



Investment Guidelines

VZ Investment Foundation 2

Effective 1 August 2023



Investment Guidelines

Pursuant to article 11 (4) of the articles of association of the VZ Investment Foundation 2 (hereinafter «foundation»), the following Investment Guidelines are issued:

General guidelines

Article 1 Scope	The general guidelines shall apply on a subsidiary basis, i.e. unless the specific guidelines stipulate	otherwise for individual asset allocation types.
Article 2 Legal provisions	The legal provisions governing investments by pension schemes and the decisional practice of	the supervisory authority based thereon are applicable.
Article 3 Investment of assets	<ol style="list-style-type: none">1. In investing assets, the criteria of security, yield and liquidity must be observed. All investments must be carefully selected and broadly diversified to mitigate risks. Each individual investment must itself be assessed in terms of its contribution to risk and return in the overall portfolio.2. The tradability of the investments must be guaranteed.3. All investments must be subject to regular risk control.	<ol style="list-style-type: none">4. Investments in the asset class «equities» should be diversified appropriately by sector and region.5. Investments in the asset class «bonds» should be appropriately diversified by sector, region and maturity.6. Investments in the asset class «real estate» should be diversified by region and type of use.
Article 4 Liquidity	In all asset allocation types appropriate cash and cash equivalents may be held in the accounting	unit of the asset allocation type and in all currencies in which investments are made.
Article 5 Derivative instruments	<ol style="list-style-type: none">1. The foundation may only use derivatives that meet the requirements of article 56a OPO 2 and the related technical recommendations. As a general rule, only derivatives within collective investment schemes are permitted. Direct derivatives are possible for currency swaps and currency forward transactions, provided these are settled on a payment versus payment basis. Only derivatives that are derived from investments in line with article 53 OPO 2 may be used.2. The use of derivative instruments must be objectively justified and must comply with the requirements of occupational pension law (article 2). The reporting must expressly show the	<p>transactions concluded or the open contracts with corresponding obligations.</p> <ol style="list-style-type: none">3. The use of derivatives must be limited to instruments with sufficient market liquidity, where the issuer or counterparty has an impeccable credit rating. The creation of leverage through the use of derivatives is not permitted. Positions in derivatives must always be covered by available liquidity or underlyings. The sum of the counterparty risk and any other investments with the issuer may not exceed 10% of the total assets per issuer.4. The positions entered into must be monitored regularly and carefully.
Art. 6 Sustainability	For asset allocation types with a focus on sustainability, the following criteria apply to the selection of investments: When selecting investments, criteria for sustainable economic or business activities of the companies are systematically taken into account (so-called ESG criteria: Environment, Social, Governance). More than 300 different criteria from the areas of environment (E), society (S) and corporate governance (G) are taken into account in the sustainability analyses of the invest-	ments chosen. The sustainability assessment is based on data from third-party providers as well as on our own analysis. In addition to value-based exclusions (e.g. due to ESG-critical business activities), investments with a positive impact on ESG are given greater consideration. The VZ Sustainability Profile informs investors at least annually about the sustainability orientation of the asset allocation type.



**Art. 7
Securities
lending**

Securities may be lent for a fee for all asset allocation types. In doing so, the relevant provisions of the fund legislation on investment funds shall apply. Securities lending is only permitted with first-class borrowers or intermediaries specialising

in the type of transaction who guarantee proper execution. The proportion of loaned securities per borrower or intermediary should not exceed 10% of the portfolio.

**Art. 8
Repurchase
transactions**

Repurchase transactions are generally permitted. The relevant provisions of the Federal Act on Collective Investment Schemes are applicable.

The foundation may only act as a repurchaser. No transactions that result in leveraging or short selling are permitted.

**Art. 9
Compliance
with investment
regulations**

When selecting individual investments, the percentage restrictions set out in the special investment guidelines must be complied with in order to ensure a balanced distribution of risk. These apply to the assets as a whole and must be complied with at all times. If the limits are breached as a result of changes in the market, changes in the

investment group or high investments and disinvestments, the investments must be restored to the permitted level within a reasonable period while safeguarding the interests of investors. Short-term loans for technical reasons are possible within the investment groups in accordance with article 26 para. 6 IFoundO.

**Art. 10
Assignment
of claims**

Claims against asset allocation types of VZ Investment Foundation 2 may not be assigned to third-party banks.



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Article 1 Investment instruments

- Investments may be placed directly or via collective investment schemes. Mixed assets may only be invested in appropriately diversified collective investment schemes pursuant to article 56 (2) OPO 2 with sufficient information and disclosure obligations. The provisions of article 56 (2) OPO 2 must be complied with in the case of investments in collective investment schemes. The permitted maximum percentage per individual collective investment scheme is 20%. In the case of investments in collective investment schemes, which are under the supervision of OPSC (exclusively claims against investment foundations) or are supervised by FINMA and registered for sale, a percentage of up to 100% is possible.
- Investments in funds of funds are permitted, provided that the fund of funds for its part does not invest in fund products and remains sufficiently transparent to ensure compliance with the investment guidelines. Investments in claims against investment foundations, which in turn invest in funds of funds, are permitted.
- Investments in the asset classes real estate, mortgages, infrastructure and alternative investments are carried out by means of collective investment schemes.
- Claims may be acquired from other asset allocation types of VZ Investment Foundation and VZ Investment Foundation 2 or from other investment foundations.

Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations from the respective target percentages may be made subject to compliance with permitted ranges.

