

# Investment Regulations

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LibertyGreen Foundation for 3a Retirement Savings

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## Investment Regulations

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Relying on Article 9 of the Charter of LibertyGreen Foundation for 3a Retirement Savings (hereafter "Foundation"), the Board of Trustees hereby adopts the following Investment Regulations (hereafter "Regulations"):

### Art. 1 Purpose

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- 1 Pursuant to statutory requirements, these Regulations set out the rules and principles to be observed in the management and investment of pension assets, and regulate the organisation of asset management. The Foundation shall comply with these Regulations at all times.
- 2 These Regulations are binding for all individuals and entities entrusted with asset management.
- 3 The financial interests of account-holders shall always take precedence.
- 4 These Regulations shall be reviewed at least once a year and amended as necessary.
- 5 Costs and fees are set forth in the Fee Schedule.

### Art. 2 General principles

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- 1 Pursuant to Article 51a(2)(m) BVG, the Board of Trustees is responsible for defining the principles and objectives governing asset management and the implementation and monitoring of the investment process.
- 2 The Foundation is responsible for the proper administration of the pension assets in compliance with the BVG, BVV 2/OPP 2 and BVV 3/OPP 3. It only entrusts the investment and management of its pension assets to persons and institutions qualified and organised in such way as to guarantee compliance with the provisions of Article 48f of the BVV 2/OPP 2.
- 3 The Foundation offers a choice of custodian banks which it may change at any time for good reason.
- 4 The Foundation offers BVG-compliant investment solutions of its own or developed in cooperation with contractual partners.

### Art. 3 Investment Rules

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- 1 *Liquidity*: the Foundation shall at all times meet its obligations.
- 2 *Security*: in investing its assets, the Foundation shall offer the assurance of meeting pension objectives.
- 3 *Diversification*: the principles of risk diversification shall at all times be observed.

- 4 *Investment risk/profitability*: the account-holder bears sole responsibility for the asset value of his investments. Investing in securities may also produce losses. Therefore, the Foundation shall only recommend securities investments to account-holders having the corresponding risk profile and a medium-to long-term investment horizon. The Foundation assumes no liability for the risk profile submitted by the account-holder.

### Art. 4 Investments in general

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- 1 The Board of Trustees shall ascertain that all investment solutions are consistent with the investment guidelines stipulated in Article 71(1) BVG, Articles 49 to 58 BVV 2/OPP 2, and Article 5 BVV 3/OPP 3.
- 2 In the case of units or shares of collective investments, the debtor risk is basically the risk of the underlying values of the collective investment and not the risk of the domicile of the collective investment.
- 3 Relying on Article 5(3) BVV 3/OPP 3 in conjunction with Article 50(4) BVV 2/OPP 2, the Foundation also offers extended investment possibilities subject to compliance with Articles 5 to 7 of these Regulations.
- 4 Pursuant to Article 50(4) BVV 2/OPP 2, investments involving an obligation to make additional payments are not allowed, save for investments in individual properties in accordance with Article 53(5)(c) BVV 2/OPP 2.

### Art. 5 Extended investment possibilities

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- 1 The bases for the extended investment possibilities shall be determined by the Foundation in agreement with the account-holder, consultant or asset manager, as the case may be, in the framework of the investment solution chosen by the account-holder.
- 2 If an account-holder avails himself of the extended investment possibilities in accordance with Article 4(3) of these Regulations, the Foundation, consultant or asset manager shall make him aware of the specific risks involved.
- 3 In its financial statements prepared in accordance with Article 50(4) BVV 2/OPP 2, the Foundation shall evidence compliance with the security and risk diversification requirements under Article 50(1) to (3) BVV 2/OPP 2.

## Art. 6 Permissible extended investment possibilities

The following extended investments are permitted subject to compliance with diversification principles and if the risk capacity and risk tolerance of the individual account-holder is documented and secured:

### a) Investments in foreign currency claims

Foreign currency investments are permitted in euro, US dollars, British pounds, Canadian dollars or Australian dollars if the account-holder transfers his residence abroad. The assets must be transferred in the currency of the country where the account-holder is establishing his residence. Assets in exotic currencies must be converted into one of the above-mentioned currencies.

