

GEMINI COLLECTIVE FOUNDATION 1E

## INVESTMENT REGULATIONS **2018**

VALID FROM 1 JANUARY 2018

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The original German text is legally binding.

### 1. PURPOSE

**1.1** The GEMINI Collective Foundation 1e (hereinafter referred to as Foundation) adopts these investment regulations pursuant to the BVG in as far as they are applicable to non-registered employee benefits institution in non-mandatory insurance.

**1.2** The investment regulations govern the aims, funds and procedures for managing the Foundation's assets in the spirit of binding guidelines. They specify the investment concept and create the necessary framework conditions for the Foundation Board to carry out its financial management duties in full and transparently.

### 2. INVESTMENT POLICY

**2.1** The Foundation Board enables the insured persons in the individual employee benefits units to invest the savings capital in one of several possible investment profiles with differing risk profiles on condition that the provisions of these regulations are complied with in full.

**2.2** The investment strategies available for selection have an appropriate risk distribution and take account of the obligations entered into for the beneficiaries. The funds are distributed in particular into various investment categories, regions and economic sectors (Article 50 paragraph 3 BVV 2).

**2.3** The investment strategies are available to the insured persons for selection as per the Appendix. The yield is generated by the investment strategy chosen by the insured person.

**2.4** The insured person selects their investment strategy carefully and in doing so takes account of security, yield and compliance with the purpose of the insurance. The insured person is informed of the risks associated with the individual investment choice.

**2.5** The investments have to maintain and guarantee the employee benefits units financial equilibrium on a long-term basis.

**2.6** The savings capital of the active members is included in the assets of a employee benefits units. The employee benefits units manage the assets under the provisions of these investment regulations.

**2.7** The Foundation can manage an employer-specific pension fund at the employer's request. In the employer-specific employee benefits unit, the pension fund committee may ask the Foundation to provide a maximum of nine of their own strategies. The Foundation also provides a low-risk strategy.

### 3. INVESTMENT PROCESS

**3.1** The Foundation manages a personal pension custody account for every insured person.

**3.2** Upon admission, the General Terms and Conditions of Business are sent to the insured person by post as well as the user agreement for signature. As soon as the insured person has returned the necessary signed documentation to the Foundation, he/she receives login details for online access in two letters sent separately by post.

**3.3** After admission, the insured person is given the low-risk strategy and remains there until he/she changes strategy. When first logging in, the insured person specifies a risk profile and has the option of changing the investment strategy every month on the next possible trading day. The insured person takes full responsibility for the chosen investment strategy.

**3.4** After admission, the monthly savings contributions and all deposits are automatically invested in the respective investment strategy chosen by the insured person until the insured person changes the strategy.

**3.5** The Foundation informs the insured person about the associated risks and costs when he/she chooses their investment strategy. The insured person confirms having received this information in making his/her choice via the online portal.

## 4. INVESTMENT AND DISINVESTMENT

**4.1** All the savings capital under paragraph 9 of the framework regulations is fully invested in investment strategies and does not bear interest. The units, net asset value (NAV) and custody value are reported in the insured person's custody account.

**4.2** Cash inflows and outflows are invested or disinvested once a month on the next possible trading day. For an investment, the amount in francs available on the trading day at the daily value is converted into the corresponding number of fund units of the investment strategy chosen by the insured person. Disinvestment is the reverse of the investment process.

## 5. EXERCISING SHAREHOLDER RIGHTS

**5.1** Share investments are made solely on an indirect basis through collective investment schemes. The Ordinance Against Excessive Compensation in Listed Companies (VegüV) is therefore not applicable.

**5.2** For collective investment schemes that allow voting preferences to be expressed, the Foundation Board is free to decide whether or not to express a preference.

## 6. ORGANISATION

**6.1** The organisation of investment of the assets is on the following levels:

- Foundation Board
- pension fund committee
- administrative office
- asset managers

## 7. TASKS OF THE FOUNDATION BOARD

**7.1** As part of its overall responsibility, the Foundation Board has the following tasks, responsibilities and competencies:

- specifying the principles and objectives of the investments
- specifying the permissible investment categories and the qualitative requirements for the investments
- specifying the investment strategies available for selection by the insured persons
- monitoring compliance with the principles laid down in the investment regulations

## 8. TASKS OF THE PENSION FUND COMMITTEE

**8.1** As an equal governing body of the employee benefits units, the pension fund committee:

- approves the pension concept with possible investment options for the insured persons
- complies with the principles and objectives pursuant to the prevailing regulations under statutory provisions
- decides on any restriction of the investment strategies available for selection in the event of operational changes (restructurings, mergers, etc.)

## 9. TASKS OF THE ADMINISTRATIVE OFFICE

**9.1** As part of the investment of assets, the administrative office has the following tasks, responsibilities and competencies:

- rule-compliant and prompt implementation of decisions taken by the Foundation Board and the pension fund committee
- providing the decision-making principles required by the Foundation Board or the pension fund committee
- responsibility for correctly maintaining the Foundation's accounting records and reporting of the individual employee benefits units
- responsibility for reporting the annual financial statements

## 10. TASKS OF THE PORTFOLIO MANAGERS

**10.1** The portfolio managers are responsible for the portfolio management. The portfolio managers:

- manage the employee benefits units' net assets under the mandate extended to them pursuant to these regulations and the asset management agreement
- issue regular reports on portfolio management. Scope and content of the reports to be issued are defined.
- inform the employee benefits unit immediately of any special events
- advise the employee benefits units as required, normally once a year, on investment activities and the investment performance of the previous year

### 11. LOYALTY

**11.1** Persons and institutions entrusted with the portfolio management must have appropriate professional qualifications and offer a guarantee in particular that they meet the requirements on integrity and loyalty (Article 51b BVG) and meet the execution provisions (Article 48g to 48l BVV 2). Pursuant to these investment regulations, this means:

- portfolio managers
- members of the pension fund committee
- members of the Foundation Board
- the administrative office and
- other third parties tasked with investment activities

**11.2** The persons tasked with portfolio management are subject to the fiduciary duty of care and must promote the interests of those insured with the employee benefits unit's in all their activities. To this end, they must guarantee that no conflicts of interest could arise due to their personal and professional relationships. External persons or beneficial owners in companies that were tasked with portfolio management may not be represented on the Foundation Board or in the pension fund committee. It must be possible to terminate contracts at the latest five years after their conclusion without disadvantaging the employee benefits unit.

