tellco
Pension solutions. Banking. Real estate.

Investment regulations

Tellco pkPRO

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Table of contents

The Board of Trustees issues the following investment regulations based on the deed of foundation:

Chapter 1: Principles

1 Purpose and scope of application

1.1
These regulations define the principles of asset management for Tellco pkPRO (hereinafter referred to as the «pension fund»).

1.2
The regulations are reviewed at least once a year and amended if necessary.

2 Asset management principles

2.1
The assets are managed in compliance with the provisions on employee benefits insurance.

2.2
The pension fund manages its assets in a manner that guarantees the security of, and adequate yield from, the investments, and the appropriate distribution of risk, and ensures that the estimated requirement for liquid assets is met.

2.3
The pension fund defines the objectives and principles as well as the execution and control procedures for the investment of the assets in a comprehensible manner to ensure that the joint Board of Trustees can carry out its management duties in full.

The pension fund defines the rules that apply to the exercise of its shareholder rights.

The pension fund implements the organisational measures required to implement the minimum provisions pursuant to Art. 51b BVG and Art. 48f to 48l BVV 2. It determines the requirements that must be met by the individuals and institutions that invest and manage the pension fund's assets.

2.4
The pension fund must carefully select, manage and monitor its investments.

When investing its assets, the pension fund must primarily ensure that security is served in meeting the pension fund's insurance objectives.

This is assessed primarily by taking into account all assets and liabilities in consideration of the actual financial situation as well as the structure and projected size of the membership.

In investing its assets, it must observe the principle of adequate risk diversification; the assets must in particular be distributed across different asset classes, regions and economic sectors.

2.5
The pension fund must aim to earn a return that is acceptable on the money, capital and real estate markets. Its objective is to equal the return of the Pictet BVG-25 index.

2.6
All persons involved in the administration, management or auditing of the pension fund are responsible for any damage or loss they may cause intentionally or through negligence.

3 Resources

The pension fund uses the following instruments to implement its investment strategy:

a) Limiting the investment options as regards the permitted investment vehicles, the maximum exposure limits and the quality requirements to be met by the counterparties
b) Planning and control instruments, as well as ongoing monitoring and analysis of the investment results and risks as opposed to the investment strategy and related objectives

4 Provisions on integrity and loyalty

4.1
The rules regarding integrity and loyalty are set out in Appendix 5.

Chapter 2: Organisation

5 Board of Trustees

The Board of Trustees is in particular responsible for:

a) Monitoring the annual performance
b) Determining the investment strategy and bandwidths
c) Adopting the investment regulations
d) Selecting the asset managers
e) Concluding contracts with asset managers and depositaries
f) Monitoring asset managers on an ongoing basis
g) Monitoring the performance of the assets and the implementation of the investment strategy
h) Approving the risk control instruments and procedures
i) Prohibiting or restricting the use of derivative instruments and strategies that are permitted under these regulations
j) Coordinating the investment implementation process
k) Monitoring compliance with the disclosure obligation under Art. 48l BVV 2

6 Management

The management is in particular responsible for:
a) Monitoring compliance with the statutory and regulatory provisions
b) Ensuring adequate reporting to the Board of Trustees
c) Collecting the annual written declarations from all persons and institutions involved in the management of the assets on any personal financial gain they may have enjoyed and their shared interests (Art. 48l BVV 2)

7 Asset managers

The pension fund may only appoint persons and institutions to invest and manage its pension assets who meet the requirements of Art. 48f and Art. 48g to 48l BVV 2. The Board of Trustees only issues asset management mandates to banks and/or securities traders. The tasks of the asset managers are:
a) Implementing the investment and asset allocation guidelines of the Board of Trustees
b) Monitoring the statutory and regulatory parameters
c) Preparing monthly reports for the Board of Trustees
d) Supervising the depositories
e) Preparing the background and options for decision making for the Board of Trustees
f) Executing the resolutions of the Board of Trustees
g) Drawing up the chapter on investments for the annual report

8 Depositories

The tasks of the depositories are:
a) Managing the custody accounts
b) Executing securities transactions
c) Reclaiming Swiss and foreign withholding taxes
d) Delivering the stamp duties
e) Preparing securities statements and custody account excerpts

9 Auditor

The auditor audits the investments. His tasks are governed by Art. 52c BVG.

