

# Swiss Life Investment Foundation

Investment Guidelines (as at ~~30.06.2022~~31.03.2022~~30.06~~)

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*In case of doubt, the German version shall take precedence.*

# General

**Based on Art. 10 of the Articles of Association of Swiss Life Investment Foundation (hereinafter the foundation), the Board of Trustees issues the following investment guidelines.**

- Date of decision: ~~13 June 2022~~ ~~February 2022~~
- Effective date of this version: ~~30 June 2022~~ ~~31 March 2022~~
- The investment guidelines may be amended by the Board of Trustees at any time. Investors will be notified of any amendments in an appropriate and timely manner.

## Art. 1 General

1. The general conditions outlined under Art. 1 apply in addition to the individual provisions for the particular investment group that follow. Special conditions may deviate from the general conditions and always take precedence.
2. The investment activity of the foundation complies with the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) and its associated implementing orders, as far as they are applicable to investment foundations. Any additional requirements placed by the supervisory authority on investment foundations also apply.
3. Funds entrusted to the foundation are always invested with due care and expertise in accordance with the considerations of security, return and liquidity. Appropriate risk diversification within the framework of the investment groups' focus is to be ensured.
  - a) *Liquid assets*

Liquid funds and investments with money market character with a remaining maturity of no more than one year are invested with governments, central banks and first-class banks. They may be held in Swiss francs as well as in the currencies that match the investments of the corresponding investment group.
  - b) *Debt securities*

If the individual provisions of the respective investment groups provide for average or minimal ratings, these are based on Standard & Poor's or Moody's. If these rating agencies give different ratings, the lower one shall apply. If there are no official ratings, other rating agencies. A bank rating or an implicit rating may be used. Investments which fall below the rating standard required must be sold within four months taking due account of the general market situation, unless the Board of Trustees decides otherwise. Details in the individual provisions follow the nomenclature of Standard & Poor's. The share of investments in convertible and warrant bonds may not exceed 5% of the investment group's assets, unless the individual provisions state otherwise.
  - c) *Equity securities*

Investments must be listed on a stock exchange or traded on another regulated market open to the public.
  - d) *Alternative investments*

Alternative investments mainly take the form of collective investments, although exceptions are possible as per Art. 28, cl. 1 IFoundO.
  - e) *Investment universe*

The investment universe is basically defined by benchmark indices. Within the context of optimising risk and return, additional investments may also be made outside the benchmark universe. Details on the benchmarks can be taken from the monthly investment group factsheets.
  - f) *Borrowing*

As a rule borrowing is not allowed. Only short-term borrowing required on technical grounds is permitted.
4. Derivative instruments may be used in all the investment groups. However, the only derivatives that may be used are those whose underlying instruments are permitted as investments for the investment group in question. Compliance with the borrower and company limits set out under the individual provisions must take into account the derivative instruments employed. The provision of typical industry collateral is permitted in connection with derivative

- instruments (e. g. traded options and financial futures or over-the-counter derivatives). In addition, the provisions of the BVV/OPP 2 ordinance apply.
5. Collective investments are permitted in all investment groups. Investment assets may only be invested in suitably diversified collective investments pursuant to Art. 56, cl. 2 of the BVV/OPP 2 with adequate information and disclosure obligations. They must conform to the foundation's investment guidelines and be appropriately diversified. When reporting the portfolio composition the collective investments can be broken down for transparency.
  6. Securities lending is allowed for all investment groups for a fee, provided the requirements of the Federal Law on Collective Capital Investments (KAG) are complied with.
  7. Deviation from the investment guidelines is permitted only in individual cases and for a limited period of time if the investors' interests urgently require such a deviation and if the Chairperson of the Board of Trustees agrees to the deviation. Deviations must be disclosed and justified in the notes to the financial statements.

## Bonds

### Art. 2 Bonds CHF Domestic

1. The investment group's assets are invested in Swiss franc debt securities of debtors based in Switzerland. The investment group tracks the benchmark specified in item 2.
2. Benchmark: SBI Domestic AAA-BBB TR
3. Investment style: active
4. Tracking error – calculated using monthly data – is not to exceed 2% p.a. over three years.
5. Debt securities are held from a minimum of 40 different debtors.
6. A maximum of 10% of the assets can be invested with the same debtor. This restriction does not apply to federal government debt. For Swiss mortgage bond institutions the limit is 25%.
7. Up to 10% of assets can be held in non-benchmarked debt, provided the debtors are comparable to those in the benchmark and the debt complies with Art. 53, cl. 1b, items 1-8 of the BVV/OPP 2.
8. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 may be held, provided it is included in the benchmark. The total share of alternative debt within the portfolio should not exceed the share of this alternative debt in the benchmark by more than five percentage points. Alternative debt that leaves the benchmark and has a residual term of more than 12 months must be disposed of within three months. Alternative debt that leaves the benchmark and has a residual term of less than 12 months may be retained or acquired. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 and acquired on the primary market, but which has not yet been definitively included in the benchmark at the time of issue, must be sold within 3 months if it has not yet been so included.
9. The investment group has an average rating quality of at least "A+". The individual positions must have a minimum rating of at least "BBB-". Positions with a rating below "BBB-" are permitted, provided they are included in the benchmark.
10. The duration of the investment group may not deviate by more than 30% from that of the benchmark.
11. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

### **Art. 3 Bonds CHF Foreign**

1. The investment group's assets are invested in Swiss franc debt securities from debtors based outside Switzerland. A maximum of 20% of the assets may be in Swiss franc debt securities of debtors based in Switzerland. The investment group tracks the benchmark specified in item 2.
2. Benchmark: SBI Foreign AAA-BBB TR
3. Investment style: active
4. Tracking error – calculated using monthly data – is not to exceed 2% p.a. over three years.
5. Debt securities are held from a minimum of 50 different debtors.
6. A maximum of 10% of the assets can be invested with the same debtor.
7. Up to 20% of assets can be held in non-benchmarked debt, provided the debtors are comparable to those in the benchmark and the debt complies with Art. 53, cl. 1b, items 1–8 of the BVV/OPP 2. Non-benchmarked debt is used because it offers additional opportunities, improves liquidity and can be expected to bring a considerable improvement in the risk profile.
8. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 may be held, provided it is included in the benchmark. The total share of alternative debt within the portfolio should not exceed the share of this alternative debt in the benchmark by more than five percentage points. Alternative debt that leaves the benchmark and has a residual term of more than 12 months must be disposed of within three months. Alternative debt that leaves the benchmark and has a residual term of less than 12 months may be retained or acquired. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 and acquired on the primary market, but which has not yet been definitively included in the benchmark at the time of issue, must be sold within 3 months if it has not yet been so included.
9. The investment group has an average rating quality of at least "A". The individual positions must have a minimum rating of at least "BBB–". Positions with a rating below "BBB–" are permitted, provided they are included in the benchmark.
10. The duration of the investment group may not deviate by more than 30% from that of the benchmark.
11. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

### **Art. 4 Bonds Global (CHF hedged)**

1. The investment group's assets are invested in foreign currency debt securities of debtors based within and outside Switzerland. Foreign currency risks are at least 90% hedged against Swiss francs. The investment group tracks the benchmark specified in item 2.
2. Customised benchmark:  
40% Bloomberg Global Aggregate Corporates TR (CHF hedged)  
60% Bloomberg Global Aggregate Treasuries ex CH TR (CHF hedged)
3. Investment style: active
4. Tracking error – calculated using monthly data – is not to exceed 2% p.a. over three years.
5. Debt securities are held from a minimum of 80 different debtors.
6. A maximum of 10% of the assets can be invested with the same debtor. The limit may be exceeded contrary to Art. 54 BVV/OPP 2 if the debtor is represented in the benchmark. In any case the weighting of the debtor in the investment group may only exceed the corresponding benchmark weighting by a maximum of 5 percentage points.
7. Up to 10% of assets can be held in non-benchmarked debt, provided the debtors are comparable to those in the benchmark and the debt complies with Art. 53, cl. 1b, items 1–8 of the BVV/OPP 2. Non-benchmarked debt is used because it offers additional opportunities,

- improves liquidity and can be expected to bring a considerable improvement in the risk profile. An exception applies to bonds issued by supranational institutions or other public-law entities with a strong credit rating, which may be used as a substitute for government bonds for up to 30% of the investment group's assets. The debtor limit for debts from non-benchmarked debtors is 10% per debtor.
8. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 may be held, provided it is included in the benchmark. The total share of alternative debt within the portfolio should not exceed the share of this alternative debt in the benchmark by more than five percentage points. Alternative debt that leaves the benchmark and has a residual term of more than 12 months must be disposed of within three months. Alternative debt that leaves the benchmark and has a residual term of less than 12 months may be retained or acquired. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 and acquired on the primary market, but which has not yet been definitively included in the benchmark at the time of issue, must be sold within 3 months if it has not yet been so included.
  9. The investment group has an average rating quality of at least "A–", whereby the maximum negative deviation may only exceed the average rating quality of the benchmark by two rating quality grades maximum. The individual positions must have a minimum rating of at least "BBB–". Positions with a rating below "BBB–" are permitted, provided they are included in the benchmark.
  10. The duration of the investment group may not deviate by more than 30% from that of the benchmark.
  11. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

#### **Art. 5 Bonds Global Government+ (CHF hedged)**

1. The investment group's assets are invested in foreign currency debt securities of governments and governmentlike institutions. Foreign-currency risks are at least 90% hedged against Swiss francs. The investment group tracks the benchmark specified in item 2.
2. Benchmark: Bloomberg Global Aggregate Treasuries ex CH TR (CHF hedged)
3. Investment style: active
4. Tracking error – calculated using monthly data – is not to exceed 2% p.a. over three years.
5. Debt securities are held from a minimum of 60 different issuers.
6. A maximum of 10% of the assets can be invested with the same debtor. The limit may be exceeded contrary to Art. 54 BVV/OPP 2 if the debtor is represented in the benchmark. In any case the weighting of the debtor in the investment group may only exceed the corresponding benchmark weighting by a maximum of 5 percentage points.
7. Up to 10% of assets can be held in non-benchmarked debt, provided the debtors are comparable to those in the benchmark and the debt complies with Art. 53, cl. 1b, items 1–8 of the BVV/OPP 2. Non-benchmarked debt is used because it offers additional opportunities, improves liquidity and can be expected to bring a considerable improvement in the risk profile. An exception applies to bonds issued by supranational institutions or other public-law entities with a strong credit rating, which may be used as a substitute for government bonds for up to 40% of the investment group's assets. The debtor limit for debts from non-benchmarked debtors is 10% per debtor.
8. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 may be held, provided it is included in the benchmark. The total share of alternative debt within the portfolio should not exceed the share of this alternative debt in the benchmark by more than five percentage points. Alternative debt that leaves the benchmark and has a residual term of

more than 12 months must be disposed of within three months. Alternative debt that leaves the benchmark and has a residual term of less than 12 months may be retained or acquired. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 and acquired on the primary market, but which has not yet been definitively included in the benchmark at the time of issue, must be sold within 3 months if it has not yet been so included.

