

Investment Regulations

Liberty BVG Collective Foundation

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Investment Regulations

Relying on Article 9 of the Charter of Liberty BVG Collective Foundation (hereafter «Foundation»), the Board of Trustees adopts the following Investment Regulations (hereafter «Regulations»):

Art. 1 Purpose

- 1 Pursuant to statutory requirements, these Regulations set out the rules and principles to be observed in the management and investment of pension assets and regulate the organisation of asset management. The Foundation shall comply with these Regulations at all times.
- 2 These Regulations are binding for all individuals and entities entrusted with asset management.
- 3 The members' interests alone shall prevail.
- 4 These Regulations shall be reviewed at least once a year and amended as necessary.
- 5 Costs and fees are set forth in the fee schedule.
- 6 The investment fluctuation reserves are regulated in the regulations on reserves.

Art. 2 General principles

- 1 Pursuant to Article 51a(2)(m) BVG, the Board of Trustees is responsible for defining the principles and objectives governing asset management and the implementation and monitoring of the investment process.
- 2 The Foundation is responsible for the proper administration of the pension assets in compliance with the BVG, FZG/LFLP, BVV2/OPP2 and FZV/OLP. It only entrusts the investment and management of its pension assets to persons and institutions qualified and organised in such a way as to guarantee compliance with the provisions of Article 48f of the BVV2/OPP2.
- 3 The Foundation offers a choice of custodian banks and asset managers which may be changed at any time for important reasons.
- 4 The Foundation is organised as a semi-autonomous collective foundation. The structure of the pension fund consists of the Foundation, pool and affiliated pension fund levels. Each pool is regarded as a separate accounting group with its own investment strategy and coverage ratio. The Foundation offers for one or more affiliated pension funds (Pool Invest) its own BVG-compliant investment solutions or those developed in cooperation with contractual partners.

Art. 3 Investment rules

- 1 *Liquidity*: The Foundation shall at all times meet its obligations.
- 2 *Security*: In investing its assets, the Foundation shall offer the assurance of meeting pension objectives.
- 3 *Diversification*: The principles of risk diversification shall at all times be observed.
- 4 *Investment risk/profitability*: Assets shall be invested and managed so as to attain the best possible global return within the limits of the defined capacity for risk, while focusing on long-term performance.

Art. 4 Investments in general

- 1 The Board of Trustees shall ascertain that all investment solutions are consistent with the investment guidelines stipulated in Article 71(1) BVG, and Articles 49 to 58 BVV2/OPP2.
- 2 In the case of units or shares of collective investments, the debtor risk is basically the risk of the underlying values of the collective investment and not the risk of the domicile of the collective investment.
- 3 Relying on Article 50(4) BVV2/OPP2, the Foundation also offers extended investment possibilities subject to compliance with Article 5 of these Regulations.
- 4 Pursuant to Article 50(4) BVV2/OPP2, investments involving an obligation to make additional payments are not allowed, save for investments in individual properties in accordance with Article 53(5)(c) BVV2/OPP2.

Art. 5 Extended investment possibilities

- 1 The Board of Trustees shall define the principles for extending investment possibilities.
- 2 Extended investment possibilities within the meaning of Article 50(4) BVV2/OPP2 are admissible where the risk capacity so permits.
- 3 In its financial statements prepared in accordance with Article 50(4) BVV2/OPP2, the Foundation shall evidence compliance with the security and risk diversification requirements under Article 50(1) to (3) BVV2/OPP2.

4 The following extended investment possibilities are permitted:

a) **Alternative investments without additional payment obligations**

Alternative investments may also be made by means of non-diversified investments, non-diversified certificates and non-diversified structured products.

For this extended investment possibility, the limit set out in Annex I [Extended investment possibilities pursuant to Article 50(4) BVV2/OPP2] shall apply with regard to the available pension assets.