10 Pension actuary

The pension actuary reviews the relationships between the investments and the obligations of the pension fund. In doing so he considers the investment structure and the maturities of the pension obligations. In particular, he reviews the existence and amount of the fluctuation reserve designed to hedge the investment strategy selected by the pension fund for his report pursuant to Art. 52e BVG. He participates in ALM studies.

11 Investment Accounting

The administration, in particular the investment accounting department, is responsible for:
a) Accounting of accounts, securities, real estate, loans and derivatives
b) Accounting of the assets and income (interest, dividends, etc.);
c) BVG-compliant measurement of assets
d) Integration of the sub-accounts (accounts, securities, loans, real estate and derivatives) into the consolidated investment accounting
e) Processing of payments
f) Monthly transaction summaries and forwarding of collective vouchers to Finance Accounting
g) Proper safekeeping of securities vouchers for the period prescribed by law

12 Exercise of shareholders' voting rights

Voting rights for foreign stock companies are usually not exercised, except in individual cases on request of the Board of Trustees.

The following provisions apply to the exercise of voting rights for stock companies established under the Swiss Code of Obligations with their registered office in Switzerland whose shares are listed on a Swiss or foreign stock exchange:

12.1
At the company's annual general meeting the pension fund must exercise the voting rights for the shares directly held by it for the motions on the agenda.

The obligation to vote applies to the following items on the AGM agenda:
a) Election of the members of the board of directors, the chairman of the board of directors, the members of the compensation committee and the independent proxy
b) Provisions of the articles of incorporation
c) Compensation paid directly or indirectly to the board of directors, the executive board and the advisory board by the company
d) Compensation paid to the members of the board of directors, the executive board and the advisory board for activities on behalf of entities that are controlled directly or indirectly by the company, provided that these payments were not approved by the company's AGM

There is no obligation to vote on decisions regarding the granting of discharge to the board of directors, the approval of the annual financial statements and share capital increases and reductions.

The obligation to vote is exercised for collective investment schemes if the pension fund has an enforceable voting right against the collective investment scheme.

The pension fund's vote must serve the best interests of its insured.

Securities lent out must be recalled before the AGM.

The pension fund may abstain from voting if this should best serve the interests of the insured and there is no good reason to either approve or reject the agenda item under discussion.

12.2
The interests of the insured are deemed to be served if the voting pattern supports the lasting prosperity of the pension fund and is sustainable. Sustainability means:
a) Healthy financial growth is more important than high dividends (long-term autofinancing of the stock company)
b) Sustainable financing of the company with equity is more important than the repayment of capital contributions

In exercising its voting rights the pension fund therefore adheres to the principles of return, security, liquidity and sustainability.

12.3
The pension fund must submit a comprehensive report on its compliance with its voting obligations to the insured at least once a year. The report can be submitted together with the financial statements, published on the pension fund's website, or disclosed in another suitable manner.

If the pension fund does not approve the motions of the board of directors or abstains from voting, it must explain its decision in the report.

12.4
The Board of Trustees adopts the policy regarding the exercise of voting rights and defines the actual procedure for the exercise of voting rights. The implementation of this policy can be delegated – in compliance with these regulations – to a third party (voting rights committee, investment committee, portfolio manager, external advisor on voting rights, etc.). Personal attendance at general meetings is usually not required. The services of independent proxies can be used for the actual exercise of the voting rights.

Chapter 3: Investments

13 Appendices

Appendices 1 to 5 form an integral part of these regulations.