Asset class	Strategic allocation	Range
Liquidity & money market	1%	0%–10%
Claims	72%	55%–86%
Bonds in CHF	27%	20%–38%
Mortgages	15%	0%–30%
Bonds in foreign currency (mainly hedged in CHF) ¹	27%	20%–43%
Convertible and high-interest bonds (mainly hedged in CHF) ¹	0%	0%– 5%
Emerging market debt	3%	0%– 5%
Equities	15%	10%–20%
Equities Switzerland	7,5%	5%–12%
Equities international	7,5%	5%–12%
Real estate	10%	5%–20%
Real estate Switzerland	10%	5%–20%
Real estate international	0%	0%– 5%
Infrastructure	2%	0%– 5%
Alternative investments	0%	0%–15%

¹ At least 70% of the foreign currency risks are hedged.

Article 3 Additional investment restrictions

- For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.
- The percentage of foreign currencies without currency hedging may not exceed 30% of total assets.
- Investments in alternative investments and infrastructure may not be subject to a duty to make additional contributions and must be made via asset allocation types of investment foundations under the supervision of the OPSC or through diversified collective investment schemes supervised by FINMA or authorised for sale pursuant to article 56 (2) OPO 2 with a sufficient duty to provide information and information. Subject to the 10% issuer limit, investments may be made through diversified certificates or diversified structured products.
- For investments in convertible and high-interest bonds, the average rating of both segments must be at least B+ (Standard & Poor's) or B1 (Moody's).
- The limitation on individual debtors, company participations and real estate investments must be complied with pursuant to article 54 et seq OPO 2.



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Article 1 Investment instruments

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Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations from the respective target percentages may be made subject to compliance with permitted ranges.

Asset class	Strategic allocation	Range
Liquidity & money market	1%	0%–10%
Claims	62%	46%–73%
Bonds in CHF	24%	18%–34%
Mortgages	13%	0%–26%
Bonds in foreign currency (mainly hedged in CHF) ¹	22%	16%–36%
Convertible and high-interest bonds (mainly hedged in CHF) ¹	0%	0%– 5%
Emerging market debt	3%	0%– 5%
Equities	25%	18%–30%
Equities Switzerland	12,5%	9%–17%
Equities international	12,5%	9%–17%
Real estate	10%	5%–20%
Real estate Switzerland	10%	5%–20%
Real estate international	0%	0%– 5%
Infrastructure	2%	0%– 5%
Alternative investments	0%	0%–15%

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Article 3 Additional investment restrictions

- For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.
- The percentage of foreign currencies without currency hedging may not exceed 30% of total assets.
- Investments in alternative investments and infrastructure may not be subject to a duty to make additional contributions and must be made via asset allocation types of investment foundations under the supervision of the OPSC or through diversified collective investment schemes supervised by FINMA or authorised for sale pursuant to article 56 (2) OPO 2 with a sufficient duty to provide information and information. Subject to the 10% issuer limit, investments may be made through diversified certificates or diversified structured products.
- For investments in convertible and high-interest bonds, the average rating of both segments must be at least B+ (Standard & Poor's) or B1 (Moody's).
- The limitation on individual debtors, company participations and real estate investments must be complied with pursuant to article 54 et seq OPO 2.



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Article 1 Investment instruments

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Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations from the respective target percentages may be made subject to compliance with permitted ranges.

Asset class	Strategic allocation	Range
Liquidity & money market	1%	0%–10%
Claims	52%	37%–63%
Bonds in CHF	19%	12%–27%
Mortgages	10%	0%–20%
Bonds in foreign currency (mainly hedged in CHF) ¹	19%	13%–33%
Convertible and high-interest bonds (mainly hedged in CHF) ¹	0%	0%– 5%
Emerging market debt	4%	0%– 6%
Equities	35%	26%–40%
Equities Switzerland	17,5%	13%–22%
Equities international	17,5%	13%–22%
Real estate	10%	5%–20%
Real estate Switzerland	10%	5%–20%
Real estate international	0%	0%– 5%
Infrastructure	2%	0%– 5%
Alternative investments	0%	0%–15%

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Article 3 Additional investment restrictions

- For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.
- The percentage of foreign currencies without currency hedging may not exceed 30% of total assets.
- Investments in alternative investments and infrastructure may not be subject to a duty to make additional contributions and must be made via asset allocation types of investment foundations under the supervision of the OPSC or through diversified collective investment schemes supervised by FINMA or authorised for sale pursuant to article 56 (2) OPO 2 with a sufficient duty to provide information and information. Subject to the 10% issuer limit, investments may be made through diversified certificates or diversified structured products.
- For investments in convertible and high-interest bonds, the average rating of both segments must be at least B+ (Standard & Poor's) or B1 (Moody's).
- The limitation on individual debtors, company participations and real estate investments must be complied with pursuant to article 54 et seq OPO 2.



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Article 1 Investment instruments

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Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations from the respective target percentages may be made subject to compliance with permitted ranges.

Asset class	Strategic allocation	Range
Liquidity & money market	1%	0%–10%
Claims	42%	27%–53%
Bonds in CHF	16%	8%–26%
Mortgages	7%	0%–14%
Bonds in foreign currency (mainly hedged in CHF) ¹	15%	11%–29%
Convertible and high-interest bonds (mainly hedged in CHF) ¹	0%	0%– 6%
Emerging market debt	4%	0%– 6%
Equities	45%	32%–50%
Equities Switzerland	22,5%	16%–28%
Equities international	22,5%	16%–28%
Real estate	10%	5%–20%
Real estate Switzerland	10%	5%–20%
Real estate international	0%	0%– 5%
Infrastructure	2%	0%– 5%
Alternative investments	0%	0%–15%

¹ At least 70% of the foreign currency risks are hedged.