Art. 6 Duties and powers pertaining to asset management

- 1 The Foundation's investment management organisation consists of the following levels:
 - Board of Trustees
 - Management
- 2 The Board of Trustees bears the ultimate responsibility for the investment of the Foundation's assets. The Foundation may delegate asset management to external asset managers through an asset management mandate, but the Board of Trustees shall retain the ultimate responsibility for oversight and strategic decisions (determination of investment categories and bandwidths).
- 3 The Foundation shall only entrust the investment and management of its assets to persons and institutions that fulfil the legal requirements of integrity and loyalty and can competently implement the mandate specified by the Foundation. The asset managers have the necessary expertise and organisation and are able to guarantee compliance with Articles 48f and 48g to 48i BVV2/OPP2. Third parties and institutions shall satisfy the qualification requirements in Article 8.
- 4 Management shall periodically inform members at the appropriate levels.
- 5 The individual duties and powers of the Board of Trustees, asset managers, managers and pension fund committee shall be in accordance with the following provisions and, for the rest, the Rules of Procedure.
- 6 Funded status shall be calculated separately in accordance with Article 44 BVV2/OPP2 for each Pool on the basis of Swiss GAAP FER 26.

Art. 7 Choice of investments

- 1 The Foundation shall choose an investment strategy consistent with its risk tolerance and capacity for risk. The Foundation shall review the risk tolerance and capacity for risk in accordance with recognised standards.

2 The strategic asset allocation and the tactical bandwidths shall be determined by the Board of Trustees for each of pool. The asset manager for each investment solution is entitled to make proposals. The Foundation regulates the specific investment strategy for each pool in Annex II to these Regulations. The investment strategy is an integral part of these Regulations.

3 Changes in strategy are possible at any time, but the procedure shall be the same as for the definition of the (initial) investment strategy.

Art. 8 Qualification criteria for asset managers, consultants and intermediaries as contractual partners

- 1 To qualify for an asset management mandate from the Foundation, an asset manager must satisfy the requirements in Article 48f BVV2/OPP2.
- 2 Contractual partners who act only as consultants, intermediaries, brokers, agents or in a similar capacity shall be entered in the register of advisers of the FinSA, which is kept by a registration body authorised by the FINMA, or in the public register of insurance intermediaries.
- 3 Contractual partners must in any event send the following documents with the agreement:
 - a) proof of registration in a register of advisers of the FinSA
 - b) FINMA approval
 - c) proof of registration in the public register of insurance intermediaries
- 4 Exceptions to paragraph 2 and 3 above require Manager of the Foundation approval.

Art. 9 Investment guideline compliance and monitoring

- 1 The persons entrusted with asset management shall ensure compliance at all times with the investment guidelines under Article 71(1) BVG and Articles 49 to 58 BVV2/OPP2.
- 2 The Foundation shall monitor compliance by periodical sampling.
- 3 In case of non-compliance with the guidelines for any reason, the persons entrusted with asset management shall, of their own accord, promptly restore due legal and contractual compliance.
- 4 Moreover, they shall make any necessary adjustments at the Foundation's first request and shall confirm the due implementation of such adjustments to the Foundation in writing. In the case of alternative investments, other funds and investments in infrastructure, adjustments shall be made on the next issue or redemption date.
- 5 In case of non-compliance with the investment guidelines, the Foundation shall be entitled to make the necessary adjustments in the portfolio.

Art. 10 Accounting principles

- 1 The accounting and valuation principles shall be in accordance with Articles 47, 48 and 48a BVV2/OPP2 and Swiss GAAP FER 26.
- 2 Securities shall be stated at market value on the balance sheet date. Other investments and claims shall be stated at face value less any necessary value adjustments. Assets and liabilities denominated in foreign currencies shall be converted at the closing rate, while income and expenses shall be converted at the relevant daily rate.
- 3 Exceptions shall be approved by the Board of Trustees.

Art. 11 Reporting and controlling

- 1 Through the Manager of the Foundation, the Board of Trustees shall ensure that the investment strategies agreed with the pension funds and asset managers are respected and that the corresponding investment limits are periodically checked. Moreover, the Foundation shall periodically review the performance, costs and quality of service of the persons and institutions entrusted with asset management.
- 2 The persons and institutions entrusted with asset management shall make asset and account statements available to the Foundation at least once a year. Their reporting shall essentially cover the investments made, investment performance compliance with the investment strategy, tactical bandwidths and investment guidelines. Their reporting shall also substantiate the use of derivatives.
- 3 The Foundation shall decide the price and NAV providers (e.g. Telekurs, Fides, Market Map, etc.) for the valuation and BVV2/OPP2 evaluation of the pension securities account.

Art. 12 Corporate governance

As regards the voting rights and disclosure obligations under Article 71a and 71b BVG (in force since 1 January 2023) in respect of the equities held by the Foundation, the Foundation shall set forth the rules and particulars for the exercise of voting rights in a separate annex in the framework of the legal prescriptions (see Annex III).

