Columna Collective Foundation – Group Invest

Investment regulations

of January 1, 2026
Columna Collective Foundation – Group Invest, Winterthur

Objectives and principles

1 Purpose of the investment regulations

The investment regulations of the Columna Collective Foundation Group Invest, Winterthur (hereinafter referred to as Foundation) lay out the objectives and principles as well as the execution and control procedures for the investment of the assets. The regulations are issued by the Board of Trustees.

The investment and management of pension assets are governed by the applicable provisions of the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans of June 25, 1982 (BVG) and the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans of April 18, 1984 (BVV 2).

2 Objective of the investment policy

The assets must be invested in a manner that ensures that the Foundation earns a competitive return on its investments within the limits of its risk capacity while guaranteeing that it can fulfill its long-term pension obligations.

3 Definition of pension assets

Pension assets are defined for the purpose of these regulations as the total assets reported in the balance sheet, before deduction of any losses carried forward. Pension assets may also include refunds derived from group insurance contracts.

4 Risk capacity

The risk capacity is determined by the Foundation's financial circumstances and in particular also by its provisions and reserves, the expected development of its portfolio of insured and its liabilities, and its ability to recover its financial equilibrium if it should suffer a shortfall in coverage.

5 Investment strategy

Pension assets must be invested by taking into consideration aspects relating to security, adequate risk distribution, sufficient income, target return, and liquidity guarantees as well as the risk capacity of the Foundation. Furthermore, it must be spread over different asset classes, regions and economic sectors.

The Board of Trustees determines the investment strategy by way of a written resolution and it defines the asset classes and their bandwidths (Appendix 1).

6 Asset classes

The permissible investments and the limits that apply to the individual investments are governed by the provisions of the BVV 2.

The following investments are not permissible:
- Debt acknowledgments that are not documented in the form of a security
- Cooperative share certificates
- Direct investments in equities
- Direct investments in real estate and land
- The granting of mortgages directly
- Loans to affiliated employers and insured persons
- Direct investment in infrastructure investments

The broadening of the asset classes as defined in Art. 50 par. 4 BVV 2 will not be used.

The hedging of foreign currency risks is permissible at the exclusion of short selling.

7 Investment vehicles

The Foundation can, by observing the provisions of the BVV 2 and para. 6, implement the investment strategy by using direct investments, collective investments, and derivative financial instruments.

The following conditions apply to alternative investments:

Alternative investments are permitted within the scope of the provisions of BVV 2. Only diversified collective investments may be used in the implementation. Investments in limited partnerships are not permitted.

The following conditions apply to derivative financial instruments:

The use of derivative financial instruments is regulated on the one hand by BVV 2 and on the other by the Act on Financial Market Infrastructure and Market Behavior in Securities and Derivatives Trading (Financial Market Infrastructure Act, FinfraG).

OTC derivative transactions are only permitted for foreign currency hedging of deliverable foreign currencies. The transactions concluded may not be subject to any reporting obligations to be fulfilled by the Foundation pursuant to Art. 104 et seq. FinfraG or risk mitigation obligations pursuant to Art. 107 et seq. FinfraG.

The transaction is concluded exclusively via central counterparties approved or recognized by FINMA.

Transactions with a counterparty domiciled abroad (Art. 104 par. 2c FinfraG) are not permitted.

The Foundation qualifies as a financial counterparty (FC) according to Art. 93 para. 2 letter g, FMIA. As it fails to reach the threshold value (average gross positions of all outstanding OTC derivative transactions according to Art. 100, FMIA and Arts. 88ff., FMIO), it qualifies as a small financial counterparty (FC-).

8 Securities lending and repurchase agreements

Securities lending and repurchase agreements are permitted only as part of collective investments and by observing the Federal Act on Collective Investment Schemes and its implementation provisions. In the case of repurchase agreements, the Foundation is permitted to act only as transferee.

9 Valuation principles

The provisions as defined under Swiss GAAP FER 26 apply. Valuation of the investments takes place with the applicable current values on the balance sheet date without incorporating any smoothing factors.

Organization, procedures and monitoring

10 Management bodies

The management body for the Foundation's investment activities is the Board of Trustees.

11 Board of Trustees

The Board of Trustees is responsible for the investment of the assets. It determines the organization and structures, monitors and administers the management of the assets logically and in a manner that is adjusted to the earnings potential and the risks.

