



Investment Guidelines

VZ Investment Foundation

Effective 1 March 2022



Investment Guidelines

Pursuant to article 12 (5) of the articles of association of the VZ Investment Foundation (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 exceeded

or undershot as a result of changes in the market or changes in the asset allocation type, the investments must be restored to the permitted level within a reasonable period while safeguarding the interests of investors.

**Art. 10
Assignment
of claims**

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



Special Investment Guidelines

VZ OPA Sustainability 0

Article 1 Investment instruments

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- 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 Real Estate Investment Foundation 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	87%	65%–95%
Bonds in CHF	33%	25%–46%
Mortgages	17%	0%–34%
Bonds in foreign currency (mainly hedged in CHF) ¹	34%	26%–52%
Convertible and high-interest bonds (mainly hedged in CHF) ¹	0%	0%– 5%
Emerging market debt	3%	0%– 5%
Equities	0%	0%– 0%
Equities Switzerland	0%	0%– 0%
Equities international	0%	0%– 0%
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 15

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Article 2 Asset allocation

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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%

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- 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.
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Special Investment Guidelines

VZ OPA Sustainability 25

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Article 2 Asset allocation

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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.
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- 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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Special Investment Guidelines

VZ OPA Sustainability 35

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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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Special Investment Guidelines

VZ OPA Sustainability 45

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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

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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).



Special Investment Guidelines

VZ OPA Sustainability 80

(Enhanced investment options pursuant to OPO 2)

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	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	80%	64%–85%
Equities Switzerland	40%	32%–48%
Equities international	40%	32%–48%
Real estate	10%	0%–15%
Real estate Switzerland	10%	0%–15%
Real estate international	0%	0%– 5%
Infrastructure	0%	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%	+35%	85%
Category limitation for foreign currencies (article 55 (e) OPO 2)	30%	+30%	60%



VZ OPA Sustainability 80

(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

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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 Real Estate Investment Foundation 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).



Special Investment Guidelines

VZ OPA Index Investments 25

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 Real Estate Investment Foundation 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 Real Estate Investment Foundation 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 Real Estate Investment Foundation 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 Real Estate Investment Foundation 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 80

(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 Real Estate Investment Foundation 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%
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	6%	4,5% – 7,5%
Bonds in CHF	6%	4,5% – 7,5%
Equities¹	80%	75% – 85%
Equities Switzerland	33%	28,5% – 37,5%
Equities Switzerland Small & Mid Caps	7%	5% – 9%
Equities international	29,5%	25,5% – 33,5%
Equities international Small & Mid Caps	5,75%	4% – 7,5%
Equities international emerging markets	4,75%	3,5% – 6%
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 80

(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%	+35%	85%
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 Real Estate Investment Foundation 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 Pension Equities 100

Article 1 Investment instruments

1. Investments may in principle be placed directly or via collective investment schemes. The asset allocation type may only invest 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 maximum permitted percentage per individual collective investment scheme is in principle 20%. For investments in collective investment schemes that are subject to the supervision of OPSC (exclusively claims to investment foundations) or supervised by FINMA and authorised 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.

Article 2 Asset allocation

Only investments in the asset class equities are permitted. The strategic allocation between domestic and foreign equities is balanced. Liquid assets of up to 10% may be held. The investment is implemented under active management. Investments in equities must be appropriately diversified by sector and region. In the Swiss equities segment, the asset allocation type is aligned with the «Swiss Performance Index (SPI)». In the area of foreign equities, the asset allocation type is based on the «MSCI All Country World ex Switzerland Index». Information on the composition of the benchmarks is available from the investment foundation. The asset allocation type shall invest in the individual sub-investment classes in accordance with the following target percentages, although deviations from the respective target percentages may be made, subject to compliance with the range limits.

Asset class	Strategic allocation	Range
Equities	100%	90% – 100%
Equities Switzerland	50%	40% – 60%
Equities international	50%	40% – 60%
Liquidity & money market	0%	0% – 10%

Article 3 Additional investment restrictions

1. The asset allocation type invests in at least 40 securities, of which at least 15 are part of the «Swiss Performance Index (SPI)».
2. The limit of 5% of a single company in total assets pursuant to article 54a OPO 2 may be exceeded for Swiss equities.
3. The percentage of one company may exceed the benchmark weighting by no more than 5 percentage points.
4. The country weighting for foreign equities may deviate from the benchmark by no more than 10%.
5. The sector weighting may not deviate from the benchmark by more than 10%.
6. In the Swiss equities segment, investments are made in at least 8 SPI sectors.
7. The maximum tracking error is 6%. The foundation cannot guarantee compliance with this maximum value.
8. The percentage of companies outside the benchmark is limited to 5%. The asset allocation type may invest in attractive small caps that are not part of the benchmark. Similarly, individual companies from frontier markets may be taken into account. Companies from these two segments present a higher risk. Viewed over a longer period of time, however, these generally also provide a higher return.
9. The percentage of foreign currencies without currency hedging may not exceed 60% of total assets.
10. The investment must be made in securities listed on a stock exchange or traded on a market open to the public which guarantees a qualified price.



