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In case of doubt, the German version is binding.



## **Swiss Life REF (CH) ESG Swiss Properties**

Contractual investment fund under Swiss law  
of the type "real estate fund"

**Prospectus with integrated fund contract**

**Fund management company:** Swiss Life Asset Management Ltd  
General-Guisan-Quai 40  
8002 Zurich

**Custodian bank:** UBS Switzerland AG  
Bahnhofstrasse 45  
8001 Zurich

**March 2026**

## **Part I: Prospectus**

This prospectus with integrated fund contract, the key information document and the last annual or half-year report (if published after the last annual report) form the basis for all subscriptions of units of the real estate fund.

Only the information in the prospectus, key information document or fund contract is valid.

### **1 Information about the real estate fund**

#### **1.1 Foundation of the real estate fund in Switzerland**

The fund contract of the Swiss Life REF (CH) ESG Swiss Properties real estate fund was drawn up by Swiss Life Asset Management Ltd, Zurich (formerly Swiss Life Funds AG, Lugano) as fund management company and submitted to the Swiss Financial Market Supervisory Authority FINMA with the consent of UBS AG, Basel and Zurich, as custodian bank. The fund contract was first approved by FINMA on 23 April 2015.

#### **1.2 Tax regulations applicable to the real estate fund**

##### **1.2.1 General information**

The real estate fund has no legal personality in Switzerland. It is not subject in principle to income or capital tax. Real estate funds with direct ownership constitute an exception. According to the Federal Law on Direct Federal Taxation, income from direct ownership is subject to taxation of the fund itself and therefore tax-free for the unit holders. Capital gains from direct ownership are also only taxable for the real estate fund itself.

The Swiss federal withholding tax deducted from the real estate fund's domestic income can be reclaimed in full for the real estate fund by the fund management company.

Distributions of income made by the real estate fund to investors domiciled in Switzerland and abroad are subject to Swiss federal withholding tax (source tax) at 35%. The income and capital gains from direct ownership and capital gains from the sale of participations and other assets that are paid on a separate coupon are not subject to withholding tax.

Investors domiciled in Switzerland may reclaim the deducted withholding tax via their tax returns or by submitting a separate refund application.

Investors domiciled outside Switzerland may reclaim the withholding tax under the terms of any double taxation agreement between Switzerland and their country of domicile. No reclaim is possible in the absence of such a treaty.

**This tax information is based on the latest applicable law and practice. It is expressly subject to changes in legislation, jurisdiction and in the ordinances and practices of the tax authorities.**

**Taxation and any other tax implications for investors who hold, buy or sell fund units are governed by the tax laws in the investor's country of domicile. For information in this regard, investors should contact their tax advisor.**

The real estate fund has the following tax status:

International automatic exchange of information in tax matters (automatic exchange of information, AEOI):

This real estate fund qualifies, for the purposes of automatic exchange of information within the meaning of the Common Reporting Standard (CRS) of the Organisation for Economic Co-operation and Development (OECD) for information concerning financial accounts, as a non-reporting financial institution.

Foreign Account Tax Compliance Act (FATCA)

The real estate fund has been registered with the US tax authorities as a Registered Deemed-Compliant Foreign Financial Institution within the meaning of sections 1471 – 1474 of the US Internal Revenue Code (Foreign Account Tax Compliance Act FATCA including relevant decrees).

**1.2.2 Additional information from a German tax perspective:**

The real estate fund is not authorised or indicated for distribution in Germany. The following information is intended exclusively for investors who are subject to taxation in Germany and who have voluntarily set up an account and custody account relationship with a credit institution or financial services institution outside the Federal Republic of Germany or who have acquired the fund units by way of exception under current German law.

The real estate fund is managed in accordance with the requirements of a "foreign real estate fund" as defined in the German Investment Tax Act 2018 (in the relevant current version) ("GInvTA 2018") in § 2 cl. 9 sentence 2. The real estate fund is entitled, but not obliged, to make use of simplification or equity provisions that have been or will be granted by the German tax authorities for the purposes of the GInvTA 2018. The amount of assets of the real estate fund is determined according to their value without taking the real estate fund's liabilities into account. Investment units in real estate funds or in foreign real estate funds amounting to 51% of the value of the investment unit are considered to be real estate.

