PICTET
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PICTET WEALTH MANAGEMENT March 2025

Pictet Individual
Pension Foundation
(3rd Pillar A)

3rd Pillar A

Contents

The Pictet Group

The Pictet Group offers a comprehensive range of services to exacting private clients and prestigious institutions throughout the world: private wealth management, institutional asset management, administration, management and distribution of investment funds, global custody and family office services.

Founded in Geneva in 1805, Pictet is today one of Europe's leading independent wealth and asset managers, with more than CHF 724 billion in assets under management and custody at 31 December 2024. The Pictet Group is owned and managed by seven partners with principles of ownership and succession that have remained unchanged since foundation.

These principles encourage a spirit of collegial management and entrepreneurship, a long-term vision and commitment by the Partners as well as a prudent risk management policy. This policy is expressed in a high liquidity coverage ratio which reflects our conservative balance sheet policies. Furthermore, the Group's equity is well in excess of the Swiss legal requirements, among the most stringent in the world.

The Pictet Group is present on the world's major financial markets and thus able to provide its banking services throughout the world.

Pictet Individual Pension Foundation (3rd Pillar A)

CHARACTERISTICS

The Pictet Individual Pension Foundation (3rd Pillar A) is a bank foundation that enjoys the special tax exemptions for 3rd Pillar pension schemes in Switzerland.

The Foundation was created on 1 December 1990 for the purpose of managing investors' individual retirement savings under the so-called "3rd Pillar A" of the Swiss pension system. The net assets of the Foundation are made up of the assets allocated to the different investment portfolios, each of which is independent and non-consolidated with respect to the others.

The Foundation lets you pool your retirement savings and invest them across different portfolios, offering the following advantages:

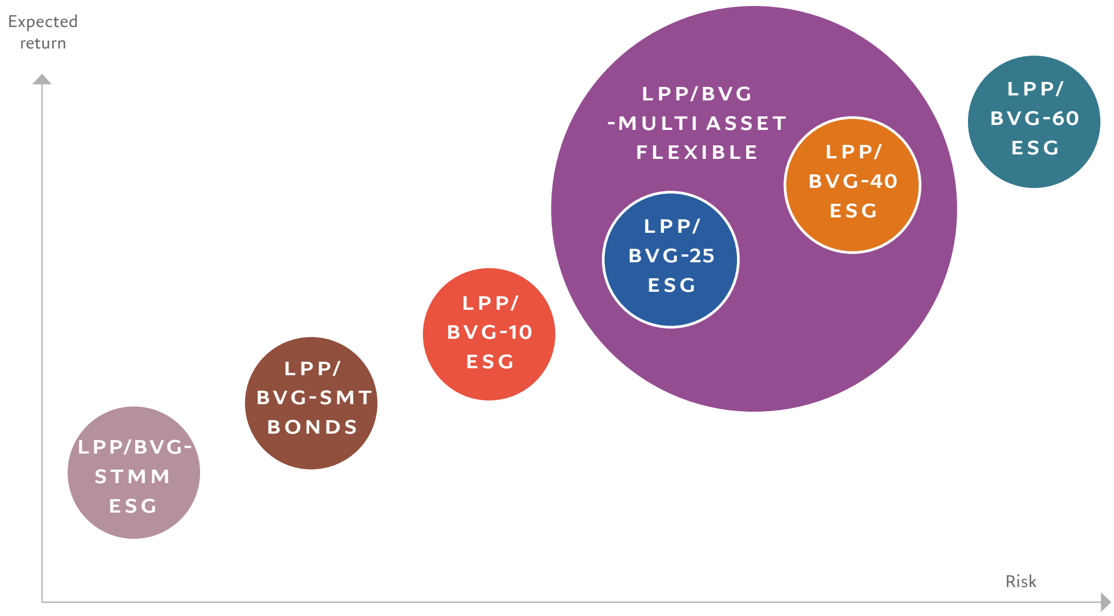
- lower fees;
- greater opportunity for diversification (thanks to larger sums available);
- less overall risk.

A CHOICE OF PORTFOLIOS FOR EVERY PROFILE

The Pictet Individual Pension Foundation (3rd Pillar A) lets you choose the best investment strategy or combination of strategies to achieve your financial goals. You can choose to invest in one or more of the investment portfolios and the amounts you wish to invest in each.

In order to choose the portfolio or allocation that best matches your personal situation, you first need to determine two variables: your risk tolerance (meaning your capacity to accept fluctuations in the value of your investment) on the one hand, and your investment horizon (the length of time you expect to invest your assets) on the other. This horizon depends on your future goals (to purchase residential property, to become self-employed, etc.) and regulations on mandatory pension coverage.

