



Investment regulations

Vita Invest | Proprietary investment strategy

**Vita Invest Collective Foundation
of Zurich Life Insurance Company Ltd, Zurich**

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Investment Regulations

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1 General information

In application of Clause 3, para. 6 of the Foundation Charter, the Foundation Board issues these investment regulations within the framework of the BVG (Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans) and the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV 2).

It defines the objectives and principles, the tasks and competencies to be observed when managing the assets of the employer pension funds.

The employer pension funds manage the assets on their own responsibility in accordance with the provisions of these investment regulations

These regulations do not apply to employer pension funds that implement the Autoinvestment. The investment regulations for Autoinvestment apply to these employer pension funds.

2 principles and guidelines

In exercising its management responsibility in accordance with Art. 51a BVG and Art. 49a BVV 2, the Foundation Board authorizes the employer pension funds to invest individual assets, provided that all the provisions of these regulations are fully complied with. The following conditions apply in particular:

- From an investment volume of at least CHF 1 000 000, the pension assets may be invested in one of the standardized investment profiles Defensive, Balanced, Progressive, Dynamic, Mix 20, Mix 45 or Mix 65 of the Zurich Investment Foundation in accordance with Clause 4.1 (Vita Invest Basic);
- From an investment volume of at least CHF 10 000 000, the pension assets can be invested in accordance with Sections 4.2 and 4.3 (Vita Invest Portfolio and external investments);

- the investment strategy with the tactical bandwidths and the required fluctuation reserve is checked by the PF expert or an independent investment specialist
- Adjustments to the strategy and the fluctuation reserve must be submitted to the Foundation Board;
- the liquidity or availability of assets, taking into account the claims of the insured persons, is ensured at all times;
- the treasurer or any investment commission appointed has appropriate expertise in the investment of assets;
- the employer pension fund instructs one or more asset managers who meet the legal requirements in accordance with Art. 48f BVV 2 to manage the investment.

2.1 Investment

2.1.1 Investment principles

The assets of an employer pension fund include the employer contribution reserves, the insured persons' pension capital, the technical reserves, the fluctuation reserve (WSR) and any free funds.

On retirement, the insured person and his entitlement to the assets of the employer's pension fund (retirement assets, WSR, free funds) are transferred to the pension fund at foundation level.

From this date, the Autoinvestment investment regulations apply to the investment of assets.

2.2 Employer contribution reserves

In principle the Foundation Board may decide on a rate of interest, but this may not be higher than the interest on the retirement capital. The Administration Committee may request the Foundation to apply a different interest concept for the employer contribution reserves (e.g. depending on performance). The Foundation examines the requested interest concept for compliance with legal and regulatory requirements and makes a final decision.

2.3 Security / Diversification

The assets of the employer pension funds are invested in consideration of the obligations entered into towards the beneficiaries and in consideration of an appropriate distribution of risk. In particular, the funds must be distributed among different investment categories, regions and economic sectors (Art. 50 para. 3 BVV 2).

In particular, the investment of assets must ensure that the financial balance can be maintained and strengthened in the long term.

2.4 Return / risk capacity

When determining the strategic asset allocation (SAA), the risk capacity of the employer's pension fund, the expected long-term return and risk characteristics of the various investment categories and the legal framework conditions must be taken into account.

The aim is to achieve a total return in line with the market which in the medium term is higher than the interest rate on the retirement capital and which allows the financing concept of the employer's pension scheme to be met, as well as to form appropriate reserves and provisions. Disproportionate risks must be avoided.

The risk capacity of the employer's pension scheme and the target return to be striven for with an appropriate level of security must be ensured by means of asset liability management in line with requirements.

2.5 Liquidity

The assets must be invested in such a way that the Vita Invest Collective Foundation of Zurich Life Insurance Company Ltd (hereinafter referred to as the Foundation) is in a position to meet its regulatory benefit obligations at all times.