Article 3 Additional investment restrictions

- For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.
- The percentage of foreign currencies without currency hedging may not exceed 30% of total assets.
- Investments in alternative investments and infrastructure may not be subject to a duty to make additional contributions and must be made via asset allocation types of investment foundations under the supervision of the OPSC or through diversified collective investment schemes supervised by FINMA or authorised for sale pursuant to article 56 (2) OPO 2 with a sufficient duty to provide information and information. Subject to the 10% issuer limit, investments may be made through diversified certificates or diversified structured products.
- For investments in convertible and high-interest bonds, the average rating of both segments must be at least B+ (Standard & Poor's) or B1 (Moody's).
- The limitation on individual debtors, company participations and real estate investments must be complied with pursuant to article 54 et seq OPO 2.



Special Investment Guidelines

VZ OPA Sustainability 65

(Enhanced investment options pursuant to OPO 2)

Article 1 Investment instruments

1. Investments may be placed directly or via collective investment schemes. Mixed assets may only be invested in appropriately diversified collective investment schemes pursuant to article 56 (2) OPO 2 with sufficient information and disclosure obligations. The provisions of article 56 (2) OPO 2 must be complied with in the case of investments in collective investment schemes. The permitted maximum percentage per individual collective investment scheme is 20%. In the case of investments in collective investment schemes, which are under the supervision of OPSC (exclusively claims against investment foundations) or are supervised by FINMA and registered for sale, a percentage of up to 100% is possible.
2. Investments in funds of funds are permitted, provided that the fund of funds for its part does not invest in fund products and remains sufficiently transparent to ensure compliance with the investment guidelines. Investments in claims against investment foundations, which in turn invest in funds of funds, are permitted.
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Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations from the respective target percentages may be made subject to compliance with permitted ranges.

Asset class	Strategic allocation	Range
Liquidity & money market	1%	0%–10%
Claims	22%	12%–35%
Bonds in CHF	7,5%	4%–12,5%
Mortgages	3,5%	0%– 7%
Bonds in foreign currency (mainly hedged in CHF) ¹	9%	6%–19%
Convertible and high-interest bonds (mainly hedged in CHF) ¹	0%	0%– 6%
Emerging market debt	2%	0%– 6%
Equities²	65%	52%–75%
Equities Switzerland	32,5%	26%–39%
Equities international	32,5%	26%–39%
Real estate	10%	0%–15%
Real estate Switzerland	10%	0%–15%
Real estate international	0%	0%– 5%
Infrastructure	2%	0%– 5%
Alternative investments	0%	0%–15%

1 At least 40% of the foreign currency risks are hedged.

2 Exceeding the category limit for investments in equities.

Article 3 Enhanced investment options

The asset allocation type may exceed the company and class limits pursuant to article 54a and article 55 OPO 2. The asset allocation type shall make use of these expanded investment options as follows:

Designation	Limit under OPO 2	Exceeding limit	Upper limit
Limitation on individual company participations (article 54a OPO 2)	5%	+10%	15%
Category limitation for investments in equities (article 55 (b) OPO 2)	50%	+25%	75%
Category limitation for foreign currencies (article 55 (e) OPO 2)	30%	+30%	60%



VZ OPA Sustainability 65

(Enhanced investment options pursuant to OPO 2)

Article 4 Additional investment restrictions

1. For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.
2. Investments in alternative investments and infrastructure may not be subject to a duty to make additional contributions and must be made via asset allocation types of investment foundations under the supervision of the OPSC or through diversified collective investment schemes supervised by FINMA or authorised for sale pursuant to article 56 (2) OPO 2 with a sufficient duty to provide information and information. Subject to the 10% issuer limit, investments may be made through diversified certificates or diversified structured products.
3. For investments in convertible and high-interest bonds, the average rating of both segments must be at least B+ (Standard & Poor's) or B1 (Moody's).



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(Enhanced investment options pursuant to OPO 2)

Article 1 Investment instruments

1. Investments may be placed directly or via collective investment schemes. Mixed assets may only be invested in appropriately diversified collective investment schemes pursuant to article 56 (2) OPO 2 with sufficient information and disclosure obligations. The provisions of article 56 (2) OPO 2 must be complied with in the case of investments in collective investment schemes. The permitted maximum percentage per individual collective investment scheme is 20%. In the case of investments in collective investment schemes, which are under the supervision of OPSC (exclusively claims against investment foundations) or are supervised by FINMA and registered for sale, a percentage of up to 100% is possible.
2. Investments in funds of funds are permitted, provided that the fund of funds for its part does not invest in fund products and remains sufficiently transparent to ensure compliance with the investment guidelines. Investments in claims against investment foundations, which in turn invest in funds of funds, are permitted.
3. Investments in the asset classes real estate, mortgages, infrastructure and alternative investments are carried out by means of collective investment schemes.
4. Claims may be acquired from other asset allocation types of VZ Investment Foundation and VZ Investment Foundation 2 or from other investment foundations.

Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations from the respective target percentages may be made subject to compliance with permitted ranges.