9. The investment group has an average rating quality of at least "A+", whereby the maximum negative deviation may only exceed the average rating quality of the benchmark by two rating quality grades maximum. The individual positions must have a minimum rating of at least "BBB-". Positions with a rating below "BBB-" are permitted, provided they are included in the benchmark.
10. The duration of the investment group may not deviate by more than 30% from that of the benchmark.
11. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

#### **Art. 6 Bonds Global Corporates Short Term (CHF hedged)**

1. The assets of the investment group are invested in debt securities issued in foreign currencies by companies (including agencies and supranational entities) nearing maturity (majority below three years). A maximum of 10% government debt securities can also be included. Foreign currency risks are at least 90% hedged against Swiss francs. The investment group tracks the benchmark specified in item 2.
2. Benchmark: Bloomberg Global Aggregate Corporates 1–3 years TR (CHF hedged)
3. Investment style: active
4. Tracking error – calculated using monthly data – is not to exceed 2% p.a. over three years.
5. Debt securities are held from a minimum of 80 different debtors.
6. A maximum of 10% of the assets can be invested with the same debtor.
7. Non-benchmark debtors may account in total for up to a maximum of 10% of the assets as long as such debtors have similar properties to those contained in the benchmark, or if debt securities of agencies, supranationals and countries in accordance with item 1 are involved, and when the debt complies in both cases with Art. 53, cl. 1b, items 1–8 of the BVV/OPP 2.
8. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 may be held, provided it is included in the benchmark. The total share of alternative debt within the portfolio should not exceed the share of this alternative debt in the benchmark by more than five percentage points. Alternative debt that leaves the benchmark and has a residual term of more than 12 months must be disposed of within three months. Alternative debt that leaves the benchmark and has a residual term of less than 12 months may be retained or acquired. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 and acquired on the primary market, but which has not yet been definitively included in the benchmark at the time of issue, must be sold within 3 months if it has not yet been so included.
9. The investment group has an average rating quality of at least "BBB". The individual positions must have a minimum rating of at least "BBB-". Positions which have been downgraded below "BBB-" after acquisition may be kept, provided it is in investors' interests.
10. The duration of the investment group may not deviate by more than 30% from that of the benchmark.
11. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for

distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

#### **Art. 7 Bonds Global Corporates (CHF hedged)**

1. The assets of the investment group are invested in debt securities issued in foreign currencies by companies including agencies and supranational entities. A maximum of 10% government debt securities can also be included. Foreign currency risks are at least 90% hedged against Swiss francs. The investment group tracks the benchmark specified in item 2.
2. Benchmark: Bloomberg Global Aggregate Corporates TR (CHF hedged)
3. Investment style: active
4. Tracking error – calculated using monthly data – is not to exceed 2% p.a. over three years.
5. Debt securities are held from a minimum of 80 different debtors.
6. A maximum of 10% of the assets can be invested with the same debtor.
7. Non-benchmark debtors may account in total for up to a maximum of 10% of the assets as long as such debtors have similar properties to those contained in the benchmark, or if debt securities of agencies, supranationals and countries in accordance with item 1 are involved, and when the debt complies in both cases with Art. 53, cl. 1b, items 1-8 of the BVV/OPP 2.
8. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 may be held, provided it is included in the benchmark. The total share of alternative debt within the portfolio should not exceed the share of this alternative debt in the benchmark by more than five percentage points. Alternative debt that leaves the benchmark and has a residual term of more than 12 months must be disposed of within three months. Alternative debt that leaves the benchmark and has a residual term of less than 12 months may be retained or acquired. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 and acquired on the primary market, but which has not yet been definitively included in the benchmark at the time of issue, must be sold within 3 months if it has not yet been so included.
9. The investment group has an average rating quality of at least "BBB". The individual positions must have a minimum rating of at least "BBB-". Positions with a rating below "BBB-" are permitted, provided they are included in the benchmark. Positions which have been downgraded below "BBB-" after acquisition may be kept, provided it is in investors' interests.
10. The duration of the investment group may not deviate by more than 30% from that of the benchmark.
11. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

#### **Art. 8 Bonds Emerging Markets Corporates Short Term (CHF hedged)**

1. The investment group's assets are invested in US dollar or other hard currency debt securities of companies in emerging markets including agencies and supranationals. Up to 10% of assets can be held in additional government debt securities. Foreign currency risks are at



- least 90% hedged against Swiss francs. The investment group tracks the benchmark specified in item 2.
2. Benchmark: JP Morgan CEMBI+ Investment Grade 1–3 years (CHF Hedged)
  3. Investment style: active.
  4. Tracking error – calculated using monthly data – is not to exceed 2% p.a. over three years.
  5. Debt securities are held from a minimum of 80 different debtors.
  6. A maximum of 10% of the assets can be invested with the same debtor.
  7. Non-benchmark debtors may account in total for up to a maximum of 20% of the assets as long as such debtors have similar properties to those contained in the benchmark, or if debt securities of agencies, supranationals and countries in accordance with item 1 are involved, and when the debt complies in both cases with Art. 53, cl. 1b, items 1–8 of the BVV/OPP 2. Non-benchmarked debtors are used since they afford additional opportunities, increase liquidity and may significantly improve the risk profile.
  8. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 may be held, provided it is included in the benchmark. The total share of alternative debt within the portfolio should not exceed the share of this alternative debt in the benchmark by more than five percentage points. Alternative debt that leaves the benchmark and has a residual term of more than 12 months must be disposed of within three months. Alternative debt that leaves the benchmark and has a residual term of less than 12 months may be retained or acquired. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 and acquired on the primary market, but which has not yet been definitively included in the benchmark at the time of issue, must be sold within 3 months if it has not yet been so included.
  9. The investment group has an average rating quality of at least “BBB-”, whereby the r-Rating quality for this investment group can be assessed using ratings from the rating agency Fitch as well as from Standard & Poor’s and Moody’s. As a rule, the individual positions must have a rating of at least “BBB-”. Up to 10% of the assets may be invested in positions with a rating below “BBB-” but at least “BB-” or above. ~~Positions with a rating below “BB-” are permitted, provided they are included in the benchmark.~~ Positions which have been downgraded below “BBB-” after acquisition may be kept, provided it is in investors’ interests. If two or more ratings are available for a single debt security, and provided that one of these ratings is below investment grade, the second-best of the available ratings is to be used in the assessment process.
  10. The duration of the investment group must be between one year and four years.
  11. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group’s assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

#### **Art. 9 Bonds Emerging Markets Corporates (CHF hedged)**

1. The investment group’s assets are invested in US dollar or other hard currency debt securities of companies in emerging markets including agencies and supranationals. Up to 10% of assets can be held in additional government debt securities. Foreign currency risks are at least 90% hedged against Swiss francs. The investment group tracks the benchmark specified in item 2.
2. Benchmark: JP Morgan CEMBI Broad Diversified IG Index (CHF Hedged)
3. Investment style: active.
4. Tracking error – calculated using monthly data – is not to exceed 2% p.a. over three years.
5. Debt securities are held from a minimum of 80 different debtors.
6. A maximum of 10% of the assets can be invested with the same debtor.

