



Individual Investment Profiles

Investment Regulations

Columna Collective Foundation – Client Invest, Winterthur

Objectives and principles

Purpose of the Investment Regulations

Par. 1

The “Individual Investment Profiles” Investment Regulations of the Columna Collective Foundation Client Invest, Winterthur (hereinafter referred to as Foundation) lay out the objectives and principles as well as the execution and control procedures for the investment of the assets of occupational benefits funds with individual investment profiles. The regulations are issued by the Board of Trustees.

The investment and management of pension assets are governed by the applicable provisions of the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans of June 25, 1982 (BVG) and the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans of April 18, 1984 (BVV 2).

Objective of the investment policy

Par. 2

The occupational benefits fund commission (OBFC) must invest the assets in a manner that ensures that the Foundation earns a competitive return on its investments within the limits of its risk capacity while guaranteeing that it can fulfill its long-term pension obligations.

Definition of pension assets

Par. 3

Pension assets are defined for the purpose of these regulations as the total assets reported in the balance sheet of the occupational benefits fund, before deduction of any losses carried forward.

The Foundation keeps a separate account for every occupational benefits fund.

Risk capacity

Par. 4

The risk capacity is determined by the occupational benefits fund's financial circumstances and in particular also by its provisions and reserves,

the expected development of its portfolio of insured and its liabilities, and its ability to recover its financial equilibrium if it should suffer a shortfall in coverage.

Investment strategy

Par. 5

Pension assets must be invested by taking into consideration aspects relating to security, adequate risk distribution, sufficient income, target return, and liquidity guarantees as well as the pension fund's risk capacity. Furthermore, it must be spread over different asset classes, regions and economic sectors.

The occupational benefits fund commission determines the investment strategy by means of a written resolution and in accordance with the principles laid out by the Board of Trustees and defines the asset classes and their bandwidths.

The Board of Trustees and management review the occupational benefits fund's investment strategy to ensure compliance with the provisions of these regulations and its risk capacity. If it is not in compliance with these regulations, the occupational benefits fund commission will be asked to amend the investment strategy.

Asset classes

Par. 6

The permissible investments and the limits that apply to the individual investments are governed by the provisions of the BVV 2, with the following restrictions:

The following investments are not permissible:

- Securities that are not listed on a Swiss or foreign stock exchange or traded on another regulated market open to the public
- Debt acknowledgments that are not documented in the form of a security
- Cooperative share certificates
- Direct investments in real estate and land
- The granting of mortgages directly
- Investments in structured products
- Direct investments in financial futures
- Loans to affiliated employers and insured persons
- Direct investment in infrastructure investments

The broadening of the asset classes as defined in Art. 50 par. 4 BVV 2 will not be used, with the following exceptions.

- In order to ensure the liquidity of the pension fund, the debtor limits pursuant to Art. 54 par. 1 BVV 2 may be exceeded temporarily in compliance with par. 14 of these regulations.
- In amendment of Art. 55c BVV 2, the Occupational Benefits Fund Commission may increase the real estate quota to a maximum of 36% (of which a maximum of one third abroad) of total assets, provided that it meets the requirements of Art. 50 paras. 1 to 3 BVV 2 and presents them conclusively (Notes to the annual financial statements).

The hedging of foreign currency risks is permissible at the exclusion of short selling.

Investment instruments

Par. 7

The occupational benefits fund can implement the investment strategy by using direct investments as well as collective investments or derivative financial instruments, provided that BVV2 provisions are observed.

The following conditions apply to alternative investments:

- Alternative investments are permitted within the scope of the provisions of BVV 2. Only diversified collective investments may be used in the implementation. Investments in limited partnerships are not permitted.

The occupational benefits fund must submit the necessary product documentation to the custodian bank prior to acquiring any such alternative investments. It is not permitted to make any investment that the custodian bank refuses to process or accept.

The following conditions apply to derivative financial instruments:

- The use of derivative financial instruments is regulated on the one hand by BVV 2 and on the other by the Act on Financial Market Infrastructure and Market Behavior in Securities and Derivatives Trading (Financial Market Infrastructure Act, FinfraG).

OTC derivative transactions are only permitted for foreign currency hedging of deliverable foreign currencies. The transactions concluded may not be subject to any reporting obligations to be fulfilled by the Foundation pursuant to Art. 104 et seq. FinfraG or risk mitigation obligations pursuant to Art. 107 et seq. FinfraG.

The transaction is concluded exclusively via central counterparties approved or recognized by FINMA.

