

# Investment Regulations of the Pension Foundation 3a Digital with asset management by True Wealth AG

These Investment Regulations define the framework within which the Foundation invests the assets of the Pension Beneficiaries<sup>1</sup>, who have appointed True Wealth AG as their asset manager. The Annex to these Investment Regulations sets out the specific structure of the investment of assets in more detail. The applicable Annex to the Investment Regulations forms an integral part of the Investment Regulations.

## Art. 1 Investment objective

The investments must be made under preservation of the necessary liquidity in the long-term interest of the Pension Beneficiaries and serve their retirement provision.

The investment objective of the account solution is to achieve a market-oriented and risk-adjusted return on medium and long-term savings.

The investment objective of securities savings is to diversify risk by means of passively managed funds traded on the stock exchange (exchange traded funds (ETFs)) or by means of passive open-ended investment funds (index funds) and at the same time to obtain as direct a market return as possible from the relevant market while keeping investment and management costs low.

## Art. 2 Free foundation assets

The Foundation's free assets are invested with the Basellandschaftliche Kantonalbank (the Foundation's custodian bank) in Swiss francs, common foreign currencies or in securities.

## Art. 3 Account solution and securities savings

The Pension Beneficiaries' deposits are invested in securities in the form of an account solution or upon declaration by the Pension Beneficiary and to the extent declared in each case in accordance with the individual investment profile.

The cash and securities are held or invested with the custodian bank.

The short-term liquidity required for securities trading is also invested with the custodian bank in Swiss francs and in the foreign currencies commonly used for securities trading.

The Foundation may, with the consent of the Pension Beneficiary, agree withdrawal limits on cash deposits in order to increase the income on deposited cash.

Irrespective of whether the investments themselves are held in collective accounts or collective custody accounts, the Foundation shall ensure that the respective pension assets of the respective Pension Beneficiaries can be individually allocated at any time.

## Art. 4 Individual investment strategies

The Pension Beneficiaries may choose individual investment strategies for securities savings. The individual investment strategy corresponds to the specifications in the Annex to these Investment Regulations.

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<sup>1</sup> For better comprehensibility and readability, the masculine form is used. It refers to persons of any gender.

Before the individual investment strategy is selected, the Pension Beneficiaries are asked about their risk capacity and risk tolerance (risk analysis) and informed about the respective investment risks. This is done in accordance with the applicable legal provisions.

The Pension Beneficiaries shall confirm that they have been informed of the risks in writing or in another form that can be verified by text.

Based on the risk analysis, a risk rating of 0 to 10 is assigned to the Pension Beneficiary. Each investment strategy is assessed on the basis of historical fluctuation ranges with an analogously applicable risk value of 0 to 10. The risk analysis and allocation is carried out via the platform of True Wealth AG, which is entrusted with the asset management of the Foundation.

The investment strategy covers, among other things, the asset classes of bonds, equities, real estate or real estate shares and/or alternative investments (including commodities, precious metals). The corresponding market is represented by securities. In addition, cash can be held in various currencies. The investment strategy can also contain content-related, e.g. ecological investment criteria, in which case a correspondingly modified index forms the basis of the investment universe.

The Foundation invests the pension assets of the Pension Beneficiary on his instruction and at his risk in accordance with the individual investment strategy. When buying and selling securities (rebalancing, etc.), the Foundation takes into account the costs associated with transactions. The purchases and sales of securities to achieve the target allocation, insofar as there is a deviation from the target allocation, generally take place at least weekly.

Securities may be subject to significant positive or negative price fluctuations. The risk of price losses is borne by the Pension Beneficiary. The Foundation has the right to sell individual or all securities at any time for objective reasons (especially if the legal investment guidelines are about to be exceeded) and to invest the freed-up capital in an account solution or to replace the securities with other securities within the scope of the individual investment strategy.

The Foundation shall exercise management at its own discretion and shall, in particular, determine the investment time it deems favourable as well as the investment duration, the investment scope and the investment debtor. The Foundation shall perform all management actions to the best of its knowledge and belief.

