

# **Investment Regulations** of the Collective Foundation Trigona for Occupational Welfare Provision

(January 2014 edition)

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## 1. Legal basis

These 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: "Manager") and other individuals and institutions entrusted with the 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 fund assets of the pension funds affiliated to the Foundation. The tasks and responsibilities, as well as the organisational issues, are set out in the Organisation Regulations, unless differing or additional provisions are specified in the present regulations.

The dedicated initial assets of the Foundation and any separated-off Foundation assets are invested on the instruction of the Board of Foundation.

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

## 2. Asset management

2.1. All persons and institutions that are entrusted with the management of the fund assets and the dedicated initial assets of the Foundation shall comply with the provisions on integrity and loyalty in relation to the asset management integrity and loyalty as specified in the Organisation Regulations.

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

2.2. The asset managers, the investment foundation specified in Appendix III (hereinafter: "Asset Manager"), will submit a report at least every quarter to the Investment Committee, the Board of Foundation, the funds' boards of trustees and the Manager, detailing the investment activity and results achieved over the reporting period, together with a strategic and tactical outlook.

The Asset Manager provides the Investment Committee, the Board of Foundation, the funds' boards of trustees and the Manager with further information, such as

a daily calculation and publication of the net asset value and a monthly factsheet containing the relevant key indicators for the asset groups pursuant to Appendix III.

The daily review of the investment assets is carried out by the Asset Manager.

## 3. Investment objectives

The aim of the investment of the fund assets is to ensure the long-term fulfilment of pension obligations of the affiliated pension funds by means of risk-appropriate diversified investment of the tied and unallocated assets of the affiliated pension funds. To this 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 and the affiliated pension funds are always able to meet their financial obligations on time.

The investment of the fund assets must take into account the obligations of the pension funds and the Foundation and their risk capacity.

## 4. Investment strategy and available investment groups

Following the submission of a proposal by the Investment Committee and after consultation with the Manager, the Board of Foundation decides on:

- a) the investment strategies available to the pension funds;
- b) the investment groups corresponding to the investment strategies and available to the pension funds; and
- c) the recommended value fluctuation reserves for each investment group.

The investment groups available to the pension funds are specified in Appendix I.

In exceptional cases, direct investments deposited on commencement of the contract of affiliation may remain in a separate deposit account for each pension fund in agreement with the Board of Foundation and the Manager. In the case of direct investments, all the investments legally prescribed in BVV 2 are permitted. Investments that are not permitted include real estate investments as per Art. 53 (1) (c) BVV2 as well as alternative investments as per Art. 53 (1) (e) BVV2.

In such cases, the Manager ensures adherence to the investment regulations of the BVG and the BVV2 regarding the total assets of the pension fund.

## **5. Management of the investments**

### **5.1. Selection of investment group and specification of liquidity and value fluctuation reserves**

The fund's board of trustees selects one of the available investment groups for the pension fund. The pension fund may only invest in one investment group at any given time. The fund's board of trustees determines the ratio (target value and range) of the investment of the fund assets in the selected investment group or in liquid assets.

The investment target values (including the ranges) for the ratio between investments in the selected investment groups and liquidity maintenance are to be defined according to the risk capacity of the pension fund and with the simultaneous maintenance of sufficient fluctuation reserves. The value fluctuation reserves required for the selected investment group are specified in accordance with the Regulations on the Formation of Provisions and Reserves. The liquidity target should be such that pension 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.

The investment decisions relating to the pension fund must be documented and notified to the Manager in writing.

The fund's board of trustees is responsible for the risks arising from the investment decisions and from the instructions that it issues.

Any losses arising from the investment of fund assets are borne exclusively by the assets of the pension fund in question.

### **5.2. Investment of fund assets**

5.2.1 The fund assets are invested in accordance with applicable federal legislation.

5.2.2 The fund assets are, subject to availability of the required liquid assets, invested solely in the asset groups of an investment foundation defined in Appendix III in accordance with the Ordinance on Investment Foundations.

5.2.3 The available investment groups are managed by the investment foundation specified in the Appendices to these Investment Regulations and to the Organisation Regulations in accordance with the applicable articles of association and regulatory provisions of the Pension Foundation. The articles of association, regulations and investment guidelines of the investment foundation form an integral part of these Investment Regulations.