14 Principles of securities investment

14.1
These regulations provide an exhaustive list of the investments that are permitted for each asset class. As a general rule, no loans may be taken up. The exception is short-term loans taken up for technical reasons. If urgently required by the circumstances and in order to safeguard the interests of the investors, a temporary deviation from the investment regulations is permitted after consultation with the Chairman of the Board of Trustees. Deviations must be listed with specialist explanations in the notes to the annual financial statements.

14.2
The use of derivative instruments is restricted.

14.3
Funds are invested in liquid, readily tradable vehicles and care should be taken that the investments are sufficiently diversified. The exception is alternative investments, which are subject to special regulations.

14.4
Every asset class tracks one or several indices. The indices (benchmarks) are used to determine the market return and market risk for each asset class; they are set out in the investment strategy (Appendix 1).

14.5
In order to enhance efficiency and increase the return, the strategy and asset managers may deviate from the index within the prescribed bandwidths. Performance is measured on an ongoing basis. For investment groups following a strategy based on a standard index, the debtor and company limits pursuant to Art. 54 and 54a BVV 2 may be exceeded. The guidelines must identify the index and the maximum percentage deviation from the index.

Performance-related undercutting or overshooting of the bandwidths must be corrected at least once a month.

14.6
The minimum rating for nominal value investments and the counterparty rating for OTC transactions are set out in Appendix 3.

14.7
If a security is downgraded from the permitted minimum rating, it must be sold within three months, taking due account of the market situation, unless the asset manager proposes different measures based on an internal assessment of the circumstances.

14.8
Compliance with Art. 56 BVV 2 for collective investments must be ensured.

14.9
Appendix 2 provides an exhaustive list of the derivative instruments that are permitted for hedging currencies.

15 CHF bonds domestic and foreign

15.1
The maximum Swiss franc amount per borrower equals 5% of the invested assets, except for government bonds.

15.2
Permitted are Swiss franc bonds, medium-term notes, discounted notes, debentures, warrant and convertible bonds issued by Swiss borrowers or guarantors with a residual term at the purchase date of at least 12 months as well as related indirect investments.

15.3
Investments must be made in securities that are listed on a stock exchange (except for medium-term and discounted notes and debentures).

15.4
Instead of direct investments, the pension fund can also acquire units in investment foundations, investment funds or other collective investment schemes that invest in CHF bonds.

15.5
Appendix 2 provides an exhaustive list of the derivative and synthetic instruments that are permitted for spreading maturities or hedging the interest rate risk.

16 Global bonds

16.1
The maximum Swiss franc amount per borrower equals 5% of the invested assets.

16.2
Permitted are foreign currency fixed-interest investments, including warrant and convertible bonds by domestic or foreign issuers with a residual term at the purchase date of at least 12 months.

16.3
Investments in emerging-market and high-yield bonds should be diversified over a number of markets and sectors. The maximum exposure is the greater of 25% of the global bonds or 150% of the share in the reference index pursuant to Appendix 1.

16.4
Instead of direct investments, the pension fund can also acquire units in investment foundations, investment funds or other collective investment schemes that invest in global bonds.

16.5
Appendix 2 provides an exhaustive list of the derivative and synthetic instruments that are permitted for spreading maturities or hedging the interest rate risk.

17 Convertible bonds

17.1
The maximum Swiss franc amount per borrower equals 5% of the convertible bond asset class. The exception is Art. 17.5.

17.2
Investments must be made in securities for which there is a liquid market.

17.3
Shares acquired by exercising conversion rights may be held for a maximum of one year after exercise but may not account for more than 10% of the convertible bonds asset class.

17.4
Synthetic convertible bonds may be used but are limited to a maximum of 20% of the convertible bonds asset class.

17.5
Instead of direct investments, the pension fund can also acquire units in investment foundations, investment funds or other collective investment schemes that invest in convertible bonds.

17.6
Appendix 2 provides an exhaustive list of the derivative and synthetic instruments that are permitted for spreading maturities or hedging the interest rate risk.