Should the real estate fund violate its investment restrictions significantly, such that its foreign real estate allocation (from a German tax perspective, i.e. the portion not invested in Germany) will fall below 50%, or if the investment conditions for the real estate fund are changed so that it is no longer obliged to meet the requirements for a foreign real estate fund (from a German tax perspective), the real estate fund will lose its tax classification as a foreign real estate fund pursuant to the German Investment Tax Act 2018 in the relevant current version.

It is up to the German investor to review the financial consequences of an investment in the real estate fund and, if necessary, to consult a qualified tax advisor before investing in the fund units. This information does not claim to be exhaustive and does not constitute legal or tax advice.

**1.3 Accounting year**

The accounting year runs from 1 October to 30 September.

#### **1.4 External auditor**

PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zurich has been appointed as external auditor.

#### **1.5 Units**

Units do not take the form of actual certificates, but are instead only maintained as book entries.

In accordance with the fund contract, the fund management company is entitled to establish, liquidate or merge unit classes at any time, subject to the consent of the custodian bank and the approval of the supervisory authority.

The real estate fund is not divided into unit classes.

#### **1.6 Listing and stock-exchange dealing**

Swiss Life REF (CH) ESG Swiss Properties is listed on the SIX Swiss Exchange.

The fund management company ensures regular stock-exchange dealing of the real estate fund units via Bank J. Safra Sarasin AG. Bank J. Safra Sarasin AG is commissioned to carry out market-making.

#### **1.7 Terms for the issue and redemption of fund units**

Units may be issued at any time. They may only be issued in tranches. The fund management company determines the number of new units to be issued, the subscription ratio for current investors, the issue method for the subscription right and the other terms and conditions in a separate issue prospectus.

Each investor can request in the case of a subscription to make a contribution in kind instead of a payment in cash. The request must be submitted together with the subscription. The fund management company is not obliged to permit payments in kind.

The fund management company is the sole decision-maker on payments in kind and only agrees to such transactions if their execution is fully in accordance with the investment policy of the investment fund and does not entail any adverse impact on the interests of the remaining investors.

Details of contributions in kind are set out in § 17, cl. 8 of the fund contract.

Investors can terminate their units to the end of each accounting year with a notice period of 12 months. Under certain circumstances, the fund management company can repay the units terminated during an accounting year early (see § 17, no. 2 of the fund contract). If investors would like early redemption, they must request this in writing when submitting notice of termination. Both ordinary and early redemption take place within three months following the end of the financial year (see § 5, no. 5 of the fund contract).

The net asset value of the real estate fund is calculated at market value at the end of the accounting year and at each issue of units.

The issue price is based on the net asset value calculated for the issue, plus the issuing commission. The amount of the issuing commission is specified in section 1.11.4 of the prospectus below. Incidental costs for the purchase of investments (real estate transfer taxes, notary costs, fees, standard brokerage fees,

commissions, duties etc.) incurred by the real estate fund in connection with the investment of the amount paid in will be charged to the fund assets.

The redemption price is derived as follows: with regard to the net asset value redemption, minus the incidental charges incurred on average by the real estate fund in connection with the sale of a portion of investments corresponding to the redeemed units and minus the redemption commission. The applicable rate for the redemption is listed in the relevant statement of account.

The issue and redemption prices are rounded to one decimal point.

The fund management company publishes the market value of the fund assets and the resulting net asset value of the fund units in the medium of publication at the same time as it announces the bank or securities dealer entrusted with regular on-exchange trading of the units.

## **1.8 Appropriation of earnings**

The net income of the real estate fund is distributed annually to the investors in Swiss francs within four months following the close of the accounting year at the latest. The fund management company may make additional interim distributions from the income.

Up to 30% of the net income can be carried forward to the new account. A distribution may be waived and the entire net income carried forward to the new account if the net income of the current financial year and the income carried forward from previous accounting years of the real estate fund amounts to less than 1% of the net asset value of the real estate fund, and the net income of the current financial year and the income carried forward from previous accounting years of the real estate fund amounts to less than one unit of the real estate fund's unit of account.