Asset allocation type «Residential Mortgages»

Article 1 Investment policy and investment instruments

1. The asset allocation type invests primarily in mortgage loans secured by mortgage notes or mortgage bonds on real estate in Switzerland. Mortgage loans are granted exclusively in Swiss francs. Only natural persons or legal entities registered on the Swiss Commercial Register are permitted as debtors.
2. The following investments are permitted:
 - Mortgage loans secured on residential or condominium units and properties with mixed use
 - Mortgaged properties subject to building rights (independent and permanent building rights)
 - Mortgage-secured financing of residential development projects
 - Liquidity
 - Fixed and variable interest-bearing bonds and bonds denominated in Swiss francs (including Swiss mortgage bonds (Pfandbriefe))
3. The following are not permitted investments:
 - Mortgage loans on real estate primarily used in one or more of the following areas: Industry, agriculture, hotels and restaurants
 - Mortgages on real estate abroad
4. Mortgage liens preceding mortgage loans as well as ancillary and subordinate mortgage liens in the case of staggered mortgage redemptions are permissible.
5. Short-term technical borrowing, such as in the event of extraordinary redemptions or in order to bridge binding subscriptions, shall be permitted up to a maximum of 20% of the assets of the asset allocation type.

Article 2 Asset allocation and diversification

1. The asset allocation type must diversify its investments by type of use, region and maturity.
2. Diversification by type of use:

Type of use	Range
Residential properties	50% – 100%
Mixed-use properties	0% – 50%
Real estate subject to building rights and development projects	0% – 20%
Liquidity and bonds	0% – 20%

3. Diversification by region:

Regions	Range
Zurich, Eastern Switzerland and Central Switzerland	20% – 80%
Bern and North-Western Switzerland	10% – 70%
Southern Switzerland	0% – 20%
Western Switzerland	0% – 40%

4. Diversification by maturity:

The average term of mortgages may not exceed seven years. The average duration of the portfolio may not exceed nine years.

Article 3 Investment rules and restrictions

1. Mortgage borrowers must be carefully examined and monitored with regard to their credit standing and creditworthiness. Real estate secured by a mortgage must be valued in accordance with recognised methods.
2. The mortgages on all properties may not, on average, exceed two-thirds of estimated market value.
3. A single debtor may not make up more than 10% of total assets.



Asset allocation type «Residential Mortgages»

4. Subject to the following exceptions, the lending limit for individual properties is two-thirds of the market value estimate:
 - Mortgage liens on individual residential properties may not exceed 80% of the market value estimate, assuming that affordability and creditworthiness are demonstrated.
 - Subsequent increases in the LTV percentage triggered by fluctuations in market values are permitted in the case of impeccable creditworthiness of up to 90% and are to be restored to the usual level when the market situation returns to normal.
 - The LTV limits may be exceeded if, in addition to the mortgage collateral, life insurance policies or claims against the pension schemes are pledged as collateral to the foundation (pillar 2 and pillar 3a) or a securities deposit account is pledged. The relevant value for life insurance policies is the repurchase value. In the case of claims against occupational benefits institutions, the amount of the pledged value for the purchase of residential property and in the case of securities, the market value less a standard bank security margin shall be the determinative value.
5. At least 80% of the asset allocation type is invested in mortgage loans and mortgage bonds (Pfandbriefe).
6. The asset allocation type is not oriented to any benchmark.



Special Investment Guidelines

Equities Switzerland Index

Article 1 Investment instruments

1. «Equities Switzerland Index» is an asset allocation type managed with passive components which aims to match the performance of the benchmark with a minimal tracking error.
2. Only investments in securities of the Equities Switzerland sub-investment class are permitted.
3. The investments shall be made in collective investment schemes pursuant to article 30 IFoundO which passively track a corresponding reference index.
4. The collective investment schemes used may not hold all securities of the reference index, but rather only a representative selection thereof (physical sampling method).
5. Claims may be acquired from other asset allocation types of VZ Investment Foundation or from other investment foundations.