Transactions with a counterparty domiciled abroad (Art. 104 par. 2c FinfraG) are not permitted.

Securities lending and repurchase agreements

Par. 8

Securities lending and repurchase agreements are permitted only as part of collective investments and if in compliance with the Federal Act on Collective Investment Schemes and its implementation provisions. In the case of repurchase agreements, the occupational benefits fund may exclusively act as transferee.

Valuation principles

Par. 9

The provisions as defined under Swiss GAAP FER 26 apply. Valuation of the investments takes place with the applicable current values on the balance sheet date without incorporating any smoothing factors.

Organization, procedures and monitoring

Occupational benefits fund commission

Par. 10

The occupational benefits fund commission as the management body of the occupational benefits fund is responsible for the investment of the occupational benefits fund's assets. The occupational benefits fund commission structures, monitors and administers the management of the assets logically and in a manner that is adjusted to the earnings potential and the risks.

As far as asset management is concerned, the occupational benefits fund commission in particular has the following tasks and duties:

- Determining the investment strategy while taking account of the risk capacity;
- Decision relating to the implementation of the investment strategy;
- Decision relating to the allocation of a discretionary portfolio management mandate under par. 12.
- Monitoring the investments
- Implementing the required measures in the event that the occupational benefits fund suffers a shortfall in coverage
- Providing regular information to the insured.

Investment and management of the pension assets

Par. 11

The occupational benefits fund commission can choose whether to invest and manage the pension assets itself or delegate (in accordance with para. 12) the investment and management activities to an asset manager.

Discretionary management mandates

Par. 12

Assets may be managed by AXA Insurance Ltd., Credit Suisse (Switzerland) Ltd., or persons and institutions that have been authorized in accordance with Art. 48f BVV 2.

The management activities and reporting expected from the asset manager must be set out in a written discretionary management agreement. On

behalf of the Board of Trustees, the management reviews the agreement and compliance with Art. 48f BVV 2, and signs it on behalf of the Foundation together with the occupational benefits fund commission.

The asset manager must be obliged to submit a comprehensive written report on the investment activities, investment results, composition of the investment portfolio, and asset management fees to the occupational benefits fund commission at least once a year.

Delegation of asset management does not release the occupational benefits fund commission from the obligation to carry out its tasks and duties.

Monitoring the investments

Par. 13

The occupational benefits fund commission monitors the investments and their performance and also ensures that the investments comply with the provisions of the law and ordinances and these regulations, the investment strategy and any discretionary management agreements.

It conducts annual reviews of

- the investment strategy (asset classes and their bandwidths)
- harmonization of the investment with the investment strategy and the Investment Regulations
- compliance of the provisions under BVV 2 and makes adjustments as needed.

The management provides the occupational benefits fund commission with appropriate resources for this purpose.

It records the result of its review in writing for the attention of the Board of Trustees.

The Board of Trustees bears overall responsibility for investment management, and monitors compliance with these Investment Regulations by the occupational benefits fund commission. For this purpose, it is given a report by the management where necessary, but at least once a year.

If, despite a written warning, the occupational benefits fund commission does not comply with its tasks or fails to comply with instructions from the Board of Trustees or management, particularly if there are deviations from the provisions of these regulations or investment strategy, the Board of Trustees may decide to take action or make decisions instead of the occupational benefits fund commission.

Other provisions

Account and safekeeping account management

Par. 14

The accounts and safekeeping accounts are managed by Credit Suisse (Switzerland) Ltd. (custodian bank).

The debtor limits pursuant to Art. 54 par. 1 BVV 2 may be exceeded temporarily in order to secure the occupational benefits fund's liquidity with Credit Suisse (Switzerland) Ltd. as part of the proper management of the assets and taking account of the principles set out in Art. 50 par. 1 to 3 BVV 2.

Shareholders' rights

Par. 15

The Board of Trustees must vote with a view to preserving the interests of insured persons and the long-term prosperity of the Foundation. In order to safeguard the interests of insured persons, it must consider the return on equity as well as the security, liquidity and sustainability of the stock corporation in question.

The Board of Trustees exercises its voting rights as follows:

- In the case of listed shares of Swiss companies, its vote is subject to para. 3 in accordance with the voting recommendation of Ethos. The voting positions of Ethos are based on the "Guideline on exercising voting rights" as well as the "Principles of corporate governance".

The Chairperson or at least two of the Directors can convene the Board for the purpose of consulting and reaching a decision on a recommendation by Ethos or if the Board of Trustees is petitioned to exercise its voting rights differently.