2.6 Exercise of shareholder rights

Where equity investments are made indirectly, shareholders' rights are generally exercised by the managers of these indirect investments.

If the foundation has participation rights within the framework of so-called "proxy voting", the voting right is to be exercised as far as possible.

In the case of direct investments of foreign shares, shareholder rights are exercised in accordance with the following principles wherever possible:

The shareholder voting rights are systematically exercised in the interests of the insured persons, in the sense that it serves the long-term prosperity of the employer pension scheme.

The long-term prosperity of the employer pension scheme is served if the voting positions are defined in the long-term interests of the shareholders, the companies and the civil society.

The treasurer determines in what form and by whom the voting right is exercised.

2.7 Investment / divestment time

Investments or divestments (also result of incoming payments, benefit payments, changes in investment strategy) in investment products in accordance with the employer's pension fund investment instructions shall be made within ten working days. In the case of a change in investment strategy, this settlement period starts upon receipt of the Administration Committee resolution. The risk of market-related fluctuations in the value of the investments during the settlement period is borne by the employer's pension fund.

3 Organization

The management organization in the area of asset management comprises the following levels:

- Foundation Board
- Cash Management
- Investment Committee
- Management
- Asset managers

3.1 Foundation Board

Within the scope of its overall responsibility, the Foundation Board has the following non-delegable duties, responsibilities and competencies:

- Definition of the principles and objectives of investment;
- Determination of the permissible asset categories and the qualitative requirements for the investments;
- Definition or approval of investment strategies;
- Verification and confirmation of the contracting parties in the investment;
- Monitoring compliance with the principles set out in the investment regulations.

3.2 Cash Management

The Board of Management of the fund as a body with equal representation of the employer's pension fund:

- determines the investment strategy;
- is responsible for the management of the assets;
- complies with the principles and objectives of investment within the framework of the legal provisions and these regulations;
- may issue further guidelines on the management of individual asset classes;
- monitors the proper implementation of the investment strategy;
- periodically monitors the risk capacity of the employer pension fund and the appropriateness of the investment strategy;
- controls the disclosure obligation pursuant to Art. 48 I BVV 2;
- decides on the exercise of shareholders' rights in special situations;
- designates the asset manager(s) entrusted with the asset management and determines the bank responsible for payment transactions or the custody and account management;
- regulates the activities of asset managers/custody account management and reporting in consultation with and in accordance with the Foundation's guidelines;
- decides on the allocation of funds to asset managers in accordance with the investment strategy and tactical bandwidths;
- decides in the event of operational changes (restructuring, mergers, etc.),

on a possible adjustment of the investment strategy and asset management.

3.3 Investment Committee

The Investment Committee exercises the powers assigned to it in these Investment Regulations. Among other things, the investment committee has the following tasks:

- Development of a proposal for the investment strategy including strategic bandwidths
- Monitoring and control of the investments within the investment strategies
- Decision on the implementation of the investment strategy
- Implementation of tactical views within the strategic bandwidths
- Development of bases for new asset classes
- Definition of the reporting
- Definition of the benchmarks relevant for performance assessment
- Preparation of the investment regulations and the investment policy statement
- Preparation of the decision and application for the attention of the foundation board via external service providers, e.g. asset managers and custodian banks
- Decision on mandate guidelines for asset managers
- Reporting to the Foundation Board on investment activities and the results achieved,
- Reporting to the Foundation Board on the use of derivative instruments
- Representation of Vita Invest's interests in the area of assets vis-à-vis third parties, including filing applications for the initiation of legal proceedings, concluding settlements and obtaining legal representation.

3.4 Management

Within the scope of asset management, the managing director has the following duties, responsibilities and competencies:

- Implementing decisions of the Foundation Board and the Foundation Board in accordance with the regulations and in a timely manner;
- Provision of the basis for decisions required by the Foundation Board or the Foundation Board;

- is responsible for liquidity planning and liquidity control;
- Responsibility for the correct keeping of the foundation accounts and the reporting of the individual employer pension funds;
- Responsibility for reporting within the framework of the annual financial statements.