Asset class	Strategic allocation	Range
Liquidity & money market	1%	0%–10%
Claims	9%	0%–18%
Bonds in CHF	5%	0%–15%
Mortgages	0%	0%– 6%
Bonds in foreign currency (mainly hedged in CHF) ¹	4%	0%–14%
Convertible and high-interest bonds (mainly hedged in CHF) ¹	0%	0%– 6%
Emerging market debt	0%	0%– 6%
Equities²	90%	72%–95%
Equities Switzerland	45%	36%–54%
Equities international	45%	36%–54%
Real estate	0%	0%–10%
Real estate Switzerland	0%	0%–10%
Real estate international	0%	0%– 5%
Infrastructure	0%	0%– 5%
Alternative investments	0%	0%–10%

1 At least 40% of the foreign currency risks are hedged.

2 Exceeding the category limit for investments in equities.

Article 3 Enhanced investment options

The asset allocation type may exceed the company and class limits pursuant to article 54a and article 55 OPO 2. The asset allocation type shall make use of these expanded investment options as follows:

Designation	Limit under OPO 2	Exceeding limit	Upper limit
Limitation on individual company participations (article 54a OPO 2)	5%	+10%	15%
Category limitation for investments in equities (article 55 (b) OPO 2)	50%	+45%	95%
Category limitation for foreign currencies (article 55 (e) OPO 2)	30%	+30%	60%



VZ OPA Sustainability 90

(Enhanced investment options pursuant to OPO 2)

Article 4 Additional investment restrictions

1. For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.
2. Investments in alternative investments and infrastructure may not be subject to a duty to make additional contributions and must be made via asset allocation types of investment foundations under the supervision of the OPSC or through diversified collective investment schemes supervised by FINMA or authorised for sale pursuant to article 56 (2) OPO 2 with a sufficient duty to provide information and information. Subject to the 10% issuer limit, investments may be made through diversified certificates or diversified structured products.
3. For investments in convertible and high-interest bonds, the average rating of both segments must be at least B+ (Standard & Poor's) or B1 (Moody's).



Special Investment Guidelines

VZ OPA Sustainability 90 (1e)

(Enhanced investment options pursuant to OPO 2)

Article 1 Investment instruments

1. Investments may be placed directly or via collective investment schemes. Mixed assets may only be invested in appropriately diversified collective investment schemes pursuant to article 56 (2) OPO 2 with sufficient information and disclosure obligations. The provisions of article 56 (2) OPO 2 must be complied with in the case of investments in collective investment schemes. The permitted maximum percentage per individual collective investment scheme is 20%. In the case of investments in collective investment schemes, which are under the supervision of OPSC (exclusively claims against investment foundations) or are supervised by FINMA and registered for sale, a percentage of up to 100% is possible.
2. Investments in funds of funds are permitted, provided that the fund of funds for its part does not invest in fund products and remains sufficiently transparent to ensure compliance with the investment guidelines. Investments in claims against investment foundations, which in turn invest in funds of funds, are permitted.
3. Investments in the asset classes real estate, mortgages, infrastructure and alternative investments are carried out by means of collective investment schemes.
4. Claims may be acquired from other asset allocation types of VZ Investment Foundation and VZ Investment Foundation 2 or from other investment foundations.

Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations from the respective target percentages may be made subject to compliance with permitted ranges.

Asset class	Strategic allocation	Range
Liquidity & money market	1%	0%–10%
Claims	9%	0%–18%
Bonds in CHF	5%	0%–15%
Mortgages	0%	0%– 6%
Bonds in foreign currency (mainly hedged in CHF) ¹	4%	0%–14%
Convertible and high-interest bonds (mainly hedged in CHF) ¹	0%	0%– 6%
Emerging market debt	0%	0%– 6%
Equities²	90%	72%–95%
Equities Switzerland	45%	36%–54%
Equities international	45%	36%–54%
Real estate	0%	0%–10%
Real estate Switzerland	0%	0%–10%
Real estate international	0%	0%– 5%
Infrastructure	0%	0%– 5%
Alternative investments	0%	0%–10%

1 At least 40% of the foreign currency risks are hedged.

2 Exceeding the category limit for investments in equities.

Article 3 Enhanced investment options

The asset allocation type may exceed the company and class limits pursuant to article 54a and article 55 OPO 2. The asset allocation type shall make use of these expanded investment options as follows:

Designation	Limit under OPO 2	Exceeding limit	Upper limit
Limitation on individual company participations (article 54a OPO 2)	5%	+10%	15%
Category limitation for investments in equities (article 55 (b) OPO 2)	50%	+45%	95%
Category limitation for foreign currencies (article 55 (e) OPO 2)	30%	+30%	60%



Special Investment Guidelines

VZ OPA Sustainability 90 (1e)

(Enhanced investment options pursuant to OPO 2)

Article 4 Additional investment restrictions

1. For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.
2. Investments in alternative investments and infrastructure may not be subject to a duty to make additional contributions and must be made via asset allocation types of investment foundations under the supervision of the OPSC or through diversified collective investment schemes supervised by FINMA or authorised for sale pursuant to article 56 (2) OPO 2 with a sufficient duty to provide information and information. Subject to the 10% issuer limit, investments may be made through diversified certificates or diversified structured products.
3. For investments in convertible and high-interest bonds, the average rating of both segments must be at least B+ (Standard & Poor's) or B1 (Moody's).



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Article 1 Investment instruments

1. The asset classes are liquid funds and money market, receivables, equities, real estate and alternative investments.
2. The investments shall be made in collective investment schemes pursuant to article 30 IFoundO which passively track a corresponding reference index (except for mortgages and money market).
3. The collective investment schemes used may not hold all securities of the reference index, but rather only a representative selection thereof (physical sampling method).
4. Claims may be acquired from other asset allocation types of VZ Investment Foundation and VZ Investment Foundation 2 or from other investment foundations.

