

Vontobel 3a Pension Foundation

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**Investment Regulations**

## **1. General**

These Regulations determine the principles and guidelines in accordance with legal provisions that must be complied with when investing and managing the pension assets of the Vontobel 3a Pension Foundation (hereinafter: Foundation).

## **2. Investment management**

Investment management is covered by Article 5 of the Ordinance of 13 November 1985 on Tax Relief on Contributions to Recognized Pension Schemes (OPO 3).

## **3. Organization and allocation of responsibilities**

The Board of Trustees is responsible for investing and managing the assets of the Foundation. It delegates the authority to make investment decisions in accordance with these Regulations to one or more third parties. Due diligence must be observed when selecting, instructing, and monitoring the third parties.

The responsibilities and obligations of the Board of Trustees in the area of investment activity are especially:

- determining the range of investment products;
- monitoring the asset investments (especially compliance with investment principles, investment provisions, and investment strategies);

## **4. Asset investments**

### **4.1. Pension account/custody account**

The Foundation opens a pension account/custody account with Bank Vontobel AG (hereinafter the Bank) in the pension account holder's name and transfers account/custody account maintenance to Bank Vontobel AG.

### **4.2. Securities investments**

The Board of Trustees determines which investment products (strategies) can be invested in. The range of investment products is listed in the Annex to the Investment Regulations (Vontobel Volt 3a product information) of the Vontobel 3a Pension Foundation.

Securities are entered in a pension custody account opened by the Foundation and held in the pension account holder's name at the Bank. The investments and the returns accruing on them form part of the pension assets. Any Bank custody account charges incurred are charged to the pension account holder.

If a reason for payout applies according to Art. 3.1. of the Foundation's Pension Regulations, the securities must be sold and must be transferred to the counterpart to the bank account that must be stated by the pension account holder. The Bank may make an offer to the pension account holder to transfer the securities into the disposable assets at the Bank.

If a reason for payout applies according to Paragraphs 3.2 to 3.5 of the Foundation's Regulations, the securities must be sold and be transferred to the counterpart to the bank account that the pension account holder or the beneficiary or beneficiaries must state.

Neither the Foundation nor the Bank assume any responsibility for the performance of the investments that the pension account holder chooses.

### **4.3. Investment strategy and investment policy**

The Foundation delegates information and advisory obligations with respect to each individual pension account holder to the Bank.

On behalf of the Foundation, the Bank clarifies the risk tolerance and risk capacity of each individual pension account holder and derives a risk profile from this. Based on the risk profile

of the pension account holder, the Bank proposes a suitable investment strategy to the pension account holder and points out the risks associated with the investment strategy. Within the scope of their risk profile, the pension account holder selects the investment strategy of their choosing. They are free to choose an investment strategy that is in keeping with their risk profile or a strategy with a lower risk. Investment strategies that contain a higher investment risk than is envisaged in the ascertained risk profile cannot be chosen.

The Foundation exclusively offers opportunities to invest pension assets in securities in line with the investment strategies and the investment policy of the Foundation. The Foundation does not offer a pure cash solution in the form of a savings account.

The pension account holder commissions the Foundation to invest in the selected investment strategy to the extent of the pension account holder's pension assets.

By choosing the investment strategy, the pension account holder agrees to the implementation of this investment strategy in accordance with the investment policy of the Bank in force at any given time. By doing so, the pension account holder confirms that it has taken knowledge of the description of the investment strategies before choosing the investment strategy and that the pension account holder was informed by the Bank about the risks thereof.

#### 4.4. Investment instructions

Via an application/app of the Bank, the pension account holder has digital access to the asset management agreement of the pension account / custody account in the pension account holder's name at the Bank and can issue the Bank investment instructions according to the options provided by the Bank in line with the investment strategy that the pension account holder chose. The investment strategy that the pension account holder chooses is complied with, and the investment limits according to Art. 4.5 of these Regulations are not exceeded. The pension account holder cannot give any other investment instructions.