7. Non-benchmark debtors may account in total for up to a maximum of 20% of the assets as long as such debtors have similar properties to those contained in the benchmark, or if debt securities of agencies, supranationals and countries in accordance with item 1 are involved, and when the debt complies in both cases with Art. 53, cl. 1b, items 1–8 of the BVV/OPP 2. Non-benchmarked debtors are used since they afford additional opportunities, increase liquidity and may significantly improve the risk profile.
8. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 may be held, provided it is included in the benchmark. The total share of alternative debt within the portfolio should not exceed the share of this alternative debt in the benchmark by more than five percentage points. Alternative debt that leaves the benchmark and has a residual term of more than 12 months must be disposed of within three months. Alternative debt that leaves the benchmark and has a residual term of less than 12 months may be retained or acquired. Debt deemed as alternative investments pursuant to Art. 53, cl. 3 of the BVV/OPP 2 and acquired on the primary market, but which has not yet been definitively included in the benchmark at the time of issue, must be sold within 3 months if it has not yet been so included.
9. The investment group has an average rating quality of at least “BBB”. Rating quality for this investment group can be assessed using ratings from Fitch as well as from Standard & Poor’s and Moody’s. The individual positions must have a minimum rating of at least “BBB-”. Positions with a rating below “BBB-” are permitted, provided they are included in the benchmark. Positions which have been downgraded below “BBB-” after acquisition may be kept, provided it is in investors’ interests. If two or more ratings are available for a single debt security, and provided that one of these ratings is below investment grade, the second-best of the available ratings is to be used in the assessment process.
10. The duration of the investment group may not deviate by more than 30% from that of the benchmark.
11. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group’s assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

## Equities

### Art. 10 Equities Switzerland

1. The investment group’s assets are invested in equity securities from companies based in Switzerland. Equity securities from companies based outside Switzerland are also permitted, provided they are included in the benchmark. The investment group tracks the benchmark specified in item 2.
2. Benchmark: Swiss Performance Index
3. Investment style: active core-satellite approach
4. Tracking error – calculated using monthly data – is not to exceed 3% p.a. over three years.
5. Equity securities are held from a minimum of 40 different companies.
6. A maximum of 5% of assets may be invested in equity securities from the same company. The limit may be exceeded contrary to Art. 54a BVV/OPP 2 if the company is represented in the benchmark. In any case the weighting of the debtor in the investment group may only exceed the corresponding benchmark weighting by a maximum of 5 percentage points.
7. Companies allocated to the Small- and Mid-Caps segment in the benchmark, may only be represented with a maximum of 5% in the investment group.

8. Companies based outside Switzerland may be included in the investment group at their benchmark weighting plus a maximum of two percentage points.
9. Up to 10% of the assets can be held in non-benchmark companies, provided the companies are comparable to those in the benchmark. Non-benchmarked companies are used since they afford additional opportunities, increase liquidity and may significantly improve the risk profile.
10. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

#### **Art. 11 Equities Switzerland Large Caps Indexed**

1. The investment group's assets are invested in equity securities from companies listed in the Swiss Performance Index 20.
2. Benchmark: Swiss Performance Index 20
3. Investment style: passive approach (full replication)
4. Tracking error – calculated using monthly data – is not to exceed 0.3% p.a. over three years.
5. The weighting per company may not deviate by more than +/- 0.5 percentage points from the benchmark weighting. Due to this limit per company and depending on the companies' current weighting in the benchmark, a company may hold more than 5% in the assets of the investment group i.e. a deviation from Art. 54a BVV/OPP.
6. The investment group may temporarily invest in companies that are not yet or no longer included in the benchmark due to index adjustments. The weighting of companies whose inclusion in the benchmark has only been announced may deviate from the expected benchmark weighting by a maximum of +0.5 percentage points. The weighting of companies that have been excluded from the benchmark may not deviate from the last published benchmark weighting by more than +0.5 percentage points.
7. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

#### **Art. 12 Equities Switzerland Small & Mid Caps**

1. The investment group's assets are invested in small- to mid-cap equity securities from companies based in Switzerland. Equity securities from companies based outside Switzerland are also permitted, provided they are included in the benchmark. The investment group tracks the benchmark specified in item 2.
2. Benchmark: Swiss Performance Index Extra
3. Investment style: active approach
4. Tracking error – calculated using monthly data – is not to exceed 3% p.a. over three years.
5. Equity securities are held from a minimum of 40 different companies.
6. A maximum of 5% of assets may be invested in equity securities from the same company. The limit may be exceeded contrary to Art. 54a BVV/OPP 2 if the company is represented in the

- benchmark. In any case the weighting of the company in the investment group may only exceed the corresponding benchmark weighting by 5 percentage points maximum.
7. Companies based outside Switzerland may be included in the investment group at their benchmark weighting plus a maximum of two percentage points.
  8. Non-benchmark companies may account in total for up to a maximum of 10% of the assets as long as such companies have similar properties to those contained in the benchmark. Companies in the Equity Switzerland LargeCaps segment of the benchmark may have a maximum 10% share each in the investment group.
  9. Non-benchmarked companies are used since they afford additional opportunities, increase liquidity and as a positive effect on the investment group's risk profile can be expected.
  10. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

### **Art. 13 Equity Protect Switzerland Flex**

1. The investment group's investment universe primarily comprises companies included in the Swiss Market Index. The corresponding investments may take the form of equity securities, collective investments or derivative instruments.
2. Investment style: rule-based active equity strategy with supplementary hedging strategy. The investment group consists of a core portfolio and a supplementary hedging strategy. The core portfolio is oriented to the abovementioned index.
3. The additional use of a hedging strategy involving options has the effect of mitigating price falls in the event of steeply declining markets and possibly limiting upside potential in the event of sharply rising markets. This involves a combination of a purchased put option and a sold put option with different exercise levels: the purchased put option has a higher exercise level than the sold option (put spread collar). In addition, the sale of call options can be used to further reduce the hedging costs. The sale of the put and call options, however, is not obligatory but follows an appraisal of market conditions. The choice of exercise level for the purchased put option, too, depends on the current market assessment (between 90% and 100%). In addition, when the markets are trending downward, call options can be sold at between 101% and 107%. Depending on the market situation, the hedging strategy can also be mapped through futures contracts.
4. Liquid assets held in connection with the derivative instruments employed may be invested in the money market.
5. Based on Art. 26a cl. 1b ASV, individual companies, contrary to Art. 54a BVV 2, have a weighting in excess of 5% of the investment group's assets.
6. A maximum of 20% of the investment group's assets may be invested in equity securities from the same company (counterparty risk).
7. Equity securities are held from a minimum of 12 different companies.
8. The investment group can invest exclusively in collective investments. This is subject, as a rule, to an individual limit of 20%, with the exception of collective investment instruments that were issued by a Swiss investment foundation or are supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment may exceed 20% of the investment group's assets, provided this investment is approved by a foreign supervisory authority that has concluded a cooperation and information exchange agreement with FINMA (Art. 120, cl. 2e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

## **Art. 14 Foreign Equities ESG**

1. The investment group's assets are primarily invested in equity securities from companies based outside Switzerland. A maximum of 2% of assets may be invested in companies based in Switzerland. Sustainability aspects such as environmental, social and governance ("ESG criteria") are systematically taken into account in the investment process. The investment group tracks the benchmarks specified in item 2.
2. Customised benchmark:  
80% MSCI World ex Switzerland ESG Leaders, in CHF  
15% MSCI AC World Small Cap, in CHF  
5% MSCI Emerging Markets, in CHF
3. Investment style: active core-satellite approach.
4. Tracking Error – calculated using monthly data – is not to exceed 3% p.a. over three years.
5. Based on Art. 26a cl. 1b ASV, individual companies, contrary to Art. 54a BVV 2, have a weighting in excess of 5% of the investment group's assets.
6. Up to 10% of the investment group's assets can be invested in an individual company (counterparty risk), with an index weighting in excess of 5%.
7. Equity securities are held from a minimum of 250 different companies.
8. The weighting for the economic areas of North America, Europe and Japan in the investment group may deviate from the benchmark by a maximum of 25%.
9. Up to 10% of assets can be held in non-benchmarked companies, provided the debtors are comparable to those in the benchmark.
10. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

## **Art. 15 Equities Foreign ESG Indexed**

1. The investment group's assets are primarily invested in equity securities from companies based outside Switzerland. A maximum of 2% of assets may be invested in companies based in Switzerland. Sustainability aspects such as environmental, social and governance ("ESG criteria") are systematically taken into account in the investment process. The investment group tracks the benchmark specified in item 2.
2. Benchmark: MSCI World ex Switzerland ESG Leaders, in CHF
3. Investment style: passive approach
4. Tracking error – calculated using monthly data – is not to exceed 0.3% p.a. over three years.
5. Weighting per company may deviate by a maximum of +/- 0.5 percentage points from the benchmark weighting. Due to this limit per company and depending on the company's current weighting in the benchmark, a company may own a greater than 5% share in the assets of the investment group, i.e. a deviation from Art. 54A BVV2.
6. The investment group may temporarily invest in companies that are not yet or no longer included in the benchmark due to index adjustments. The weighting of companies whose inclusion in the benchmark has just been announced may deviate from the expected benchmark weighting by a maximum of +0.5 percentage points. The weighting of companies that have been excluded from the benchmark may not exceed the last published benchmark weighting by more than +0.5 percentage points.
7. The investment group may invest exclusively in collective investments. This is subject, as a rule, to an individual limit of 20%, with the exception of collective investment instruments that were issued by a Swiss investment foundation or are supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the

investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 para. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

#### **Art. 16 Equities Global ESG**

1. The investment group's assets are invested globally in equity securities of companies whereby environmental, social and governance (ESG) criteria are systematically taken into account in the investment process. Companies are selected or excluded by means of both positive and negative screening. For example, companies with an ESG rating of CCC and a red controversy flag according to the MSCI methodology are excluded, if they have no active stewardship. In addition, producers of controversial weapons, companies that generate more than 10% of earnings from thermal coal, companies from countries that are blacklisted by the FATF (Financial Action Task Force) as well as companies that are on the UN Global Compact Failure list (if they have no active stewardship) are also excluded. Furthermore, up to 35% of capital assets are invested in dedicated impact strategies comprising investments in companies that contribute to the achievement of various United Nations Sustainable Development Goals.
2. Investment style: active approach
3. A maximum of 5% of assets may be invested in equity securities from the same company.
4. Equity securities are held from a minimum of 250 different companies
5. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

#### **Art. 17 Equities Global Small Caps**

1. The investment group's assets are invested globally in small-cap equity securities.
2. Benchmark: MSCI AC World Small Cap, in CHF
3. Investment style: active approach
4. Tracking error – calculated using monthly data – is not to exceed 5% p.a. over three years.
5. Equity securities are held from a minimum of 100 different companies.
6. A maximum of 5% of assets may be invested in equity securities from the same company.
7. The securities are selected according to the principle of an appropriate sectoral and geographic distribution.
8. Investments are made in equity securities that are listed on a stock exchange or traded on another regulated market open to the public.
9. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

