

# Investment Guidelines

Swisscanto Vested Benefits Foundation of the Cantonal Banks

Pursuant to Art. 10 of the deed of foundation, the Board of Foundation of the Swisscanto Vested Benefits Foundation of the Cantonal Banks (hereinafter the "Foundation") issues the following guidelines.

## 1. Purpose

Within the scope of the statutory provisions, the present Investment Guidelines define the policy holders' investment options, and set out the principles of securities-based saving and the corresponding responsibilities and processes. The guidelines form part of the pension fund regulations of the Swisscanto Vested Benefits Foundation of the Cantonal Banks.

## 2. General information

<sup>1</sup> The assets are managed in accordance with principles formulated in Arts. 19 and 19a of the Ordinance on the Vesting of Occupational Old-Age, Survivors' and Invalidity Benefits (VBO).

<sup>2</sup> The Board of Foundation ensures compliance with the investment regulations set out in Arts. 49–58 of the Ordinance of 1 April 1984 on Occupational Old-Age, Survivors' and Invalidity Pension Provision (OPO 2).

## 3. Organization and division of responsibilities

The Foundation is responsible for managing the pension assets.

The tasks and obligations of the Board of Foundation are, in particular:

- To determine the sales partners and custodian banks;
- To select the investment products for securities-based saving
- Definition of objectives and principles of asset management;
- Supervision of the investment process.

## 4. Types of investment

Policy holders may either deposit their pension assets in a vested benefits account with the interest-paying cantonal bank of their choice and/or invest them in securities.

### 4.1 Vested benefits account

<sup>1</sup> The Foundation sets up a savings account for the policy holder's assets with the interest-paying cantonal bank chosen by the policy holder. The respective interest-paying cantonal bank keeps a collective account in the name and for the account of the Foundation, where the vested benefits are invested as savings deposits for the individual insured persons in accordance with the Federal Act of 8 November 1934 on Banks and Savings Banks (Banking Act, BankG).

<sup>2</sup> The assets in the vested benefits account earn interest at the rate set by the interest-paying cantonal bank. No minimum interest rate is guaranteed.

<sup>3</sup> Outgoing payments are normally made in Swiss francs and are credited to /debited from an account in Switzerland kept in the policy holder's name. In justified cases, the Foundation may depart from this principle at the policy holder's request. In this case, the policy holder must bear any bank fees and exchange-rate losses.

### 4.2 Securities-based saving

<sup>1</sup> With securities-based saving, the Foundation provides the policy holders with the investment products of third-party providers. The range of investment products available and the providers of those products are listed in the Annex to these Investment Guidelines.

<sup>2</sup> The Board of Foundation may change its selection of investment products at any time. If an investment product is no longer offered by the Foundation or discontinued by the provider, the policy holders in question will be informed in advance.

<sup>3</sup> The investment products are deposited in a safe-keeping account opened by the Foundation in the policy holder's name with a third-party provider; the rights and units held are managed via that account. The investments and the income earned on them form part of the pension assets.

## **5. Principles of securities-based saving**

<sup>1</sup> Securities-based saving is an option only available to policy holders resident in Switzerland. Securities-based saving may be restricted for policy holders resident in Switzerland who subsequently relocate abroad.

<sup>2</sup> The policy holder is free to decide whether to invest in investment products and, if so, in which ones. To this end, a customer advisor at an interest-paying cantonal bank explains the investment risks to the policy holder and, in the course of a professional risk assessment, consults with the policy holder on his/her risk capacity. The risk capacity determined by the interest-paying cantonal bank cannot be overridden by the policy holder's risk appetite.

<sup>3</sup> That portion of the policy holder's pension assets required for securities-based saving must be readily available to the Foundation at the time of purchase. Pension assets not used for securities-based saving remain on the vested benefits account.

<sup>4</sup> The policy holder bears the risk of changes in the price of the chosen investment products. For that portion of the pension assets invested in securities-based saving, the policy holder is entitled to neither a minimum return nor to capital preservation.

## **6. Purchases and sales with securities-based saving**

<sup>1</sup> With securities-based saving, the order to buy or sell must always be made in writing. In the case of initial purchases, the customer advisor at the interest-paying cantonal bank must also sign the order. The cantonal bank passes the order on to the Foundation.

<sup>2</sup> After the rights or units have been bought/sold, the policy holder receives a corresponding confirmation from the Foundation and, at the end of every year, a statement showing the policy holder's pension asset balance.

<sup>3</sup> Pension assets pledged in connection with the promotion of home ownership must not be invested in investment products without the pledgee's consent.

<sup>4</sup> The policy holder may ask the Foundation to sell part or all of his/her entitlements or units. The proceeds from the sale are credited to the respective vested benefits account.

<sup>5</sup> If the vested benefits account is (partially) closed in accordance with Art. 7 et seq. of the Foundation's pension fund regulations – namely by means of transfer of the pension assets to another employee benefit institution, advance withdrawal for the promotion of home ownership, termination and disbursement in cash, disbursement of the retirement benefits after the policy holder reaches OASi reference age, assignment of pension assets to a spouse by court order following a divorce (Art. 22 VBA) or if the death benefit falls due – the Foundation will first sell the rights or units to the extent required. In the case of partial account closure, rights or units are sold only insofar as the balance on the vested benefits accounts is insufficient for this purpose. In these cases, the Foundation determines when the sale is transacted. The proceeds are credited to the vested benefits account for corresponding use.

