

Minutes of 2016 SSF Members' Assembly

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| Date and time: | 14 June 2016, 10:00 – 12:30 |
| Place: | Bern, Kursaal |
| Present: | please refer to separate list |
| Chairman: | Jean-Daniel Gerber (JDG) |
| Minutes: | Kelly Hess |

Agenda:

| <i>Agenda item</i> | <i>Topic</i> |
|--------------------|--|
| 1 | Election of keeper of the minutes and 2 vote counters |
| 2 | Approval of minutes of last Members' Assembly |
| 3 | Presentation, discussion and approval of annual report and financial statement |
| 4 | Election of Financial Auditor for 2016 statement |
| 5 | Discharge of Board and Management |
| 6 | Board election |
| 7 | Presentation of SSF Strategy |
| 8 | Information on workgroups |
| 9 | Varia |

All decisions are highlighted in blue

Members' Assembly commenced at 10:00

- Jean-Daniel Gerber welcomes all participants to the meeting.
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Agenda item 1: Election of keeper of the minutes and 3 vote counters

- Members unanimously appointed Claude Barras (Obviam), Bettina Buomberger (pwc) and Antonello Guercioni (Vescore) as vote counters.
 - Members unanimously elected Kelly Hess (SSF) as keeper of the minutes.
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Agenda item 2: Approval of minutes of last Members' Assembly (17 June 2015)

- The minutes of the 2015 SSF Members' Assembly of 17 June 2015 were unanimously approved.
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Agenda item 3: Presentation, discussion and approval of annual report and financial statement

JDG explains the motivations behind the format of the 2015 SSF annual report, in particular the Board's decision to keep the report short and concise this year. Sabine Döbeli (CEO SSF) presented the main accomplishments and activities of SSF during 2015, which are also highlighted within the annual report (slides 4-11).

Sabine Döbeli also presented the 2015 financial statement (slides 12-16) and emphasized that SSF will start releasing provisions made in 2014/2015 during the 2016 fiscal year. Other main differences were seen in Premises costs and Personnel expense as SSF began renting office space and increased FTE in 2015.

- Members unanimously approved the 2015 SSF Annual Report and the financial statement.
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Agenda item 4: Election of Financial Auditor for 2016 statement

The Board recommends electing Aeberli Treuhand AG as financial auditor for 2015.

- Members unanimously elect Aeberli Treuhand AG as the financial auditor for 2016.
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Agenda item 5: Discharge of Board and Management

- Members unanimously vote to discharge the Board and Management.
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Agenda item 6: Board election

JDG thanks the current SSF Board for their commitment over the last year.

3 standing Board members do not need to be re-elected as their 2-year terms are not yet expired (Caroline Anstey (UBS), Beatrice Fischer (Credit Suisse) and Jean-Daniel Gerber).

The Board recommends to re-elect 6 existing Board members up for election in an open vote as a group by acclamation (Eric Borremans, Ladina Caduff, Hubert Niggle, Angela de Wolff, Daniel Wild and Beatrice Zwicky).

The Board recommends to use a secret ballot for the 5 vacant Board seats to be filled by new Board members. Each of the 8 candidates running for election shortly introduced themselves to the Assembly.

- The members unanimously accept the Board's suggestion for the voting procedures
- The members unanimously re-elect all 6 standing Board members who were up for re-election (Eric Borremans, Ladina Caduff, Hubert Niggle, Angela de Wolff, Daniel Wild and Beatrice Zwicky).
- Based on the results of the secret ballots, the members elect the following 5 candidates to the SSF Board
 - Pierin Menzli (J. Safra Sarasin) – representative of a Bank
 - Roland Dominicé (Symbiotics) – Representative of Specialised Asset Manager
 - Rochus Mommartz (responsAbility) - Representative of Specialised Asset Manager
 - Andreas Spiegel (Swiss Re) – Representative of an Insurance Company
 - Patrick Fankhauser (Inrate) – Representative of a Service Provider
- The members decided not to be informed of the specific vote counts

Agenda item 7: Presentation of SSF Strategy

Sabine Döbeli presented the SSF strategy (slides 26-32).

Some members expressed the need for some more clarity on the measures SSF intended to take on the political dialogue level, citing the French example where certain ESG transparency became a requirement for institutional investors in the end of 2015. Jean-Daniel Gerber explained that it was a priority for the second half of 2016 to further specify the form in which SSF will lead this dialogue. Interactions with federal authorities are already showing some results as seen by the involvement of FOEN/BAFU and SIF (Alexander Karrer as keynote speaker) at the side-event of the 2016 Members' Assembly taking place in the afternoon on 14 June 2016. The Board also explained that based on their interactions with the network, the general mood in Switzerland was not to increase financial regulations further at the moment. A discussion of the strategy was planned for the first afternoon session, giving more room for questions and answers.