Art. 13 Ethics in asset management

- 1 **Principles**
 - a) the bodies involved in asset management operations shall comply with the provisions of Federal Act concerning ethics in asset management (Articles 48f to 49a BVV2/OPP2);
 - b) the Foundation shall require all partners employed as asset managers to deliver a written confirmation of compliance with ethics in asset management once a year.

2 Code of conduct

The internal and external agents of the Foundation shall satisfy the following requirements and rules of conduct:

- a) they shall have the necessary skills, qualifications, professional background and reputation to execute the tasks assigned to them in the members' best interests;
- b) related-party transactions shall be admissible provided they serve the interests of all members. They shall be individually approved by the Board of Trustees and shall be submitted to the auditor with the annual accounts;
- c) in the case of significant related-party transactions, the Board of Trustees shall request at least two competing offers and shall ensure that the offers are appraised objectively and transparently. The decision-making process shall be documented so as to ensure full and proper verification by the auditor during the annual audit. The decision shall be made in the interest of all members;
- d) all principal transactions involving the same securities as those traded by the Foundation and exploiting insider information about Foundation transactions for personal advantage and enrichment are strictly prohibited. This includes front running, parallel running and after running;
- e) all pecuniary benefits shall be surrendered to the Foundation. Exceptions shall be regulated by the Rules of Procedure;
- f) all persons and entities involved in the Foundation's asset management operations (in particular asset managers, investment consultants, and brokers) shall confirm in writing once a year that they have not received any additional pecuniary benefits in the scope of their activities for the Foundation other than the fees specified by written agreement or, alternatively, that any pecuniary benefits received by them have been fully surrendered to the Foundation. Additional pecuniary benefits include any sources of revenue which would disappear if the mandate relationship were terminated;
- g) all private business ties and interests shall be disclosed to the Board of Trustees. Potential conflicts of interest shall be avoided through systematic separation of executive and controlling functions;
- h) all involved persons and institutions are strictly bound to secrecy with regard to all confidential information acquired by them in the scope of their activities for the Foundation.

Art. 14 Omissions and exceptions

- 1 If any provision has been omitted from these Regulations on any specific point, the Board of Trustees shall adopt an appropriate rule.
- 2 The Board of Trustees may permit variances from these Regulations in special circumstances. Such variances must be documented by conclusive substantiation. The substantiation shall be in accordance with the "Prudent Investor Rule".

Art. 15 Amendments

The Board of Trustees may decide to amend these Regulations at any time. The Foundation shall inform members in an appropriate manner about any amendments to these Regulations. The currently valid version shall be available at www.liberty.ch or may be obtained from the Foundation.

Art. 16 Annexes

All Annexes constitute integral parts of these Regulations.

Art. 17 Language and equality

All regulations shall be construed and interpreted in the German-language version. Words in the male form shall apply indifferently to men and women.

Art. 18 Jurisdiction and governing law

These Regulations are governed by Swiss Law. Disputes between members, other entitled parties and the Foundation shall be subject to the jurisdiction of the courts in accordance with Article 73 BVG. For the rest, the place of jurisdiction for all types of proceedings shall be Schwyz, as shall the place of performance and debt collection for members and contractual partners not resident or domiciled in Switzerland.

Art. 19 Validity

These Regulations shall come into force on 1 January 2025; they cancel and supersede the prior Regulations of 2 December 2022.

Schwyz, 6 December 2024

Board of Trustees, Liberty BVG Collective Foundation

Annex I

to the investment regulations of Liberty BVG Collective Foundation
(valid from 01.01.2025)

Extended investment possibilities pursuant to Article 50(4) BVV2/OPP2

Authorised investments pursuant to Article 53 BVV2/OPP2	Limitations WITHOUT extension		Extensions pursuant to Article 50(4) BVV2/OPP2		Limitations WITH extension Asset category
	Single limitation	Asset category	Single limitation	Asset category	
Cash					0–100 %
Debt securities	10 % per debtor				0–100 %
Swiss mortgage securities		50 %			0–50 %
Real estate	5 % per property	30 %, of which max. 1/3 abroad			0–30 %
Equity securities	5 % per shareholding	50 %			0–50 %
Investments in infrastructure		10 %			0–10 %
Investments in Swiss private debt/equity		5 %			0–5 %
Alternative investments		15 %	Non-diversified investm. max. 5 %		0–15 %