The following reference indices are used:

Reference index	Maximum tracking error ¹
SBI Total AAA – BBB TR (Bonds in CHF)	0,8%
SBI Total AAA – BBB 1–3Y TR (Mortgages)	0,8%
Barclays Capital Global Aggregate Bond Index CHF hedged (Bonds in foreign currency)	1,0%
BarCap EMLC Government Capped (Emerging market debt in local currency)	2,0%
SPI (Equities Switzerland)	2,0%
SPI Extra (Equities Switzerland Small & Mid Caps)	2,5%
MSCI World ex CH Net Index (Equities international)	2,5%
MSCI World ex CH Small Cap Index (Equities international Small & Mid Caps)	3,0%
MSCI EM ESG Leaders Net Index (Equities emerging markets)	3,0%
SXI Real Estate Broad Funds Index (Real estate Switzerland)	2,5%
IAZI Swiss Property Benchmark (Real estate Switzerland)	3,0%
SXI Real Estate Shares TR Index (Real estate Switzerland)	3,0%
GOLD London PM Fixing Hedged CHF (Alternative investments)	2,5%

¹ Annualised tracking error over 3 years

The foundation cannot guarantee compliance with the maximum tracking error.

Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations may be made from the respective target percentages, subject to compliance with the range limits. Periodic rebalancing shall be carried out. Despite efficient replication of the reference index, deviations from the reference index are possible.

Asset class	Strategic allocation	Range
Claims	61%	55% – 67%
Bonds in CHF	24%	20,5% – 42,5%
Mortgages	13%	0% – 20%
Bonds in foreign currency (hedged in CHF)	21%	18% – 24%
Emerging market debt	3%	2% – 4%
Equities	25%	20% – 30%
Equities Switzerland	10,5%	8% – 13%
Equities Switzerland Small & Mid Caps	2%	1,5% – 2,5%
Equities international	9%	7% – 11%
Equities international Small & Mid Caps	2%	1,5% – 2,5%
Equities international emerging markets	1,5%	1% – 2%
Real estate Switzerland	10%	8% – 12%
Alternative investments (Gold hedged in CHF)	3%	2% – 4%
Liquidity & money market	1%	0% – 10%



VZ OPA Index Investments 25

Article 3 Additional investment restrictions

1. The share of a collective investment scheme must be limited to a maximum of 20% of the assets of the asset allocation type, where the collective investment is not subject to FINMA supervision, is not authorised by FINMA for sale in Switzerland or has not been set up by a Swiss investment foundation.
2. Except for investments in the real estate asset class or in claims of investment foundations, investments in funds of funds are not permitted.
3. For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.
4. The limitation on individual debtors, company participations and real estate investments must be complied with pursuant to article 54 et seq OPO 2.



Special Investment Guidelines

VZ OPA Index Investments 35

Article 1 Investment instruments

1. The asset classes are liquid funds and money market, receivables, equities, real estate and alternative investments.
2. The investments shall be made in collective investment schemes pursuant to article 30 IFoundO which passively track a corresponding reference index (except for mortgages and money market).
3. The collective investment schemes used may not hold all securities of the reference index, but rather only a representative selection thereof (physical sampling method).
4. Claims may be acquired from other asset allocation types of VZ Investment Foundation and VZ Investment Foundation 2 or from other investment foundations.

The following reference indices are used:

Reference index	Maximum tracking error ¹
SBI Total AAA – BBB TR (Bonds in CHF)	0,8%
SBI Total AAA – BBB 1–3Y TR (Mortgages)	0,8%
Barclays Capital Global Aggregate Bond Index CHF hedged (Bonds in foreign currency)	1,0%
BarCap EMLC Government Capped (Emerging market debt in local currency)	2,0%
SPI (Equities Switzerland)	2,0%
SPI Extra (Equities Switzerland Small & Mid Caps)	2,5%
MSCI World ex CH Net Index (Equities international)	2,5%
MSCI World ex CH Small Cap Index (Equities international Small & Mid Caps)	3,0%
MSCI EM ESG Leaders Net Index (Equities emerging markets)	3,0%
SXI Real Estate Broad Funds Index (Real estate Switzerland)	2,5%
IAZI Swiss Property Benchmark (Real estate Switzerland)	3,0%
SXI Real Estate Shares TR Index (Real estate Switzerland)	3,0%
GOLD London PM Fixing Hedged CHF (Alternative investments)	2,5%

¹ Annualised tracking error over 3 years

The foundation cannot guarantee compliance with the maximum tracking error.

Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations may be made from the respective target percentages, subject to compliance with the range limits. Periodic rebalancing shall be carried out. Despite efficient replication of the reference index, deviations from the reference index are possible.

Asset class	Strategic allocation	Range
Claims	51%	46% – 56%
Bonds in CHF	19%	16% – 33,5%
Mortgages	10%	0% – 20%
Bonds in foreign currency (hedged in CHF)	18%	14,5% – 21,5%
Emerging market debt	4%	3% – 5%
Equities	35%	29% – 40%
Equities Switzerland	14,5%	11% – 18%
Equities Switzerland Small & Mid Caps	3%	2% – 4%
Equities international	13%	10% – 16%
Equities international Small & Mid Caps	2,5%	2% – 3%
Equities international emerging markets	2%	1,5% – 2,5%
Real estate Switzerland	10%	8% – 12%
Alternative investments (Gold hedged in CHF)	3%	2% – 4%
Liquidity & money market	1%	0% – 10%



VZ OPA Index Investments 35

Article 3 Additional investment restrictions

1. The share of a collective investment scheme must be limited to a maximum of 20% of the assets of the asset allocation type, where the collective investment is not subject to FINMA supervision, is not authorised by FINMA for sale in Switzerland or has not been set up by a Swiss investment foundation.
2. Except for investments in the real estate asset class or in claims of investment foundations, investments in funds of funds are not permitted.
3. For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.
4. The limitation on individual debtors, company participations and real estate investments must be complied with pursuant to article 54 et seq OPO 2.



