that he/she is aware of the opportunities and risks of the investment strategy chosen by him/her and that he/she is able and willing to bear the possible risks of loss associated with this strategy. Furthermore, the insured person confirms that he/she is aware that, in the event of termination of the pension relationship, the securities will have to be sold and any price losses realised, which may lead to a reduction in the pension assets.

## 6.3 The pension fund commission

- decides for 1e investments which of the investment strategies offered by the foundation are made available to the individual insured persons.

## 6.4 The external asset manager

- is responsible for the implementation of the defined investment strategy.
- is responsible for compliance with the investment guidelines.
- reports semi-annually on compliance with the investment guidelines to the Foundation.
- provides insured persons upon request, but at least once a year, with an overall assessment containing performance and investment details as well as information regarding compliance with investment guidelines.

## 6.5 Management

- informs the insured person and pension fund commission about the various investment strategies and the related risks and expenses.
- may delegate the provision of information and disclosure of risks to a partner. The Foundation's official form must be used for this purpose.
- reviews compliance with the investment guidelines.

## 7 Accounting principles

- 7.1 Cash and cash equivalents, fixed-term deposits and accounts receivable will be recognised at par value; all other asset classes will be recognised at market value.
- 7.2 The assets and liabilities will be valued in accordance with the accounting recommendations of Swiss GAAP FER 26.

## 8 Applicable language

- 8.1 If there are discrepancies between the different language versions of the regulations, the German language version shall take precedence.

## 9 Additional provisions

- 9.1 Changes to supervisory and statutory provisions which serve as the basis for these regulations remain reserved.

They shall apply to these regulations after they enter into force.

- 9.2 The Foundation board has the right to amend these regulations at any time. Amendments of the regulations shall apply after they enter into force and replace all previous provisions. The competent supervisory authorities must be notified of the regulations and any amendments thereof.
- 9.3 Cases relating to the investment of assets not governed by these regulations shall be handled in accordance with the instructions of the foundation board in faithful application of and pursuant to the statutory requirements. German is the applicable language for interpreting the regulations.
- 9.4 These investment regulations come into force on 01.04.2024 and replaces the investment regulations dated 01.01.2024.

Lucerne, 25.03.2024.

Foundation board of finpension 1e Collective Foundation

## Annex

Per pension scheme a maximum of ten investment strategies are allowed and can be defined within the following ranges:

### Exposure ranges according to risk levels

	Liquidity	Bonds	Equities	Real Estate	Alternatives	FX
Very low	0-100%	0-100%	0-10%	0-10%	0-10%	0-15%
Low	0-100%	0-100%	0-30%	0-30%	0-20%	0-30%
Medium	0-100%	0-100%	0-45%	0-30%	0-40%	0-40%
High	0-100%	0-100%	0-60%	0-50%	0-60%	0-60%
Very high	0-100%	0-100%	0-100%	0-50%	0-60%	0-100%

The investment options may be expanded if all of the following conditions are met:

- The insured person has a corresponding risk capacity and willingness to take risks (at the minimum risk level "medium"),
- assets are invested in a diversified manner using collective investment instruments,
- foreign currencies used are liquid and freely convertible.