### b) Investments in diversified foreign currencies

All negotiable and liquid currencies are permitted.

### c) Investments in equities, similar securities and other participations

#### d) Real estate investments

Investment in real estate is restricted to collective investment funds or listed investment companies with a regularly calculated market value (NAV or net asset value, market price). Investments in listed investment companies may not exceed 5% of an account-holder's assets.

### e) Alternative investments without additional payment obligations

Include hedge funds, futures funds, commodities, private equity, insurance-lined securities, perpetual bonds, senior secured loans, COCO bonds, asset-backed securities (ABS), collateralised debt obligations (CDO) or synthetic products based on credit default swaps. Alternative investments are restricted to collective investment funds or listed investment companies with a regularly calculated market value (NAV or net asset value, market price). Non-diversified collective investment funds (e.g. ETF gold) and investments in listed investment companies may not exceed 5% of an account-holder's assets.

### f) Investments in infrastructure

c) Investments in equities, similar securities and other participations:	100% max. 5% per company
d) Investments in real estate, of which max one third abroad:	50%
e) Alternative investments without additional payment obligations: For each non-diversified investment, max. 5% per fund or collective investment.	20%
f) Investments in infrastructure:	10%

## Art. 8 Choice of investments

- At their specific request, account-holders may manage their own assets. In consultation with the Foundation, consultant or asset manager, the account-holder shall choose among the investment solutions offered by the Foundation taking into account his capacity for risk and risk tolerance. The Foundation shall assess risk tolerance and capacity for risk according to recognised standards. The Foundation, consultant or asset manager shall explain the investment risks involved and the associated costs and fees.
- The account-holder shall announce his chosen investment solutions (investment decision) electronically (in the case of an online account/deposit opening) or by written notice.
- In the framework of the investment solutions, the investment decision may be changed at any time with the Foundation's consent. In that case, the account-holder must be informed anew in accordance with paragraph 1 about the risks, costs and fees involved in the offered investment solutions. The consultant or asset manager shall review the account-holder's personal risk check, risk profile and investment strategy. The desired change shall be implemented after the electronic (via the online portal) or written notice is received. Switching from a securities solution to an account solution is possible at any time and the Foundation shall execute the corresponding instructions in a timely manner after receiving the electronic (via the online portal) or written order. In case of a switch from an account solution to a securities solution, or in the event of a disbursement, the Foundation may require 31 days' advance notice.

## Art. 7 Category limits for extended investment possibilities

For the individual categories of extended investments under Article 6, the following limits shall apply with regard to the available pension assets:

a) Investments in foreign currency claims:	80%
b) Investments in diversified foreign currencies:	60% max. 30% per currency

## Art. 9 Stock orders

- Orders to buy or sell securities, derivatives, foreign currencies, etc. (hereinafter referred to as "stock orders") shall always be placed in writing.
- Securities cannot be bought before the pension assets have been conclusively received (after the due opening of the account or securities deposit) and allocated to the account-holder.

- 3 The account-holder must always maintain sufficient cash on his account to cover costs and fees.
- 4 Purchased securities shall be charged to the relevant account and credited to the account-holder's securities deposit. Execution prices shall be determined by the custodian banks on the relevant stock exchanges or in accordance with the NAV published elsewhere. The proceeds from the sale of securities shall be credited to the account-holder's corresponding account.
- 5 Stock orders shall be executed observing cantonal bank holidays at the main office of the Foundation and the custodian banks, and subject to the trading days and trading hours on the relevant stock markets. Unless otherwise stated, orders shall be executed at-best. The Foundation shall endeavour to apply order processing rules as well as possible, particularly in the case of investment stops. This is not a binding commitment to provide service, nor shall it constitute grounds for any contractual or extra-contractual claim. The Foundation declines any liability whatsoever for orders executed belatedly or not at all.

#### **Art. 10 Qualification criteria for asset managers, consultants and intermediaries as contractual partners**

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

#### **Art. 11 Asset manager selection procedure**

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- 1 The account-holder shall sign an authority empowering the asset manager in respect of the Foundation.
- 2 The Foundation shall sign a corresponding authority empowering the asset manager in respect of the custodian bank chosen by the account-holder.

