

Regulations on investments January 2021



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Note: The use of masculine pronouns and adjectives to refer to persons or functions in these regulations refers to both men and women.



Organization and responsibilities

4 Board of Trustees of Pension Fund 2

4 Investment Committee

I – Organization and responsibilities

Assets at the foundation level (Fund assets) are managed in accordance with the provisions of the Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG; SR 831.40) of June 25, 1982, the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans of April 18, 1984 (BVV 2; SR 831.441.1), and the directives of the relevant supervisory authorities.

1.1 Board of Trustees of Pension Fund 2

As the highest governing body, the Board of Trustees is responsible for the investment of assets, separated into assets at the individual level (investment strategies) and assets at the foundation level (Fund assets).

It determines the investment strategies or the underlying collective investments (investment groups) (hereinafter referred to as "investment strategies") available to the insured within the framework of the articles of association and the organizational regulations. The Board of Trustees also defines the investment organization and investment policy for the Fund assets.

The Board of Trustees elects the members of the Investment Committee.

The Board of Trustees issues these regulations and periodically monitors the activities of the Investment Committee it has appointed. The Board of Trustees may revoke the competencies delegated to the Investment Committee at any time.

1.2 Investment Committee

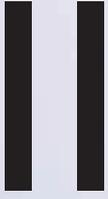
The Investment Committee (hereinafter referred to as the "IC") is the specialist body responsible for the management of the foundation's assets. The composition, organization, and decision-making process of the IC are laid down in the organizational regulations of Pension Fund 2.

The tasks of the IC include the following particular:

- Preparing the investment-related decisions by the Board of Trustees and managing the implementation of these decisions.
- Periodically reviewing the available investment strategies as outlined in the appendix.
- Implementation of the investment of assets at the foundation level.

The chairperson of the IC reports to the Board of Trustees and to the IC at least once per quarter on the investment activities and on the performance of the assets, separated into assets at the individual level (investment strategies) and assets at the foundation level (Fund assets).

Each time there is a change to the available investment strategies as outlined in the appendix, the IC must decide whether it is necessary to inform the insured and, if so, how this should be done.



Investment of assets

- 6 General principle
- 6 Individual level (investment strategies)
- 6 Foundation level (Fund assets)

II – Investment of assets

2.1 General principle

The assets of Pension Fund 2 primarily comprise the investment strategies (collective investments or units in investment groups) that Pension Fund 2 holds in its own name on behalf of the insured. The assets also include a non-interest-bearing individual transaction account for each insured.

In addition, there are the Fund assets that serve to provide adequate cover for potential liquidity surpluses and the provisions of Pension Fund 2.

2.2 Individual level (investment strategies)

The Board of Trustees is only indirectly responsible for investment strategies. The Board of Trustees and the IC that it appoints take all necessary measures in order to offer the insured a reasonable selection of no more than ten investment strategies. The Board of Trustees decides on the focus and composition of the available investment strategies and selects the providers. In doing so, care is taken to ensure that each individual collective investment that is offered to the insured complies with the investment regulations of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV 2). The expansion of investment options is permitted under this ordinance (Art. 50(4bis) BVV 2). The available investment strategies are monitored periodically, at least once a year, and are adjusted or replaced as necessary.

The insured are responsible for selecting their individual investment strategy from the investment strategies on offer (the selection decision). The investment strategies available for selection are presented in a table in the appendix. The strategies differ, especially with regard to risk and return profiles. The insured can also use the MyPension platform to access information about the investment strategies in an appropriate format, e.g. fact sheets.

As a general rule, the insured may choose or change the investment strategy only via the MyPension platform, which is made available through Pension Fund 2. If the insured does not choose an investment strategy, the investment will be made in line with the "Default" investment strategy.

If an investment strategy is no longer offered, the insured will be given the opportunity to switch to another investment strategy in good time. If the insured does not choose an investment strategy, the investment will be made in line with the "Default" investment strategy.

There is no guarantee with regard to the performance of the selected investment strategy.

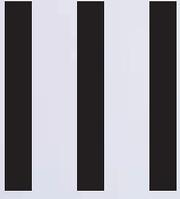
In addition to the investment strategy, a non-interest-bearing individual transaction account is also maintained for each insured, through which investments and disinvestments in an investment strategy are processed.

2.3 Foundation level (Fund assets)

The Board of Trustees delegates the investment of Fund assets entirely to the Investment Committee.

The Fund assets consist of liquid assets used to secure the Foundation's operating activities and an investment component.

The investment component will be invested in one or more of the collective investments listed in the appendix that are offered to the insured. When making the investment, care is taken to ensure that each individual collective investment complies with the investment regulations of the BVV 2. The expansion of investment options is permitted under this ordinance (Art. 50(4bis) BVV 2).



Controlling, compliance, and governance

- 8 Controlling
- 8 Compliance
- 8 Corporate governance
- 8 Integrity and loyalty of the responsible persons

III – Controlling, compliance, and governance

3.1 Controlling

Pension Fund 2 publishes the usual key indicators for the individual investment strategies, such as net asset value, performance, and costs based on the total expense ratio ($TER_{KGA\text{ST}}$). These key indicators are published via the MyPension platform.