The following reference indices are used:

Reference index	Maximum tracking error ¹
SPI	2,0%
SPI Extra	2,5%

¹ Annualised tracking error over 3 years

The foundation cannot guarantee compliance with the maximum tracking error. Relevant and up-to-date benchmark information may be obtained from the investment foundation at any time.

Article 2 Asset allocation

The asset allocation type shall invest in accordance with the following target shares, although deviations from the respective target share may be made, subject to compliance with the ranges. 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
Equities Switzerland	100%	100%
All Caps (SPI)	82,5%	80,5% – 84,5%
Small & Mid Caps (SPI Extra)	17,5%	15,5% – 19,5%

Article 3 Enhanced investment options

The asset allocation type may exceed the company limits pursuant to article 54a 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%	+20%	25%

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. 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 may only be made in securities that are part of the reference indices specified in article 1.
4. The investment must be made in securities listed on a stock exchange or traded on a market which is open to the public and guarantees a qualified price.



Special Investment Guidelines

Equities International Index

Article 1 Investment instruments

1. «Equities International Index» is an asset allocation type managed with passive components which aims to match the performance of the benchmark with a minimal tracking error.
2. Only investments in securities of the Equities International sub-investment class are permitted.
3. The investments shall be made in collective investment schemes pursuant to article 30 IFoundO which passively track a corresponding reference index.
4. The collective investment schemes used may not hold all securities of the reference index, but rather only a representative selection thereof (physical sampling method).
5. Claims may be acquired from other asset allocation types of VZ Investment Foundation or from other investment foundations.

The following reference indices are used:

Reference index	Maximum tracking error ¹
MSCI World ex CH Net Index	2,5%
MSCI World ex CH Small Cap Index	3,0%
MSCI EM ESG Leaders Net Index	3,0%

¹ Annualised tracking error over 3 years

The foundation cannot guarantee compliance with the maximum tracking error. Relevant and up-to-date benchmark information may be obtained from the investment foundation at any time.

Article 2 Asset allocation

The asset allocation type shall invest in accordance with the following target shares, although deviations from the respective target share may be made, subject to compliance with the ranges. 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
Equities International	100%	100%
Industrialised countries (MSCI World ex CH Net Index)	76,0%	74,0% – 78,0%
Small & Mid Caps (MSCI World ex CH Small Cap Index)	13,0%	11,0% – 15,0%
Emerging markets (MSCI EM ESG Leaders Net Index)	11,0%	9,0% – 13,0%

Article 3 Enhanced investment options

The asset allocation type may exceed the company limits pursuant to article 54a 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%	+5%	10%

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. 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 may only be made in securities that are part of the reference indices specified in article 1.
4. The investment must be made in securities listed on a stock exchange or traded on a market which is open to the public and guarantees a qualified price.



Special Investment Guidelines

Real Estate Switzerland Index

Article 1 Investment instruments

1. «Real Estate Switzerland Index» is an asset allocation type managed with passive components which aims to match the performance of the benchmark with a minimal tracking error.
2. Only investments in securities of the Real Estate Switzerland sub-investment class are permitted.
3. The investments shall be made in collective investment schemes pursuant to article 30 IFoundO which passively track a corresponding reference index.
4. The collective investment schemes used may not hold all securities of the reference index, but rather only a representative selection thereof (physical sampling method).
5. Claims may be acquired from other asset allocation types of VZ Investment Foundation and VZ Real Estate Investment Foundation or from other investment foundations.

The following reference indices are used:

Reference index	Maximum tracking error ¹
SXI Real Estate Broad Funds Index	2,5%

¹ Annualised tracking error over 3 years

The foundation cannot guarantee compliance with the maximum tracking error. Relevant and up-to-date benchmark information may be obtained from the investment foundation at any time.

Article 2 Asset allocation

The asset allocation type shall invest in accordance with the following target shares, although deviations from the respective target share may be made, subject to compliance with the ranges. 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
Real Estate Switzerland	100%	100%
Real estate Switzerland indirectly (SXI Real Estate Broad Funds Index)	100,0%	98,0% – 100,0%

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. 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 may only be made in securities that are part of the reference indices specified in article 1.
4. The investment must be made in securities listed on a stock exchange or traded on a market which is open to the public and guarantees a qualified price.



Special Investment Guidelines

Gold hedged Index

Article 1 Investment instruments

1. «Gold hedged Index» is an asset allocation type managed with passive components which aims to match the performance of the benchmark with a minimal tracking error.
2. Only investments in gold are permitted.
3. The investments shall be made in collective investment schemes pursuant to article 30 IFoundO which passively track a corresponding reference index.
4. Claims may be acquired from other asset allocation types of VZ Investment Foundation or from other investment foundations.

