

equity securities. The limits for alternative investments are that the value of all alternative investments included in the tied assets may not exceed 15% of the target amount, the imputed value per subcategory may not exceed 10% of the target amount, the imputed value per fund of funds may not exceed 5% of the target amount, and for all other investments, the imputed value per investment may not exceed 1% of the target amount. These limits do not apply to physical gold. It is important to note that these limits apply to alternative investments as a whole and not just to equities and equity securities.

Answer 2:

The limits set for investments in equities and equity securities by insurance companies, as outlined in the FINMA Circular 2016/5, include the following:

**Equity Allocation Limit:**

Investments in shares and other equity securities must not exceed 30% of the target amount of the tied assets.

**Market Value Consideration:**

Equity securities and convertible bonds with the character of shares are counted at market value at most. This is to ensure that the valuation reflects current market conditions, reducing the risk of overvaluation.

**Liquidity Requirement:**

All securities in this category must be traded on a liquid, regulated market and be available for sale at short notice. This ensures that the assets can be liquidated quickly if needed to meet claims or other financial obligations.

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