## Art. 18 Equities Emerging Markets ESG

1. The investment group's assets are primarily invested in equity securities from companies based in developing countries. Sustainability aspects such as environmental, social and governance ("ESG criteria") are systematically taken into account in the investment. The investment group tracks the benchmark specified in item 2.
2. Benchmark: MSCI Emerging Markets, in CHF
3. Investment style: active approach
4. Tracking error – calculated using monthly data – is not to exceed 6.5% p.a. over three years.
5. Equity securities are held from a minimum of 40 different companies.
6. A maximum of 5% of assets may be invested in equity securities from the same company. The limit may be exceeded contrary to Art. 54a BVV/OPP 2 if the company is represented in the benchmark. However, the company's weighting in the investment group may not exceed the corresponding benchmark weighting by more than 5 percentage points.
7. Participations in companies with an individual weighting of more than 5% may not exceed 40% of the investment group's capital assets. ~~Non-benchmark companies may account in total for up to a maximum of 15% of the assets as long as such companies have similar properties to those contained in the benchmark.~~
8. Non-benchmarked companies are used since they afford additional opportunities, increase liquidity and as a positive effect on the investment group's risk profile can be expected.
9. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

## Art. 19 Equities Global Protect Flex (CHF hedged)

1. The investment universe of the investment group comprises companies from the main foreign stock market indices (in particular S&P 500, EuroStoxx 50, FTSE 100 and Nikkei 225) as well as the SMI. The corresponding investments may take the form of equity securities, collective investments, or derivative instruments. Foreign currency risks are at least 90% hedged against Swiss francs.
2. Investment style: rule-based active equity strategy with complementary hedging strategy. The investment group comprises a core portfolio plus a hedging strategy. The core portfolio mirrors the key foreign stock market indices as well as the SMI by market capitalisation, or an alternative weighting scheme (e. g. equal weighting or minimum volatility).
3. The additional use of a hedging strategy involving options has the effect of reducing price losses in the event of heavily falling markets and possibly limiting upside potential in the event of sharply rising markets. This involves a combination of a purchased put option and a sold put option with different exercise levels: the purchased put option has a higher exercise level than the sold option. The sale of the put option, however, is not obligatory, but in appraisal of market conditions. The choice of exercise level for the purchased put option, too, depends on current market assessment (between 90% and 100%). In addition, when the markets are trending downward, call options are sold between 101% and 107%.
4. Liquid assets held in connection with the derivative instruments employed may be invested in the money market.
5. A maximum of 10% of the assets can be invested with the same debtor, or 5% of the assets in equity securities of the same company.
6. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for

distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

## Alternative investments

### Art. 20 Senior Secured Loans (CHF hedged)

1. The investment group's assets are mainly invested in unsubordinated senior secured loans of companies in developed countries (OECD member states).
2. A maximum of up to 15% may also be held in other debt instruments or debentures issued by public and private debtors (e.g. high yield bonds), subordinated senior secured loans, collateral loan obligations and equities that result from the conversion of an investment in senior secured loans, whereby this restriction does not apply to investments in debt instruments issued by governments and government-affiliated debtors that are considered cash equivalents (a term of not more than three months). Equities that result from the conversion of an investment in senior secured loans often do not fulfil the criterion of being listed on a stock exchange or traded another regulated market open to the public. These assets must therefore be sold in a timely manner.
3. The investments pursuant to cl. 1 and 2 are subject to the following bandwidths
  - North America: 50% – 100%
  - Europe (excl. Switzerland): 0% – 60%
  - Switzerland: 0% – 10%
  - Asia Pacific: 0% – 10%
  - Other: 0% – 10%
4. In the interests of the investors, the investment group may, in justified exceptional cases, temporarily invest its assets in cash, cash equivalents and money market instruments.
5. Foreign currency risks are at least 90% hedged against Swiss francs.
6. No derivatives are used at the investment group level. Any derivatives (including for currency hedging) are used solely at the target fund level.
7. Investment style: active
8. The investment group may hold senior secured loans and assets pursuant to cl. 2 above from at least 50 different debtors, provided there is an appropriate distribution across various industrial sectors.
9. A maximum of 5% of the investment group's assets may be invested in senior secured loans or assets pursuant to cl. 2 above issued by the same debtor, with the exception of debt instruments issued by governments and government-affiliated debtors.
10. A maximum of 25% of the investment group's assets may be invested in senior secured loans or assets pursuant to cl. 2 in the same industrial sector; this restriction does not apply to investments in debt instruments issued by governments and government-affiliated debtors.
11. The individual positions must have a rating of between "Baa1" and "B3" from Moody's or between "BBB+" and "B-" from Standard & Poor's at the time of their acquisition. The investment group may also hold positions that have been downgraded after acquisition to less than "B3" according to Moody's or "B-" according to Standard & Poor's, provided this is in the investors' interests. This restriction does not apply to debt instruments issued by governments and government-affiliated debtors that have a higher rating. In the case of different ratings according to Standard & Poor's and Moody's that are more than two rating levels apart, the lower of the two ratings shall apply. The active acquisition of positions that have a rating of less than "B-" according to Standard & Poor's or lower than "B3" according to Moody's is not



permitted. Positions issued by debtors that do not have a rating from Standard & Poor's or Moody's may be acquired on the basis of an internal credit analysis of the asset manager, provided this is in the investors' interests.

12. The investment group generally invests exclusively in collective investments. This is subject, as a rule, to an individual limit of 20%, with the exception of collective investment instruments launched by a Swiss investment foundation, or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment may be more than 20% of the investment group's assets, provided this investment is approved by a foreign supervisory authority that has concluded a collaboration and information exchange agreement with FINMA (Art. 120, cl. 2e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

## Investments in Infrastructure

### Art. 21 Infrastructure Global ESG (CHF hedged)

1. The investment group's infrastructure investments are made exclusively through the Infrastructure Global ESG (EUR) investment group. The Infrastructure Global ESG (CHF hedged) investment group differs from the latter mainly by hedging foreign currency risks. In addition, it maintains the liquidity required for currency hedging.
2. The investment guidelines and the prospectus of the Infrastructure Global ESG (EUR) investment group form an integral part of these investment guidelines, unless otherwise specified in points 3 and 5 below. Investors will accordingly be informed of any changes to the investment guidelines or prospectus at the same time as investors in the Infrastructure Global ESG (EUR) investment group.
3. Up to 10% of the investment group's assets may be acquired and/or held as cash and cash equivalents, money market instruments, money market funds, bonds and/ or debentures in order to create liquidity reserves. The minimum requirement when acquiring the above-mentioned debt securities is a rating of BBB- (S&P), Baa3 (Moody's) or BBB- (Fitch); money market instruments require a short-term rating of A-2 (S&P), P-2 (Moody's) or F2 (Fitch). Positions may be held after they have been downgraded if doing so is in the interests of investors. The limit of 10% may, as an exception and temporarily, be exceeded in order to settle capital calls and repayments as well as in the case of larger liquidity inflows in connection with currency hedging transactions. If there is excess liquidity at any point, it may be reimbursed to investors in cash on a pro-rata basis.
4. Short-term borrowing for technical reasons is permitted.
5. Derivatives may only be used to hedge foreign currency risks. The investment group may only use derivative instruments in accordance with the conditions specified in Art. 56a BVV 2 and supervisory practice in this connection. Foreign currency risks are hedged with forward contracts of up to 12 months. Foreign currency forwards, swaps and futures are permitted. The scope of the hedging depends on the investment group Infrastructure Global ESG (CHF hedged) participation in the Infrastructure Global ESG (EUR) investment group. Investment group assets that are to be hedged must be hedged at a rate of no less than 80% up to a total of 100% in total as of the relevant valuation date. The hedging may, by way of exception and temporarily (if the available liquidity cushion is not sufficient to provide the hedging collateral), fall below 80%. Investors are informed immediately after the 80% hedging limit has been breached. As soon as the investment group regains sufficient liquidity, the hedging will be increased again.

## Art. 22 Infrastructure Global ESG (EUR)

1. The investment group's assets are invested around the world, mainly in infrastructure facilities. New commitments are allocated to ensure that the following ranges are observed for each region:
  - Europe (in particular, Western Europe and the UK): 50 – 80%
  - North America (in particular, the USA): 10 – 45%
  - Switzerland: 0 – 20%
  - Rest of the world: 0 – 20%
2. The investment group invests in the following sectors, with new commitments allocated to ensure that the following ranges are observed:
  - Renewable energy/energy (e. g. utilities, hydroelectric power plants, solar and wind farms, electricity grids): 30 – 60%
  - Utilities (e. g. water supply facilities): 0 – 45%
  - Communication (e. g. telecommunication facilities): 0 – 40%
  - Transport (e.g. roads, ports, airports): 0 – 40%
  - Social infrastructure (e. g. schools, universities, hospitals): 0 – 30%
  - Miscellaneous (e. g. waste disposal and wastewater facilities): 0 – 20%
3. The investment group invests in infrastructure facilities at different stages of development, with new commitments allocated to ensure that the following ranges are observed:
  - Brownfield (investments to restore and/or expand existing infrastructure facilities): 70 – 100%
  - Greenfield (infrastructure facilities in the construction phase/with no current income): 0 – 30%

### 4. The investment group aims to take adequate account of sustainability aspects; it has therefore defined corresponding ESG criteria.