Annex II

to the investment regulations of Liberty BVG Collective Foundation
(valid from 01.01.2025)

Investment strategy Liberty-Pool (SAA, Strategic Asset Allocation)

Investment category	SAA	Range	Benchmark/Comment	Bloomberg
Short-term claims	2	0 - 25	SARON	SAION
Bond claims	34	25 - 50		
CHF bonds	17		Swiss Bond Index AAA-BBB Total Return	SBR14T
Swiss mortgages	10		Swiss Bond Index Pfandbriefe Total Return	SML14T
Foreign currency bonds	7		Bloomberg Global Aggregate Corporate Index Hedged to CHF	LGCPTRCH Index
Equities	39	25 - 45		
Swiss equities	17		Swiss Performance Index	SPI
International equities	22		MSCI All Countries World TR Net ex Switzerland	NDUEAWXZ
Real estate	25	10 - 30		
Domestic real estate	25		KGAST Immo-Index Mixed	WUPIIMU
Foreign real estate	0			
Alternative investments	0	0 - 10		
Investments in infrastructure	0	0		
Foreign currencies	22	0 - 30		

Investment strategy L-Pool (SAA, Strategic Asset Allocation)

Investment category	SAA	Range	Benchmark/Comment	Bloomberg
Short-term claims	2	0 - 25	SARON	SAION
Bond claims	34	25 - 50		
CHF bonds	17		Swiss Bond Index AAA-BBB Total Return	SBR14T
Swiss mortgages	10		Swiss Bond Index Pfandbriefe Total Return	SML14T
Foreign currency bonds	7		Bloomberg Global Aggregate Corporate Index Hedged to CHF	LGCPTRCH Index
Equities	39	25 - 45		
Swiss equities	17		Swiss Performance Index	SPI
International equities	22		MSCI All Countries World TR Net ex Switzerland	NDUEAWXZ
Real estate	25	10 - 30		
Domestic real estate	25		KGAST Immo-Index Mixed	WUPIIMU
Foreign real estate	0			
Alternative investments	0	0 - 10		
Investments in infrastructure	0	0		
Foreign currencies	22	0 - 30		

Annex II (continuation)

to the investment regulations of Liberty BVG Collective Foundation
(valid from 01.01.2025)

Investment strategy H-Pool (SAA, Strategic Asset Allocation)

Investment category	SAA	Range	Benchmark/Comment	Bloomberg
Short-term claims	2	0 - 25	SARON	SAION
Bond claims	34	25 - 50		
CHF bonds	17		Swiss Bond Index AAA-BBB Total Return	SBR14T
Swiss mortgages	10		Swiss Bond Index Pfandbriefe Total Return	SML14T
Foreign currency bonds	7		Bloomberg Global Aggregate Corporate Index Hedged to CHF	LGCPTRCH Index
Equities	39	25 - 45		
Swiss equities	17		Swiss Performance Index	SPI
International equities	22		MSCI All Countries World TR Net ex Switzerland	NDUEAWXZ
Real estate	25	10 - 30		
Domestic real estate	25		KGAST Immo-Index Mixed	WUPIIMU
Foreign real estate	0			
Alternative investments	0	0 - 10		
Investments in infrastructure	0	0		
Foreign currencies	22	0 - 30		

Investment strategy C-Pool (SAA, Strategic Asset Allocation)

Investment category	SAA	Range	Benchmark/Comment	Bloomberg
Short-term claims	2	0 - 25	SARON	SAION
Bond claims	34	25 - 50		
CHF bonds	17		Swiss Bond Index AAA-BBB Total Return	SBR14T
Swiss mortgages	10		Swiss Bond Index Pfandbriefe Total Return	SML14T
Foreign currency bonds	7		Bloomberg Global Aggregate Corporate Index Hedged to CHF	LGCPTRCH Index
Equities	39	25 - 45		
Swiss equities	17		Swiss Performance Index	SPI
International equities	22		MSCI All Countries World TR Net ex Switzerland	NDUEAWXZ
Real estate	25	10 - 30		
Domestic real estate	25		KGAST Immo-Index Mixed	WUPIIMU
Foreign real estate	0			
Alternative investments	0	0 - 10		
Investments in infrastructure	0	0		
Foreign currencies	22	0 - 30		

Annex III

to the investment regulations of Liberty BVG Collective Foundation
(in force since 01.01.2023)

Exercise of shareholder voting rights (Article 71a and 71b BVG)

Pursuant to Article 12 of the investment regulations of Liberty BVG Collective Foundation (hereafter «Foundation») and Article 71a and 71b BVG, the Board of Trustees regulates the exercise of shareholders' rights as follows:

Art. 1 Policy for the exercise of shareholder rights

1 Scope

As a rule, the Foundation shall directly exercise the shareholders' rights, and voting rights in particular, of listed companies established in Switzerland when it holds the stock of such companies. In the case of foreign companies, voting rights shall not as a rule be exercised.