As far as asset management is concerned, the Board of Trustees in particular has the following tasks and duties:
- Determining the investment strategy
- Determining the target value of the fluctuation reserve
- Deciding on the implementation of the investment strategy
- Concluding the required discretionary management and consulting agreements
- Monitoring the investments
- Taking the required measures in the event that the Foundation suffers a shortfall in coverage

12 Asset management

The Board of Trustees has delegated the management of the pension assets to Credit Suisse (Switzerland) Ltd. and to AXA Insurance Ltd. (asset managers). For this purpose it has entered into one asset management agreement with each of them that defines the rights, obligations and competencies for reporting.

The Foundation has also entered into a global custody contract with Credit Suisse (Switzerland) Ltd.

Delegation of asset management does not release the Board of Trustees from the obligation to carry out its tasks and duties.

13 Sustainable investment

The Board of Trustees aims to ensure sustainable investment. It can incorporate ethical as well as environmental, social, and governance (ESG) criteria in the investment process and take these into account when allocating asset management mandates and other services. In doing so, it is guided by the exclusion criteria of the Swiss Association for Responsible Investments or any exclusion criteria of the asset manager, and may define further criteria such as membership of organizations, e.g. Swiss Sustainable Finance, or being a signatory of declarations, e.g. the UN Principles of Responsible Investing (PRI). The Board of Trustees may require asset managers and other service providers to report regularly on the sustainability criteria and their implementation.

14 Independent investment advice

The Board of Trustees obtains advice from independent investment specialists. To this end it has concluded an advisory agreement with PPCmetrics AG.

15 Monitoring of the investments

The Board of Trustees monitors the investments and their performance and ensures compliance with the provisions of the law and ordinances and with the provisions of these regulations and the asset management agreements. It evaluates the results achieved by the asset managers.

It reviews periodically
- the investment strategy (asset classes and their bandwidths)
- harmonization of the investment with the investment strategy and the investment regulations
- harmonization of the investments with obligations in the medium and long term

and makes adjustments as needed.

It records the result of its review in writing.

Other provisions

16 Account and safekeeping account management

The accounts and safekeeping accounts are managed by Credit Suisse (Switzerland) Ltd.

The debtor limits as defined in Art. 54 par. 1 BVV 2 may be exceeded temporarily in order to secure the Foundation's liquidity with Credit Suisse (Switzerland) Ltd. as part of the proper management of the assets and taking account of the principles set out in Art. 50 par. 1 to 3 BVV 2.

17 Shareholders' rights (corporate governance)

This Foundation is not permitted to invest in equities directly; cf. para. 6. It does not have any shareholders' voting rights.

18 Integrity and loyalty of the asset manager

18.1 Persons and institutions entrusted with the investment and with managing the assets
- must have the powers and organizational resources to be able to guarantee compliance with the provisions of Art. 51b, par. 1, BVG, and Art. 48g to 48l BVV 2, as well as with the provisions of these regulations;

- must have a good reputation and offer assurance that they will execute their responsibilities correctly. They must ensure that no conflict of interest arises on account of their personal and business relations.

18.2 They must act in the interest of the Foundation, and in particular may not
- exploit knowledge gained from Foundation orders to own advantage to carry out an advance, a parallel or an immediately ensuing transaction (i.e. front running, parallel running, after running);
- trade in a security or an investment for as long as the Foundation trades with this security or investment and on condition that the Foundation is not disadvantaged as a result; participation in different forms of such transactions is deemed to be the same as trading;
- restructure the Foundation's safekeeping accounts without an economic reason that lies in its interest.

18.3 They also must
- enter the ways and methods of remuneration and amounts in an unambiguous written agreement. They must pass on all pecuniary advantages to the Foundation that they receive above and beyond this amount from their activities on behalf of the Foundation;
- disclose their interests annually to the Board of Trustees. This includes, in particular, holding a stake in companies that have a business relationship with the Foundation. The Board of Trustees will forward this information to the auditor;
- provide the Board of Trustees annually with a written statement to confirm that it has complied with the provisions defined in Art. 48f to 48l BVV 2.

19 Fluctuation reserve

A fluctuation reserve must be set up for the sole purpose of offsetting possible price fluctuations of invested assets. The fluctuation reserve serves as a hedge against price losses on invested assets and ensures that the financial equilibrium is maintained.

The target value of the fluctuation reserve must, based on the value-at-risk method, be determined in conjunction with the provisions of the investment strategy and shown as a percentage of the pension capital, the technical reserves, the employer contribution reserve as well as the disposable assets of the occupational benefits funds in Appendix 1 of these regulations.