FIGURE 1
A choice of portfolios to build your allocation



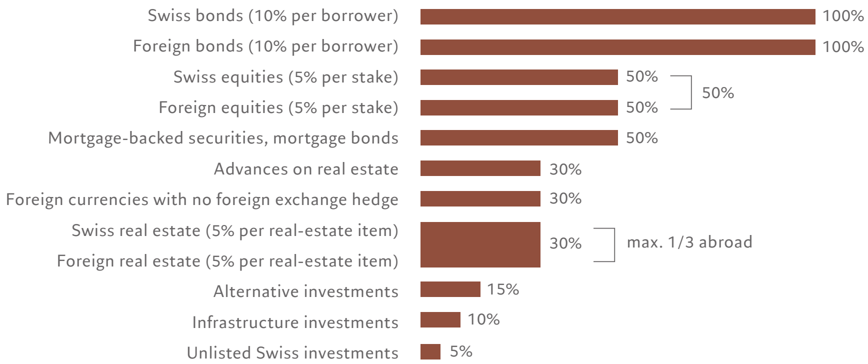
If you are willing to incur risks, you might prefer to choose a portfolio with a higher percentage of equities. You could achieve potentially greater capital appreciation, provided that you are able to withstand potentially higher fluctuations from one year to another. In this case, you need to bear two things in mind: a large equities allocation could cause the value of your capital to fall in the short term; on the other hand, the longer your time horizon, the less risk there is of your capital depreciating.

Figure 1 shows which portfolio(s) might best meet your investment goals.

The assets of the seven portfolios are invested within the limits laid down by the Swiss Federal Implementing Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (OPP2/BVV2). These investment limits are as follows:

FIGURE 2

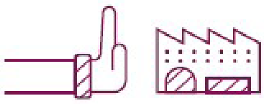
OPP2/BVV2 investment limits



Because of the risks inherent in the financial markets on which the assets are invested, the Foundation does not undertake to achieve a specific performance, and past performance is no guarantee of future performance.

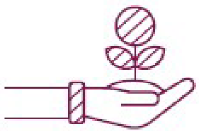
Investments in line with our values

FIGURE 3
Approach to responsible investment



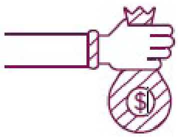
EXCLUSIONS

Screen investments based on company conduct or products and services considered controversial



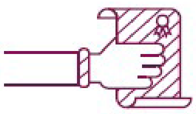
SUSTAINABILITY THEMES

Construct themes benefiting from social and environmental trends



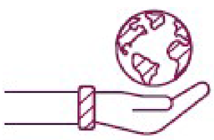
PHILANTHROPY

Consider private initiatives, for the public good, focusing on social or environmental outcomes without financial returns



BEST-IN-CLASS

Select top companies within each sector using ESG criteria



IMPACT INVESTING

Intentionally seek and actively measure environmental and social impact, with financial return

The LPP/BVG-Short-Term Money Market ESG, LPP/BVG-10 ESG, LPP/BVG-25 ESG, LPP/BVG-40 ESG and LPP/BVG-60 ESG portfolios will be managed in accordance with the principles of sustainable development. Most of the assets will be invested in securities whose issuers are deemed to comply with environmental, social and governance (ESG) criteria.

Responsible Investing covers a broad investment landscape: from environmental, social and governance (ESG) integration – where ESG factors are included in traditional financial analysis – to Impact Investing, where meeting a goal with social benefits is prioritized ahead of financial returns.

The objective of integrating these principles into the investment process is to:

- generate superior long-term risk-adjusted performance;
- influence the actions of management teams through dialogue and/or the exercise of voting rights;
- induce positive social and environmental effects.

Investment profiles

PRESERVATION:
LPP/BVG-SHORT-TERM MONEY MARKET ESG

You seek a stable return and want to preserve the value of your investment, while taking into account environmental, social and governance (ESG) criteria.

If so, the LPP/BVG-Short-Term Money Market ESG portfolio is for you. This portfolio:

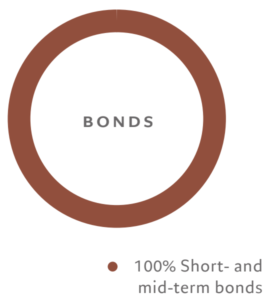
- may invest only in money market instruments and highly rated short-term bonds;
- invests only in securities denominated in Swiss francs or hedged against currency risk;
- focuses on capital preservation;
- has the lowest risk factor of all portfolios.

SECURITY:
LPP/BVG-SHORT-MID TERM BONDS

You attach considerable importance to preserving your capital and to security. You want to avoid major price fluctuations and, as such, are ready to forego higher returns for additional security.