Special Investment Guidelines

VZ OPA Index Investments 45

Article 1 Investment instruments

1. The asset classes are liquid funds and money market, receivables, equities, real estate and alternative investments.
2. The investments shall be made in collective investment schemes pursuant to article 30 IFoundO which passively track a corresponding reference index (except for mortgages and money market).
3. The collective investment schemes used may not hold all securities of the reference index, but rather only a representative selection thereof (physical sampling method).
4. Claims may be acquired from other asset allocation types of VZ Investment Foundation and VZ Investment Foundation 2 or from other investment foundations.

The following reference indices are used:

Reference index	Maximum tracking error ¹
SBI Total AAA – BBB TR (Bonds in CHF)	0,8%
SBI Total AAA – BBB 1–3Y TR (Mortgages)	0,8%
Barclays Capital Global Aggregate Bond Index CHF hedged (Bonds in foreign currency)	1,0%
BarCap EMLC Government Capped (Emerging market debt in local currency)	2,0%
SPI (Equities Switzerland)	2,0%
SPI Extra (Equities Switzerland Small & Mid Caps)	2,5%
MSCI World ex CH Net Index (Equities international)	2,5%
MSCI World ex CH Small Cap Index (Equities international Small & Mid Caps)	3,0%
MSCI EM ESG Leaders Net Index (Equities emerging markets)	3,0%
SXI Real Estate Broad Funds Index (Real estate Switzerland)	2,5%
IAZI Swiss Property Benchmark (Real estate Switzerland)	3,0%
SXI Real Estate Shares TR Index (Real estate Switzerland)	3,0%
GOLD London PM Fixing Hedged CHF (Alternative investments)	2,5%

¹ Annualised tracking error over 3 years

The foundation cannot guarantee compliance with the maximum tracking error.

Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations may be made from the respective target percentages, subject to compliance with the range limits. Periodic rebalancing shall be carried out. Despite efficient replication of the reference index, deviations from the reference index are possible.

Asset class	Strategic allocation	Range
Claims	41%	37% – 45%
Bonds in CHF	16%	13,5% – 26,5%
Mortgages	7%	0% – 15%
Bonds in foreign currency (hedged in CHF)	14%	11% – 17%
Emerging market debt	4%	3% – 5%
Equities	45%	40% – 50%
Equities Switzerland	18,5%	15% – 22%
Equities Switzerland Small & Mid Caps	4%	3% – 5%
Equities international	17%	13% – 21%
Equities international Small & Mid Caps	3%	2% – 4%
Equities international emerging markets	2,5%	2% – 3%
Real estate Switzerland	10%	8% – 12%
Alternative investments (Gold hedged in CHF)	3%	2% – 4%
Liquidity & money market	1%	0% – 10%



VZ OPA Index Investments 45

Article 3 Additional investment restrictions

1. The share of a collective investment scheme must be limited to a maximum of 20% of the assets of the asset allocation type, where the collective investment is not subject to FINMA supervision, is not authorised by FINMA for sale in Switzerland or has not been set up by a Swiss investment foundation.
2. Except for investments in the real estate asset class or in claims of investment foundations, investments in funds of funds are not permitted.
3. For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.
4. The limitation on individual debtors, company participations and real estate investments must be complied with pursuant to article 54 et seq OPO 2.



Special Investment Guidelines

VZ OPA Index Investments 65

(Enhanced investment options pursuant to OPO 2)

Article 1 Investment instruments

1. The asset classes are liquid funds and money market, receivables, equities, real estate and alternative investments.
2. The investments shall be made in collective investment schemes pursuant to article 30 IFoundO which passively track a corresponding reference index (except for mortgages and money market).
3. The collective investment schemes used may not hold all securities of the reference index, but rather only a representative selection thereof (physical sampling method).
4. Claims may be acquired from other asset allocation types of VZ Investment Foundation and VZ Investment Foundation 2 or from other investment foundations.

The following reference indices are used:

Reference index	Maximum tracking error ¹
SBI Total AAA – BBB TR (Bonds in CHF)	0,8%
SBI Total AAA – BBB 1–3Y TR (Mortgages)	0,8%
Barclays Capital Global Aggregate Bond Index CHF hedged (Bonds in foreign currency)	1,0%
BarCap EMLC Government Capped (Emerging market debt in local currency)	2,0%
SPI (Equities Switzerland)	2,0%
SPI Extra (Equities Switzerland Small & Mid Caps)	2,5%
MSCI World ex CH Net Index (Equities international)	2,5%
MSCI World ex CH Small Cap Index (Equities international Small & Mid Caps)	3,0%
MSCI EM ESG Leaders Net Index (Equities emerging markets)	3,0%
SXI Real Estate Broad Funds Index (Real estate Switzerland)	2,5%
IAZI Swiss Property Benchmark (Real estate Switzerland)	3,0%
SXI Real Estate Shares TR Index (Real estate Switzerland)	3,0%
GOLD London PM Fixing Hedged CHF (Alternative investments)	2,5%

¹ Annualised tracking error over 3 years

The foundation cannot guarantee compliance with the maximum tracking error.

Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations may be made from the respective target percentages, subject to compliance with the range limits. Periodic rebalancing shall be carried out. Despite efficient replication of the reference index, deviations from the reference index are possible.

Asset class	Strategic allocation	Range
Claims	21%	18% – 24%
Bonds in CHF	7,5%	6% – 13%
Mortgages	3,5%	0% – 10%
Bonds in foreign currency (hedged in CHF)	8%	6% – 10%
Emerging market debt	2%	1,5% – 2,5%
Equities¹	65%	58% – 75%
Equities Switzerland	26,75%	22,5% – 31%
Equities Switzerland Small & Mid Caps	5,75%	4,5% – 7%
Equities international	24%	20,5% – 27,5%
Equities international Small & Mid Caps	4,75%	3,5% – 6%
Equities international emerging markets	3,75%	2,5% – 5%
Real estate Switzerland	10%	8% – 12%
Alternative investments (Gold hedged in CHF)	3%	2% – 4%
Liquidity & money market	1%	0% – 10%

¹ Exceeding the category limit for investments in equities.