3.5 Asset managers

Only persons and institutions that meet the requirements of Art. 48f or 48g BVV 2 may be entrusted with asset management.

The Vita Invest collective foundation distinguishes between the investment forms "basic", "portfolio" and "external investments".

In the case of the Vita Invest Basic and Vita Invest Portfolio investment forms, the selection of asset managers is the responsibility of the Zurich Investment Foundation.

For the external investment of assets, the Administration Committee may, upon request, appoint its own asset manager; the latter must meet the conditions required by the Foundation in accordance with these Investment Regulations.

The asset managers:

- manage the fixed assets of the employer pension fund in accordance with the mandate assigned to them under these regulations and the asset management contract;
- prepare periodic reports on asset management. The scope and content of the reports to be created are defined;
- inform the employer pension fund immediately about special occurrences;
- inform the employer pension fund as required, usually annually, about the investment activities and the investment performance of the past year.

4 Investment strategy

The strategic investment of assets is determined by the treasurer. Depending on the investment volume, the following possibilities arise.

4.1 Vita Invest Basic

The Administration Committee decides on one or more of the standardized mixed assets of the Zurich Investment Foundation. The following broadly diversified investment strategies are available:

- Profile Defensive (security 002,844,745)
- Profile Balanced (security 002,844,737)
- Profile Progressive (security 002,844,727)
- Profile Dynamic (security 050.270.077)
- Mix 20 (Valor 051.249.460)
- Mix 45 (Valor 051.249.461)
- Mix 65 (Valor 051.249.462)
- Mix 98 (Valor 130.097.948)

These collective investment schemes of the Zurich Investment Foundation invest in Swiss and international stocks and bonds as well as alternative investments (including real estate).

The investment objective is to optimize returns while maintaining the target fluctuation reserve. This is determined in accordance with section 6

The investment strategy including the bandwidths and the characteristics of the mixed assets are shown in Annex I.

4.2 Vita Invest Portfolio

For the investment of assets, all investment groups of the Zurich Investment Foundation are available to the Board of Directors.

The share of the individual investment groups in the total investment with the tactical bandwidths is recorded by the treasurer in investment instructions and approved by the Foundation Board.

The amount of the value fluctuation reserve is determined in accordance with section 6

4.3 External facilities

The Administration Committee of the Employer Pension Plan designates an asset manager who fulfils the requirements of the Foundation in accordance with these Regulations.

The details of asset management are governed by the investment regulations and the asset management agreement.

5 Specifications for the installations

The following provisions apply in addition to the statutory investment regulations (Art. 53 - 57 BVV 2).

5.1 Asset classes, principle

The list of asset categories is exhaustive. Investments in other asset classes are not permitted.

5.2 Cash and cash equivalents

Cash and cash equivalents are to be invested either in a current account or as time deposits or fiduciary deposits. Time deposits and fiduciary deposits may only be made with banks with an appropriate rating.

5.3 Bonds

Only public authorities and private companies are permitted as debtors.

5.4 Shares

For the Swiss equity's asset class, only collective investments (investment funds, investment foundations and similar instruments) are permitted. Art. 71a BVG on the voting obligation for listed shares therefore does not apply.

In the case of collective investment schemes that allow a voting recommendation to be made, the Foundation Board is free to decide whether to make such a recommendation or not.

Collective investment schemes and direct investments are permitted for the asset class foreign equities.

Investments can be indexed or implemented with active management.

5.5 Real Estate

Investments in real estate are made within the framework of collective investments with real estate companies, -investment funds or investment foundations.

Direct investments in real estate are not permitted.

5.6 Alternative investments

Alternative investments, such as hedge funds, commodities, private equity, infrastructure and insurance-linked securities, are made without any obligation to make additional contributions.