3.2 Compliance

The IC ensures appropriate investment and compliance controlling (e.g. in relation to compliance with the provisions of the BVV 2). The IC responds promptly if any shortcomings are identified, e.g. policy breaches.

3.3 Corporate governance

Pension Fund 2 does not exercise voting rights in relation to investment strategies or in relation to the Fund assets. The provider of the investment strategies is responsible for the exercise of voting rights in the investment strategies.

3.4 Integrity and loyalty of the responsible persons

The Board of Trustees of Pension Fund 2 issues regulations in the context of the organizational regulations governing compliance with integrity and loyalty regulations in accordance with Art. 53(a) of the Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) and Art. 48(f)–(l) BVV 2.

In addition, the Board of Trustees of Pension Fund 2 monitors the compliance of Pension Fund 2 with the provisions of Art. 71 BVG and with BVV 2, particularly the provisions on integrity and loyalty.

IV

Balance sheet
reporting of
investments (assets)

IV – Balance sheet reporting of investments (assets)

Balance sheet reporting and valuation of investment strategies (collective investments and units in investment groups) and Fund assets are performed in accordance with the provisions of Swiss GAAP FER 26 in the version applicable in accordance with Art. 47 BVV 2.

The loan relating to the Fund assets is reported at nominal value.

The balance sheet reporting of obligations (liabilities) is set out in the regulations on provisions.

V

Final provisions

12 Amendment proviso

12 Entry into force

12 Prevailing text

V – Final provisions

5.1 Amendment proviso

The Board of Trustees is authorized to amend these regulations at any time. The available investment strategies as outlined in the appendix may be changed by the provider. Insured affected by any such changes to the available investment strategies as outlined in the appendix are to be informed of the changes as soon as possible in a suitable manner where necessary.

5.2 Entry into force

Following the resolution of the Board of Trustees of October 29, 2020, these regulations enter into force on December 31, 2020 and replace the regulations dated October 31, 2019, which entered into force on January 1, 2020.

5.3 Prevailing text

These regulations have been drafted in German and may be translated into other languages. In the event of any discrepancy between the German text and a translation into another language, the German text will prevail.

PENSION FUND 2 OF CREDIT SUISSE GROUP (SWITZERLAND)

Philip Hess

Thomas Isenschmid

Chairman of the Board of Trustees

Vice-Chairman of the Board of Trustees

VI

Appendix

VI – Appendix

6 Investment strategies offered

The following strategies are available for selection by the insured and for the investment of Fund assets (foundation level).

These strategies may be changed by the provider. The insured who are affected are to be informed of any significant changes as soon as possible in a suitable manner.

Strategic investment bandwidths

Investment strategy		Investment objective
Low Risk (default strategy)	Security no. 47884957	Focus on investment performance with the lowest possible fluctuation while at the same time observing market-based earnings potential. The investment group invests in money market instruments, and in fixed and variable-rate bonds and debt securities from public and private issuers in Switzerland and abroad. There is a minimum rating requirement of A- or A-1 for the purchase of investments. The duration of the investment group is limited to a maximum of one year, whereby the residual maturity of individual investments may be no more than three years. Investments in foreign currencies are also permitted (maximum 30%) as long as the currency risk against the Swiss franc is hedged.
Mixta 15 foreign	Security no. 46505676	Generate an appropriate return in CHF by taking advantage of the possibilities for international diversification. The investment group invests worldwide in fixed and variable-rate securities, in equities, and in indirect real estate investments. The proportion of equity investments may vary between 5% and 25%, whereby the average equity holding is around 15%. The unhedged portion of investments with currency exposure may not exceed 30% of the net assets.
Mixta 25 foreign	Security no. 46505677	Generate an appropriate return in CHF by taking advantage of the possibilities for international diversification. The investment group invests worldwide in fixed and variable-rate securities, in equities, and in indirect real estate investments. The proportion of equity investments may vary between 15% and 35%, whereby the average equity holding is around 25%. The unhedged portion of investments with currency exposure may not exceed 30% of the net assets.
Mixta 35 foreign	Security no. 46505678	Generate an appropriate return in CHF by taking advantage of the possibilities for international diversification. The investment group invests worldwide in fixed and variable-rate securities, in equities, and in indirect real estate investments. The proportion of equity investments may vary between 25% and 45%, whereby the average equity holding is around 35%. The unhedged portion of investments with currency exposure may not exceed 30% of the net assets.
Mixta 45 foreign	Security no. 46505679	Generate an appropriate return in CHF by taking advantage of the possibilities for international diversification. The investment group invests worldwide in fixed and variable-rate securities, in equities, and in indirect real estate investments. The proportion of equity investments may vary between 35% and 50%, whereby the average equity holding is around 45%. The unhedged portion of investments with currency exposure may not exceed 30% of the net assets.
Mixta 75 foreign	Security no. 46505680	Generate an appropriate return in CHF by taking advantage of the possibilities for international diversification. The investment group invests worldwide in fixed and variable-rate securities, in equities, and in indirect real estate investments. The proportion of equity investments may vary between 65% and 85%, whereby the average equity holding is around 75%. The unhedged portion of investments with currency exposure may not exceed 30% of the net assets.



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