The Board of Trustees can grant an improvement in benefits when the fluctuation reserve is below the upper threshold if
a) at the most 50 % of the surplus income before forming the fluctuation reserve is used to improve benefits, and
b) the fluctuation reserve has reached at least 75 % of the current target value.

A credit of bonus shares from the insurance contract in favor of insured persons' accrued savings as defined in Art. 68a BVG does not count as an improvement in benefits.

20 Shortfall in coverage

If there is a shortfall in cover, the Board of Trustees and the occupational pensions actuary work together to identify suitable measures to rectify the shortfall within a reasonable period.

21 Entry into force

These investment regulations enter into force on January 1, 2023, and replace the version of January 1, 2021.

Appendix 1

Investment strategy

The Board of Trustees has defined the following investment strategy, to take effect on January 1, 2026. This strategy comprises an investment strategy for total assets as well as a “mandatory” and an “extra-mandatory” benefits substrategy.
The investment strategy for total assets takes account of the foundation’s risk capacity and serves as both a basis for calculating the fluctuation reserve and a strategic benchmark for total assets.
For calculation purposes, the investment of total assets can be divided between a “mandatory” and an “extra-mandatory” benefits substrategy. The Board of Trustees uses the returns calculated from these two substrategies, together with the requirements stipulated by law, as a basis for the decisions it takes in respect of defining rates of interest for mandatory and extra-mandatory retirement assets.

Investment strategy total assets:

Asset class	Strategic investment structure	Tactical bandwidths		BVV 2/OPO 2 limits
	%	Min. %	Max. %	
CHF liquidity	1	0	10	
CHF fixed mortgages	4	2	6	Max. 10 % per borrower
CHF bonds	11	7	15	
Foreign currency bonds (hedged)	11	7	15	
Emerging market bonds Hard currency (hedged)	3	1	5	
Total in nominal assets	**30**			
Swiss equities	10	7	13	50 %, but max. 5 % per investment
Global equities	10			
Equities, global (hedged)	9	14	30	
Global small-cap equities	3			
Emerging market equities	3	1	5	
Total in equities	**35**			
Swiss real estate (unlisted)	12	8	16	30 %, but max. 1/3 abroad, 5 % per property
Swiss real estate (listed)	8	5	11	
Global core real estate (unlisted, hedged)	4	2	6	
Total in real estate	**24**			
Infrastructure hedged	3	1	5	
Total in alternative investments	8	5	11	15 %
Total in real assets	**70**			
Total	**100**			
Total in foreign currencies		**0**	**30**	

“Mandatory” and “extra-mandatory” benefits substrategy:

Asset class	Mandatory benefits substrategy %	Extra-mandatory benefits substrategy %
CHF liquidity	1	1
CHF fixed mortgages	4	4
CHF bonds	15	7
Foreign currency bonds (hedged)	15	7
Emerging market bonds Hard currency (hedged)	3	3
Swiss equities	8	12
Global equities	8	12
Equities, global (hedged)	7	11
Global small-cap equities	2	4
Emerging market equities	2	4
Swiss real estate (unlisted)	12	12
Swiss real estate (listed)	8	8
Global core real estate (unlisted, hedged)	4	4
Infrastructure (hedged)	3	3
Total in alternative investments	8	8
Total	**100**	**100**

Fluctuation reserve
The target fluctuation reserve is determined using the value-at-risk method.

With the value-at-risk method, the return and risk features of the investment strategy are used as the basis for calculating a target fluctuation reserve that will ensure financial equilibrium with 98 % certainty over a one-year period. The target fluctuation reserve used for this calculation is expressed as a percentage of the pension capital, the technical reserves, the employer contribution reserve, as well as the occupational benefits funds’ disposable assets.

The Board of Trustees has set the applicable target value for the value fluctuation reserve at 14 % of the autonomously invested pension capital and technical provisions of the pension funds.

Entry into force
This Appendix enters into force on January 1, 2026. It replaces the version of January 1, 2023.