Such investments may only be made through diversified collective investments, diversified certificates or diversified structured products.

5.7 Infrastructure

Investments in infrastructure shall be made without margin calls and may only be made by means of diversified collective investments, diversified certificates or diversified structured products.

5.8 Derivatives

Derivative instruments within the scope of the statutory investment regulations (Art. 56a BVV 2), which are derived from investments in accordance with Art. 53 BVV 2, may be used subject to the following provisions.

The relevant technical recommendations of the Swiss Financial Market Supervisory Authority FINMA must be fully complied with at all times. The basic investment underlying the derivative financial instrument must be permissible within the scope of these investment regulations.

Eligible derivative instruments (long and short positions) are Call and put options on physical investments and sub-investments, indices, interest rates, currencies and baskets, as well as interest rate and currency swaps, interest rate, index and currency futures and forward exchange contracts.

The use of such instruments must not have any leverage effect on the total assets of the employer's pension fund or the pension fund at foundation level. All obligations arising from derivative financial transactions or which may arise at the time the right is exercised must be covered (no short sales).

The use of derivative instruments is regulated by the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FinfraG). Depending on the derivative,

there are different market conduct obligations.

Only those derivatives may be used that do not meet any notification requirements to be fulfilled by Vita Invest according to Art 104 ff. FinfraG or risk mitigation obligations under Art. 107 et seq. Trigger FinfraG.

In particular, OTC derivative transactions may not be used, with the exception of transactions pursuant to Art. 107 para. 2 FinfraG.

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

5.9 securities lending

Securities lending is not permitted. However, within the framework of the collective investment schemes used, this is permitted if the collective investment schemes used allow it.

5.10 Investments with the employer

Investments with the employer are not permitted. In application of Article 57 BVV 2, however, investments in bonds and shares of listed companies that are members of the Foundation are permitted in individual mandates, either to the extent of their weighting in the benchmark or in comparable mandates.

5.11 Expansion of investment opportunities

Provided that compliance with Art. 50 Para. 1-3 BVV 2 can be conclusively demonstrated in the appendix to the annual financial statements, extensions to the investment options in accordance with Art. 53 Para. 1-4, 54, 54a, 54b Para. 1, 55, 56, 56a Paras. 1 and 5 and 57 Paras. 2 and 3 BVV 2 are possible (Art. 50 Para. 4 BVV 2).

6 Fluctuation reserve

A fluctuation reserve (WSR) is set up to ensure that the Foundation's benefit commitments are fulfilled on a sustainable basis (based on Art. 65b BVG and Art. 48e BVV 2). The ESC on the liabilities side of the commercial balance sheet is designed to absorb the market-specific risks underlying the investments (within a certain time horizon).

The target size of the ESCs must be calculated according to the financial economic method.

Under this method, the return and risk characteristics of the investment categories within the strategic asset allocation (hereinafter referred to as SAA) are used to determine the WSR that will, with reasonable certainty, enable the required minimum return on the tied pension capital to be achieved over a one-year horizon.

The calculation of the target fluctuation reserve is based on the value-at-risk approach:

Recognized calculation models are used, such as models based directly on historical volatility or stochastic models (so-called "Monte Carlo" simulation models).

The following parameters are included in the calculation:

- Current Asset Allocation (SAA)
- Historical volatility of the strategy
- Minimum return amin (target return)
- Future expected return of the investment strategy
- Safety level (Z)

The WSR is expressed as a percentage of the liabilities (pension capital plus technical provisions). A security level of at least 95% (Z=1,644) is assumed, as well as a target return that is at least equal to the interest on the retirement capital. In determining the level of security, due account shall also be taken of the structure and expected development of the liabilities side of the commercial balance sheet

The WSR is introduced at the start of the contract or gradually built up. Contribution and/or income financing can be agreed. The minimum WSR at the start of the contract is agreed separately between the Foundation and the Foundation Board, depending on the investment strategy.