Capital gains realised on the sale of assets and rights may be distributed by the fund management company or retained for the purpose of reinvestment.

## **1.9 Investment objective and investment policy of the real estate fund**

### **1.9.1 Investment objective**

The investment objective of Swiss Life REF (CH) ESG Swiss Properties is primarily geared towards maintaining or increasing the value of the portfolio properties over the long term and generating a stable ongoing return for the investor. Based on the Climate and Innovation Act (KIB) and the Paris Agreement, which form the relevant reference framework, this real estate fund pursues the sustainability objective of climate compatibility with the help of the sustainability approaches of ESG integration and climate alignment (see Annex 1a of the AMAS self-regulation on transparency and disclosure for sustainability-related collective assets). Specifically, the fund aims to reduce the greenhouse gas emissions of its property portfolio to net zero by 2050 at the latest.

### **1.9.2 Investment policy**

This real estate fund primarily invests in real estate assets and projects throughout Switzerland while aiming to achieve broad regional diversification. Investments are primarily to be made in real estate in Switzerland's economically strong metropolitan regions. The real estate is held in direct ownership. It can also be co-owned as long as the fund management company is able to exert a controlling influence.

### 1.9.3 Sustainability policy

The fund management company pursues a sustainability policy as part of the active management of the real estate fund. This involves the systematic and gradual optimisation of the properties over their holding period with regard to environmental (E) and social (S) criteria as well as aspects of good governance (G).

The sustainability policy is based on the sustainable investment approaches of **ESG integration** and **climate alignment** (see Annex 1a of the AMAS self-regulation on transparency and disclosure for sustainability-related collective assets):

#### 1.9.3.1 ESG integration

The ESG integration approach comprises the integration of qualitative ESG criteria at the three value creation stages of investment, development and property management (**ESG integration**).

- Investment: Based on an internally developed valuation model, new investments (purchases and developments) undergo a uniform and systematic ESG assessment. This presents the key ESG risks transparently and makes it possible to define strategic improvement measures when necessary at the time the investment is made. To this end, ESG-relevant information is obtained via extended due diligence and processed into an ESG assessment according to a predefined grid. The reviewed ESG aspects are assessed in the grid based on their specification, weighted depending on their materiality for the ESG strategy and aggregated to an overall ESG score. The ESG assessments are reviewed by specialised ESG experts and serve as a basis for decision-making by the fund management company. As part of the due diligence process, the following sustainability criteria are assessed (before and after the implementation of measures):
  - **Environmental (E)**: Energy consumption, CO<sub>2</sub> emissions and the use of renewable energies in technical installations.
  - **Social (S)**: Wheelchair accessibility and tenant satisfaction.
  - **Governance (G)**: Use of smart meters, green lease agreements and the presence of relevant building certificates.
- Development: For construction projects, a sustainability building directive defining the ecological and social objectives within the framework of construction projects is applied across the board.
- Property management: ESG aspects are taken into account in the existing portfolio through corresponding management standards, for example in the areas of monitoring or dealing with tenants.

In addition, the fund management company reviews direct counterparties – such as commercial tenants, operators or suppliers from the construction, operation and development sectors – with regard to their potential involvement in controversial industries or unethical behaviour. For example, commercial tenants are screened for their involvement in non-compliant sectors such as controversial weapons or thermal coal, or their having signed up to the UN Global Compact. The review is based on a risk-oriented approach and uses recognised data sources and screening tools.

Apart from qualitative aspects, the ESG integration approach includes quantitatively measurable sustainability indicators:

- a) Environment (E): management of climate risks

- *Systematic climate risk assessment*: events relating to climate change can have an impact on the value or usability of real assets. Physical climate risks arise from the direct impacts of climate change and describe physical damage to property and equipment as a result of extreme weather events, for example. Transition climate risks arise from the transition to a low-carbon economy and are a result of, for example, stricter legal obligations for the owner when it comes to ensuring energy and/or CO<sub>2</sub> efficiency. The fund management company ensures that the real estate portfolio is analysed annually with regard to climate risks and that, where necessary, suitable measures are taken to mitigate these risks. A quantitative target value is defined for the extent to which the portfolio is covered by the climate risk analysis.

