

General Investment Regulations of the Perspectiva Collective Foundation for Occupational Welfare Provision

January 2021 edition

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1. Legal basis

The General Investment Regulations are issued by the Board of Foundation based on Art. 49a of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV2) and are binding on the Foundation's bodies, the person entrusted with administration (hereinafter: Management Office) and all other individuals and institutions entrusted with asset management.

Within the framework of the relevant statutory provisions, these Investment Regulations define the objectives, principles and guidelines that must be followed with regard to investment of the Foundation's assets.

The objectives, principles and guidelines that must be complied with when investing the assets of the pension funds with independently invested assets are set out in the "Investment Regulations for Pension Funds of the Perspectiva Collective Foundation for Occupational Welfare Provision with Independently Invested Assets". The assets of the autonomously managed pensions are always invested collectively in accordance with these General Investment Regulations.

The tasks, responsibilities and organisation are set out in the Organisation Regulations, unless differing or additional provisions are specified in the present regulations.

All statutory investment requirements, in particular those relating to the BVG and BVV2, as well as the instructions of the competent supervisory authorities, must be observed.

2. Asset management

2.1 All persons and institutions that are entrusted with the management of the Foundation's assets shall comply with the provisions relating to asset management integrity and loyalty as specified in the Organisation Regulations.

Only institutions that are subject to oversight by the Swiss Financial Market Supervisory Authority FINMA or other such supervisory authorities may be responsible for the asset management.

2.2 The Asset Manager, the Investment Foundation specified in Appendix IV (hereinafter: Asset Manager), submits a report, at least every quarter, to the Investment Committee, the Board of Foundation and the Management Office, detailing the investment activity and results achieved over the reporting period, together with a strategic and tactical outlook.

The Asset Manager of the Investment Foundation provides the Investment Committee, the Board of Foundation and the Management Office with further information, such as a daily calculation and publication of the net asset value and a monthly factsheet containing the relevant key figures for the investment group pursuant to Appendix IV.

The daily review of the investments is carried out by the Asset Managers.

2.3 If the security level specified in Appendix II is not achieved, the Board of Foundation must immediately be informed of the situation in writing by the Asset Manager of the Investment Foundation. The Investment Committee shall provide the Board of Foundation with an assessment of the situation and any recommendations for action within a reasonable period of time. Following consultation, the Board of Foundation shall inform the Asset Managers of its decision regarding the action to be taken.

3. Investment objectives

The aim of the investment is to ensure the long-term fulfilment of the objective of pension provision. To that end, a sustainable overall performance, enabling not only nominal value preservation but also real value preservation, wherever possible, is to be achieved by means of diversified investments.

Liquidity planning must ensure that the Foundation can promptly meet its financial obligations at all times.

All investment of the Foundation's assets must take into account the Foundation's obligations and risk capacity.

The risk capacity of the Foundation and the target yield shall be determined on the basis of a periodic asset-liability management study.

4. Investment strategy

The Board of Foundation defines the investment strategy, based on a proposal submitted by the Investment Committee and after consultation with the Management Office. The key elements of the strategy are:

- a) allocation of the asset categories to the investment types defined in Appendix I and II (e.g. low-risk assets and higher-risk assets)
- b) weighting of the individual asset categories
- c) maintenance of the desired security level, pursuant to Appendix I and II.

The procedure to be used for the allocation and weighting of the asset categories is described in Appendix I and II. The other aspects of the investment strategy are defined in Appendix II.

5. Management of the investments

5.1 Implementation of the investment strategy, liquidity maintenance, security levels and value fluctuation reserves

5.1.1 The specific definition of the investment types and the definition, composition and weighting of asset categories are determined annually, taking into account any changes to the Foundation's obligations, desired returns and risk tolerance, as well as the risk and return expectations for the individual asset categories or the asset classes assigned to these.

5.1.2 The allocation of the asset categories to the investment types, the desired security level and the size of the value fluctuation reserves are to be determined at the start of each year using accepted discounted cash flow methods. The value fluctuation reserves required for the selected investment strategy are specified in accordance with the Regulations on the Formation of Provisions and Reserves.

5.1.3 Liquidity maintenance is to be determined in accordance with the Foundation's risk capacity and must ensure that pension entitlements and withdrawal benefits can be paid on time. Furthermore, the situation on the money and capital markets is to be taken into account with regard to liquidity maintenance.

5.1.4 The Management Office is to be informed of investment decisions in writing.

5.1.5 The Board of Foundation is responsible for the risks arising from the investment decisions and instructions that it issues.

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5.1.6 Any losses arising from the investment of assets of the pension funds with collectively invested assets are borne exclusively by the assets of the Foundation.

5.1.7 Losses resulting from the separate investment of the Foundation's assets in accordance with clause 5.2.3 (pension investment pool) are borne in addition by the pension funds' independently invested assets.