Agenda item 8: Information on workgroups

The status and accomplishments of the different active workgroups were presented by workgroup leaders or the respective SSF responsible party (slides 33-50)

- Institutional Asset Owner Workgroup – presented by Sabine Döbeli (SSF) on behalf of Ulla Enne (Nest Collective Foundation)
 - Workgroup SF Education Pro – presented by Kate Cacciatore (Edmond de Rothschild)
 - Workgroup Investments for Development – presented by Kelly Hess (SSF) on behalf of Frederic Berney (BlueOrchard)
 - Workgroup SI in Private Wealth Management – presented by Jean Laville (SSF)
 - Workgroup Ticino – presented by Alberto Stival (SSF)
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Agenda item 9: Varia

No additional items were discussed.

The Members' Assembly was adjourned at 12:30 by JDG

Summary of Breakout Discussion Rounds A and B

In the afternoon, the members were able to address the Board and various workgroup leaders in two separate breakout sessions.

Discussion round A: SSF strategy and Institutional Asset Owner workgroup

Around 40 SSF member representatives joined this discussion led by SSF Board members Hubert Niggli, suva, and Klaus Tischhauser, responsAbility.

Regarding the SSF strategy, the group agreed that the chosen priorities were relevant and no important aspects were missing. The question was raised if it was more important to deepen existing practices or to broaden them to new groups. SSF is aiming to do both and spread existing practices as well as help experts to deepen their expertise. Generally, it is seen as important to provide practical tools supporting implementation. Regarding political dialogue members asked for more information on activities in this field. Sabine Döbeli explained that SSF already leads a regular dialogue with federal authorities and will seek to deepen communication channels on this level. The objective is to find simple ways for discussions with politicians, informing them about international trends in sustainable finance and Swiss positioning in this field. It was suggested to talk to Swiss federal and cantonal issuers and encourage them to issue green bonds.

Around 4 of the participants in this discussion round represent an asset owner. The group agreed that an “asset owner” is an organization managing assets in the interest of other beneficiaries therewith having a fiduciary duty. Some of the large asset owners stated that green bonds as well as infrastructure investments become increasingly important, as long they have the form of a tradeable asset class. The importance of structured guidance (recipe style) for asset owners on how to adopt sustainable investment practices was stressed. Such tools should take into account, that an average Swiss pension fund has very little resources and therefore outsources most of its investment activities. SSF should also address trustees and inform them about the activities of peers in this field. Someone mentioned a procurement platform that was set up in the UK for small pension funds and suggested to evaluate if this would be useful for Switzerland, too. The newly founded SVVK-ASIR has a similar role, yet is reserved for large public asset owners.

The toolkit planned for publication in autumn is seen as a useful tool. It is crucial that it addresses the needs of different types of asset owners. Generally, it is perceived as a challenge for SSF to make value propositions to different member types.

Some suggestions for further activities:

- SSF should determine the feasibility of offering services that create an income: Advice, documents, tools
- Provide practical tools for implementation (i.e. standard RFP)
- Contribute to standardization of terms and approaches

Discussion round B: SSF strategy and Private Wealth Management and Education Workgroup

Approximately 40 SSF member representatives were present in this discussion round led by SSF Board members Caroline Anstey, UBS, and Angela de Wolff, Conser invest and SFG.

Within the group, members expressed a clear desire for SSF to help bring the topic of SI to their C-level management as this level is seen as a key barrier towards successfully integrating SI within an organization (i.e. through “chimney chats”). However, it was also expressed that SSF could benefit from focusing on the general public as this would create demand, which in turn would automatically convince upper management of the benefits of introducing and supporting SI within their product offerings. Yet others claimed middle management would be the more effective target.

Some international examples (i.e. Fair Pensions and Finance Innovation Lab, sustainable stock exchange) were mentioned as learning opportunities for the Swiss market, as well as, international figure heads that SSF should engage with (i.e. Mark Carney).

Members also discussed the Board’s decision to change the Vision from “the leading centre” to “a leading centre”. Most members were in agreement with the decision justifying this with the fact that using “the” could be seen as an unreachable target which would discourage rather than promote action

in the field. Members also expressed a wish for SSF to define exactly what “a leading centre” would look like so that KPIs could be defined and intermediate targets can be set.

The group agreed success stories both on the level of successful products, as well as on the level of successful organisations/relationship managers/client advisors would be very valuable. In addition, it would also be favorable for members to share their challenges and examples of mistakes that should be avoided.

In summary, most of the tools presented by SSF are in line with the strategy, but they still need to be tested for acceptance and penetration within the industry.

Some points for action:

- Hard to standardize a training tool for all organizations:
 - Education and PWM need to discuss the synergies and see where a collaboration would make sense
 - Help to standardize and simplify vocabulary used in SI industry
- SSF could consider also a dialogue with SMI corporates

Zürich, 28 June 2016



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Jean-Daniel Gerber, President



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Kelly Hess, keeper of the minutes

Attachments:

Presentation for SSF Members' Assembly

List of registered participants