b) Social (S): improving health and wellbeing (social, S):

- *Monitoring of tenant satisfaction*: the fund ensures that tenants are proactively and regularly surveyed on their satisfaction with the rental agreement and the rental property. The results help to better understand tenants' needs and are converted into optimisation measures at property and portfolio level. The fund management company defines a quantitative target for the proportion of tenants that are included in the annual tenant satisfaction survey.

c) Governance (G): transparency

- *Annual participation in external sustainability assessments at fund level*: external sustainability assessments at fund level (e.g. GRESB or REIDA) involve an independent assessment and evaluation of ESG management and ESG performance of the real estate fund and assets. The results are disclosed annually, analysed specifically by dimension and used as a basis for continuous improvement. The fund management company ensures annual participation in external sustainability assessments at fund level.
- *Building certifications*: building certifications (e.g. LEED, BREEAM, DGNB, SNBS, Minergie) are obtained as far as possible at real estate level and provide an assessment of the performance of a property or construction project in terms of sustainability aspects. The fund management company defines a quantitative target for the certified percentage of the portfolio.

### 1.9.3.2 Climate alignment

The **climate alignment approach** involves reducing the environmental footprint over time by lowering the greenhouse gas intensity of the portfolio. Greenhouse gas intensity refers to the amount of carbon dioxide equivalents emitted per square metre per year (CO<sub>2e</sub>/m<sup>2</sup>). The greenhouse gas intensity of the real estate fund can be reduced through CO<sub>2e</sub>-efficient new builds, renovations and operational optimisation measures. Specific measures primarily include:

- Replacing fossil fuel heating systems with fossil-free heating systems
- Improving the energy efficiency of building shells
- Installing photovoltaic systems
- Operational energy optimisation measures

The real estate fund actively monitors the greenhouse gas intensity of its assets. Based on the Swiss Climate and Innovation Act and the Paris Agreement, the fund has set itself the long-term objective of achieving net-zero emissions by 2050. This long-term objective is supplemented by an intermediate target.

The real estate fund's intermediate target is to reduce the greenhouse gas intensity (scope 1, 2 and 3.13) to 4.2 kg CO<sub>2</sub>e/m<sup>2</sup> by 2035. When calculating the greenhouse gas intensity, the fund management company uses the Carbon Risk Real Estate Monitor (CRREM) methodology, which is publicly available. The long-term CO<sub>2</sub> reduction objective and the defined intermediate target are based on a detailed CRREM decarbonisation pathway at property level. The long-term objective and interim targets are reviewed daily on the basis of the current restructuring plan and taking into account acquisitions and disposals in the property portfolio. The CRREM decarbonisation pathway and the portfolio decarbonisation pathway are disclosed annually. Disclosure is made in the sustainability reporting (ESG report) of the real estate fund (see section 1.9.3.5 below).

#### **1.9.3.3 Sustainability metrics and methodology**

The specifically measurable quantitative target values for the sustainability metrics and the methodology applied in connection with the investment approach of **ESG integration** as well as the quantitative target values of the **climate alignment approach** are available on the website of Swiss Life Asset Managers at [www.invest.swisslife-am.com](http://www.invest.swisslife-am.com), under "Documents" in the document "Sustainability Metrics and Methodology".

#### **1.9.3.4 Minimum size of investments in accordance with the sustainability policy**

The fund management company manages 100% of the real estate assets in accordance with the sustainability policy. The investments not covered by the sustainability policy relate to the operational activities of the real estate fund and mainly comprise cash and equivalents. They are used exclusively to ensure the operational business of the real estate fund, which is why they are not covered by the sustainability policy.

#### **1.9.3.5 Sustainability reporting (ESG report)**

The fund management company publishes an ESG report once a year as part of the real estate fund's annual reporting.

The ESG report contains the environment-related key figures as well as the internally defined ESG key figures (see Art. 1.9.3.3). The environment-related key figures were calculated according to the AMAS "Expert information key figures from real estate funds" of 13 September 2016.

The environment-related key figures are calculated annually in accordance with the REIDA standard.