4.5. The investment group mainly invests in infrastructure facilities indirectly via Swiss Life collective investment schemes (target funds); if necessary, the collective investment schemes of other asset managers can also be used. In this case, the investment group invests in target funds with direct investments in infrastructure facilities. Direct investments by the target funds also include investment vehicles whose sole purpose is to hold an individual direct investment. The investment group can also make investments in other investment instruments, such as domestic and foreign investment companies, or via direct investments (incl. co-investments).

5-6. A maximum of 10% can be invested in exchange-trade collective investment schemes.

6-7. The investment group can invest up to 100% of its assets in primary target funds (newly launched infrastructure target funds), with a maximum investment of up to 40%, including in secondary target funds (existing infrastructure target funds).

7-8. The investment group primarily invests in closed collective investment schemes, although it may invest up to a maximum of 20% in open collective investment schemes.

8-9. A maximum of 20% can be invested in infrastructure holding companies (incl. co-investments); listed on a stock exchange or traded on another regulated market open to the public, a maximum of 5% of the investment group's assets can be invested directly in an individual infrastructure holding company.

10. A maximum of 20% can be invested in direct investments in infrastructure or infrastructure companies, incl. co-investments (hereafter referred to as: "direct investments"), with a maximum individual direct investment of 5% of the investment group's assets. Such direct investments can be held by the investment group as participations ~~via~~ special purpose vehicles (inc. minority participation) and subsidiaries. ~~These are subsidiary~~ Companies that the foundation controls by holding a majority of the company's capital and voting rights or as the sole owner count as subsidiaries.

- ~~11.~~ The investment group can grant loans to its subsidiary companies and special purpose vehicles as per item 10. Debt, guarantees and financial guarantees may not exceed 10% of the investment group assets in total.
- ~~12.~~ An investment in accordance with item 10 and item 11 may not exceed 10% of the investment group assets in total.
- ~~9.~~ and provide them with guarantees or sureties.
- ~~10-13.~~ In total, no more than 30% of the investment group's asset portfolio may be invested in infrastructure investment companies (incl. co-investments) in accordance with ~~item 9~~ and in direct investments in accordance with items 10 and 11.
- ~~11-14.~~ The investment group and its target funds typically make their investments in the form of equity capital and mezzanine capital, but they can also invest in infrastructure facilities in the form of debt capital. All investment and financing forms, such as equities, company shares and loans, are permitted.
- ~~12-15.~~ Investments in infrastructure ("infrastructure exposure") are understood to be the sum of the collective investment schemes, outstanding promises to pay for collective investments, direct investments in infrastructure, outstanding promises to pay for direct investments in infrastructure and investments in infrastructure holding companies.
- ~~13-16.~~ The use of derivatives to hedge currency, interest rate and market risks is permitted.
- ~~14-17.~~ Short-term borrowing for technical reasons is permitted. The systematic and long-term use of debt capital at the investment group and at target fund level is prohibited. The underlying infrastructure facilities may be financed with debt capital.
- ~~15-18.~~ Investments that involve additional payment obligations are not permitted.
- ~~16-19.~~ Up to 10% of the investment group's assets may be acquired and/or held as cash and cash equivalents, money market instruments, money market funds, bonds and/ or debentures in order to create liquidity reserves. The minimum requirement when acquiring the above-mentioned debt securities is a rating of BBB- (S&P), Baa3 (Moody's) or BBB- (Fitch); money market instruments require a short-term rating of A-2 (S&P), P-2 (Moody's) or F2 (Fitch). Positions may be held after they have been downgraded if doing so is in the interests of investors. The limit of 10% may, as an exception and temporarily, be exceeded in order to settle capital calls and repayments.
- ~~17-20.~~ The investment group can invest up to 20% of the assets in infrastructure debt-target funds in the form of debt capital ("infrastructure debt") (see cl. 11). The above rating requirements do not apply in this case.
- ~~18-21.~~ The investment group mainly invests in collective investment schemes (see cl. 4). This is subject, as a rule, to an individual limit of 20%, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment may be more than 20% of the investment group's assets, provided this investment is approved by a foreign supervisory authority that has concluded a collaboration and information exchange agreement with FINMA (Art. 120, cl. 2e CISA).
- ~~19-22.~~ Deviations from the provisions in cl. 1–3 and 5–~~13~~ may be made for a period of five years following the initial issue (26.05.2021).

## Real Estate

### Art. 23 Real Estate Switzerland ESG

1. The investment group's assets are invested in Swiss real estate, complying with an appropriate distribution of risks by region, location, type of use, size and age. Such properties include:
  - a) Residential property, business and commercial property and mixed-use properties (including free-hold apartments and building lease);

- b) Undeveloped sites, if they have been approved for development and are ready for immediate construction, provided that a legally binding building permit is not required;
- c) Participations in Swiss exchange-listed real estate companies and the acquisition of sole ownership of non-exchange-listed Swiss real estate companies, the sole object and purpose of which is to acquire and sell residential and commercial real estate in Switzerland, to develop sites in Switzerland and to rent and lease these properties;
- d) Parts of Swiss real estate funds or real estate investment groups of investment foundations.

The investment group primarily makes direct investments pursuant to letters a) and b) above. It aims for the following distribution:

- Residential: >50%
  - Commercial use: <50%
2. The investment group aims to take adequate account of sustainability aspects; it has therefore defined corresponding ESG criteria.
  3. Co-ownership properties without a majority of the co-ownership shares and votes in real estate in accordance with cl. 1, let. a) and b) are permitted as long as their total market value does not exceed 30% of the investment group.
  4. The investment group may not invest in buildings which are purely for factory or agricultural use and cannot be converted to other uses.
  5. Investments in building land, construction that has commenced and properties in need of renovations may not exceed a total of 30% of the investment group's assets.
  6. Investments in collective investments must be in compliance with Art. 56 BVV 2 and Art. 30 ASV and are limited to a maximum of 25% of the investment group's assets.
  7. Investments in collective investments must not jeopardise compliance with the investment guidelines or maintenance of management responsibility.
  8. Collective investments are only permitted if their sole purpose is to acquire, build on, let or lease the investment group's own properties.
  9. A collective investment may not make up more than 20% of the assets if the collective investment a) is not subject to supervision by FINMA or authorised for sale in Switzerland by it or b) has not been issued by a Swiss investment foundation.
  10. The investments must be spread over at least ten properties, ensuring appropriate risk diversification in terms of type of use, age and location. The market value of an individual property may not exceed 15% of the investment group's assets.
  11. Investments with obligations to make additional payments that exceed the original investment are not permitted.
  12. Mortgaging of the properties is permitted. The whole real estate portfolio may be mortgaged on average up to a maximum of one third of the market value. The loan-to-value ratio can as an exception and temporarily be increased to 50%, if this is necessary for liquidity purposes and is in the interests of the investors. The value of collective investments exceeding a loan-to-value ratio of 50% may make up no more than 20% of the investment group's assets.
  13. The investment group can temporarily accept mortgage notes on third-party properties in connection with an intended property purchase.
  14. In addition to sight and time deposits at first-class banks and the post office, money market investments may be made for liquidity management. Where there is a lack of investment opportunity, the investment group may also invest in Swiss franc debt securities of debtors based in Switzerland, with a term or remaining term of up to 12 months. A minimum requirement for acquisition is an "A" rating and the average rating quality must be at least "A+". Loans backed by mortgage collateral in accordance with Art. 53, cl. 1b, cl. 6 of the BVV 2 (Swiss mortgage deeds) to other Swiss Life Investment Foundation investment groups with direct investments in real estate in Switzerland are also permitted for liquidity management. The term of the loans may not exceed 12 months. The loans may not exceed 10% of the net asset value (NAV) of the investment group.
  15. A maximum of 5% of assets may be invested in equity securities from the same real estate company listed on an exchange in accordance with item 1 let. c). A maximum of 10% of the assets may be invested with the same debtor.

## **Art. 24 Real Estate Switzerland Retirement and Healthcare ESG**

1. Taking account of an appropriate distribution of risks by region, location and type of use, the investment group's assets are invested in Swiss retirement and healthcare-related properties. Such properties include:
  - a) Apartments suitable for older people, retirement homes with and without services, assisted living facilities, residential care facilities for people with dementia, senior residences and old-age and nursing homes;
  - b) Doctor's offices and medical centres, healthcare centres, laboratories, patient and senior hotels, outpatient therapy centres and clinics and hospitals for inpatient or outpatient care, recovery and convalescence facilities;
  - c) Health-promotion facilities, mixed-use properties and properties and grounds that can be converted to one of the aforementioned uses. Investments are made in real estate with and without operators;

The investment group primarily makes direct investments pursuant to letters a) to c) above. It aims for the following distribution:

- |  |          |
|--|----------|
| • Facilities with no inpatient care services   | 20 – 70% |
| • Nursing and old-age homes  | 0 – 50%  |
| • Healthcare-related properties (paramedicine and rehabilitation facilities, doctor's offices, hospitals etc.) | 0 – 50%  |

2. The investment group aims to take adequate account of sustainability aspects; it has therefore defined corresponding ESG criteria.
3. The investment group may invest its assets in real estate as the sole owner or as a joint owner, including leasehold buildings and building land.
4. The investments may be made as direct investments or as collective investments. .
5. Real estate held by subsidiaries that are owned solely by the investment foundation is considered equivalent to direct investments.
6. Investments in collective investments must be in compliance with Art. 56 BVV 2 and Art. 30 ASV and are limited to a maximum of 25% of the investment group's assets.
7. Investments in collective investments must not jeopardise compliance with the investment guidelines or maintenance of management responsibility.
8. Collective investments are only permitted if their sole purpose is to acquire, build on, let or lease the investment group's own properties.
9. A collective investment may not make up more than 20% of the assets if the collective investment a) is not subject to supervision by FINMA or authorised for sale in Switzerland by it or b) has not been issued by a Swiss investment foundation.
10. Participations in Swiss exchange-listed real estate companies whose sole purpose is to acquire, sell, build on, let or lease the investment group's own properties are permitted.
11. Co-ownership properties without a majority of the co-ownership shares and votes in real estate in accordance with item 1, a) to c) are permitted as long as their total market value does not exceed 30% of the investment group.
12. Investments in undeveloped sites are permitted if they have been approved for development and are ready for immediate construction, provided that a legally binding building permit is not required.
13. The investment group may not invest in buildings which are purely for factory or agricultural use and cannot be converted to other uses.
14. Investments in building land, construction that has commenced and properties in need of renovations may not exceed a total of 30% of the investment group's assets.
15. The market value of an individual property may not exceed 15% of the investment group's assets. Developments built according to the same construction principles and adjacent plots of land count as a single property.
16. Investments with obligations to make additional payments that exceed the original investment are not permitted.
17. Mortgaging of the properties is permitted. The whole real estate portfolio may be mortgaged on average up to a maximum of one third of the market value. The loan-to-value ratio can as an exception and temporarily be increased to 50%, if this is necessary for liquidity purposes and is in the interests of the investors. The value of the real estate collective investments exceeding a loan-to-value ratio of 50%, can comprise a maximum of 20% of the investment group's assets.