Appendix 2

Responsibilities in asset management

Tasks	ExB	BT	AM	IC
Issue investment regulations	I	D		
Determine the investment strategy		D, C		A
Investment and administration (investment activity through asset managers)		D, C	I, C	A
Conclusion of asset management contracts and global custody contract		D, I, C		
Monitor the investments		I, C	I	A
Manage securities accounting and the annual financial statements	I	D, C		
Take measures if the Foundation suffers a shortfall in coverage	I	D, C		A

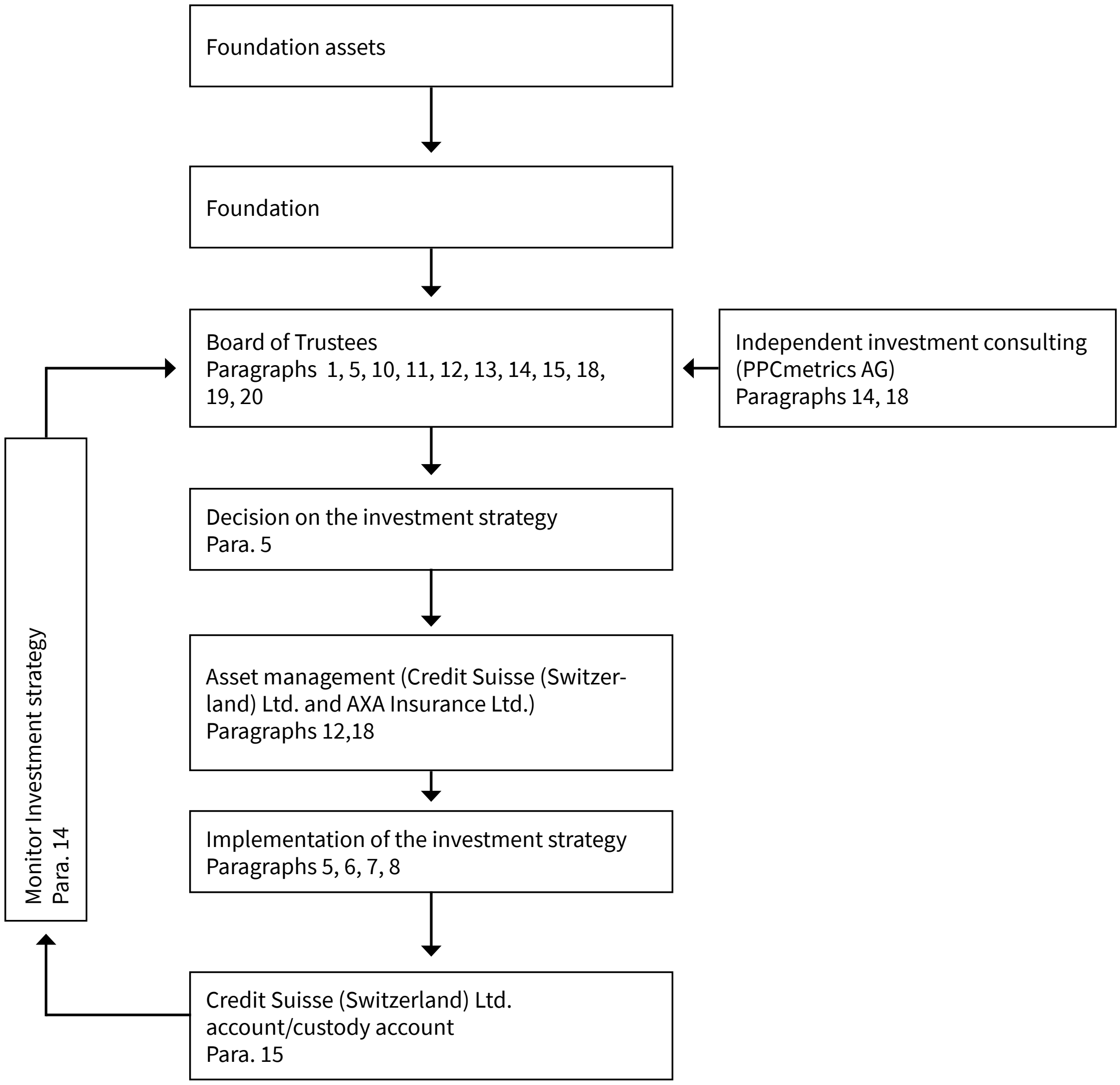
A Advice
D Decision
I Implementation
C Controlling

ExB AXA Life Ltd. (Management company)
BT Board of Trustees
AM Credit Suisse (Switzerland) Ltd. and AXA Insurance Ltd. (asset management)
IC PPCmetrics AG (investment consulting)

This Appendix enters into force on January 1, 2023, and replaces the version of January 1, 2015.

Appendix 3

General overview of the investment organization



This Appendix enters into force on January 1, 2023, and replaces the version of January 1, 2015.