The relevant key figures are as follows:

- Coverage ratio
- Energy mix
- Energy consumption
- Energy intensity
- Greenhouse gas emissions
- Greenhouse gas emissions intensity

In addition, the CO<sub>2</sub> reduction pathway is disclosed for measuring the results of the measures implemented and the progress made. This reduction target follows three central curves:

- The portfolio reduction path representing the current greenhouse gas intensity of the portfolio
- (*actual curve*);
- The 1.5 degree target path that mirrors the scientifically-based CRREM benchmark
- (*benchmark curve*);
- The planned pathway illustrating the expected CO<sub>2</sub> savings through the investment plan
- (*projection curve*).

The annual report including the integrated ESG report is available on the Swiss Life Asset Managers website at [www.invest.swisslife-am.com](http://www.invest.swisslife-am.com) under “Documents”.

#### **1.9.3.6 Main external data providers**

The main external data providers relevant to the sustainability policy of this real estate fund are listed on the Swiss Life Asset Managers website at [swisslife-am.com/esg-data-provider-inventory](http://swisslife-am.com/esg-data-provider-inventory).

#### **1.9.4 Collateral strategy**

As part of transactions involving OTC derivatives, the fund management company accepts collateral for the account of the fund. The collateral serves to reduce the risk of loss fully or partly in the event of default by the contracting party to these transactions.

All of the assets accepted as collateral must meet the following criteria:

- Liquidity: All collateral accepted that is not cash must be highly liquid and traded at a transparent price on a stock exchange or other regulated market open to the public to ensure that the collateral can be sold at short notice at a price that is close to the value of the collateral as determined before the sale.
- Valuation: Collateral that is accepted must be valued at least once on every trading day. Assets with high price volatility will only be accepted as collateral if appropriate conservative collateral security margins (haircuts) are applied (see below).
- Correlation: Collateral that is accepted must be issued by a legal entity that is independent from the counterparty or a company that is related to or controlled by the counterparty’s group company.
- Credit rating of the issuer: The issuer of the collateral that is accepted must have a high credit rating.

##### **1.9.4.1 Types of collateral**

The following types of assets may be accepted as collateral:

- (i) Cash;
- (ii) Government bonds issued by an OECD member state;
- (iii) Corporate bonds;

- (iv) Shares from issuers included in one or more indices in the following countries when the collateral is accepted:

<b>European Union</b>	<b>France</b>	<b>Germany</b>
<b>Switzerland</b>	<b>United Kingdom</b>	<b>United States of America</b>
<b>Japan</b>		

- (v) Units of collective investments under Swiss law or those that comply with the applicable European Union directive and that only invest in the above-mentioned investments.

#### **1.9.4.2 Scope of collateralisation**

In the course of conducting OTC derivative transactions, the fund management company defines the required scope of collateralisation, taking account of the statutory provisions, the applicable counterparty risk limits, the type and nature of the transactions, the credit rating and identity of the counterparties and current market conditions.

The collateralisation of derivative transactions is based on the relevant regulations for processing such transactions:

Derivative transactions that are processed centrally are always subject to collateralisation. The scope and amount of collateral is based on the relevant regulations of the central counterparty or clearing house.

For derivative transactions that are not processed centrally, the fund management company or its agents may conclude mutual collateral agreements with the counterparties. The value of the collateral that is exchanged must correspond at least to the replacement value of the outstanding derivative transactions at all times. In addition, some collateral may be valued at a discount. This discount is based on the volatility of the markets and the expected ability to liquidate the collateral.

#### **1.9.4.3 Collateral margins (haircuts)**

The collateral is valued daily on the basis of available market prices. For each asset class, appropriate margins are applied, which in turn take account of the characteristics of the collateral that is received, such as the credit rating of the issuer, the term, currency and price volatility of the investments and, where necessary, the results of liquidity stress tests under normal and extraordinary liquidity conditions.

The following minimum haircuts are applied:

<b>Type of collateral</b>	<b>Haircut</b>
Cash	10%
Government bonds	10%
Non-government bonds	10%
Equities	15%

#### **1.9.4.4 Risks associated with the management of collateral**

The fund management company and its agents must take account of the risks associated with the management of collateral as part of the risk management process.