18. In addition to sight and time deposits at first-class banks and the post office, money market investments may be made for liquidity management. Where there is a lack of investment opportunity, the investment group may also invest in Swiss franc debt securities of debtors based in Switzerland, with a term or remaining term of up to 12 months. A minimum requirement for acquisition is an "A" rating and the average rating quality must be at least "A+". Loans backed by mortgage collateral in accordance with Art. 53, cl. 1b, para. 6 of the BVV 2 (Swiss mortgage deeds) to other Swiss Life Investment Foundation investment groups with direct investments in real estate in Switzerland are also permitted for liquidity management. The term of the loans may not exceed 12 months. The loans may not exceed 10% of the net asset value (NAV) of the investment group.
19. A maximum of 5% of assets may be invested in equity securities from the same real estate company in accordance with para. 10. A maximum of 10% of the assets may be invested with the same debtor.
20. The provisions under 1, 11, 14 and 15 are not binding for up to five years following the initial issue (i.e. up to 29 November 2022).

## **Art. 25 Commercial Real Estate Switzerland ESG**

1. The investment group's assets are invested in Swiss real estate, complying with an appropriate distribution of risks by region, location, type of use, size and age. Such properties include:
  - a) Business and commercial property, mixed-use and residential properties (including freehold apartments and building lease);
  - b) Undeveloped sites, if they have been approved for development and are ready for immediate construction, provided that a legally binding building permit is not required;
  - c) Participations in Swiss exchange-listed real estate companies and the acquisition of sole ownership of non-exchange-listed Swiss real estate companies, the sole object and purpose of which is to acquire and sell residential and commercial real estate in Switzerland, to develop sites in Switzerland and to rent and lease these properties;
  - d) Parts of Swiss real estate funds or real estate investment groups of investment foundations. The focus is on properties in commercial use.

The investment group primarily makes direct investments pursuant to letters a) and b) above. It aims for the following distribution:

- Commercial use: >60%
  - Residential: <40%
2. The investment group aims to take adequate account of sustainability aspects; it has therefore defined corresponding ESG criteria.
  3. Co-ownership properties without a majority of the co-ownership shares and votes in real estate in accordance with item 1 let. a) and b) are permitted as long as their total market value does not exceed 30% of the investment group.
  4. The investment group may not invest in buildings which are purely for factory or agricultural use and cannot be converted to other uses.
  5. Investments in building land, construction that has commenced and properties in need of renovations may not exceed a total of 30% of the investment group's assets.
  6. Investments in collective investments must be in compliance with Art. 56 BVV 2 and Art. 30 ASV and are limited to a maximum of 25% of the investment group's assets.
  7. Investments in collective investments must not jeopardise compliance with the investment guidelines or maintenance of management responsibility.
  8. Collective investments are only permitted if their sole purpose is to acquire, build on, let or lease the investment group's own properties.
  9. A collective investment may not make up more than 20% of the assets if the collective investment a) is not subject to supervision by FINMA or authorised for sale in Switzerland by it or b) has not been issued by a Swiss investment foundation.
  10. The investments must be spread over at least ten properties, ensuring appropriate risk diversification in terms of type of use, age and location. The market value of an individual property may not exceed 15% of the investment group's assets.

11. Investments with obligations to make additional payments that exceed the original investment are not permitted.
12. Mortgaging of the properties is permitted. The whole real estate portfolio may be mortgaged on average up to a maximum of one third of the market value. The loan-to-value ratio can as an exception and temporarily be increased to 50%, if this is necessary for liquidity purposes and is in the interests of the investors. The value of collective investments exceeding a loan-to-value ratio of 50% may make up no more than 20% of the investment group's assets.
13. The investment group can temporarily accept mortgage notes on third-party properties in connection with an intended property purchase.
14. In addition to sight and time deposits at first-class banks and the post office, money market investments may be made for liquidity management. Where there is a lack of investment opportunity, the investment group may also invest in Swiss franc debt securities of debtors based in Switzerland, with a term or remaining term of up to 12 months. A minimum requirement for acquisition is an "A" rating and the average rating quality must be at least "A+". Loans backed by mortgage collateral in accordance with Art. 53, cl. 1b, cl. 6 of the BVV 2 (Swiss mortgage deeds) to other Swiss Life Investment Foundation investment groups with direct investments in real estate in Switzerland are also permitted for liquidity management. The term of the loans may not exceed 12 months. The loans may not exceed 10% of the net asset value (NAV) of the investment group.
15. A maximum of 5% of assets may be invested in equity securities from the same real estate company listed on an exchange in accordance with item 1 let. c). A maximum of 10% of the assets may be invested with the same debtor.

#### **Art. 26 Real Estate Funds Switzerland**

1. The investment group's assets are invested in real estate collective investments via a target fund, complying with an appropriate distribution of risks. The investment group tracks the benchmark specified in item 2.
2. Benchmark: SXI Swiss Real Estate® Funds TR (consists of the ten largest and most liquid real estate funds on the Swiss stock exchange).
3. Target fund investment style: Close to benchmark
4. Tracking error – calculated using monthly data – is not to exceed 3% p.a. over three years.
5. The real estate collective investments of the target fund must be listed on the SIX Swiss Exchange.
6. The average loan-to-value ratio within the real estate collective investments considered may not exceed one third of the estimated market value of the properties. The value of the collective real estate investments with a loan-to-value ratio in excess of 50% may account for up to 20% of the investment group's assets.
7. An individual limit of 20% applies, with the exception of the collective investment instrument launched by a Swiss investment foundation, or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the part of a foreign collective investment may be more than 20% of the investment group's assets, provided this investment has been approved by a foreign supervisory authority with which FINMA has concluded a cooperation and information exchange agreement (Art. 120, cl. 2e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.
8. Direct investments in real estate at investment group level are not permitted.

#### **Art. 27 Real Estate Europe Industry and Logistics ESG (CHF)**

1. The investment group's assets will be invested in European industrial and logistics properties via a collective investment scheme (target fund); mixed-use properties (such as industrial and logistics properties with a small share of residential or commercial tenants) are also possible. The following are considered industrial and logistics properties:

- a. Industrial properties, i.e. mixed-use commercial properties that typically have a medium-sized tenant structure. In this case the types of use include, in particular, production, warehouses, offices, research and services;
- b. Logistics properties used to store, pick and distribute goods. They are typically at least 10 000 m<sup>2</sup> and have very few offices. Deviations from the minimum size are possible, especially in the case of city/last mile logistics.
2. The investment group makes investments via the target fund in accordance with 1 a) and b) above; in doing so, it aims for the following distribution of use types:
  - Industrial properties: 40 – 60%
  - Logistics properties: 40 – 60%
3. The investment group invests in European industrial and logistics properties indirectly via the target fund, with an appropriate risk distribution in terms of countries, regions and locations. The investment group aims for the following country distribution:
  - Germany: 10 – 50%
  - France: 10 – 50%
  - Benelux: 5 – 25%
  - UK: 0 – 30%
  - Switzerland: 0 – 20%
  - Other: 0 – 20%
4. The sole purpose of the collective investment scheme (target fund) is the purchase, sale, development, letting or leasing of own industrial and logistics properties (active portfolio management).
5. The investment group aims to take appropriate account of sustainability aspects by defining the corresponding ESG criteria.
6. The share of the foreign collective investment scheme (target fund) cannot make up more than 20% of the investment group's assets, as the target fund has been authorised by a foreign supervisory authority with which FINMA has concluded an agreement in accordance with Art. 120, para. 2e of the Collective Investment Schemes Act of 23 June 2006.
7. The market value of an individual property held by the investment group indirectly via the target fund may not exceed 15% of the investment group's assets. Developments built according to the same construction principles and adjacent plots of land count as a single property.
8. Building land, construction that has commenced and properties in need of renovation that are held by the investment group indirectly via the target fund may not exceed a total of 30% of the investment group's assets.
9. Mortgaging of the properties that are held by the investment group indirectly via the target fund is permitted. The whole real estate portfolio may be mortgaged on average up to a maximum of one third of the market value. The loan-to-value ratio can as an exception and temporarily be increased to 50%, if this is necessary for liquidity purposes and is in the interests of the investors.
10. In addition to the mortgaging in accordance with para. 9, short-term borrowing that is necessary for technical reasons is permitted at the investment group level.
11. Holding liquidity with a term of up to 12 months is permitted at the investment group level up to a share of 10% of the total volume of the investment group. In addition to sight and time deposits at first-class banks and the post office, money market investments may also be held. Where there is a lack of investment opportunity, the investment group may also invest in Swiss franc debt securities of debtors based in Switzerland and the EU, with a term or remaining term of up to 12 months. A minimum requirement for acquisition is an "A" rating and the average rating quality must be at least "A+". The limit of 10% may, as an exception and temporarily, be exceeded in order to settle capital calls and repayments as well as in the case of larger liquidity inflows in connection with currency hedging transactions. If there is excess liquidity at any point, it may be reimbursed to investors in cash on a pro-rata basis.
12. Direct investments in properties at the investment group level are not permitted.
13. Derivatives may only be used to hedge foreign currency risks. The investment group may only use derivative instruments in accordance with the conditions specified in Art. 56a BVV 2 and supervisory practice in this connection. The foreign currency risks are hedged with forward contracts of up to 12 months. Foreign currency forwards, swaps and futures are permitted. Investment group assets that are to be hedged must be hedged at a rate of no less than 80%



in total as of the relevant valuation date. The hedge may, as an exception and temporarily, (if the existing liquidity buffer is not sufficient to provide hedging collateral) be less than 80% or, as a last resort, be dispensed with entirely. Investors are informed immediately if the hedge goes below the 80% hedging limit. As soon as the investment group regains sufficient liquidity, the hedging will be increased again.