18 Swiss equities

18.1
Individual holdings are limited to the maximum pursuant to Art. 54 BVV 2.

18.2
In this asset class, investments are permitted in all securities issued by companies with their registered office in Switzerland or Liechtenstein that are listed on the Swiss stock exchange (Exception: Art. 18.3).

18.3
Investments in unlisted companies may not account for more than 1% of the invested assets. There may also not be any obligation to provide additional capital. When these investments are selected, the following criteria, among others, must be taken into account and weighted for the investment decision:
a) Quality of the management
b) Stable earnings position (for new companies: realistic budgeted income statement with appropriate risk/return potential)
c) Level of outside debt
d) Low correlation with existing investments

18.4
Instead of direct investments, the pension fund can also acquire units in investment foundations, investment funds or other collective investment schemes that invest in Swiss equities.

19 Global equities

19.1
The maximum Swiss franc amount per company equals 5% of the invested assets.

19.2
In this asset class, all listed securities included in an index are permitted.

19.3
Equities that are traded over the counter are not permitted, except for the indirect investments pursuant to Art. 19.4.

19.4
Instead of direct investments, the pension fund can also acquire units in investment foundations, investment funds or other collective investment schemes that invest in global equities.

19.5
Investments in emerging-market equities may only be made as part of a selected mandate or as an indirect investment. The investments must be diversified over a number of different markets and sectors. The maximum exposure is the greater of 10% of the global equities or a maximum of 150% of the share in the reference index pursuant to Appendix 1.

20 Alternative investments

20.1
All investments that do not fall under Art. 15 CHF bonds domestic and foreign, Art. 16 Global bonds, Art. 17 Convertible bonds, Art. 18 Swiss equities, Art. 19 Global equities, Art. 21 Loans, Art. 22 Money market investments and fixed-term deposits, Art. 24 Securities lending, Art. 25 Principles of real estate investment and Art. 26 Mortgages are deemed to be alternative investments.

In addition to direct investments in companies, investments may be made in funds, limited partnerships, trusts, investment companies and similar structures across the globe.

A key difference between alternative investments and traditional investments is that alternative investments have only limited tradability.

Steps are taken to ensure diversification within the following investment segments: hedge funds, insurance-linked securities, private debt, infrastructure and private equity as well as other segments (commodities, etc.).

20.2
When selecting alternative investments, care should be taken that the management of such vehicles is good and that consolidated annual financial statements are published.

20.3
Each exposure is limited to 5% of invested assets as at the date of acquisition. The individual investments in appropriately diversified funds of funds may not exceed 20% of total invested assets as at the date of acquisition.

20.4
With the utilisation of the extended investment possibilities under Art. 50(4) of the OPO 2, loans to companies domiciled in Switzerland that meet the following criteria are permitted.

- The maximum permitted share of loans is 5% of total invested assets. However, the maximum per borrower may not exceed 1% of total invested assets.
- The loans have to be carefully selected, managed and monitored.
- Such loans are collateralised via the depositing of equities and mortgage deeds, via the pledging of claims and via guarantees and similar declarations.
- Upon awarding a loan, the following criteria, in particular, must be taken into account:
  - Management quality
  - Stable earnings situation (realistic forecast income statement with appropriate risk / return potential for start-ups or companies in the development stage)
  - Low level of correlation to existing investments.

20.5
Investments in affiliated employers are permitted pursuant to Art. 57 BVV 2. Art. 57 and Art. 58 BVV 2 must be observed.

21 Loans

21.1
Loans to public-sector entities with at least an A rating are permitted.

22 Money market investments and fixed-term deposits

22.1
Money market investments with borrowers with a term to maturity of up to 12 months and floating rate notes (FRNs) with a remaining term to maturity upon purchase of three years at most are permitted.