The Board of Trustees has mandated the general manager to implement the casting of the votes.

The Foundation informs the insured persons annually about how it has voted.

Integrity and loyalty of the asset manager

Par. 16

1. Persons and institutions that have been entrusted with investing and managing pension assets
 - must have the powers and organizational resources to be able to guarantee compliance with the provisions of Art. 51b, par. 1, BVG, and Art. 48g to 48i BVV 2 as well as with the provisions of these regulations;
 - must have a good reputation and offer assurance that they will execute their responsibilities correctly. They must ensure that no conflict of interest arises on account of their personal and business relations.
2. They must act in the interest of the pension fund, and in particular may not
 - exploit knowledge gained from pension fund orders to own advantage to carry out an advance, parallel or immediately ensuing transaction (i.e. front running, parallel running, after running);
 - trade in a security or an investment for as long as the pension fund trades with this security or investment and on condition that the pension fund is not disadvantaged as a result; participation in different forms of such transactions is deemed to be the same as trading;
 - restructure the pension fund's safekeeping accounts without an economic reason that lies in its interest.
3. They also must
 - enter the ways and methods of remuneration and amounts in an unambiguous written agreement. They must pass on all pecuniary advantages to the pension fund that they receive above and beyond this amount from their activities on behalf of the pension fund;
 - disclose their interests annually to the Board of Trustees. This includes, in particular, holding a stake in companies that have a business relationship with the Foundation or the pension fund;
 - provide the Board of Trustees annually with a written statement to confirm that it has complied with the provisions defined in Art. 48f to 48i BVV 2.

Fluctuation reserve

Par. 17

An individual fluctuation reserve must be set up by every occupational benefits fund to offset possible price fluctuations of invested assets. The fluctuation reserve serves as a hedge against price losses on invested assets and ensures that the financial equilibrium is maintained.

The target fluctuation reserve is calculated on the basis of percentages for every asset class (see Appendix 1). These percentages are determined in accordance with financial market theory. The target fluctuation reserve is recalculated every time the accounts are closed.

The principles that apply to the fluctuation reserve are contained in the regulations on forming provisions and reserves.

Improvements in benefits if the fluctuation reserve is below the upper threshold can be granted if

- a) at the most 50% of the surplus income before forming the fluctuation reserve is used to improve benefits, and
- b) the fluctuation reserve has reached at least 75% of the current target value.

A credit of bonus shares from the insurance contract in favor of insured persons' accrued savings as defined in Art. 68a BVG does not count as an improvement in benefits.

Costs, commission and duties

Par. 18

The expenses related to the management of the assets, in particular costs, commission and duties pertaining to the investment concept, the management and controlling of the investments, any asset transfers and training given to the members of the occupational benefits fund commission must be borne by the occupational benefits fund in question.

Shortfall in coverage

Par. 19

If the occupational benefits fund suffers a shortfall in coverage, the occupational benefits fund commission must review and, if necessary, adjust the investment strategy and introduce appropriate measures to eliminate the shortfall in coverage.

Liability for claims and losses

Par. 20

The Foundation is liable for claims and losses related to the investments only with the assets of the occupational benefits fund in question.

Entry into force

Par. 21

These Investment Regulations enter into force on January 1, 2025 and supersede the Investment Regulations of July 1, 2021.

Appendix 1

Fluctuation reserve

Asset class	Fluctuation reserve
Receivables in Swiss francs	5%
Receivables in foreign currencies	12%
Swiss equities	19%
Foreign equities	20%
Swiss real estate funds	8%
Foreign real estate funds	15%
Hedge funds	15%
Insurance-linked securities (ILS)	12%
Private equity	20%
Infrastructure Switzerland	5%
Infrastructure Global	7,5%
Other alternative investments	15%
Mixed investment funds	*

* For investments in mixed funds, the percentages used to calculate the fluctuation reserve are calculated based on the relevant structure of the investment fund.

This Appendix enters into force on July 1, 2022 and supersedes the Appendix of July 1, 2021.