The level of the WSR is periodically reviewed.

7 Integrity and Loyalty

7.1 Subordinates

All persons entrusted with the investment and management of pension assets are deemed to be subordinated. For the purposes of these investment regulations, this is understood to mean

- the mandated asset managers (natural and legal persons);
- the members of the foundation board;
- the members of the cash management board;
- the members of the investment committee are the management;
- other third parties entrusted with investment activities.

7.2 Requirements for management and asset management (Art. 48f BVV 2)

Asset managers within the meaning of Fig. 3.5 may be natural or legal persons who are qualified for this task and who are organized in such a way that they meet the requirements of Art. 51b para. 1 of the Federal Constitution Act (BVVG) as well as the provisions of Art. 48g - 48l BVV 2. In doing so, the specifications of the regulations in Sections 7.3 - 7.7 must be observed.

Asset managers are also obliged to comply with the ASIP Charter.

If stricter regulations apply to individual asset managers, these are applicable.

7.3 Avoidance of conflicts of interest (Art. 48h BVV 2)

The persons entrusted with asset management are subject to the duty of care in a fiduciary capacity and must safeguard the interests of the insured persons in their activities. To this end, they shall ensure that no conflict of interest arises from their personal and business relationships. External persons, or beneficial owners of companies entrusted with asset management, may not be represented either on the Foundation Board or on the Administration Committee or Investment Committee. Contracts must be terminable at the latest five years after conclusion without disadvantages for the Foundation.

7.4 Legal transactions with related parties (Art. 48i BVV 2)

The legal transactions concluded must correspond to standard market conditions. Competitive quotations must be obtained for significant legal transactions with related parties in accordance with Art. 48i para. 2 BVV 2. The award of contracts must be fully transparent.

7.5 Own-account transactions (Art. 48j BVV 2)

All persons and institutions entrusted with the management or investment of assets undertake to comply with the legal principles of integrity and loyalty in asset management. In particular, they may not:

- take advantage of the knowledge of orders for the prior, parallel or immediately subsequent execution of concurrent own-account trades (Front, Parallel, After Running)
- trade in a title or in an investment as long as the Foundation trades in this title or this investment and as long as the Foundation may suffer a disadvantage as a result; participation in such transactions in any other form is deemed equivalent to trading;
- regroup custody accounts without any economic reason that is in the interest of the Foundation.

7.6 Surrender of pecuniary advantages (Art. 48k BVV 2)

The asset managers within the meaning of numeral 3.5 must confirm annually in writing that no additional pecuniary advantages (retrocessions, sales commissions, portfolio maintenance commissions or similar) have accrued to them from their activity for the Foundation beyond the compensation set out in the written agreement, or that these have been delivered in full to the Foundation.

7.7 Disclosure (Art. 48l BVV 2)

The managing director shall require asset managers in accordance with para.3.5 well as those responsible in accordance with Art. 48g BVV 2 to submit a written declaration of personal pecuniary advantages and shall report to the board of foundation.

The written declaration pursuant to Art. 48l BVV 2 shall contain in particular

- the disclosure of any connections of interest, and
- confirmation that no abusive proprietary trading has taken place.

8 Control and reporting

8.1 Custody account management / global custody

Custody account management for an investment mandate may be delegated to an independent third party (external asset manager or global custodian). The internal organization of the mandate holder or the global custodian must guarantee compliance with the loyalty rules set out in section 7.

8.2 Securities Accounting

The securities accounting is to be conducted properly in accordance with the principles of Swiss GAAP FER 26. This task may be delegated to an independent third party.

8.3 Valuation of the assets

Investments are valued at current values (essentially market values). In all other respects, the provisions of the professional recommendations according to Swiss GAAP FER No. 26 (true & fair view) apply.

Investments for which no market value is available are valued at net asset value (e.g. private equity) or nominal value less any necessary value adjustments.