In managing collateral, they must comply with the following minimum obligations and requirements:

- a) **Diversification of collateral (asset concentration):** The collateral must be sufficiently diversified in terms of countries, markets and issuers. The criterion regarding appropriate diversification in terms of issuer concentration is deemed to be met if the collateral held by a single issuer does not exceed more than 20% of the net asset value of the fund. The fund management company may deviate from this requirement if the collateral meets the conditions of Art. 83, cl. 1 CISO or Art. 83, cl. 2 CISO. If multiple counterparties provide collateral, the fund management company and its agents must ensure that an aggregated view of the collateral is possible. The fund management company ensures that the collateral meets the statutory diversification requirements at all times.
- b) **Safekeeping:** If there is a transfer of ownership, the collateral should be held in safekeeping at the custodian bank. The collateral may be held in safekeeping by a third-party custodian on behalf of the fund management company if ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty. For collateral provided to a counterparty, a custodian assigned by the counterparty or a central counterparty, the custodian bank ensures that the collateral is processed securely and in line with the contract.
- c) **Disposal power and disposal authority:** The fund management company and its agents must be able to dispose of the collateral at all times and without the involvement or consent of the counterparty.
- d) **Reinvestment of collateral:**

**Non-cash collateral:** Non-cash collateral that has been pledged or for which ownership has been transferred may not be lent, repledged, sold, reinvested or used to meet obligations arising from derivative financial instruments.

**Cash collateral:** Cash collateral may only be invested as liquid funds in the corresponding currency in high-quality government bonds and directly or indirectly in short-term money market instruments. The fund management company observes the statutory restriction regarding the reinvestment of collateral received.

- e) If the fund management company and its agents accept collateral equal to more than 30% of the fund assets, they must ensure that the liquidity risks can be adequately recorded and monitored. In this case, regular stress tests must be conducted, taking account of both normal and extraordinary liquidity conditions. The fund management company records and monitors the liquidity risks associated with the collateral in accordance with statutory requirements.

#### **1.9.5 The use of derivatives**

The fund management company may only use derivatives to hedge interest rate risks.

However, even in exceptional market conditions, the use of derivatives may not result in a deviation from the investment objectives or a change in the investment character of the fund. This real estate fund may use derivatives in accordance with § 12 of this fund contract. The method of risk measurement corresponds to a modified commitment approach I. The use of derivatives, taking into account the required cover, therefore does not result in a leverage effect on the fund assets, nor does it correspond to short selling.

The fund management company limits its use of derivatives to basic forms, i.e. call or put options, swaps, futures and forwards, as described in greater detail in the fund contract (cf. § 12), provided the underlyings are permitted as an investment in accordance with the investment policy. The derivative transactions may be concluded on either a stock exchange or other regulated market open to the public, or in OTC (over-the-counter) trading. In addition to market risks, derivatives are subject to counterparty risk, i.e. the risk that the contracting party may not be able to meet its obligations and may thus cause a financial loss.

Even in exceptional market conditions, the use of these instruments may not result in the fund assets being leveraged or correspond to a short sale.

### **1.9.6 Securities lending**

The fund management does not engage in securities lending transactions.

### **1.9.7 Securities repurchase agreements**

The fund management company does not engage in securities repurchase agreements.

### **1.10 Net asset value**

The net asset value of a unit is derived from the market value of the fund assets, less any liabilities of the real estate fund and any taxes likely to be incurred in the event of liquidation of the real estate fund, divided by the number of units in circulation. Figures are rounded to two decimal places.

### **1.11 Fees and incidental costs**

#### **1.11.1 Fees and incidental costs charged to the fund assets (excerpt from § 19 of the fund contract)**

Management fee of the fund management company up to 1.00 % p.a.  
(on the basis of the total fund assets at the end of the preceding quarter)

The fee is used for the management, asset management and sales activities with respect to the real estate fund.

Custodian bank fee of the custodian bank up to 0.10% p.a.  
(on the basis of the total fund assets at the end of the preceding quarter)

The fee covers the tasks of the custodian bank such as the safekeeping of the fund assets, the handling of payment transactions and the other tasks listed under § 4 of the fund contract.

Furthermore, the fees and incidental charges listed under § 19 of the fund contract may also be charged to the real estate fund.