#### **Art. 12 Compliance and monitoring of investment guidelines**

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- 1 The persons entrusted with asset management shall ensure compliance at all times with the investment guidelines under

Article 71(1) BVG, Articles 49 to 58 BVV2/OPP2, and Article 5 BVV3/OPP3.

- 2 The Foundation shall monitor compliance by periodical sampling.
- 3 In case of non-compliance with the guidelines for any reason, the persons entrusted with asset management shall, of their own accord, promptly restore due legal and contractual compliance.
- 4 Moreover, they shall make any necessary adjustments at the Foundation's first request and shall confirm the due implementation of such adjustments to the Foundation in writing. In the case of alternative investments, other funds and investments in infrastructure, adjustments shall be made on the next issue or redemption date.
- 5 In case of non-compliance with the investment guidelines, the Foundation shall be entitled to make the necessary adjustments in the securities deposit.

#### **Art. 13 Accounting principles**

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- 1 The accounting and valuation principles shall be in accordance with Articles 47, 48 and 48a BVV 2/OPP 2 and SWISS GAAP FER 26.
- 2 Securities shall be stated at market value on the balance sheet date. Other investments and claims shall be stated at face value less any necessary value adjustments. Assets and liabilities denominated in foreign currencies shall be converted at the closing rate, while income and expenses shall be converted at the current rate.
- 3 Exceptions require Board of Trustee approval.

#### **Art. 14 Reporting and controlling**

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- 1 At least once a year, the Foundation shall inform each account-holder about the status of his pension assets, and issue him a statement of assets.
- 2 Through the Manager of the Foundation, the Board of Trustees shall ensure that the investment strategies agreed with the account-holders and asset managers are respected and that the corresponding investment limits are periodically checked. More-over, the Foundation shall periodically review the performance, costs and quality of service of the persons and entities entrusted with asset management.
- 3 The persons and entities entrusted with asset management shall make asset statements and account statements available to the Foundation at least once a year. Their reporting shall essentially cover the investments made, investment performance, compliance with the investment strategy, tactical bandwidths and investment guidelines. Their reporting shall also substantiate the use of derivatives.

- 4 The Foundation shall decide the price and NAV providers (e.g. Telekurs, Fides, Market Map, etc.) for the valuation and BVV 3/OPP 3 evaluation of the securities deposit.

## Art. 15 Corporate governance

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The Foundation delegates the exercise of shareholder rights to the custodian bank.

## Art. 16 Ethics in asset management

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- 1 Basic principle:
  - a) The persons and bodies involved in asset management operations shall comply with the provisions of federal law concerning ethics in asset management (Articles 48f to 49a BVV2/OPP2).
  - b) The Foundation requires all partners entrusted with asset management mandates to deliver a written confirmation of compliance with ethics in asset management once a year.
- 2 Code of conduct:

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

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

- g) all private business ties and interests shall be disclosed to the Board of Trustees. Potential conflicts of interest shall be avoided through systematic separation of executive and controlling functions;
- h) all involved persons and entities are strictly bound to secrecy with regard to any confidential information acquired by them in the scope of their activities for the Foundation.

## Art. 17 Omissions and exceptions

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

## Art. 18 Amendments

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The Board of Trustees may decide to amend these Regulations at any time. The Foundation shall inform account-holders in an appropriate manner about any amendments to these Regulations. The currently valid version is available at [www.libertygreen.ch](http://www.libertygreen.ch) or may be obtained from the Foundation.

## Art. 19 Language and equality

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

## Art. 20 Jurisdiction and governing law

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These Regulations are governed by Swiss Law. Disputes between the account-holder, any other beneficiaries and the Foundation shall be subject to the jurisdiction of the courts in accordance with Article 73 BVG. Otherwise the place of jurisdiction for all types of proceedings shall be Schwyz, which shall also be the place of performance and debt recovery for account-holders and contractual partners not resident or domiciled in Switzerland.

## Art. 21 Validity

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These Regulations come into force on 1 July 2023; they cancel and supersede the prior Regulations of 12 March 2021.

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Schwyz, 22 June 2023

Board of Trustees, LibertyGreen Foundation for 3a Retirement Savings