THE LPP/BVG-Short-Mid Term Bonds portfolio:

- may invest only in bonds, and the average residual maturity of the portfolio may not exceed three years;
- is particularly geared towards preserving capital; seeks to earn a reasonable return;
- is relatively low-risk.



DEFENSIVE:
LPP/BVG-10 ESG

You seek an attractive performance but want to limit the risk of depreciation in the amount of your capital. You are thus willing to accept some price fluctuations, but to a limited extent.

The LPP/BVG-10 ESG portfolio:

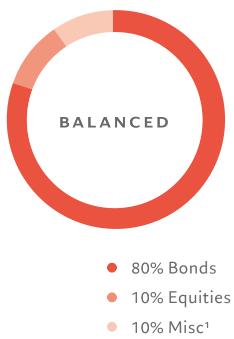
- may invest in all asset classes authorised by OPP2. The equity portion of the portfolio must comprise between 5% and 15% of the total assets;
- limits the chances of the capital decreasing during difficult times;
- seeks to earn a moderate return over time;
- has the lowest risk profile of the five balanced portfolios.

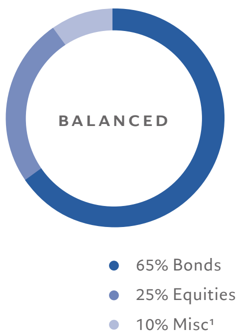
GROWTH:
LPP/BVG-25 ESG

You want to diversify your investments and can readily accept price fluctuations. You expect a higher performance than the LPP/BVG-10 ESG portfolio and are thus willing to incur higher risks.

The LPP/BVG-25 ESG portfolio:

- may invest in all asset classes authorised by OPP2. The equity portion of the portfolio must comprise between 15% and 35% of the total assets;
- offers attractive diversification;
- seeks to earn attractive returns over time;
- has a higher risk profile than the LPP/BVG-10 ESG portfolio as 25% of the portfolio on average is invested in equities.





1 Real estate, alternative investments and precious metals

FLEXIBILITY: LPP/BVG-MULTI ASSET FLEXIBLE

You are looking for a portfolio that seeks to earn an absolute return in all market conditions thanks to diversification and greater flexibility in asset allocation whilst following strict risk management. You do not want to invest only in traditional asset classes and are willing to accept price fluctuations, but to a limited degree.

The LPP/BVG-Multi Asset Flexible portfolio:

- may invest in all OPP2-authorized asset classes and seeks to earn an absolute return of 3% over the ICE LIBOR CHF overnight rate over a market cycle (3 to 5 years);
- targets average volatility of 5%, which must not exceed 8%;
- seeks to achieve steady capital appreciation over the long term;
- involves a moderate degree of risk, given that particular attention is paid to keeping volatility under control.

DYNAMIC: LPP/BVG-40 ESG

You want to invest your capital more aggressively in order to earn potentially higher performance for the risks involved. You can accept any degree of price volatility.

The LPP/BVG-40 ESG portfolio:

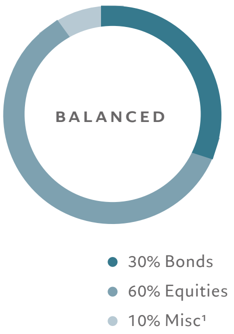
- may invest in all asset classes authorized by OPP2. The equity portion of the portfolio must comprise between 30% and 50% of the total assets;
- seeks to achieve substantial capital appreciation in the long term;
- offers high performance prospects;
- has a significant risk profile.

1 Real estate, alternative investments and precious metals
2 Weightings subject to fluctuation, depending on the portfolio manager's investment choices, within the limits allowed under OPP2.

OFFENSIVE:
LPP/BVG-60 ESG

You are looking to maximize the performance of your investment and are prepared to take significant risks, whilst being able to assume all price fluctuations during the term of your investment. In this case, the BVG/LPP-60 ESG portfolio meets your needs. This portfolio:

- may invest in all asset classes authorized by OPP2. The equity portion of the portfolio must comprise between 45% and 75% of the total assets;
- seeks to achieve substantial capital appreciation in the long term;
- offers higher performance prospects than the other portfolios;
- has the highest risk factor of all portfolios.



1 Real estate, alternative investments and precious metals

Frequently asked questions

WHOM IS A 3RD PILLAR A ACCOUNT FOR?

- anyone taxed in Switzerland whose income derives from gainful employment, whether a salaried employee or self-employed, and who has to pay OASI/DI social security insurance;
- any person wishing to improve the financing of their retirement;
- taxpayers who would like to take advantage of the tax relief offered by the Confederation and the cantons;
- anyone who is already paying into a 3rd Pillar A account or policy and who has not yet reached the statutory limits;
- pension fund members who already have a tied 3rd Pillar A pension account and who wish to transfer their assets to a different pension account.