## **7. Expanded investment options**

<sup>1</sup> Under Art. 50 (4) OPO 2, the Foundation may offer the policy holder expanded investment options.

<sup>2</sup> Expanded investment options in accordance with Art. 50 (4) OPO 2 are permissible for individual investment products insofar as the policy holder has the necessary risk capacity.

<sup>3</sup> The Foundation must point out the specific risks of the expanded investment options and the advisor must inform the policy holder of the specific risks involved (see Section 5 (3)).

## **8. Integrity and loyalty of asset management operatives**

<sup>1</sup> Persons or institutions entrusted by the Foundation to manage assets must meet the conditions of loyalty in asset management pursuant to Art. 51b LOB and Art. 48 f-I OPO 2, and must comply with all other relevant rules of conduct.

<sup>2</sup> Unless already agreed otherwise in separate contracts with asset managers, compliance with the rules of conduct regarding the loyalty and integrity of asset management operatives must be disclosed and confirmed in writing to the Board of Foundation once a year.

## **9. Fees**

<sup>1</sup> The Foundation may charge fees as compensation for its management and administration of the pension assets for securities-based saving (e.g. on the purchase and partial or complete sale of investment products, fees for the safekeeping account, account management fees).

<sup>2</sup> The amount of these fees is based on the Foundation's Rules on Costs. The fees are charged to the policy holder's vested benefits account.

<sup>3</sup> Further direct or indirect costs in connection with the investment products of the interest-paying cantonal banks or third-party providers are specified in the corresponding product documentation.

## **10. Amendments and entry into force**

<sup>1</sup> The Board of Foundation reserves the right to amend the provisions of these Investment Guidelines at any time. The policy holder will be informed of any such amendments in an appropriate manner.

<sup>2</sup> These Investment Guidelines were approved by the Board of Foundation on 3 November 2023 and enter into force on 1 January 2024.



## Annex to the Investment Guidelines

Rules on costs for the Swisscanto Vested Benefits Foundation of the Cantonal Banks

The Foundation offers the policy holder the investment products shown below:

### Entitlements to investment groups of the Swisscanto Investment Foundations:

Details of these products are given in the respective fact sheets of the Swisscanto Investment Foundations.

<b>Name of investment group</b>	<b>Security number</b>
Swisscanto BVG 3 Responsible Portfolio Protection RT CHF	23804622
Swisscanto BVG 3 Index 45 RT CHF	23804645
Swisscanto BVG 3 Responsible Life Cycle 2025 RT CHF	23804759
Swisscanto BVG 3 Sustainable Portfolio 45 RT CHF	23804772
Swisscanto BVG 3 Responsible Portfolio 10 RT CHF	23805195
Swisscanto BVG 3 Responsible Portfolio 25 RT CHF	23805270
Swisscanto BVG 3 Responsible Portfolio 45 RT CHF	23805297
Swisscanto BVG 3 Responsible Portfolio 75* RT CHF	41485448
Swisscanto AST Avant BVG Responsible Portfolio 95* DT CHF	56899248



### Units in funds of the interest-paying canton banks

Details are given in the relevant providers' fund prospectuses.

#### Banque Cantonale Neuchâteloise

Name of fund	Security number
BCN (CH) - Fonds Durable Revenu - P	36428247
BCN (CH) - Fonds Durable Équilibré - P	36428243

#### Graubündner Kantonalbank

Name of fund	Security number
GKB (CH) Vorsorgefonds 25 ESG V	42356139
GKB (CH) Vorsorgefonds 45 ESG V	38383750
GKB (CH) Strategiefonds Kapitalgewinn ESG V*	48524230
GKB (CH) Strategiefonds Wachstum ESG V*	113136365

#### St. Galler Kantonalbank

Name of fund	Security number
SGKB (CH) Fund - Strategie Einkommen V	37346532
SGKB (CH) Fund - Strategie Ausgewogen V*	37346536
SGKB (CH) Fund - Strategie Wachstum V*	42234524
SGKB (CH) Fund - Strategie Einkommen Eco V	112315911
SGKB (CH) Fund - Strategie Ausgewogen Eco V*	112315897
SGKB (CH) Fund - Strategie Wachstum Eco V*	112315921
SGKB (CH) Fund - Strategie Kapitalgewinn Eco V*	127437989

#### Thurgauer Kantonalbank

Name of fund	Security number
TKB Vermögensverwaltung Fonds – Konservativ ESG (CHF)	127060915
TKB Vermögensverwaltung - Ausgewogen ESG (CHF) V	43756564
TKB Vermögensverwaltung - Wachstum ESG (CHF) V*	33950627
TKB Vermögensverwaltung Fonds - Aktien ESG (CHF) V*	35766196

\*Expanded investment option in accordance with OPO 2: The equities share of this investment group or fund exceeds the statutory 50% limit (Art. 55 OPO 2). This investment group or this fund reflects a higher risk of loss and is only suitable for investors with the corresponding risk capacity who are prepared to take on such risks.