5.2 Investment of the Foundation's assets

5.2.1 The Foundation's assets are invested in accordance with applicable federal legislation.

5.2.2 The Foundation's assets are collectively invested – subject to availability of the required liquid funds – exclusively in the investment group of an investment foundation defined in Appendix IV in accordance with the Ordinance on Investment Foundations (ASV).

5.2.3 A separate pension investment pool is established for autonomously managed pensions of the Foundation. The assets of the pension investment pool, i.e. the pension capital of the pension recipients, the technical provisions, value fluctuation reserves and any other reserves or unallocated assets are invested by the Board of Foundation in the investment group of an investment fund defined in Appendix IV in accordance with the Investment Foundation Ordinance.

5.2.4 The investments are managed by the investment foundation listed in Appendix IV of these regulations in accordance with their applicable articles of association and regulatory provisions. The articles of association, regulations and investment guidelines of the investment foundation form an integral part of these Investment Regulations.

5.2.5 The available unallocated assets outside the investment groups are held at the Swiss bank or post office specified in Appendix IV. The current terms and conditions of the respective bank or the post office apply to these accounts.

5.2.6 Current account credit balances from employers are the foundation's receivables arising from current accounts in payment transactions with employers. These are permitted within the scope of the contract.

5.3 Changes to the investment instructions

The Board of Foundation can make changes to the investment instructions at any time – in particular, if assets fall below the defined security level.

6. Exercising the participatory rights granted in relation to the assets

The voting rights of investment foundations at investors' meetings are exercised by the Investment Committee, provided that the Board of Foundation does not make other arrangements in individual cases. The voting rights shall be exercised in the interests of the insured persons. Other rules regarding the exercising of voting rights are set out in Appendix IV.

7. Addition of missing provisions

In cases where these regulations do not have a provision covering particular problems or issues, the Board of Foundation is permitted to set out a provision that is compliant with the intent and purpose of the Articles of Association and the statutory and regulatory requirements.

8. Reservation of right of amendment

The Board of Foundation may amend these regulations at any time as provided for by law and by the Foundation's Articles of Association. The supervisory authority must be notified of any amendments.

9. Entry into force

These regulations enter into force on 1 January 2021. They replace all the previous General Investment Regulations of the Foundation.

Appendix I

Valid as of 1 January 2019

1. Terms

Investment group: In this context, the investment group is the single-investor funds available. In the investment group, a differentiation is made between the investment types (low risk and higher risk) and the asset categories (e.g. equities, bonds).

2. Procedure to be used for the allocation and weighting of asset categories

A dynamic investment strategy is used, which takes account of the preservation of the capital of the invested Foundation assets by investing in fixed-income securities, while at the same time making use of higher-risk asset categories, such as equities, to achieve higher returns – depending on the prevailing market conditions. A security level is defined as a percentage of the invested Foundation assets, in order to manage the volatility of the investment group. If the value of the assets falls below this security level, the Board of Foundation is obliged to act to review the corresponding parameters.

The aim of the dynamic investment strategy is to participate in rising market conditions but to limit losses in periods of declining securities prices. The portfolio is therefore divided into two investment types:

- low-risk asset categories: These are investment positions that focus on capital preservation (e.g. fixed-income securities with lower volatility); and
- higher-risk asset categories: These are return-oriented, riskier investment positions (e.g. equities and other securities with greater earnings potential, but also larger value fluctuations).

The ratio between higher-risk and low-risk asset categories is reviewed at least monthly and readjusted, if required, to meet the desired security level by making transfers between the different asset categories.

Appendix II

Valid as of 1 January 2021

1. Definition of the investment strategy

1.1 Composition and ranges of assets

The assets are composed as follows:

- 85%–100% shares in investment foundations
- 0%–5% investments in employer
- 0%–10% operational liquidity maintenance (cash and cash equivalents)
- 0%–1% other assets

1.2 Composition of shares in investment foundations

The investment assets are divided into two investment types:

- a) low risk and
- b) higher risk

a) low-risk asset categories

These include:

- Bonds CHF domestic
- Bonds CHF foreign
- Real estate – investment groups of investment foundations
- Foreign currency bonds, CHF hedged
- Liquid funds CHF

b) higher-risk asset categories

These include:

- Swiss equities
- Foreign equities
- Bonds, foreign currencies
- Swiss and foreign real estate
- Alternative investments under Art. 53(1)(e) BVV2
- Infrastructure investments
- Liquid assets foreign currency

1.3 Definition of the level of security

The desired level of security is defined by the Board of Foundation at least once a year.

1.4 Definition of strategy

In order to ensure that the obligations of the foundation with regard to its beneficiaries can be fulfilled, the strategy is defined, taking into account the target yield and actuarial principles (based on an asset-liability management study). At the start of each year, the investment assets are allocated a starting strategy within the ranges under clause 2 (see Annex III).