8.4 Reporting

The asset managers regularly prepare a written report on the investment activity, the results achieved and the composition of the investment.

The asset management activity according to Fig. 3.5 and the type of reporting by the asset manager must be regulated in a written asset management agreement. The asset manager confirms to the Foundation at the end of the year that the guidelines for the investments in accordance with numeral 7 complied with.

The Managing Director regularly informs the Foundation Board about the investment activity. The corresponding reports are to be prepared by the asset

managers and the foundation management.

9 Asset management costs

The costs associated with asset management, in particular costs for the preparation of the investment strategy, investment controlling, investment management, any asset transfers, any costs for the calculation of the fluctuation reserves according to the financial-economic method and the training of the Foundation Board are borne by the relevant employer pension fund or pension fund at Foundation level.

10 Final provisions

The present investment regulations version of the company's own investment strategy will come into force on 1 January 2024 and replace all previous addenda.

It may be amended at any time by the Foundation Board.

If these regulations are translated into other languages, the German original of this translation is binding.

Zurich, November 2023

Vita Invest Collective Foundation of Zurich Life Insurance Company Ltd

The foundation board

Annex I: Investment strategies

	Mixed assets of the Zurich Investment Foundation			
Investment strategy	Profile Defensive	Profile Balanced	Profile Progressive	Profile Dynamic
	Investment strategy 0	Investment strategy 1 / pension scheme at foundation level	Investment strategy 2	Investment strategy 3
Valor	002.844.745	002.844.737	002.844.727	050.270.077
ISIN	CH0028447453	CH0028447370	CH0028447271	CH0502700773
First edition	January 2007	January 2007	January 2007	April 2020
Issue/Redemption	weekly	weekly	weekly	weekly
Benchmark	customised index	customised index	customised index	customised index
Fund currency	CHF	CHF	CHF	CHF
Asset management	Various	Various	Various	Various
Target fluctuation reserve	8%	10%	12.5%	15%
Investment policy	Optimisation of earnings through limited use of shares, including the target fluctuation reserve	Increased earnings through balanced use of equities, including the target fluctuation reserve	Profit maximisation through increased use of shares, including the target fluctuation reserve	Profit maximisation through increased use of equities and alternative investments, including the target fluctuation reserve
Stocks	10% - 25%	15% - 40%	25% - 50%	40% - 60%
Bonds	35% - 70%	30% - 60%	20% - 50%	5% - 30%
Real estate, mortgages	0% - 30%	0% - 30%	0% - 30%	0% - 30%
Alternative investments	0% - 15%	0% - 15%	0% - 15%	0% - 20%

	Mixed assets of the Zurich Investment Foundation			
Investment strategy	Mix 20	Mix 45	Mix 65	Mix 98
Valor	051.249.460	051.249.461	051.249.462	130.097.948
ISIN	CH0512494607	CH0512494615	CH0512494623	CH1300979486
First edition	March 2020	March 2020	March 2020	January 2024
Issue/Redemption	weekly	weekly	weekly	weekly
Benchmark	Customized Index	Customized Index	Customized Index	Customized Index
Fund currency	CHF	CHF	CHF	CHF
Asset management	Diverse	Diverse	Diverse	Diverse
Target fluctuation reserve	10%	15%	20%	30%
Investment Policy	The asset allocation is flexibly adjusted to the respective market conditions and varies within the specified bandwidths. The strategic share of equities is between 20% and 98%. The investment objective is to outperform the benchmark over the long term.			
Stocks	10% - 30%	30% - 55%	40% - 75%	85% - 100%
Bonds	30% - 50%	15% - 35%	0% - 20%	0% - 10%
Real estate, mortgages	0% - 25%	0% - 25%	0% - 25%	0% - 5%
Alternative investments	0% - 15%	0% - 15%	0% - 15%	0% - 5%

Separate accounts are maintained for the employer pension funds.