The following reference indices are used:

Reference index	Maximum tracking error ¹
GOLD London PM Fixing Hedged CHF	2,5%

¹ Annualised tracking error over 3 years

The foundation cannot guarantee compliance with the maximum tracking error. Relevant and up-to-date benchmark information may be obtained from the investment foundation at any time.

Article 2 Asset allocation

The asset allocation type shall invest in accordance with the following target shares, although deviations from the respective target share may be made, subject to compliance with the ranges. Periodic rebalancing shall be carried out. Despite efficient replication of the reference index, deviations from the reference index are possible.

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. 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. This asset allocation type may only be used in combination with at least one other pure investment group of the VZ Investment Foundation.
4. The investment must be made in securities listed on a stock exchange or traded on a market which is open to the public and guarantees a qualified price.



Special Investment Guidelines

Fixed Income Switzerland Index

Article 1 Investment instruments

1. «Fixed Income Switzerland Index» is an asset allocation type managed with passive components which aims to match the performance of the benchmark with a minimal tracking error.
2. Only investments in securities of the Fixed Income Switzerland sub-investment class are permitted.
3. The investments shall be made in collective investment schemes pursuant to article 30 IFoundO which passively track a corresponding reference index.
4. The collective investment schemes used may not hold all securities of the reference index, but rather only a representative selection thereof (physical sampling method).
5. Claims may be acquired from other asset allocation types of VZ Investment Foundation or from other investment foundations.

The following reference indices are used:

Reference index	Maximum tracking error ¹
SBI Total AAA – BBB TR	0,8%
SBI Total AAA – BBB 1–5Y TR	0,8%

¹ Annualised tracking error over 3 years

The foundation cannot guarantee compliance with the maximum tracking error. Relevant and up-to-date benchmark information may be obtained from the investment foundation at any time.

Article 2 Asset allocation

The asset allocation type shall invest in accordance with the following target shares, although deviations from the respective target share may be made, subject to compliance with the ranges. 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
Fixed Income Switzerland	100%	100%
Bonds Switzerland Total market (SBI Total AAA – BBB TR)	67,0%	65,0% – 69,0%
Bonds Switzerland Short term (SBI Total AAA – BBB 1–5Y TR)	33,0%	31,0% – 35,0%

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. 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 may only be made in securities that are part of the reference indices specified in article 1.
4. The investment must be made in securities listed on a stock exchange or traded on a market which is open to the public and guarantees a qualified price.
5. 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.
6. The limitation on individual debtors must be complied with pursuant to article 54 OPO 2.



Fixed Income International Index

Article 1 Investment instruments

1. «Fixed Income International Index» is an asset allocation type managed with passive components which aims to match the performance of the benchmark with a minimal tracking error.
2. Only investments in securities of the Fixed Income International sub-investment class are permitted.
3. The investments shall be made in collective investment schemes pursuant to article 30 IFoundO which passively track a corresponding reference index.
4. The collective investment schemes used may not hold all securities of the reference index, but rather only a representative selection thereof (physical sampling method).
5. Claims may be acquired from other asset allocation types of VZ Investment Foundation or from other investment foundations.

The following reference indices are used:

Reference index	Maximum tracking error ¹
Barclays Capital Global Aggregate Bond Index CHF hedged	1,0%
BarCap EMLC Government Capped	2,0%

¹ Annualised tracking error over 3 years

The foundation cannot guarantee compliance with the maximum tracking error. Relevant and up-to-date benchmark information may be obtained from the investment foundation at any time.

Article 2 Asset allocation

The asset allocation type shall invest in accordance with the following target shares, although deviations from the respective target share may be made, subject to compliance with the ranges. 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
Fixed Income International	100%	100%
Bonds denominated in foreign currency (CHF hedged) (Barclays Capital Global Aggregate Bond Index CHF hedged)	85,0%	83,0% – 87,0%
Emerging markets bonds (BarCap EMLC Government Capped)	15,0%	13,0% – 17,0%

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. 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 may only be made in securities that are part of the reference indices specified in article 1.
4. The investment must be made in securities listed on a stock exchange or traded on a market which is open to the public and guarantees a qualified price.
5. 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.
6. The percentage of foreign currencies without currency hedging may not exceed 17% of total assets.
7. The limitation on individual debtors must be complied with pursuant to article 54 OPO 2.

