



Investment Regulations

VZ Pension Foundation 3a

Effective 1 July 2021



Article 1 Purpose

Within the framework of the statutory provisions, these investment regulations set out the principles and guidelines to be observed when investing in

securities and managing the pension assets of the VZ Pension Foundation 3a (hereinafter «foundation»).

Article 2 Investment of assets

1. The client can choose between «Pillar 3a with ETF» asset management and «Pillar 3a with individual securities» asset management.
2. The foundation manages the pension assets in such a way that security and sufficient investment returns, an appropriate diversification of risks and the necessary liquidity are guaranteed. The investment of the pension assets is based on the principles formulated in Art. 49 ff. OPO 2.
3. The pension assets may be invested in the asset classes permitted under Art. 53 OPO 2.
4. The percentage of individual investments may not exceed the limits set out in Art. 54 OPO 2. However, the client may make use of the extended investment options pursuant to Art. 50 para. 4 OPO 2. The foundation provides for expansion options within the scope of the category limits and the limits for individual debtors as follows:
 - a. Equity investments or similar securities and participations may amount to a maximum of 100% of the pension assets.
 - b. Alternative investments may not exceed 20% of the existing pension assets. Alternative investments include hedge funds, insurance-linked securities, commodities, private equity and similar investments. Alternative investments may be made only in collective

- form and without any obligation to make additional contributions.
 - c. A maximum of 60% of the pension assets may be invested in foreign currencies without currency hedging.
 - d. The maximum limit for individual debtors is 15%. No more than 15% of total assets may be invested in individual equity interests in companies.
- The foundation must demonstrate conclusively in the annual financial statements that the provisions of Art. 50 para. 1 – 3 OPO 2 are complied with when utilising the extended investment options.
5. The foundation must demonstrate conclusively in the annual financial statements that the provisions of Art. 50 para. 1 – 3 OPO 2 are complied with when utilising the extended investment options.
 6. The foundation invests the pension assets in accordance with the strategy chosen by the client. Investments are generally made on a weekly basis, provided that the amount to be invested is at least CHF 500.
 7. No securities from other tax-exempt pension funds can be transferred to the foundation.

Article 3 Investment strategy

1. The client may freely determine or change the investment strategy at any time within the statutory provisions pursuant to Art. 53ff OPO 2. The client can choose from standardised strategies or determine an individual strategy. The change to the investment strategy must be notified to the foundation online or in writing. Implementation generally takes place on a weekly basis.

2. The foundation shall ensure compliance with the investment strategy. If the current weighting of the individual asset classes deviates from the investment strategy determined by the client and the ranges defined by the foundation, the pension portfolio is rebalanced to the investment strategy determined by the client. Rebalancing is generally carried out on a weekly basis.
3. The foundation ensures compliance with the legal requirements at all times.

Article 4 Pillar 3a with ETF

1. With «Pillar 3a with ETF», the client can select the collective investment products himself/herself. The client can choose mainly passive index products (e.g. exchange-traded funds (ETFs) and institutional funds).

2. The foundation selects the predominantly passive index products according to the following criteria in particular:
 - a. Proximity to the index (tracking error, tracking difference)
 - b. Fees (total expense ratio)
 - c. Counterparty risks
 - d. Tax aspects



3. The foundation shall review the selection of investment products in accordance with the criteria set out in Art. 4 para. 2 at least quarterly and reserves the right to adjust the selection. In the case of standardised investment strategies, the investment products can be replaced directly as a result of the adjustment of the selection.
4. The client may only choose from the investment products selected in accordance with Art. 4 para. 2.

Article 5
Pillar 3a with
individual securities

1. Within the framework of «Pillar 3a with individual securities», the asset manager appointed by the foundation shall only use individual securities if they are equities, similar securities or participations (Art. 2 para. 4 lit. a). The asset manager is VZ Depository Bank Ltd. The client cannot determine the individual securities himself/herself.
2. The asset manager selects individual securities from the Swiss Performance Index (SPI) or other well-known share indices, taking into account criteria such as market capitalisation.
3. For other asset classes, investments are primarily made in passive index products (e.g. exchange-traded funds (ETFs) and institutional funds).

Article 6
Risk capacity and
risk disclosure

1. The foundation carries out a risk capacity assessment for each client. Such an assessment is carried out in accordance with the criteria defined by the foundation. An investment strategy is recommended on the basis of the risk capacity determined.
2. The client is free to choose the recommended investment strategy based on the risk capacity determined. Investment strategies with an increased risk can only be selected if the client's risk capacity has been determined accordingly.
3. The foundation shall inform the client about the risks of the investment. The client may request the foundation to simulate the chosen investment strategy using stress simulation scenarios.

Article 7
Transfer to other
tax-exempt pension
funds

It is not possible to transfer the securities to another tax-exempt pension fund. In the event of a transfer, the securities will be sold on the next reporting date and the pension assets transferred as a lump sum.

Article 8
Withdrawal of
pension assets
(retirement benefits)

If the client wishes to transfer the pension assets to his bank in the form of securities, the foundation will only deliver entire units. Fractions are sold. Investment products that are not authorised for sale to private individuals cannot be transferred.

Article 9
Fees

The foundation charges the client fees to cover asset management costs in accordance with the fee regulations.

Article 10
Accounting
regulations

1. The investments are valued in accordance with Art. 48 OPO 2 in accordance with the Swiss GAAP FER 26 accounting recommendations.
2. The valuation is generally carried out as at 31 December of a calendar year.

Article 11
Information for
the client

1. The client may request confirmation from the foundation after each securities transaction.
2. In the first quarter of each calendar year, the client receives a tax certificate from the foundation for the payments made as at the last bank working day of the year as well as a comprehensive report on their custody account.



Article 12 Precedence of legal provisions	Mandatory legal and regulatory provisions take precedence over the provisions of these investment regulations. In particular, subsequent changes to the	laws and ordinances are valid even without notification to the client.
Article 13 Amendment of regulations	The Board of Trustees is authorised to make amendments to these investment regulations at any time. The amendments require the approval of the super-	visory authority. They shall be notified to the client in an appropriate manner.
Article 14 Liability	<ol style="list-style-type: none"> 1. The foundation is not liable for the consequences of the return achieved on the investment or for the chosen investment strategy within the scope of the statutory provisions. 2. In particular, the review of risk capacity and the performance of stress simulation scenarios pursuant to Art. 6 para. 3 are to be understood as aids for deriving the investment strategy. There is no 	<p>entitlement to a minimum return on the investment of assets.</p> <ol style="list-style-type: none"> 3. The foundation recommends that the client reviews the strategy at least once a year. The choice of strategy and investment products in accordance with Art. 4 para. 4 is the sole responsibility of the client.
Article 15 Entry into force	These investment regulations enter into force on 1 July 2021.	