14. The provisions under 2, 3, 7 and 8 are not binding for a maximum of up to five years following the initial issue.

## **Art. 28 Real Estate Europe Industry and Logistics ESG (EUR)**

1. The investment group's assets will be invested in European industrial and logistics properties via a collective investment scheme (target fund); mixed-use properties (such as industrial and logistics properties with a small share of residential or commercial tenants) are also possible. The following are considered industrial and logistics properties:
  - a) Industrial properties, i. e. mixed-use commercial properties that typically have a medium-sized tenant structure. In this case the types of use include, in particular, production, warehouses, offices, research and services;
  - b) Logistics properties used to store, pick and distribute goods. They are typically at least 10 000 m<sup>2</sup> and have very few offices. Deviations from the minimum size are possible, especially in the case of city/last mile logistics.
2. The investment group makes investments via the target fund in accordance with 1 a) and b) above; in doing so, it aims for the following distribution of use types:
  - Industrial properties: 40–60%
  - Logistics properties: 40–60%
3. The investment group invests in European industrial and logistics properties indirectly via the target fund, with an appropriate risk distribution in terms of countries, regions and locations. The investment group aims for the following country distribution:
  - Germany: 10 – 50%
  - France: 10 – 50%
  - Benelux: 5 – 25%
  - UK: 0 – 30%
  - Switzerland: 0 – 20%
  - Other: 0 – 20%
4. The sole purpose of the collective investment scheme (target fund) is the purchase, sale, development, letting or leasing of own industrial and logistics properties (active portfolio management).
5. The investment group aims to take appropriate account of sustainability aspects by defining the corresponding ESG criteria.
6. The share of the foreign collective investment scheme (target fund) cannot make up more than 20% of the investment group's assets, as the target fund has been authorised by a foreign supervisory authority with which FINMA has concluded an agreement in accordance with Art. 120, para. 2e of the Collective Investment Schemes Act of 23 June 2006.
7. The market value of an individual property held by the investment group indirectly via the target fund may not exceed 15% of the investment group's assets. Developments built according to the same construction principles and adjacent plots of land count as a single property.
8. Building land, construction that has commenced and properties in need of renovation that are held by the investment group indirectly via the target fund may not exceed a total of 30% of the investment group's assets.
9. Mortgaging of the properties that are held by the investment group indirectly via the target fund is permitted. The whole real estate portfolio may be mortgaged on average up to a maximum of one third of the market value. The loan-to-value ratio can as an exception and temporarily be increased to 50%, if this is necessary for liquidity purposes and is in the interests of the investors.
10. In addition to the mortgaging in accordance with para. 9, short-term borrowing that is necessary for technical reasons is permitted at the investment group level.

11. Holding liquidity with a term of up to 12 months is permitted at the investment group level up to a share of 10% of the total volume of the investment group. In addition to sight and time deposits at first-class banks and the post office, money market investments may also be held. Where there is a lack of investment opportunity, the investment group may invest in EUR debt securities of debtors based in the EU, with a term or remaining term of up to 12 months. A minimum requirement for acquisition is an "A" rating and the average rating quality must be at least "A+". The 10%- quota may exceptionally and temporarily be exceeded for the purpose of pro-cessing capital calls and repayments.
12. Direct investments in properties at the investment group level are not permitted.
13. The provisions under 2, 3, 7 and 8 are not binding for a maximum of up to five years following the initial issue.

## Mortgages

### Art. 29 Mortgages Switzerland ESG

1. The investment group's assets are invested mainly in sustainable Swiss mortgages via the collective investment (target fund) Swiss Life Mortgage Funds with the sub-fund Swiss Life ESG Mortgage Fund approved by FINMA. These are mortgage loans granted to Swiss Life Ltd (originator) customers that have the following characteristics:
  - a) They are structured as fixed-rate mortgages, ~~Libor~~/SARON mortgages or variable-rate mortgages denominated in Swiss francs;
  - b) The investment is based on residential, commercial and office properties in Switzerland;
  - c) They have a past, current or future payout date;
  - ~~b)~~ \_\_\_\_\_
  - e)d) They must be secured by a transferable mortgage note type (mortgage certificate in a specific name, bearer mortgage certificate or register mortgage certificate) and there are no previous liens in this regard (except for building contractor's charges for new builds, capital transactions for a charge on immovable property and retroactively registered legal liens). That means there are no priority security interests in the mortgage notes, any additional collateral or underlying mortgage loans in respect of other claims of the originator;
  - e)e) They have a minimum rating of R6. This is an internal Swiss Life rating, whereby R stands for "risk category". R6 corresponds to a maximum affordability of 1/3 of the available gross income for debtors of owner-occupied residential properties or means that net rental income must amount to at least 107% of the imputed rate of interest and ancillary property costs;
  - e)f) New builds (<1 year old buildings), which secure the mortgage loans, either have a Minergie® certificate (Minergie®, Minergie® P/A or Eco) or a CECB® Level A or B or equivalent; older properties (>one-year-old buildings) have either a Minergie® certificate (Minergie®, Minergie® P/A or Eco) or CECB® Level A, B or C or equivalent; buildings without Minergie certificate or CECB® or equivalent and buildings with CECB® or equivalent and buildings with a level D or E CECB® are taken into account if a financing request with CECB® Plus or equivalent including a list of the intended renovation measures is available and the renovations were completed no later than 24 months after payment of the financing and the property has a CECB® certificate level A, B or C or equivalent;
  - f)g) The buildings which secure the mortgage loans may not be listed as a polluted site in the cantonal cadaster of contaminated locations or by the federal offices responsible for implementing the Contaminated Sites Ordinance (CSO) in their respective areas (Federal Office of Transport FOPO, Federal Department of Defence, Civil Protection and Sport (DDPS) and Federal Office of Civil Aviation FOCA);
  - g)h) Buildings which secure the mortgage loans may not be located in areas designated by the Federal Office for the Environment FOEN for the protection and promotion of biodiversity in Switzerland;
  - h)i) Their maximum term for fixed-rate mortgages is 25 years from the payment to the mortgage customers;

- i) ~~The maximum permissible net loan-to-value ratio is 80% (as per SBA guidelines).~~ The net loan to-value is defined as the ratio of (i) the sum of outstanding principal amounts of all mortgage loans backed by the same properties, less additional collateral (2nd pillar and pillar 3a), and (ii) the sum of the market values of these properties.
2. In the absence of investment opportunities in mortgage loans pursuant to no. 1, the investment group may invest indirectly via the target fund in the following investments, subject to the provisions of no. 3:
- a) Debt securities and claims (bonds incl. covered bonds, notes), denominated in Swiss francs:
- (i) of private, public and mixed issuers, which are headquartered in Switzerland or which exercise the bulk of their business activities in Switzerland;
- (ii) ~~from issuers states and supranational organisations headquartered in Switzerland or which exercise the bulk of their business activities in Switzerland;~~
- ~~(iii) are denominated in Swiss francs;~~
- ~~(iv) at a fixed or variable rate.~~
- b) money market instruments denominated in Swiss francs from issuers worldwide;
- c) Swiss mortgage bonds denominated in Swiss francs;
- d) sight and time deposits denominated in Swiss francs;
- e) parts in collective investments investing in assets in accordance with 2 a) – c).
3. The investment group must comply indirectly with the following investment restrictions via the target fund:
- a) at least 85% in mortgage loans pursuant to no. 1;
- b) mortgage loans which, due to changes occurring since the signing of the mortgage contract, no longer meet the requirements of no. 1 are permitted up to a maximum volume of 33% of the capital assets;
- c) up to 15% in assets pursuant to 2 a)–c);
- d) The weighted average modified duration of the total assets held by the investment group indirectly via the target fund may exceed or undercut the target duration of 8% by no more than +/- 5 percentage points. The bandwidth may not be observed for a maximum of three consecutive months.
- ~~d) he weighted average duration of the total assets held by the investment group indirectly via the target fund may exceed or undercut the target duration of eight years by +/- five years for a maximum of three consecutive months.~~
4. Liquid assets shall not be included in the calculation of the shares pursuant to 3 a) and c).
5. The investment group must comply indirectly via the target fund with the following risk distribution conditions:
- a) The mortgage debt of an individual debtor may amount to a maximum of 10% of the capital assets;
- b) Max. 20% in sight and time deposits with the same bank. Liquid assets pursuant to no. 6 must also be included in this limit. For liquidity management purposes related to issues and redemptions of entitlements, the ratio can be temporarily increased to 30%. The increased liquidity ratio is to be reduced to 20% within 12 months, taking into account current market conditions and safeguarding investors' interests.
- c) The assets pursuant to 2 a) – c) may amount to a maximum of 10% with one individual borrower.
6. Holding liquidity with a term of up to twelve months is permitted at the investment group level up to a share of 10% of the total volume of the investment group. Money market investments may also be made in addition to sight and time deposits at first-class banks and the post office. In the event of insufficient mortgage loan investment opportunities, investments may be made at investment group level in CHF-denominated securities held by debtors residing in Switzerland with a maturity or remaining maturity of up to 12 months. A minimum requirement for acquisition is an "A" rating and the average rating quality must be at least "A+". The 10% quota may exceptionally and temporarily be exceeded in order to process repayments.
7. Only technically limited, short-term borrowing is permitted within the investment group. Short-term borrowing is permitted within the target fund held, in particular to bridge the mortgage payouts and to cover redemptions until these are covered by subscriptions and maturities.