**11.3** The legal transactions concluded by the employee benefits unit must comply with standard market terms. In the event of significant legal transactions with related parties under Article 48i paragraph 2 BVV 2, competitor offers must be obtained. There must be full transparency on the awarding process.

**11.4** All persons and institutions tasked with managing or investing the employee benefits unit's assets are obliged to comply with the statutory principles on integrity and loyalty in portfolio management. In particular they may not:

- exploit their knowledge of the employee benefits unit's contracts in order to benefit from the execution of proprietary transactions by front/parallel/after running
- trade in a security or an investment insofar as the employee benefits unit trades in this security or this investment and insofar as the employee benefits unit might be disadvantaged by this; participation in such transactions in a different form is the same as trading
- shift custody accounts without an economic justification that is in the best interests of the employee benefits unit

**11.5** Persons and institutions pursuant to paragraph 11.1 must confirm in writing every year that they have not received any additional pecuniary benefit from their activity for the Foundation or the employee benefits unit other than the remuneration specified in the written agreement (retrocessions, sales commissions, trail fees or similar) or that such payments were delivered in full to the Foundation (employee benefits unit).

**11.6** The administrative office asks the portfolio managers under paragraph 11.1 and the responsible officers pursuant to Article 48g BVV 2 for a written declaration on personal pecuniary benefits and reports on this to the Foundation Board.

**11.7** The written declaration under Article 48l BVV 2 contains in particular:

- disclosure of any combinations of interests and
- confirmation that no improper proprietary transactions were undertaken

### 12. CONTROLLING AND REPORTING

**12.1** Safe custody management for an investment mandate may be delegated to an independent third party (external portfolio manager or global custodian). The mandate holder's or global custodian's internal organisation must guarantee compliance with the loyalty provisions under paragraph 11.

**12.2** Securities accounting is to be carried out in an orderly fashion according to the principles of Swiss GAAP FER 26. This task may be delegated to an independent third party.

**12.3** Assets are valued at current values (normally market values), otherwise the provisions of the professional recommendations under Swiss GAAP FER 26 apply.

**12.4** The portfolio managers regularly issue a written report for the administrative office on investment activities, the results achieved and composition of the investments.

**12.5** The administrative office regularly informs the Foundation Board and the insured persons on investment activities. The corresponding reports are to be issued by the portfolio managers and the Foundation management.

### 13. LIABILITY FOR CLAIMS AND LOSSES

13.1 The Foundation is liable for claims and losses arising from the investments solely with the assets of the employee benefits unit in question.

### 14. CHANGES TO THE INVESTMENT REGULATIONS

14.1 The Foundation Board may decide to amend these investment regulations at any time.

### 15. ENTRY INTO FORCE

15.1 These investment regulations were approved by the Foundation Board and will enter into force as per 1 January 2018.

Zurich, 1 March 2018

GEMINI Collective Foundation 1e



Nathalie Munaretto  
Chair of the Foundation Board



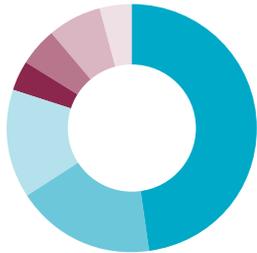
Vital G. Stutz  
Deputy Chair of the Foundation Board

The original German text is legally binding.

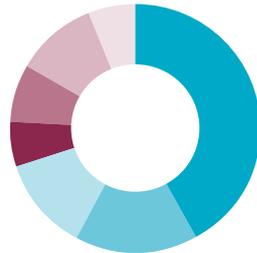
PRESCRIBED INVESTMENT STRATEGIES



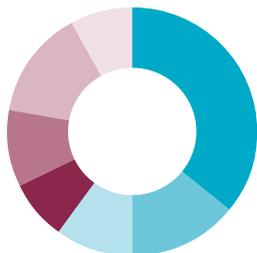
**GEMINI 1e Money Market**  
100% money market



**GEMINI 1e 20**  
20% equities



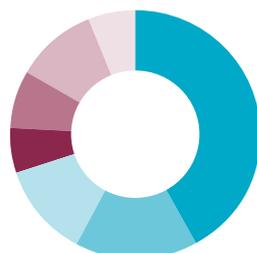
**GEMINI 1e 30**  
30% equities



**GEMINI 1e 40**  
40% equities



**GEMINI 1e 50**  
50% equities



**GEMINI 1e 80**  
80% equities

GEMINI strategies 1e in %	Money Market	20	30	40	50	80
● Money market	100	–	–	–	–	–
● Bonds CHF	–	48.0	42.0	36.0	30.0	12.0
● Foreign currency government bonds hedged	–	18.0	16.0	14.0	12.0	5.0
● Foreign currency corporate bonds hedged	–	14.0	12.0	10.0	8.0	3.0
● Swiss equities	–	4.0	6.0	8.0	10.0	16.0
● Foreign equities	–	5.0	7.5	10.0	12.5	20.0
● Foreign equities hedged	–	7.0	10.5	14.0	17.5	28.0
● Emerging markets equities	–	4.0	6.0	8.0	10.0	16.0

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