WHAT ARE THE TAX BENEFITS OF A 3RD PILLAR A ACCOUNT?

Payments into a tied pension account (3rd Pillar a) may be deducted from taxable income, in accordance with the provisions of Art. 7 OPP3/BVV3.

The maximum contributions permitted by law are determined by the Federal Council and rise regularly in line with inflation.

All the income is exempt from income tax and is not subject to withholding tax by the Swiss Confederation or by the cantons, until such time as the capital is withdrawn. Furthermore, no wealth tax is deducted from the capital until the latter is withdrawn.

If assets are withdrawn, or in the event of death, the Confederation and the cantons will tax capital payments as income (usually separately from other income) at a special rate or at the pension rate.

Beneficiaries of pension benefits are subject to withholding tax if the capital benefit is paid to them when they are not (or no longer) domiciled or living in Switzerland.

HOW MUCH CAN BE INVESTED?

You are free to decide how much and how often you pay into your 3rd Pillar A pension account.

If you opt to make regular, fixed payments, you can use the so-called “average price” method: when the net asset value of a share is down, you acquire more shares; when it is up, you receive fewer. Depending on how the markets are behaving, you can thus optimise the average cost of your investments.

In any event, the total amount of your contributions in any one year may not exceed the maximum amount allowed under Art. 7(1) OPP3/BVV3, except in the event of higher amounts transferred from other recognised forms of pension cover.

HOW ARE THE ASSETS INVESTED?

In your capacity as a pension scheme member, you have an inalienable right to a portion of the assets in the Foundation, represented in the form of shares (having no par value) in the respective portfolios.

When a member subscribes to shares in a portfolio, the shares are issued on the day following receipt of the payment.

The subscription price is the net asset value of one share as calculated two business days following the value date of the amount credited to the account.

HOW TO CHANGE (SWITCH) YOUR ALLOCATION

You are free to switch the allocation of your capital between the different investment portfolios at any time as your goals, personal circumstances or the financial markets dictate. Your instructions must be sent in writing to the Foundation, which will make the change on the day following receipt of these instructions.

WHEN IS THE PENSION CAPITAL PAID OUT?

Your pension capital will be distributed to you when you reach the reference age provided for in Art. 13(1) LPP/BVG. Should you die before reaching this age, the capital will be paid out to your designated beneficiary(ies) (Art. 2 OPP3/BVV3).

If you can prove that you are still gainfully employed, you can defer payment of your benefits up to five years from the reference age provided for in Art. 13(1) LPP/BVG.

You may, however, request that your capital be paid out five years before reaching said reference age at the earliest.

UNDER WHAT CONDITIONS CAN I WITHDRAW MY RETIREMENT CAPITAL?

As a member of the individual pension scheme, you may request the Foundation to redeem your shares if:

- you become self-employed and are no longer subject to mandatory occupational pension coverage;
- you use your capital to purchase a home in accordance with the provisions of Swiss law regarding the encouragement of home ownership using retirement funds;
- you use the capital to repurchase benefits from a tax-exempt pension scheme, or for another recognised form of pension coverage;
- you leave Switzerland for good;
- you become entitled to the federal disability pension from the Federal Disability Insurance Fund.

HOW ARE ASSETS DIVESTED FROM THE FOUNDATION?

If you fulfil the conditions of Articles 10 and 11 of the Foundation's regulations, you may request in writing to have your shares redeemed.

The redemption price is the net asset value of one share as calculated two business days following receipt of the redemption request.

WHAT ARE THE TERMS AND CONDITIONS FOR ACQUIRING RESIDENTIAL PROPERTY USING RETIREMENT FUNDS?

The Ordinance on the Fiscal Deduction of Contributions to Recognised Pension Plans (OPP3/BVV3) and the Ordinance on the Encouragement of the Use of Vested Pension Accruals for Home Ownership (OEPL/WEFV) offer you the possibility to use your blocked pension capital for purchasing residential property at your place of domicile or habitual place of residence.

You can also use the pension fund assets for repaying a mortgage loan or financing investments in your property, such as conversions or extensions.

Contacts

If you wish to track the net asset values of the portfolios and the performances on a regular basis, please go to the "Pension Planning" page of our Internet site pictet.com

If you would like more information about the Pictet Individual Pension Foundation (3rd Pillar A), please do not hesitate to contact us:

PASCAL KESSLER
+41 58 323 15 46
pkessler@pictet.com

DAVID CECIL
+41 58 323 12 66
dcecil@pictet.com

pension@pictet.com
+41 58 323 29 20

PICTET INDIVIDUAL PENSION FOUNDATION (3RD PILLAR A)
Route des Acacias 60
1211 Geneva 73
Switzerland

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