Information on the rates actually charged can be found in the annual and semi-annual report.

### 1.11.2 Total expense ratio (TER)

The coefficient of the total costs charged to the fund assets on an ongoing basis (total expense ratio, TER) was:

in proportion to the total fund assets (TER GAV)

Year	TER GAV
2015–2016	0.82%
2016–2017	0.83%
2017–2018	0.83%
2018–2019	0.82%
2019–2020	0.81%
2020–2021	0.79%
2021–2022	0.78%
2022–2023	0.74%
2023–2024	0.70%
2024–2025	0.68%

Relative to market value (TER MV)

Year	TER MV
2015–2016	0.93%
2016–2017	0.85%
2017–2018	0.85%
2018–2019	0.91%
2019–2020	0.90%
2020–2021	0.87%
2021–2022	0.89%
2022–2023	0.99%
2023–2024	0.92%
2024–2025	0.79%

### 1.11.3 Payment of retrocessions and rebates

The fund management company and its agents may pay retrocessions to cover the distribution activities of real estate fund units in or from Switzerland. This remuneration may in particular constitute compensation for the following services:

- the production of promotional material;

- the organisation of road shows,
- participation in events and trade fairs,
- the training of sales representatives.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for the sales activity.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the investment fund of the investors concerned.

The fund management company and its agents may, upon request, pay rebates directly to investors in connection with sales activities in or from Switzerland. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Discounts are permitted if

- they are paid from fees charged by the fund management company and thus do not place an additional burden on the fund assets;
- they are granted on the basis of objective criteria;
- they are granted to all investors fulfilling the objective criteria over the same period to the same extent.

The objective criteria for granting rebates by the fund management company are:

- the volume subscribed by the investor or the total volume held by the investor in the real estate fund or, where applicable, in the promoter's product range;
- the amount of the fees generated by the investor;
- the investment behaviour practised by the investor (e.g. expected investment term);
- the investor's willingness to support during the launch phase of a real estate fund.

At the request of the investor, the fund management company must disclose the amounts of such discounts free of charge.

#### **1.11.4 Fees and incidental charges incurred by the investor (excerpt from § 18 of the fund contract)**

Issuing commission accruing to the fund management company, custodian bank and/or distributors in Switzerland and abroad max. 5%

Redemption commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad up to 1.5%

Commission for the payout of liquidation proceeds up to 0.5%

In the case of unit redemptions, the incidental costs incurred on average by the real estate fund in connection with the sale of a portion of investments corresponding to the redeemed units are deducted from the net

asset value in addition to the redemption commission. The applicable rate is stated in the corresponding statement of account.

#### **1.11.5 Commission sharing agreements and soft commissions**

The fund management company has not concluded any commission sharing agreements.

The fund management company has also not concluded any agreements in the form of soft commissions.

The fund management company shall ensure that soft commissions and compensated benefits directly or indirectly benefit the real estate fund (e.g. financial analyses, market and exchange rate information systems).

#### **1.11.6 Investments in associated collective investment schemes**

No issuing and redemption commissions are charged in the case of investments in collective investment schemes that are managed directly or indirectly by the fund management company itself or a company with which it is related by virtue of common management or control or by way of a significant direct or indirect interest.

#### **1.12 Consultation of reports**

The prospectus with integrated fund contract, the key information document and the annual and/or semi-annual report may be obtained free of charge from the fund management company, the custodian bank and all distributors.

#### **1.13 Legal form of the real estate fund**

The real estate fund is an investment fund under Swiss law of the “real estate fund” type in accordance with the Federal Act on Collective Capital Investment Schemes of 23 June 2006.

The real estate fund is based on a collective investment agreement (fund contract), under which the fund management company undertakes to provide the investor with a stake in the real estate fund in proportion to the fund units acquired by the said investor, and to manage this fund at its own discretion and for its own account in accordance with the provisions of the law and the fund contract. The custodian bank is party to the fund contract in accordance with the tasks conferred upon it by the law and the fund contract.

#### **1.14 Main risks**

The main risks of the real estate fund are:

- *Market risks:* The value of the real estate depends on the general economic performance, the (use-) specific development of supply and demand for real estate in the different regions of the Swiss real estate market, changes in capital market and mortgage interest rates and changes in inflation. For example, poor economic performance can lead to higher vacancy rates among the properties held.