22.2
When selecting the investments, care must be taken that the borrower has a good rating (Appendix 3).

22.3
The share of short-term investments may not exceed 5% of the invested assets per borrower.

22.4
Derivative instruments are permitted for managing the durations.

23 Investments in derivatives

23.1
Derivative financial instruments may be used, provided that compliance with the guidelines of the BVV 2 is ensured.

23.2
Derivative instruments may only be used in combination with clearly defined strategies. Derivative instruments are used to hedge investments, for tactical variation, to enhance earnings and to switch investments at a low cost. The relationship between the underlying and the derivative must be easy to understand. Appendix 2 provides an exhaustive list of the permitted instruments and strategies.

23.3
The possible obligations arising from a derivative transaction must always be secured by liquid funds or by securities. The use of derivative financial instruments may not have a leverage effect on the overall portfolio.

23.4
Investments in derivatives must comply with the provisions of Art. 56 a BVV 2. The treatment of the obligation to provide additional capital is discussed in «Notice on employee benefits insurance no. 50».

24 Securities lending

Securities may be lent to banks with a short-term rating pursuant to Appendix 3 in order to improve the earnings. The securities that are lent out must be secured by collateral. The details must be agreed in a securities lending contract.

The legal regulations governing funds apply analogously (Art. 55 par. 1 a Collective Investment Schemes Act [SR 951.31], Art. 76 Collective Investment Schemes Ordinance [SR 951.311], Art. 1 et seq. of FINMA's Ordinance on Collective Investment Schemes [SR 951.312]).

25 Principles of real estate investment

25.1
The objective is to achieve a sustained increase in value in the long term and a market-conforming yield.

25.2
Investments can be made in collective real estate investment schemes, in direct real estate (as sole or joint owner) or in projects.

Collective investments include in particular:
- Units in listed real estate funds
- Units of investment companies that invest in real estate
- Units in investment foundations
- Investments in joint properties
- Internal special assets pursuant to Art. 4 of the Collective Investment Schemes Act (KAG)

Projects include in particular:
- Building land
- New construction projects
- Properties with building rights
- Demolition sites
- New construction projects for subsequent sale, e.g. freehold apartments (exception)

25.3
When choosing direct investments, the following criteria must be kept in mind:
a) Income
b) Potential for value growth
c) Good location, mainly in metropolitan areas
d) Good condition and quality of construction (building structure, amount of maintenance required)
e) Evenly balanced list of tenants/mixed use
f) Suitable rental potential

25.4
When choosing collective investments, the following criteria, i.a., must be kept in mind:
a) Quality of the management
b) Quality and state of maintenance of properties
c) Level of outside debt
d) Valuation principles
e) Administrative costs
f) Geographic diversification (regional distribution)
g) Diversification by type of use
h) Correlation with existing investments
i) Liquidity of units

25.5
When choosing projects, the following criteria, i.a., must be kept in mind and weighted for the decision:
a) Potential for return
b) Good location, mainly in metropolitan areas
c) Can be rented out fully within a short time
d) Suitable rental and income potential
e) Not included in the register of potentially contaminated sites
f) Feasibility of new buildings
g) Sale possibilities

25.6
Rental income must ensure a market-conforming return.

25.7
In the case of direct investments, the foundation implements the required measures to assure the quality of the property, e.g.
a) Structural precautions
b) Institutional and organisational precautions
c) Systematic renovation policy

25.8
The Board of Trustees appoints one or more managers to manage and administer the foundation's properties; master agreements are concluded with these managers.

25.9
Mortgages taken up for the purpose of temporary outside financing may not exceed 30% of the market value of the direct investments held in the real estate portfolio.

26 Mortgages

26.1
The maximum percentage investment amount is set out in Appendix 1.

26.2
No mortgages may be granted to affiliated companies if the mortgage exceeds 50% of the investment value.

26.3
For properties, a maximum of 80% of the purchase price (or market value if the latter is lower or the transaction involves the repayment of an existing mortgage and the granting of a new mortgage) is financed.

26.4
The property in question must be pledged to the foundation as collateral under a mortgage note or mortgage assignment.