The Bank carries out the investment instructions on a discretionary basis (namely, the Bank selects the investment instruments and the respective weightings). The pension account holder acknowledges and accepts that the Bank, at its own discretion, checks whether it can implement the investment instructions. Then the pension account holder accepts that the issuing of any investment instructions may under certain circumstances restrict the implementation of the Bank's investment policy. In such event, it may no longer be possible to ensure comparability of the risk/return profile within the chosen investment strategy.

If the pension account holder has not issued any investment instructions, the Bank performs the asset management mandate according to the currently valid model portfolio of the selected investment strategy at the Bank.

The pension account holder will retain investments made based on an investment instruction until the pension account holder instructs the Bank via the application/app to disregard the investment instruction or one of the following events occurs: (i) The Bank decides to no longer carry out the investment instruction, (ii) the Bank revises its risk assessment of the investment instruction based on current market conditions, as a result of which the investment instruction no longer matches the pension account holder's risk profile, (iii) the portfolio allocation no longer conforms to the selected investment strategy due to market movements, (iv) the pension account holder changes its chosen investment strategy, and the original investment instruction is no longer available for the new investment strategy, or (v) the Bank decides on other grounds that the investments made based on an investment instruction are no longer consistent with the pension account holder's selected investment strategy.

The Bank will duly notify the pension account holder if it is exiting an investment that was based on an investment instruction. The newly available liquidity will then be invested in accordance with the base allocation.

#### 4.5. Limits

The limits according to the Ordinance on Occupational Old Age, Survivors' and Invalidity Pension Provisions of April 1, 1984 (OPO 2) apply to all types of investments.

The following investment limits shall apply according to OPO 2:

- a. 100% for claims against borrowers whose main office or residence is in Switzerland, but at most 10% per borrower unless claims against the federal government, mortgage note centers, insurance institutions based in Switzerland or in Lichtenstein, a canton, or a community are concerned.
- b. 50% for mortgage titles to real estate as per Art. 53 Para. 1 Letter c OPO 2; however, they may be mortgaged for up to a maximum of 80% of the market value. Swiss mortgage notes are handled as mortgage titles.
- c. 30% is for real estate investments, of which at most a third may be abroad.
- d. 50% is for equities at the level of the investment category.
- e. 5% is for equities at the level of the individual company.
- f. 30% is for investments made in foreign currency without currency hedging.
- g. 15% is for alternative investments.

Expansions according to Art. 50 Par. 4 OPO 2 are allowed for individual investment strategies in line with the Foundation Regulations. If security, risk distribution, risk capacity, and risk tolerance are complied with, the above-listed categories c) at the level of the individual pension portfolio as well as at the Foundation level may be exceeded by 20 percent in absolute terms, category d) by 50 percent in absolute terms, category e) by 10 percent in absolute terms, and category f) by 30 percent in absolute terms.

#### 4.6. Integrity and loyalty of investment management

The Board of Trustees and all persons entrusted with administration or asset management must have a good reputation and guarantee irreproachable business activities. They are also subject to fiduciary due diligence and must preserve the interests of the insured parties. They make sure that no conflict of interest arises due to their personal and business circumstances.

With investments and management of its pension assets, the Foundation may entrust only persons and institutions as are capable of carrying these activities and are organized in such a way that they can guarantee compliance with the statutory integrity and loyalty provisions as per Art. 48f-48l OPO 2. The Foundation monitors this compliance.

Proprietary transactions shall be allowed only if such transactions are not abusive as per Art. 48j OPO 2. Persons involved in Foundation management, administration, or asset management must act in the interests of the Foundation and, in particular, must not take advantage of knowledge of the Foundation's orders to conduct transactions for their own account in line with the orders in advance, in parallel, or immediately afterwards (front / parallel / after running).

The legal transactions concluded by the Foundation must correspond to standard market conditions. In the event of significant transactions with related parties, competing offers must be obtained. In that process, the granting process must be completely transparent.

