



tellco

Investment Foundation

Regulations of Tellco Investment Foundation

valid as of 24 September 2014

Tellco Investment Foundation
Bahnhofstrasse 4
Postfach 713
CH-6431 Schwyz
t + 41 58 442 60 00
ast@tellco.ch
tellco.ch



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Art. 1 Investors

- a) The permitted group of investors is described in Article 6 of the foundation deed.
- b) The Board of Trustees decides whether the conditions according to Article 6 of the foundation deed have been fulfilled. The investors have no right of affiliation with the Investment Foundation.
The Investment Foundation is committed to the principle of equal treatment regarding all investors.
- c) According to the provisions of these regulations, every investor must subscribe to at least one unit in the assets of an investment group.
- d) By executing the written application to join the Investment Foundation, the investor accepts the foundation deed, all regulations and the investment guidelines. The currently valid versions are available on the Investment Foundation's website.

Art. 2 Capital assets

- a) The Board of Trustees decides on the creation of additional investment groups and the closure of existing investment groups.
- b) The individual investment groups comprise the equal, no-par and irrevocable units held by the investors. The units are not represented by a certificate but are book-entry securities that can be broken up into fractions. The units always refer to one specific investment group.
- c) The individual investment groups are managed and administered separately as far as their investments, income, costs and accounts are concerned.

Art. 3 Units held by investors in the capital assets

- a) The Board of Trustees establishes the value of a unit upon creation of an investment group. Following this, the value of a unit is determined by the asset value of the investment group in question on the valuation date, divided by the number of units issued for this investment group. The asset value is represented by the market value (the price, where given, pursuant to Article 4(e) and Article 5(e)) on the valuation date, plus all prepaid expenses (e.g. accrued interest) and less all liabilities and deferred income. The Board of Trustees schedules at least one valuation date per week; for alternative investment groups (hedge funds, private equity, etc.) and real-estate investment groups, the Board of Trustees can establish different provisions which must be given in the corresponding product information (fact sheets, etc.).
- b) A unit gives the investor the right to a specific share of the assets of the investment group in question and the annual profit of the investment group they have invested in.
- c) The Board of Trustees determines the amount of payouts according to the profit of the individual investment groups. It is entitled to withhold all gains or proceeds (e.g. from the sale of subscription rights) for reinvestment in the investment group concerned or to distribute these, either entirely or in part, among the investors.
- d) The units may be neither pledged nor assigned.



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Art. 4 Purchase of units/capital commitments

- a) There are generally no restrictions regarding the issue of units to investors. However, the Board of Trustees is authorised to restrict or cancel the issuing of new units and to limit or withdraw the options for certain investors in general, without giving reason. Investors can make a binding capital commitment in a fixed amount. In doing so, they are committing to complete their investment within a certain period of time which is regulated in the respective valid prospectus of the investment group in question.
- b) Units can only be acquired on the valuation dates.
- c) The issue price per unit equals the respective asset value of the unit (Article 4(e)). Issuing commissions, which are to be paid by the investors, are credited to the investment group in question and added to the asset value.
- d) If no other arrangements exist, the issue price equivalent must generally be paid in cash. Contributions in kind are possible for real-estate investment groups, provided these are compatible with the investment strategy and do not harm the interests of other investors in the investment group. Deposits are billed according to the issue price identified on the following valuation date.
- e) Net asset value is calculated based on the closing price from the previous trading day. The unit acquisition request must be received by the Investment Foundation by 2 p.m. on the trading day anticipated valuation date at the latest; otherwise, it will only be valid for the following valuation date. For alternative investment groups and real-estate investment groups, different provisions can be established which must be given in the corresponding product information (fact sheets, etc.).
- f) The acquisition of units only takes place via the issuance of new units by the Investment Foundation or via a direct repositioning of units which have been surrendered by investors. Units may not be traded freely.

Art. 5 Redemption of units

- a) Investors can request the redemption of all or part of their units on any valuation date. The option of redemption for units in alternative investments and real-estate investment groups may differ and is regulated in the corresponding product information (fact sheet, etc.). The redemption of an investor's entire unit portfolio sees this investor withdraw from the group of investors.
- b) In cases where the Board of Trustees has decided to dissolve an investment group, the Investment Foundation may request the redemption of all units on any valuation date.
- c) If there are insufficient liquid assets available for a redemption of the units, the Investment Foundation will realise the assets available. The Board of Trustees can defer the redemption until the required liquid assets are available, or as long as three months when realising assets in securities, six months from the end of the following quarter when realising mortgage loans or other demands, and one year when realising alternative investments and real estate. In extraordinary circumstances, such as the outbreak of war or an international financial crisis, the Board of Trustees can defer the redemption of units having notified the investors. The redemption price is based on the asset value at the end of the deferral period.
- d) The redemption price per unit equals the corresponding asset value per unit (Article 5(e)). Redemption commissions, which are to be paid by the investors, are credited to the investment group in question and added to the asset value.



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- e) Net asset value is calculated based on the closing price from the previous trading day. The redemption request must be received by the Investment Foundation by 2 p.m. on the business day anticipated valuation date at the latest; otherwise, these will only be valid for the following valuation date. For alternative investment groups and real-estate investment groups, different provisions can be stipulated which must be entered in the corresponding product information (fact sheets, etc.).

Art. 6 General meeting of investors

The general meeting of investors is convened and carried out according to Article 8 of the foundation deed.

Art. 7 Board of Trustees

All voting, organisation and functioning is carried out by the Board of Trustees according to Article 9 of the foundation deed.