26.5
Only real estate in Switzerland is financed.

Chapter 4: Controlling

27 Controlling

27.1
Controlling checks the derivative positions and the individual asset classes.

27.2
Investment Accounting checks the yield calculations and the asset managers' transaction lists every month.

27.3
Investment Accounting also reconciles the statements of the depositaries with the transaction lists of the asset managers every month.

27.4
The Board of Trustees reviews all mandates on a monthly basis. It can delegate this task to an external investment controller.

27.5
Every year the Board of Trustees reviews the overall annual performance and compares it to the strategic guidelines. It revises the investment strategy and approves changes to the bandwidths for the approved strategy.

28 Reporting

28.1
The asset managers submit monthly reports to the Board of Trustees. These reports should provide information on the investments, the investment performance (overall performance and per asset class), compliance with the investment strategy, the tactical bandwidths and the investment regulations. The reports should also justify the use of derivatives and explain any deviations in the performance from the benchmarks or targets.

29 Valuation rules for reporting purposes

Assets are measured in accordance with Swiss GAAP ARR No. 26 as set out in Appendix 4.

30 Remuneration for external asset managers

Fixed asset management fees are agreed or the fees are based on the value of the assets under management or a performance-based calculation formula; a combination of these options is also possible.

Asset managers must be contractually obliged to automatically and immediately pass on all financial advantages to the pension fund (such as retrocessions, finder's fees, portfolio commission, etc.) given to the asset manager or its employees for their asset management activities on behalf of third parties (in particular banks, fund distributions, etc.).

Chapter 5: Final provisions

31 Entry into force and amendment

These regulations replace the version of 10 August 2017 and enter into force on 15 November 2018.

The regulations are reviewed by the Board of Trustees as required but at least once a year, and are amended if necessary.

Schwyz, 15 July 2018

Tellco pkPRO
Board of Trustees

Peter Hofmann
Chairman

Thomas Kopp
Vice-president

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

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Appendix 1

Investment strategy

The following investment strategy with the corresponding bandwidths and benchmarks applies according to the resolution of the Board of Trustees of 13 October 2016. The strategy and bandwidths will become effective as of 1 January 2017.

Asset class Benchmark	Strategy	Strategic bandwidths
Money market LIBOR CHF 3 months	5.00%	0.00 – 10.00%
CHF bonds domestic and foreign Swiss Bond Index TR AAA-BBB	10.00%	0.00 – 40.00%
Global bonds Customized Barclays Global Aggregate Index in CHF	5.00%	0.00 – 20.00%
Convertible bonds UBS Convertible Global Focus Inv. Grade Hedged (CHF)	5.00%	0.00 – 8.00%
Mortgages and loans	0.00%	0.00 – 10.00%
Swiss equities Swiss Performance Index	11.00%	0.00 – 20.00%
Global equities MSCI World AC free in CHF	11.00%	0.00 – 20.00%
Real estate KGAST Immo Index	33.00%	20.00 – 35.00% *
Alternative investments BVG minimum interest rate + 2%	20.00%	0.00 – 30.00%

* In accordance with Art. 50(4) of the OPO 2.

Schwyz, 10 August 2017

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Appendix 2

Permitted derivative instruments and strategies

The following derivative instruments and strategies are permitted:

Money market

- Long currency
- Short currency (for hedging)

Also forward up to a maximum of 12 months

Equities

- Long call (covered)
- Long put (hedge)
- Short call (covered)
- Short put (covered)

or a combination of these

- Short index future (for hedging)
- Long index future (covered)

- Short currency (for hedging)

Bonds

- Short bond futures on government bonds (for hedging and duration management)
- Long bond futures on government bonds (covered)
- Fixed payer swap (for hedging and duration management)
- Fixed receiver swap (covered)

- Short currency (for hedging)

Schwyz, 25 April 2017

Appendix 3

Minimum S&P rating

Pursuant to the order of the Board of Trustees of 13 October 2016, the following S&P minimum ratings are permitted:

Money market	A	
CHF bonds domestic and foreign	Investment grade	
Global bonds	Investment grade	
Loans to public-sector entities	A	
OTC transactions	A	
Account balances	A	(exception: settlement accounts with the depository)

The risk classification by Moody's or Fitch applies for counterparties/borrowers without a rating.
If such ratings are not available, the risk classification of the depositary applies.