Special Investment Guidelines

VZ OPA Index Investments 65

(Enhanced investment options pursuant to OPO 2)

Article 3 Enhanced investment options

The asset allocation type may exceed the company and class limits pursuant to article 54a and article 55 OPO 2. The asset allocation type shall make use of these expanded investment options as follows:

Designation	Limit under OPO 2	Exceeding limit	Upper limit
Limitation on individual company participations (article 54a OPO 2)	5%	+10%	15%
Category limitation for investments in equities (article 55 (b) OPO 2)	50%	+25%	75%
Category limitation for foreign currencies (article 55 (e) OPO 2)	30%	+30%	60%

Article 4 Additional investment restrictions

1. The share of a collective investment scheme must be limited to a maximum of 20% of the assets of the asset allocation type, where the collective investment is not subject to FINMA supervision, is not authorised by FINMA for sale in Switzerland or has not been set up by a Swiss investment foundation.
2. Except for investments in the real estate asset class or in claims of investment foundations, investments in funds of funds are not permitted.
3. For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.



Special Investment Guidelines

VZ OPA Index Investments 90

(Enhanced investment options pursuant to OPO 2)

Article 1 Investment instruments

1. The asset classes are liquid funds and money market, receivables, equities, real estate and alternative investments.
2. The investments shall be made in collective investment schemes pursuant to article 30 IFoundO which passively track a corresponding reference index (except for money market).
3. The collective investment schemes used may not hold all securities of the reference index, but rather only a representative selection thereof (physical sampling method).
4. Claims may be acquired from other asset allocation types of VZ Investment Foundation and VZ Investment Foundation 2 or from other investment foundations.

The following reference indices are used:

Reference index	Maximum tracking error ¹
SBI Total AAA – BBB TR (Bonds in CHF)	0,8%
SPI (Equities Switzerland)	2,0%
SPI Extra (Equities Switzerland Small & Mid Caps)	2,5%
MSCI World ex CH Net Index (Equities international)	2,5%
MSCI World ex CH Small Cap Index (Equities international Small & Mid Caps)	3,0%
MSCI EM ESG Leaders Net Index (Equities emerging markets)	3,0%
GOLD London PM Fixing Hedged CHF (Alternative investments)	2,5%

¹ Annualised tracking error over 3 years

The foundation cannot guarantee compliance with the maximum tracking error.

Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations may be made from the respective target percentages, subject to compliance with the range limits. Periodic rebalancing shall be carried out. Despite efficient replication of the reference index, deviations from the reference index are possible.

Asset class	Strategic allocation	Range
Claims	6%	4,5% – 7,5%
Bonds in CHF	6%	4,5% – 7,5%
Equities¹	90%	85% – 95%
Equities Switzerland	37%	31,5% – 42,5%
Equities Switzerland Small & Mid Caps	8%	6% – 10%
Equities international	33%	28,5% – 37,5%
Equities international Small & Mid Caps	6,5%	4,5% – 8,5%
Equities international emerging markets	5,5%	3,5% – 6%
Alternative investments (Gold hedged in CHF)	3%	2% – 4%
Liquidity & money market	1%	0% – 10%

¹ Exceeding the category limit for investments in equities.



Special Investment Guidelines

VZ OPA Index Investments 90

(Enhanced investment options pursuant to OPO 2)

Article 3 Enhanced investment options

The asset allocation type may exceed the company and class limits pursuant to article 54a and article 55 OPO 2. The asset allocation type shall make use of these expanded investment options as follows:

Designation	Limit under OPO 2	Exceeding limit	Upper limit
Limitation on individual company participations (article 54a OPO 2)	5%	+10%	15%
Category limitation for investments in equities (article 55 (b) OPO 2)	50%	+45%	95%
Category limitation for foreign currencies (article 55 (e) OPO 2)	30%	+30%	60%

Article 4 Additional investment restrictions

1. The share of a collective investment scheme must be limited to a maximum of 20% of the assets of the asset allocation type, where the collective investment is not subject to FINMA supervision, is not authorised by FINMA for sale in Switzerland or has not been set up by a Swiss investment foundation.
2. Except for investments in the real estate asset class or in claims of investment foundations, investments in funds of funds are not permitted.
3. For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.



Special Investment Guidelines

VZ OPA Index Investments 90 (1e)

(Enhanced investment options pursuant to OPO 2)

Article 1 Investment instruments

1. The asset classes are liquid funds and money market, receivables, equities, real estate and alternative investments.
2. The investments shall be made in collective investment schemes pursuant to article 30 IFoundO which passively track a corresponding reference index (except for money market).
3. The collective investment schemes used may not hold all securities of the reference index, but rather only a representative selection thereof (physical sampling method).
4. Claims may be acquired from other asset allocation types of VZ Investment Foundation and VZ Investment Foundation 2 or from other investment foundations.

The following reference indices are used:

Reference index	Maximum tracking error ¹
SSBI Total AAA — BBB TR (Bonds in CHF)	0,8%
SPI (Equities Switzerland)	2,0%
SPI Extra (Equities Switzerland Small & Mid Caps)	2,5%
MSCI World ex CH Net Index (Equities international)	2,5%
MSCI World ex CH Small Cap Index (Equities international Small & Mid Caps)	3,0%
MSCI EM ESG Leaders Net Index (Equities emerging markets)	3,0%
GOLD London PM Fixing Hedged CHF (Alternative investments)	2,5%

¹ Annualised tracking error over 3 years

The foundation cannot guarantee compliance with the maximum tracking error.

