

**Based on Art. 12 para. 4 of the Statutes of the IST Investment Foundation, the Board of Trustees is tasked with issuing the investment guidelines. The provisions detailed under "General principles" are supplementary and subsidiary to the corresponding investment guidelines of the individual investment groups, with the exception of Art. 9 of the general principles, and may be amended by the Board of Trustees without prior notice. Amendments are communicated to investors in an appropriate form.**

**The investment principles were approved by the Board of Trustees on August 21, 2014.**

## General principles

### 1. PRINCIPLE

The specific purpose of the pension assets calls for an investment policy geared to security, return and liquidity. This requires the prudent selection and regular monitoring of investments as well as an appropriate distribution of risk.

### 2. REGULATORY FRAMEWORK

The initial capital and assets of the investment groups are subject to the statutory and supervisory principles and guidelines for capital investment by pension schemes as contained in the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVG/LPP), as well as to the associated Ordinance (BVV 2/OPP 2) and the directives of the supervisory authority. The restrictions placed on individual investment categories (Art. 55 BVV 2/OPP 2) apply only to balanced portfolios.

### 3. RATING

Where average or minimum ratings are set, these refer to ratings of one of the leading rating agencies (Standard & Poors, Moody's, and Fitch). If the ratings of the agencies differ, the lowest applies. In the absence of a rating from the above-named agencies, the rating given by a first-class bank or an implicit rating may serve as a basis. Investments which fall below the required rating must be sold within 3 months, with due regard to the general market situation.

### 4. DERIVATIVE INSTRUMENTS

The use of derivative financial instruments is permitted in all investment groups provided it is in accordance with Art. 56a BVV 2/OPP 2 and the associated reporting regulation.

### 5. LEVERAGE

As a general rule, loans are not to be taken out. It is solely permitted to take out a short-term loan for technical reasons.

### 6. SECURITIES LENDING

Securities from any investment groups may be lent out for a fee, subject to appropriate compliance with the provisions of the Federal Act on Collective Investment Schemes (CISA).

### 7. COLLECTIVE INVESTMENT SCHEMES

All investment groups may invest in direct investments and collective investment schemes. The collective investment schemes must be compatible with the investment guidelines of the IST Investment Foundation, satisfy Art. 56 para. 2 BVV 2/OPP 2, and be suitably diversified. A collective investment scheme may not account for more than 20% of the assets of an investment group unless this collective scheme:

- is subject to supervision by FINMA or is authorized by the latter for distribution in Switzerland;
- was established by Swiss investment foundations.

### 8. LIQUID ASSETS

All investment groups are permitted to hold liquid assets and money market investments with a term to maturity not exceeding 12 months. Investments are denominated in CHF or in the currencies in which the investments of the respective investment group are made.

### 9. DEPARTURE FROM THE INVESTMENT GUIDELINES

If circumstances urgently require, it is permitted in the interests of investors to depart temporarily from the investment guidelines subject to consultation with the Chairman of the Board of Trustees. Any such departures must be approved by the Board of Trustees and the reasons set out in the annual report.

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