Schwyz, 13 October 2016

Appendix 4

Valuation principles

1. Account balances, money market investments and mortgages taken up are measured at nominal value.

2. Bonds, equities and units in collective investment schemes are measured at the stock exchange price on the reference date, but medium-term notes are measured at nominal value at the most. The prices provided by the depositaries apply.

3. Currencies are measured at market value on the reference date. The prices provided by the depositaries apply.

4. Loans are measured at nominal value and must be tested for impairment.

5. Real estate is measured in accordance with the DCF method. For real estate projects, the current costs and investments are capitalised.

6. Alternative investments are recognised in the balance sheet at the most recent net asset value as calculated in accordance with sector principles and considering the cash flows since the calculation. As a result, the valuation might be delayed by approximately three months.

Schwyz, 13 October 2016

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Appendix 5

Provisions on integrity and loyalty

1. Scope
The following rules apply for the Board of Trustees as well as all persons/institutions mandated by the pension fund.

2. Applicable rules
The statutory provisions on loyalty and integrity in asset management (Art. 51b BVG and Art. 48f to 48l BVV 2) serve as the basis for the following rules.

3. General
The Board of Trustees must ensure that all responsible parties are informed of the guidelines on integrity and loyalty. It must also monitor compliance with these rules. External persons/institutions entrusted with the management of assets must meet the conditions of Art. 48 BVV 2.

4. Financial advantages
The type and manner of payment for mandated persons/institutions must be clearly defined and agreed in a written contract. As a general rule, all financial advantages that exceed the agreed payment must be delivered to the pension fund. No invitations, gifts and other personal financial advantages that are offered on the strength of the recipient's position with the pension fund may be accepted. These principles do not apply to the following:
a) Occasional gifts: Occasional gifts are one-off gifts of up to CHF 200 per case and up to CHF 2,000 per year.
b) Invitations: Invitations to an event where the advantages for the pension fund take centre stage, such as subject seminars, provided that they do not take place more than once a month. Permitted events are generally restricted to one day, are not open to an accompanying person, and can be reached by car or public transport. An event may be followed in the afternoon or evening by a social gathering.

Personal financial advantages in monetary form (cash, vouchers, discounts, etc.) of more than CHF 50 may not be accepted.

5. Restriction of trading activities of persons involved in asset management
Persons involved in asset management are all persons who take decisions to buy or sell investments on behalf of the pension fund or who are informed about such decisions. These persons may not engage in transactions for their own accounts that are executed before (front running), in parallel (parallel running) or immediately after (after running) trading orders for the pension fund. Such transactions routed through third parties in an attempt to evade these provisions are also deemed to be own-account transactions.

6. Churning
Reshuffling of the pension fund's securities portfolio without any recognisable financial benefits for the pension fund is prohibited.

7. Disclosure of shared interests
All persons affected by these rules are obliged to disclose shared interests that could negatively affect their independence in carrying out their tasks. Disclosure must be done as soon as possible, but at the latest before the execution of a transaction, election or appointment. Persons with a shared interest that could have a negative impact on their independence must withdraw from the relevant decision as well as the related preparation, discussion and supervision processes.

8. Annual declarations
The Board of Trustees collects a personal written declaration from all affected persons every year. In this declaration they must confirm that they are familiar with the provisions on loyalty, did not accept any unjustified financial advantages or execute any transactions for their own account, and that there are no undisclosed conflicts of interest.

9. Sanctions
Violations are subject to sanctions. The Board of Trustees takes appropriate measures to punish violations of the provisions on integrity and loyalty. These can range from a caution or warning to the termination of the contractual relationship. Legal steps under criminal law are reserved.

Schwyz, 13 October 2016