The Pension Beneficiary is not entitled to compensation for losses resulting from the non-execution or refusal of an order (transfer, withdrawal, securities orders, etc.) or due to technical malfunctions or operational failures that prevent a transaction. If the Foundation is responsible for the deficient, delayed or non-execution of an order, it shall only be liable for the loss of interest.

Pension Beneficiaries who qualify as US persons (persons with citizenship, domicile or tax liability in the USA) are generally not permitted to invest in securities. If the Foundation comes across Pension Beneficiaries, who hold securities as US persons, it is entitled to sell the securities and credit the proceeds of the sale to the respective pension account. The Foundation shall endeavour to coordinate the sale with the Pension Beneficiary.

## **Art. 5 Securities**

The securities are invested in the form of ETFs or index funds.

The respective ETFs or index funds must replicate the corresponding market as closely as possible, have low management costs (e.g. passively managed ETFs), a large trading volume and good tradability. The ETFs and index funds must be subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA or must have been approved for distribution or offer by it or by a review body in Switzerland or must have been launched by Swiss investment foundations.

Should voting or other participation rights need to be exercised in the case of ETFs or index funds, this shall be guided by the investment objective in these Investment Regulations.

In order that smaller investment sums can also be diversified by means of securities, the investment portfolios of the Pension Beneficiaries can contain fractions of securities.

### **Art. 6 Investment guidelines**

Investment activities must always comply with the legal provisions, in particular Art. 49 et seq. BVV2 (Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans). In accordance with Art. 50 BVV2, the investment strategy may exceed the category limits set out in Art. 55 BVV2 (both at Foundation level and at the level of the individual Pension Beneficiary) and permit investments in individual precious metals by means of collective investment schemes (investment funds, including ETFs), provided that the requirements set out in these Investment Regulations (including the Annex) with regard to diversification and investment risk are complied with.

If the aforementioned category limits are exceeded (use of investment extensions), the Pension Beneficiary must be made aware of the increased risks associated with these investment opportunities in a clear and comprehensible manner in the course of the risk disclosure. In any case, the risk capacity determined for a Pension Beneficiary cannot be overridden by his willingness to take risks (risk tolerance).

The timely liquidity, in particular for making the transfers and withdrawals of the respective individual pension assets initiated by the Pension Beneficiary, must be ensured at all times.

The Foundation (or the Foundation's executive management/asset management) shall monitor compliance with the investment guidelines on a regular basis, but at least once a month as part of a rebalancing process, and shall inform the Foundation Council in good time, if events occur that significantly change the expected development of the investments. It shall also inform the Foundation Council, if breaches of the investment guidelines are identified.

Securities lending is permissible with regard to the deposited custodian assets

- a) to counterparties with excellent creditworthiness (short-term rating from a recognised rating agency of at least A-1/P-1 or equivalent); and
- b) provided that the securities lent are secured by a pledge (collateral) of sufficient value.

Within the framework of a custodian bank/cooperation agreement with the depository (custodian bank), securities lending can be excluded or linked to further conditions.

### **Art. 7 Evaluation**

Investments are valued in Swiss francs according to the respective exchange rate or market value.

### **Art. 8 Integrity and loyalty**

The Foundation Council is responsible for the management and investment of the assets in accordance with these Investment Regulations and Articles 49 to 58 BVV2 and Article 5 para. 3 BVV3. It shall ensure integrity and loyalty in accordance with Art. 48f to 48l BVV2 and the provisions of Art. 7 and 10 of the Organisational Regulations of the Pension Foundation 3a Digital.

True Wealth AG, which is mandated with the asset management of the Foundation, does not receive any other benefits such as retrocessions, commissions or similar benefits from third parties for its management activities in addition to a management fee paid by the Foundation. Should the agent nevertheless ever receive a benefit from a third party in connection with the management mandate, it shall pass on the remuneration in question directly and in full to the Foundation and shall disclose all related information upon request.

Investments in collective investment schemes, where True Wealth AG, or a subsidiary of True Wealth AG, is entrusted with the management in any form, are excluded.

### **Art. 9 Entry into force, amendments to the Investment Regulations, prevailing language**

These Investment Regulations shall enter into force on 16.08.2022. They may be amended by the Foundation Council at any time. German is the legally binding language for the Investment Regulations (including Annex).

Basel, 16.08.2022

The Foundation Council