Persons and institutions entrusted with asset management of the Foundation must record the type, manner, and amount of compensation in a clearly determinable manner in a written agreement. They absolutely must give the Foundation all additional financial benefits that they receive in conjunction with exercising their activity for the Foundation.

Persons who achieve personal financial benefits by way of exercising their activity for the Foundation must disclose this in a written declaration to the attention of the Board of Trustees on an annual basis. The Board of Trustees shall disclose this to the auditor.

Minor gifts and typical occasional gifts of at most CHF 200.00 per instance and CHF 1,000.00 per year and per business partner shall not be subject to disclosure.

#### 4.7 Exercising shareholders' voting rights and reporting

Shareholder rights are exercised in the interest of the insured if they can be exercised at all. In doing so, the Foundation orients itself by recognized principles of good business management.

**5. Accounting standards**

Investments are valued at market value according to Article 48 OP0 2 and the specialist requirements of Swiss GAAP FER 26. The valuation is normally made as of December 31 of a calendar year.

**6. Entry into force**

These Investment Regulations enter into force as of August 13, 2020 in accordance with the resolution of the Board of Trustees.

Zurich, August 13, 2020

Board of Trustees of the Vontobel 3a Pension Foundation



# Vontobel Volt 3a

### Your goal

You wish to invest your pension assets profitably and to be able to trust in a reliable partner actively taking care of them. A partner that is familiar with the market and that will find the best investment opportunities for you. With this in mind, you delegate the management of your pension assets to Bank Vontobel AG via the Vontobel 3a Pension Foundation. You are, however, able to view current performance at any time.

### Your solution: Vontobel Volt 3a

Vontobel Volt 3a offers you a robust portfolio that invests in global bond and stock markets and is continuously reviewed. You have access to your pension solution via a smartphone app and have all information on hand quickly:

- You benefit from our decades of experience in securities analyses and assessments.
- In a simple and understandable manner, we explain relevant events on the financial markets, their impact on your portfolio, as well as any adjustments to your portfolio.
- We quickly and competently implement any changes to legal provisions relating to occupational pension planning for you.

We always manage your pension portfolio in a disciplined way and monitor it on an ongoing basis using our institutional expertise and a proven investment process.

### Product features

- Solid, broadly diversified investments in global bond and stock markets in line with your risk profile.
- Investments in securities based on the investment strategy you choose and supported by our experts actively selecting the instruments used.
- Use of OPO 2<sup>1</sup>-compliant investment products.
- Ongoing portfolio monitoring to enable rebalancing to be carried out promptly in the event of deviations from your investment strategy (transparent information on such measures is visible digitally).
- By means of digital access, you can view your portfolio at any time and discover the current composition and development of your pension investments.

1) OPO 2: Ordinance on Occupational Old Age, Survivors' and Invalidity Pension Provisions.

### PRODUCT DESCRIPTION

<b>Product</b>	Discretionary pension solution with digital access
<b>Investment strategies</b>	<ul style="list-style-type: none"> <li>– Defensive</li> <li>– Conservative</li> <li>– Balanced</li> <li>– Growth</li> <li>– Dynamic</li> </ul>
<b>Investment currency</b>	CHF
<b>Minimum investment</b>	CHF 500
<b>Asset classes</b>	Globally diversified in bonds and equities
<b>Price model</b>	Flat fee model

### Investment strategies

By selecting an investment strategy that exceeds the standard maximum, the insured person takes note that the extensions of the investments are being made in accordance with Art. 50 Par. 4 OPO 2 and Art. 6 of the Foundation's Investment Regulations and explicitly confirms that they have the risk capacity and risk tolerance required for this.

**To achieve your investment targets, we offer you five different investment strategies:**

**Defensive investment strategy**

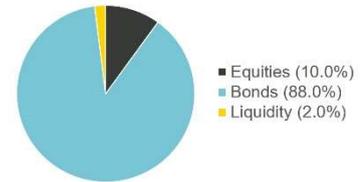
**INVESTMENT TARGET**

The target is to preserve assets. You wish to achieve a certain yield, but it is more important to you only to allow minor asset fluctuations.