Article 2 Asset allocation

The mixed portfolio shall be invested in the individual asset classes in accordance with the following target percentages; deviations may be made from the respective target percentages, subject to compliance with the range limits. Periodic rebalancing shall be carried out. Despite efficient replication of the reference index, deviations from the reference index are possible.

Asset class	Strategic allocation	Range
Claims	6%	4,5% – 7,5%
Bonds in CHF	6%	4,5% – 7,5%
Equities¹	90%	85% – 95%
Equities Switzerland	37%	31,5% – 42,5%
Equities Switzerland Small & Mid Caps	8%	6% – 10%
Equities international	33%	28,5% – 37,5%
Equities international Small & Mid Caps	6,5%	4,5% – 8,5%
Equities international emerging markets	5,5%	4% – 7%
Alternative investments (Gold hedged in CHF)	3%	2% – 4%
Liquidity & money market	1%	0% – 10%

¹ Exceeding the category limit for investments in equities.

Article 3 Enhanced investment options

The asset allocation type may exceed the company and class limits pursuant to article 54a and article 55 OPO 2. The asset allocation type shall make use of these expanded investment options as follows:

Designation	Limit under OPO 2	Exceeding limit	Upper limit
Limitation on individual company participations (article 54a OPO 2)	5%	+10%	15%
Category limitation for investments in equities (article 55 (b) OPO 2)	50%	+45%	95%
Category limitation for foreign currencies (article 55 (e) OPO 2)	30%	+30%	60%



Special Investment Guidelines

VZ OPA Index Investments 90 (1e)

(Enhanced investment options pursuant to OPO 2)

Article 4 Additional investment restrictions

1. The share of a collective investment scheme must be limited to a maximum of 20% of the assets of the asset allocation type, where the collective investment is not subject to FINMA supervision, is not authorised by FINMA for sale in Switzerland or has not been set up by a Swiss investment foundation.
2. Except for investments in the real estate asset class or in claims of investment foundations, investments in funds of funds are not permitted.
3. For investments in bonds, the average rating must be at least A- (Standard & Poor's) or A3 (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.



Special Investment Guidelines

VZ Real estate Switzerland

Article 1 Investment policy and investment instruments

1. Investments shall be made exclusively in Swiss francs on the Swiss real estate market.
2. Claims may be acquired in Swiss real estate investment foundations, units in real estate investment funds and interests in listed Swiss real estate investment companies whose primary purpose is the acquisition and sale of properties and land situated in Switzerland, as well as the rental and lease of such properties.
3. Investment products shall be selected based on the following criteria (non-exhaustive list):
 - a. Performance and valuation
 - b. Fees and tradability
 - c. Diversification
 - d. Foundation managementThe board of trustees may temporarily deviate from the selection process if the market situation so requires.
4. Collective investments are permitted only if their sole purpose is the acquisition, sale, development, rental or the lease of its own land.
5. The collective investments must be appropriately diversified.
6. Real estate companies must derive the majority of their income from the real estate business.
7. No direct real estate investments may be made.
8. The asset allocation type may invest funds for short-term placement in accounts, the money market or short-term bonds. This list is exhaustive. For investments in bonds, the average rating must be at least BBB (Standard & Poor's) or Baa (Moody's). If individual investments do not have a rating from Standard & Poor's or Moody's, a rating from a Swiss bank may be used.
9. Investments shall be financed exclusively from fixed assets.
10. The asset allocation type exercises the shareholder rights associated with equity investments primarily in accordance with financial criteria in the interest of investors. In the case of routine transactions, voting rights are generally exercised in accordance with the proposals of the respective board of directors. In the case of proposals that could have a long-term effect on the interests of investors (merger, reorganisation, divestments of sub-areas, changes to the capital or voting rights structure, etc.), the board of trustees shall expressly decide whether to vote.

Article 2 Customised benchmark

The basis for the management of the asset allocation type's assets shall be the following composition of the benchmark:

Designation	Percentage
IAZI Net Cash Flow Return Index based on IAZI Swiss Property Benchmark	60%
SXI Real Estate TR Index (SWIIT Index)	30%
SXI Real Estate Shares TR Index (REAL Index)	5%
Liquidity	5%

Article 3 Diversification

1. The asset allocation type must diversify its investments by type of use, region and term.
2. Diversification by type of use (based on rental income):

Type of use	Ranges
Housing	35% – 65%
Commercial	35% – 65%

Mixed-use properties are permitted.



Special Investment Guidelines

VZ Real estate Switzerland

3. Diversification by region:

Regions	Ranges
Zurich	25% – 40%
Geneva	10% – 20%
Berne	5% – 15%
Northwestern Switzerland	15% – 25%
Western Switzerland	10% – 20%
Central Switzerland	0% – 10%
Eastern Switzerland	0% – 10%
Southern Switzerland	0% – 5%
Other	0% – 5%

Article 4 Additional investment restrictions

1. All investments must relate to real estate in Switzerland.
2. The foundation's entire portfolio shall be adequately diversified.
3. The following maximum percentages are permitted:
 - a. Real estate investment fund 60%
 - b. Real estate investment foundations 75%
 - c. Real estate investment companies 30%
4. A maximum of 20% may be invested in an individual, appropriately diversified collective investment scheme.
5. Investments in individual real estate share companies may amount to a maximum of 5% of the total value of the portfolio.
6. Investments that may trigger duties to pay in further capital are prohibited.
7. The liquid assets may amount to up to 5% of the assets of the asset allocation type.
8. The loan-to-value ratio may not exceed, on average, 30% of the market value of the properties held by the asset allocation type directly, through subsidiaries or in collective investments.