5.2.4 Any liquid assets not invested in the investment groups are held at the Swiss bank or post office specified in Appendix III. The current terms and conditions of the respective bank or the post office apply to these accounts.

### **5.3. Changes to the investment instructions**

The fund's board of trustees may decide to change the investment decisions regarding the pension fund assets at any time.

## **6. Exercising the participatory rights of investments in investment groups**

The voting rights of investment foundations at investor meetings are exercised by the Investment Committee, provided that the fund's board of trustees or 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.

## **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 were agreed by the Board of Foundation on 16 September 2014 and enter into force retroactively as of 1 January 2014.

# Appendix I

## 1. Investment groups

The following investment groups of the Baloise Investment Foundation for Pension Funds (hereinafter: “BAP”) are available:

### 1.1. Investment group **BVG-Mix 15 Plus I** (CHF)

The product makes broadly diversified investments in the global financial markets. The focus, however, is on investments in Swiss equities, property and bonds. With a strategic equity allocation of 15 % and a tactical range of 5 % to 22 %, the product is conservatively structured.

### 1.2. Investment group **BVG-Mix 25 Plus I** (CHF)

The product makes broadly diversified investments in the global financial markets. The focus, however, is on investments in Swiss equities, property and bonds. With a strategic allocation of 25 % and a tactical range of 15 % to 35 %, the product is balanced structured.

### 1.3. Investment group **BVG-Mix 40 Plus I** (CHF)

The product makes broadly diversified investments in the global financial markets. The focus, however, is on investments in Swiss equities, property and bonds. With a strategic allocation of 40 % and a tactical range of 25 % to 50 %, the product is dynamic structured.

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

The investments are selected in compliance with the investment guidelines of the Ordinance on Occupational Retirement, Survivors’ and Disability Pension Plans (BVG2). Depending on the prevailing economic situation as well as the assessment of the interest rate, equity market and exchange rate environments, controlled deviations from the investment strategy are undertaken within the permitted ranges.

## Appendix II

### 1. Specification of asset allocation

Asset class	BVG-Mix 15 Plus I			BVG-Mix 25 Plus I			BVG-Mix 40 Plus I		
	Weighting	Range		Weighting	Range		Weighting	Range	
		Lower	Upper		Lower	Upper		Lower	Upper
CHF bonds	63 %	50 %	75 %	53 %	40 %	70 %	38 %	30 %	55 %
FC bonds	10 %	0 %	20 %	10 %	0 %	20 %	10 %	0 %	20 %
Swiss equities	10 %	5 %	20 %	15 %	10 %	25 %	25 %	15 %	35 %
Foreign equities	5 %	0 %	10 %	10 %	0 %	20 %	15 %	5 %	25 %
Real estate	12 %	5 %	20 %	12 %	5 %	20 %	12 %	5 %	20 %
Liquid assets	0 %	0 %	10 %	0 %	0 %	10 %	0 %	0 %	10 %
Total	100 %			100 %			100 %		

**Disclaimer:**

The stated allocation does not correspond to the initial allocation in 2006, but signifies the neutral weightings as at 28 April 2014.

### 2. Permitted investments and debtor-specific limits

Investments may only be made in investment groups of investment foundations that make investments in accordance with BVV 2, Art. 54 and 55, and with the following maximum category weightings:

a) Category limits

	BVG-Mix 15 Plus I	BVG-Mix 25 Plus I	BVG-Mix 40 Plus I
Total bonds	85 %	75 %	65 %
Total equities	22 %	35 %	50 %
Total real estate	20 %	20 %	20 %

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 of 100 % and 50 % apply 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 groups (specified in Appendix III) of the investment foundation defined in Appendix III 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 fund assets.

d) Securities lending

Securities lending is permitted. A maximum of 10% of an investment group may be loaned per borrower or intermediary.

## Appendix III

### Investment groups available

The following investment groups of the Baloise Investment Foundation for Pension Funds are available:

BVG-Mix 15 Plus I (CHF), BVG-Mix 25 Plus I (CHF) and BVG-Mix 40 Plus I (CHF)

In accordance with Clause 5.2.2, investments are made exclusively in the asset groups specified. 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.

### Bank and post office account details

Baloise Bank SoBa AG, Solothurn  
PostFinance AG, Bern

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