**YOUR RISK PROFILE**

Low	Moderate	Medium	Elevated	High
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**Strategic portfolio structure<sup>1</sup>:**



**Conservative investment strategy**

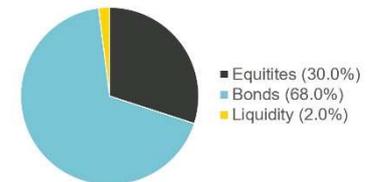
**INVESTMENT TARGET**

The target is continuous asset development with moderate asset growth, entering into minor risks due to small asset fluctuations.

**YOUR RISK PROFILE**

Low	Moderate	Medium	Elevated	High
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**Strategic portfolio structure<sup>1</sup>:**



**Balanced investment strategy**

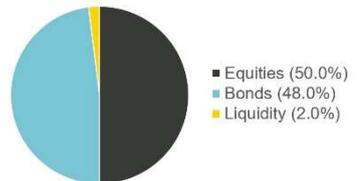
**INVESTMENT TARGET**

The target is to achieve long-term asset growth, with moderate to medium fluctuations in assets being possible.

**YOUR RISK PROFILE**

Low	Moderate	Medium	Elevated	High
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**Strategic portfolio structure<sup>1</sup>:**



**Growth investment strategy**

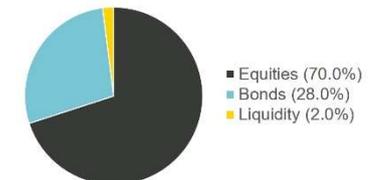
**INVESTMENT TARGET**

The target is to achieve long-term asset growth, whereby certain portfolio risks with high asset fluctuations are assumed.

**YOUR RISK PROFILE**

Low	Moderate	Medium	Elevated	High
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**Strategic portfolio structure<sup>1</sup>:**



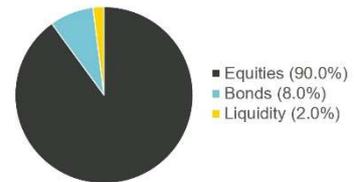
<sup>1</sup> Ranges per asset class: liquidity & bonds: +/- 20%, equities: +/- 10%

## Dynamic investment strategy

### INVESTMENT TARGET

The target is high growth in value in the long term, accepting high fluctuations in assets.

### Strategic portfolio structure:<sup>2</sup>



### YOUR RISK PROFILE

Low      Moderat      Medi      **Elevate**      High

### Indices for benchmark (in %)

Reference currency CHF	Neutral Ratio
<b>Liquidity</b>	<b>100.0</b>
J.P. Morgan Cash Index CHF 1 Month	100.0
<b>Bonds</b>	<b>100.0</b>
Bloomberg Barclays Switzerland Government All > 1 Year Bond Index	40.0
Bloomberg Barclays Global Aggregate Corporate Total Return Index (hedged CHF)	50.0
Bloomberg Barclays Global High Yield Corporate Total Return Index (hedged CHF)	10.0
<b>Equities</b>	<b>100.0</b>
Swiss Performance Index	55.0
MSCI EMU Net Return	10.0
S&P 500 Net Return	25.0
MSCI Pacific Net Return	5.0
MSCI Emerging Markets Net Return	5.0

<sup>2</sup> Ranges per asset class: liquidity & bonds: +/- 20%, equities: +/- 10%

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This product is only designed for investors who understand and deliberately assume the risks associated with the product. The value may not be able to be obtained immediately for certain investment products in a period of securities market illiquidity. When assets are liquidated, it is possible that investors may receive less than they invested. Investments denominated in foreign currencies are subject to exchange rate fluctuations. Capital expenditures in emerging markets are also subject to certain, special and/or increased risks. This can sometimes make it difficult to quantify the value of your investment and the risk that investors are subject to.

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