

Portfolio overview

Equity Funded Portfolio (EQF) ≈ EUR 1.5bn

- Funding: paid-in capital, reserves and retained profits.
- Investment strategy: pursue a favorable long-term return, while aiming capital preservation.

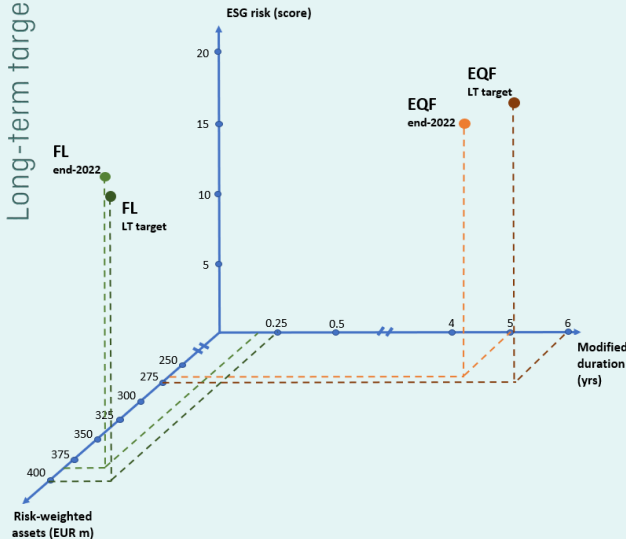
Funded Liquidity Portfolio (FL) ≈ EUR 2.5bn

- Funded: bonds and commercial papers issuance
- Investment strategy: ensure liquidity at any given time; fulfil requirements set by external credit rating agencies; ensure compliance with internal risk framework

Margining Portfolio (MARG)

- Funded: collateral received under Credit Support Annex (CSA) agreements or short-term funding.
- Investment strategy: managing margining account in the most efficient way

Long-term targets



Activities & Achievements

- **Eugen Dulaj** joined our team as a new Portfolio Manager & ESG Analyst in April 2022
- The long-term **duration targets** have been revised, and the bandwidths were introduced for EQF and FL since Q1 2022
- The funding **Liquidity Risk Management Framework** was improved by 1. introducing ad-hoc forward-looking sensitivity and monitoring tools; 2. signing credit facility agreements
- The **methodology** for both the S&P liquidity ratio and funding gap calculations has been substantially improved
- The investees were reassessed and remapped to broaden the investment universe
- The trading venues were reviewed and requalified according to specialization
- To reinforce our liquidity position, an additional borrowing line for MARG was approved
- Several **new internally-built tools** to oversee the positions and the eligible investment universe were introduced for the EQF portfolio
- A **new consolidated monthly portfolio reporting** approach has been introduced
- The evaluation process of the **long-term investment universe extension** for the EQF started in the second quarter
- The **nostra accounts setup** was fine-tuned to improve the operational excellence
- The **INVESTEES ENGAGEMENT GUIDELINES** document has been approved and taken effect since January
- The first annual cycle of **ESG engagements** with the eleven counterparties occurred from March to December. The **first ANNUAL INVESTEES ENGAGEMENT REPORT** became a publicly available summary of 2022 engagements
- The third-party ESG research provider concluded the **ad-hoc ESG research** of our active counterparties in Q2
- The InnoCheque project with our **research partner** IFZ Luzerner Hochschule showed positive progress
- Further **professional credentials**, such as CFA Certificate in ESG Investing, have been earned by the Portfolio Managers
- Active **participation** in the Annual UN PRI Conference, the CA-CIB Central Bank Conference, Portfolio Management Conference for Official Institutions (PMCOI), and others
- Numerous **successful exchanges** with our supranational and non-supranational peers