8. The target fund may use derivatives for hedging purposes or for managing interest rate risk. Sight and time deposits denominated in a freely convertible currency may be used in this context.
9. Direct investments in mortgage loans at investment group level are not permitted.
10. The investment regulations in accordance with no. 3, 5 let. b and let. c and 6 must be complied with twelve months following the launch (30.11.2021) of the investment group at the latest. The investment regulation in accordance with item 5 let. a must be fulfilled after 24 months. The other investment regulations must be complied with from the launch.

## Mixed investments

### Art. 30 BVG-Mix 15

1. The investment group's assets are invested in the permitted investment categories in accordance with the legal restrictions applicable to debtors, companies, real estate and investment categories. The strategic equity component is 15%.
2. The following bandwidths apply to the investment group:

	BVG-Mix 15	
	Min.	Max.
Liquid Assets	0%	10%
Mortgages Switzerland	5%	21%
Bonds CHF	5%	50%
Bonds Foreign Currency (CHF hedged)	15%	40%
<b>Total nominal values</b> (incl. liquid assets)	<b>45%</b>	<b>85%</b>
Equities Switzerland	5%	20%
Foreign Equities	0%	20%
<b>Total equities</b>	<b>5%</b>	<b>20%</b>
Real Estate Switzerland	8%	25%
Real Estate Foreign	0%	10%
<b>Total real estate</b>	<b>8%</b>	<b>25%</b>
<b>Alternative investments</b>	<b>2%</b>	<b>8%</b>
<b>Foreign currencies</b> (without FX hedging)	<b>0%</b>	<b>30%</b>

3. Investment style: active.
4. The bonds have an average rating of at least "BBB+".
5. ~~Alternative investments in the form of broadly diversified collective investments are only permitted if they have been launched by an investment foundation or are supervised by FINMA or an equivalent foreign supervisory authority.~~
- 6-5. \_\_\_\_\_ The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted. Fund of funds products launched by companies of the Swiss Life Group and the Swiss Life Investment Foundation, which in turn include fund of funds products, are also permitted. Alternative investments are not subject to this restriction regarding fund of funds products., provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

### Art. 31 BVG-Mix 25

1. The investment group's assets are invested in the permitted investment categories in accordance with the legal restrictions applicable to debtors, companies, real estate and investment categories. The strategic equity component is 25%.
2. The following bandwidths apply to the investment group:

	<b>BVG-Mix 25</b>	
	<b>Min.</b>	<b>Max.</b>
Liquid Assets	0%	10%
<u>Mortgages Switzerland</u>	<u>0%</u>	<u>5%</u>
Bonds CHF	10%	60%
Bonds Foreign Currency (CHF hedged)	10%	40%
<b>Total nominal values</b> (incl. liquid assets)	<b>40%</b>	<b>70%</b>
Equities Switzerland	5%	30%
Foreign Equities	5%	20%
<b>Total equities</b>	<b>15%</b>	<b>35%</b>
Real Estate Switzerland	5%	18%
Real Estate Foreign	0%	8%
<b>Total real estate</b>	<b>5%</b>	<b>25%</b>
<b>Alternative investments</b>	<b>2%</b>	<b>8%</b>
<b>Foreign currencies</b> (without FX hedging)	<b>5%</b>	<b>30%</b>

3. Investment style: active.
4. The bonds have an average rating of at least "BBB+".
- ~~5. Alternative investments in the form of broadly diversified collective investments are only permitted if they have been launched by an investment foundation or are supervised by FINMA or an equivalent foreign supervisory authority.~~
- ~~6-5.~~ The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products launched by companies of the Swiss Life Group and the Swiss Life Investment Foundation, which in turn include fund of funds products, are also permitted. Alternative investments are not subject to this restriction regarding fund of funds products. Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

### **Art. 32 BVG-Mix 35**

1. The investment group's assets are invested in the permitted investment categories in accordance with the legal restrictions applicable to debtors, companies, real estate and investment categories. The strategic equity component is 35%.
2. The following bandwidths apply to the investment group:

	<b>BVG-Mix 35</b>	
	<b>Min.</b>	<b>Max.</b>
Liquid Assets	0%	10%
<u>Mortgages Switzerland</u>	<u>0%</u>	<u>5%</u>
Bonds CHF	5%	55%
Bonds Foreign Currency (CHF hedged)	10%	35%
<b>Total nominal values</b> (incl. liquid assets)	<b>30%</b>	<b>60%</b>
Equities Switzerland	10%	35%
Foreign Equities	10%	25%

<b>Total equities</b>	<b>25%</b>	<b>45%</b>
Real Estate Switzerland	5%	15%
Real Estate Foreign	0%	8%
<b>Total real estate</b>	<b>5%</b>	<b>18%</b>
<b>Alternative investments</b>	<b>2%</b>	<b>8%</b>
<b>Foreign currencies</b> (without FX hedging)	<b>10%</b>	<b>30%</b>

3. Investment style: active.
4. The bonds have an average rating of at least "BBB+".
- ~~5. Alternative investments in the form of broadly diversified collective investments are only permitted if they have been launched by an investment foundation or are supervised by FINMA or an equivalent foreign supervisory authority.~~

~~6.5.~~ The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products launched by companies of the Swiss Life Group and the Swiss Life Investment Foundation, which in turn include fund of funds products, are also permitted. Alternative investments are not subject to this restriction regarding fund of funds products. Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

#### Art. 33 BVG-Mix 45

1. The investment group's assets are invested in the permitted investment categories in accordance with the legal restrictions applicable to debtors, companies, real estate and investment categories. The strategic equity component is 45%.
2. The following bandwidths apply to the investment group:

	BVG-Mix 45	
	Min.	Max.
Liquid Assets	0%	10%
<u>Mortgages Switzerland</u>	<u>0%</u>	<u>5%</u>
Bonds CHF	5%	50%
Bonds Foreign Currency (CHF hedged)	5%	30%
<b>Total nominal values</b> (incl. liquid assets)	<b>25%</b>	<b>55%</b>
Equities Switzerland	15%	40%
Foreign Equities	10%	30%
<b>Total equities</b>	<b>35%</b>	<b>50%</b>
Real Estate Switzerland	5%	15%
Real Estate Foreign	0%	6%
<b>Total real estate</b>	<b>5%</b>	<b>18%</b>
<b>Alternative investments</b>	<b>2%</b>	<b>8%</b>
<b>Foreign currencies</b> (without FX hedging)	<b>10%</b>	<b>30%</b>

3. Investment style: active.
4. The bonds have an average rating of at least "BBB+".
- ~~5. Alternative investments in the form of broadly diversified collective investments are only permitted if they have been launched by an investment foundation or are supervised by FINMA or an equivalent foreign supervisory authority.~~

~~6.5.~~ The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the



exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory

authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products launched by companies of the Swiss Life Group and the Swiss Life Investment Foundation, which in turn include fund of funds products, are also permitted. Alternative investments are not subject to this restriction regarding fund of funds products. ~~Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products.~~ The collective investments must comply with these investment guidelines.

#### Art. 34 BVG-Mix 75 (Equity and foreign currency exposure exceeded under BVV 2)

1. The investment group's assets are invested in the permitted investment categories in accordance with the legal restrictions applicable to debtors, companies, real estate and investment categories, with the exception of the increased equity and foreign currency exposure (non-compliance with the relevant category restrictions). The strategic equity component is 75%.
2. The following bandwidths apply to the investment group:

	BVG-Mix 75	
	Min.	Max.
Liquid Assets	0%	10%
<u>Mortgages Switzerland</u>	<u>0%</u>	<u>5%</u>
Bonds CHF	0%	15%
Bonds Foreign Currency (CHF hedged)	5%	25%
<b>Total nominal values</b> (incl. liquid assets)	<b>5%</b>	<b>35%</b>
Equities Switzerland	25%	50%
Foreign Equities	25%	50%
<b>Total equities</b>	<b>55%</b>	<b>85%</b>
Real Estate Switzerland	2%	10%
Real Estate Foreign	0%	5%
<b>Total real estate</b>	<b>2%</b>	<b>10%</b>
<b>Alternative investments</b>	<b>2%</b>	<b>8%</b>
<b>Foreign currencies</b> (without FX hedging)	<b>15%</b>	<b>50%</b>

3. Investment style: active
4. The bonds have an average rating of at least "BBB".
- ~~5. Alternative investments in the form of broadly diversified collective investments are only permitted if they have been launched by an investment foundation or are supervised by FINMA or an equivalent foreign supervisory authority.~~

~~6-5.~~ The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products launched by companies of the Swiss Life Group and the Swiss Life Investment Foundation, which in turn include fund of funds products, are also permitted. Alternative investments are not subject to this restriction regarding fund of funds products. ~~Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products.~~ The collective investments must comply with these investment guidelines.