2 Basic guidelines

- a) Voting rights shall be exercised in the members' interest. The members' interest shall be determined by the competent bodies of the Foundation and shall be deemed safeguarded when voting is exercised to serve the sustainable development of the Foundation. In appraising the proposals, the competent bodies shall be guided by the long-term financial interests of the company's share-holders.
 - b) Care shall be taken to maximize long-term corporate value. In exercising voting rights, the decision-maker shall be guided by the principles of profitability, security, liquidity and sustainability (Article 71 BVG, asset management principles).
 - c) In determining the members' interest, consideration shall also be given to the guidelines for the exercise of proxy rights and for good corporate governance issued by recognised domestic and international associations and institutions.
 - d) When voting rights are exercised, the recommendations of domestic and foreign shareholder consultants may be taken into account.
- 3 Voting rights shall be exercised as proposed by the Board of Directors of the company concerned provided that its proposals are not inconsistent with the members' interests and unless it is decided, at the request of a member of the Board of Trustees or of Management, to support a counter-proposal.
- 4 **Obligation to vote on certain items of the agenda**
In application of the mandatory provisions of Article 71a(1) BVG, the Foundation shall exercise its voting rights at the shareholders' meetings of companies with their corporate

domicile in Switzerland, listed on domestic or foreign stock exchanges and whose stock it holds (direct Swiss investments), in respect of preannounced proposals concerning the following points:

- a) elections to the Board of Directors and the compensation committee, election of the chairman of the Board and of the independent voting proxy;
- b) voting about the mandatory provisions of the Articles of Association, within the meaning of Article 626(2) CO, in particular amendments of the Articles affecting compensation (framework conditions);
- c) provisions of the Articles of Association and voting pursuant to Articles 732-735d CO (compensation of companies whose shares are listed on a stock exchange), in particular about the compensation pursuant to Article 735 CO (total amounts to the Board of Directors, the Executive Board and the Advisory Board) and Article 735d CO (inadmissible compensation in the Group).

5 Abstentions and non-exercise of voting rights

As regards the items on which voting is mandatory pursuant to Article 1(4), a general forgoing of voting rights in the case of direct Swiss investments is not permitted. Abstentions, on the other hand, are admissible here too provided an abstention is in the interest of the members.

6 Entry in the share register

In the case of direct Swiss investments in the form of registered shares, the Foundation shall be entered in the share register as shareholder with voting rights so that it may exercise its voting rights in accordance with this Annex.

Art. 2 Procedure for the exercise of shareholder voting rights

1 Procedure

The Board of Trustees shall determine the procedure for exercising voting rights and shall define how votes are exercised in practice. Generally, there will be no direct attendance at shareholders' meetings. Where voting is to be exercised, the services of an independent voting proxy may be employed.

2 Implementation

In the framework of these guidelines, implementation may be entrusted to the Manager or a person designated by the Manager, to an investment or voting rights committee or to an external shareholder consultant.

3 List of priorities

In terms of implementation, Management or the person delegated by Management may decide an appropriate order of priority with respect to the economic scope of an item in the interest of the members.

Art. 3 Disclosure

Voting conduct shall be disclosed to members once a year (as a rule after the shareholder meeting season) in a summary report. Any proposals of the boards of directors which were the object of a refusal or an abstention shall be disclosed in detail. The report shall be made freely available on www.liberty.ch.

Art. 4 Securities lending

Securities lending is not admissible where it impedes the exercise of voting rights.

Art. 5 Amendments

The Board of Trustees may decide to amend this Annex to the Investment Regulations at any time.

Art. 6 Validity

This regulatory Annex comes into force on 1 January 2023. It supersedes the existing Annex IV to the Investment Regulations of 15 March 2019.

Schwyz, 2 December 2022

Board of Trustees, Liberty BVG Collective Foundation