Appendix 2

Responsibilities in asset management

Tasks	ExB	BT	OBFC	AM
Issue the Investment Regulations	I	D		
Set the investment strategy	C	D		
Acknowledgement investment strategy (intervention where necessary)	C,I	C,D		
Investment and administration (direct investment activities)			D,I,C	
Investment and administration (investment activities by the asset manager)			D,C	I,C
Conclude discretionary portfolio management agreements	D,I,C	C	D	
Monitor the investments (intervention where necessary)	C,I	C,D	C,I	I
Take measures if the pension fund suffers a shortfall in coverage	I	C	D,C	I
Exercising shareholders' rights	I	D,C		

D Decision

I Implementation

C Controlling

ExB AXA Life Ltd (Executive Board)

BT Board of Trustees

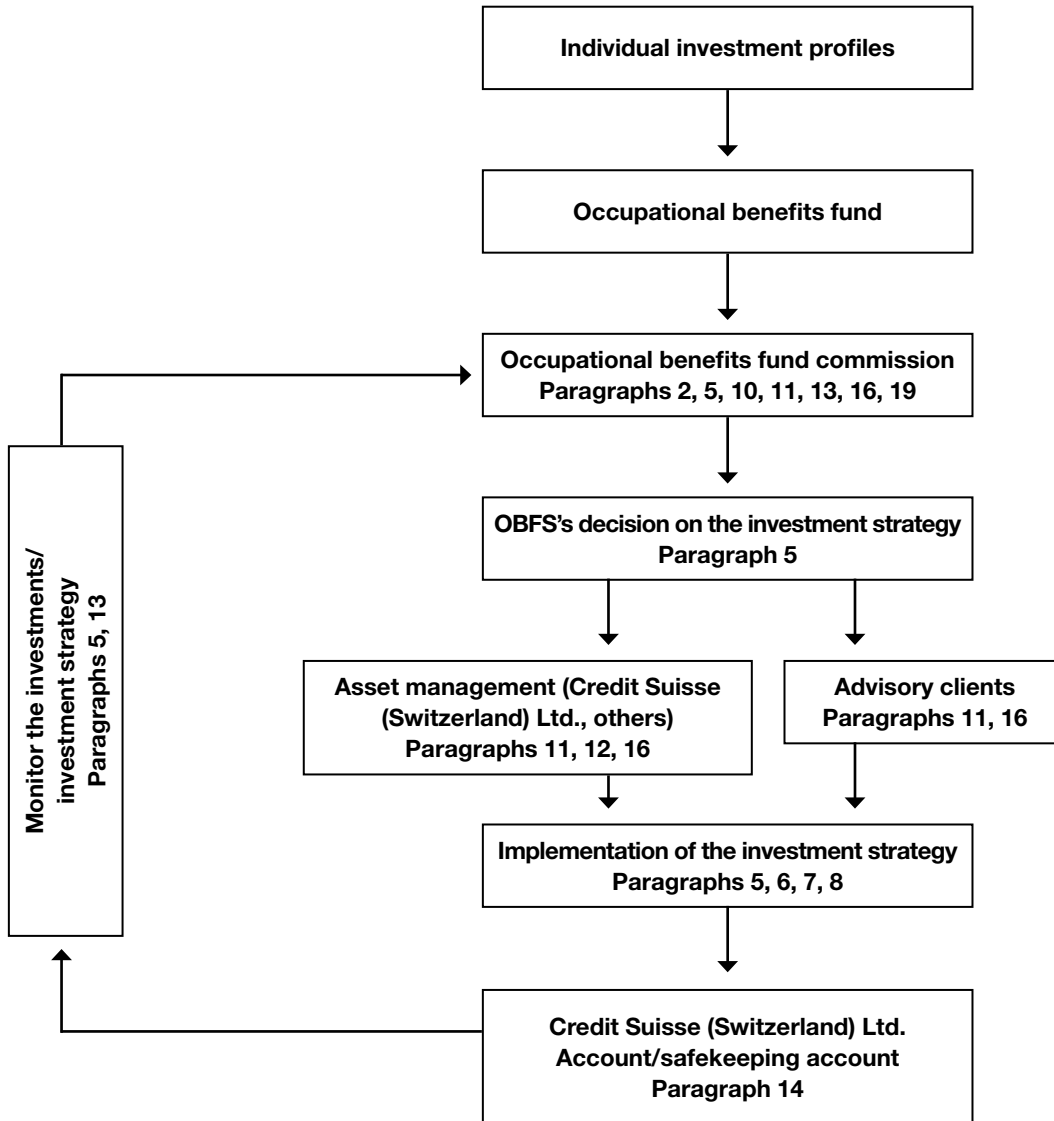
OBFC Occupational Benefits Fund Commission

AM Asset manager

This Appendix enters into force on January 1, 2021 and replaces the version of January 1, 2015.

Appendix 3

General overview of the investment organization



This Appendix enters into force on January 1, 2021, and replaces the version of January 1, 2015.