Art. 8 Management

- a) Persons who possess the necessary expertise and can guarantee proper business conduct of the Investment Foundation may be entrusted with management responsibilities. Furthermore, these persons are obliged to ensure that no conflict of interest arises as a result of their personal or professional relationships; they are required to disclose their interests to the auditors on an annual basis.
- b) The management oversees all transactions within the applicable laws and ordinances, the foundation deed and these regulations, all special regulations, directives and resolutions issued by the Board of Trustees and any directives issued by the supervisory authority.
- c) The management reports to the Board of Trustees.
- d) The management is assigned all powers within the scope of operational management of the foundation, provided these powers are not allocated to other functionaries according to any law or ordinance, the foundation deed or these regulations, any special regulations, directives or resolutions issued by the Board of Trustees or any directives issued by the supervisory authority.

Art. 9 Committees

- a) The Board of Trustees can establish any form of committee; in particular, to handle technical matters concerning investments or any other issue.
- b) These committees have the right to submit motions to the Board of Trustees.



Art. 10 Auditors

The auditors' duties are governed by the appropriate statutory provisions.

Art. 11 Shareholder rights

- a) Voting rights should be exercised whenever possible.
- b) Voting rights are exercised by management, provided the Board of Trustees does not issue any instruction to the contrary in individual cases. The right to vote can also be assigned to shareholder services of institutional investors.
- c) If there are no special circumstances and unless instructed otherwise by the Board of Trustees, voting rights should be exercised in accordance with the proposals of the Board of Directors.
- d) In special circumstances (in particular takeovers, mergers, important personnel changes on the Board of Directors or the Executive Board, opposition against the proposals of the Board of Directors), the Board of Trustees decides how voting rights should be exercised and issues the necessary instructions.
- e) Should the Investment Foundation hold a significant interest in any particular company, it is permitted to protect this interest by dispatching a representative to the company's board of directors.

Art. 12 Fees and costs

Administration costs, fees, expenses and other costs which cannot be directly assigned to the original assets or to individual investment groups are charged to the overall capital assets according to their amount.

Commissions for issues and redemptions received by the respective investment group are between 0.50 % and 3.00 % according to the investment group in question.

The actual commissions may be viewed at any time on the published fact sheets.

Art. 13 Legal transactions with associates

Legal transactions carried out by the Investment Foundation with members of the Board of Trustees or with persons entrusted with management or asset management responsibilities, or legal transactions with associated persons, must be disclosed to the auditors.



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Art. 14 Provisions regarding integrity and loyalty

- a) Scope of application
The following provisions apply to the Board of Trustees and all persons entrusted with responsibilities (e.g. management or asset management) by the Investment Foundation.
- b) Basic principles
The following provisions are based on the statutory provisions regarding integrity and loyalty in asset management, Article 1(2) of the Ordinance on Investment Foundations (IFoundO).
- c) General
The Board of Trustees ensures that all authorised persons are informed of the provisions regarding integrity and loyalty and monitors compliance with these provisions. Persons entrusted with asset management responsibilities must meet all requirements specified in Article 48f to 48l of the Occupational Pension Ordinance (OPO 2).
- d) Pecuniary advantages
The form of compensation for all authorised persons must be clearly determinable and set out in a written contract. In principle, all pecuniary advantages which exceed the agreed amount of compensation must be delivered to the Investment Foundation.
- e) Own-account transactions
Persons involved in asset management are not permitted to carry out any identical own-account transactions made prior to (front running), parallel to (parallel running) or immediately after (after running) carrying out trading orders for the Investment Foundation. Any such transactions which are carried out via third parties in order to circumvent these provisions will be treated as own-account transactions.
- f) Churning
Redeploying the Investment Institution's portfolio without a reason as to why this is in the Institution's economic interests is prohibited.
- g) Disclosing interests
All persons subject to these provisions are obliged to disclose all interests which could affect their independence in the performance of their duties. These interests should be disclosed as soon as possible and at the very latest before completing a transaction, casting a vote or appointing an employee. Persons with any interest which could affect their independence must withdraw from making any decision (including all preparation, advisory or monitoring work involved).
- h) Annual declaration
The Board of Trustees requires an annual declaration from every person involved, to be submitted in writing. Each person shall declare that they are fully aware of the provisions regarding loyalty, that no undue pecuniary benefits have been received, that no prohibited own-account transactions have been carried out and that no conflicts of interest exist which have not already been disclosed.



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Art. 15 Information and disclosure

The Board of Trustees ensures that investors are kept up to date on the number of units, the composition and value of the individual investment groups and any changes made to the investments on a regular basis, and every quarter at the very least. At the request of the investors, the foundation shall provide them with information regarding purchases, sales and other transactions and shall release an inventory for each investment group. Upon each new entry or revision, every investor receives the foundation deed, regulations and investment guidelines in the appropriate form.

Art. 16 Accounting and financial reporting

- a) The financial year ends on 31 December.
- b) The Investment Foundation's accounting and financial reporting is carried out pursuant to Article 38 I FoundO.
- c) Accounting for the original assets and the individual investment groups is done separately.

Art. 17 Entry into force

These regulations were adopted by the extraordinary general meeting of investors on 24 September 2014. It enters into force following the approval of the general meeting of investors and replaces the version dated 25 June 2013.

Schwyz, 24 September 2014

Tellico Investment Foundation

Board of Trustees

Luc Meier
Chairman

Dr Dominique Becht
Member

In case of differing interpretations, the German text is authoritative.