2. Permitted investments and debtor-specific limits

Investments may only be made in investment groups of investment foundations that observe the following parameters:

a) Category limits

Higher-risk investments

0% – 40%	Swiss equities (Total equities: max. 50%)
0% – 30%	Foreign equities
0% – 30%	Foreign currency bonds
0% – 20%	Swiss real estate (Total real estate: max. 20%)
0% – 5%	Foreign real estate
0% – 10%	Alternative investments under Art. 53(1)(e) BVV2
0% – 10%	Infrastructure investments
0% – 10%	Liquid assets foreign currency

Total investment in foreign currencies max.: 30%

Low-risk investments

0% – 80%	Bonds CHF
0% – 20%	Foreign currency bonds, CHF hedged
0% – 15%	Real estate – investment groups of investment foundations
0% – 50%	Liquid assets CHF

b) Debtor limits

A maximum of 5% of the investment group may be invested in shares of the same company and a maximum of 10% in the same debtor. Exceptions apply in the case of receivables from the Confederation and receivables from Swiss Pfandbrief institutions; for these securities, maximum limits apply of 100% and 50% respectively. Investments in real estate may amount to a maximum of 5% per property in relation to the total assets.

c) Investments in the employer

If the investment group (specified in Appendix IV) of the investment foundation defined in Appendix IV invests in a company affiliated with the Foundation, unsecured investments and shareholdings in an affiliated company must jointly not exceed 5% of the assets of the investment group. In all other respects, outstanding contribution receivables of an affiliated company must not exceed 5% of the invested Foundation assets.

d) Securities lending

Securities lending is permitted. A maximum of 10% of an investment group may be loaned per borrower or intermediary. The stipulations of the Federal Collective Investment Schemes Act and its implementation decrees apply analogously (Art. 55 (1)(a) KAG, Art. 76 KKV, Art. 1 et seq. KKV-FINMA and Art. 53 (6) BVV2).

3. Bank and postal account details

→ Baloise Bank SoBa AG, Solothurn
→ PostFinance AG, Bern

The Foundation reserves the right to open other accounts with Swiss banks.

Appendix III

Valid as of 1 January 2020

Initial strategy 2020 (investment group BVG-Mix Perspectiva)

The weighting of the asset categories of the investment group BVG-Mix Perspectiva (Tranche 1, 2, 3) was defined on 1 January 2020 as follows within the ranges in accordance with Appendix II:

Investment type	Asset category	Weighting ¹	Range	
			Lower	Upper
Higher risk 50 %	Swiss equities	16.00 %	0.00 %	40.00 %
	Foreign equities	17.00 %	0.00 %	30.00 %
	Equities	33.00 %	0.00 %	50.00 %
	Bonds foreign currency	6.50 %	0.00 %	30.00 %
	Swiss real estate	8.00 %	0.00 %	20.00 %
	Foreign real estate		0.00 %	5.00 %
	Alternative investments under Art. 53 BVV2	2.50 %	0.00 %	10.00 %
	thereof Commodities		0.00 %	10.00 %
	thereof Hedge funds		0.00 %	10.00 %
	thereof Senior secured loans	2.50 %	0.00 %	10.00 %
	thereof Private equity		0.00 %	10.00 %
	thereof Insurance-linked securities		0.00 %	10.00 %
	thereof Infrastructure investments		0.00 %	10.00 %
	Liquid assets, foreign currencies		0.00 %	10.00 %
	Low-risk 50 %	CHF bonds	40.00 %	0.00 %
Foreign currency bonds, CHF hedged		5.00 %	0.00 %	15.00 %
Real estate – investment groups of investment foundations		5.00 %	0.00 %	10.00 %
Liquid assets CHF		0.00 %	0.00 %	50.00 %
Total		100.00 %		
Total strategy in foreign currencies		26.00 %	0.00 %	30.00 %

¹Where no weighting is given, this is 0%.

The initial investment group strategy of the BVG-Mix Perspectiva is reviewed annually and adjusted if required.

Appendix IV

Valid as of 1 January 2021

1. Investment groups available

The following investment group of the Baloise Investment Foundation for Pension Funds is available:

BVG-Mix Perspectiva

Under clause 5.2.2, investments shall be made exclusively in the specified investment group. The investment group consists of three tranches:

- a) Tranche 1, BVG-Mix Perspectiva Relax, for assets invested collectively by the Foundation without the pension investment pool.
- b) Tranche 2, BVG-Mix Perspectiva Pension, for the pension investment pool.
- c) Tranche 3, BVG-Mix Perspectiva Choice, for assets invested by the Foundation on behalf of pension funds affiliated to Perspectiva Choice.

2. Voting rights

The Baloise Investment Foundation for Pension Funds does not make provision (in accordance with the Ordinance against Excessive Remuneration in Listed Companies) for its investors to exercise voting rights.

**Perspectiva Collective Foundation
for Occupational Welfare Provision**
c/o Baloise Life Ltd
Aeschengraben 21, P.O. Box
4002 Basel
Tel. +41 58 285 85 85
info@perspectiva-sammelstiftung.ch

www.perspectiva-sammelstiftung.ch