- *Liquidity risks*: As the liquidity of the Swiss real estate market is limited, depending on the characteristics this can result in a negative impact on prices. This applies in particular to short-term purchases or sales of individual, larger properties that will not be possible or only possible with price concessions in the event of unfavourable conditions or market situations.
- *Valuation risks*: The valuation of real estate depends on various factors. These include, for example, assumptions about the development of market rents, vacancies and discount factors that are made by independent valuation experts during the valuation process. Depending on market demand, the selling price may deviate from the value of the property.
- *Price risks*: The value of the fund units can change due to the aforementioned risks, is subject to fluctuations and depends on the applicable market value of the fund investments. The value of the fund units can fall over a longer period and there is no guarantee that the investor will achieve a given return or be able to redeem the units from the fund management company at a given price. An increase in the unit price is no indication of a corresponding development in the future and the unit price may deviate significantly from its net asset value (premium/discount).
- *Project risks*: The construction or renovation of properties, particularly in the case of major projects, is subject to quality, cost and deadline risks. Cost overruns and deadline delays can arise that exert a negative impact on the fund.
- *Risks arising from the application of the sustainability policy*: Observing the sustainability policy of this real estate fund can lead to increased investment in repair work. The regulatory framework conditions with regard to sustainability are currently being specified, and the common standards need to be further established in the financial industry. A lack of common standards can lead to different approaches to the definition and achievement of ESG (environmental, social and governance) objectives. ESG criteria may vary depending on investment theme, asset class, investment philosophy and subjective use of different ESG indicators in portfolio management. There is also the possibility that an investment which met the sustainability requirements of the fund management company at the date of acquisition may no longer meet the sustainability requirements at a later date and may therefore have to be sold at an unfavourable time (downgrade risk). When the fund management company assesses an investment, the weighting of ESG factors is not solely based on quantitative but also on qualitative assessments. There is therefore invariably a certain degree of subjectivity and discretion in the evaluation. The fund management company procures energy consumption data from its commissioned property managers and from other third-party providers. As a result, there is a certain dependence on the quality and timeliness of the data. Despite appropriate control processes, a certain susceptibility to errors or reduced data coverage during a reporting period cannot be completely ruled out.

### **1.15 Liquidity risk management**

The fund management company ensures liquidity management that is appropriate for the investments, investment policy, risk diversification, circle of investors and redemption frequency of the real estate fund. The fund management company assesses the liquidity of each portfolio on an ongoing basis and ensures that it is assessed regularly, taking into consideration other key risks, in order to identify liquidity risks at an early stage and respond to them promptly and appropriately. In particular, the fund management company has identified the following risks and developed corresponding measures:

- Outflows in connection with the redemption of shares

- Increasing liabilities from contractually guaranteed payments
- Extraordinary payments in connection with debt financing
- Extraordinary property management costs

When assessing these risks, various scenarios are regularly analysed, including stress scenarios relating to the redemption of shares or future cash flows on the expenditure side. The fund management company documents the results of these analyses and defines and implements suitable measures where necessary to limit any liquidity risks. The factors influencing the liquidity risk may change, sometimes in an unexpected and significant way. It is therefore not possible to rule out the possibility that liquidity risks may materialise for the fund despite the analyses carried out and measures taken by the fund management company. These may include unforeseen costs from real estate management as well as significant outflows in connection with the redemption of shares.

## **2 Information on the fund management company**

### **2.1 General information on the fund management company**

The fund management company is Swiss Life Asset Management Ltd based in Zurich. Since its founding as a public limited company in 1974, the fund management company has been active in the fund business.

### **2.2 Further information on the fund management company**

As of 31 December 2024, the fund management company managed a total of 49 collective investment schemes (incl. sub-funds) in Switzerland, with assets under management totalling CHF 54 491.86 million as at 31 December 2024.

#### Address of the fund management company:

Swiss Life Asset Management Ltd  
General-Guisan-Quai 40  
P.O. Box 2831  
8022 Zurich  
www.swisslife-am.com

### **2.3 Administrative and management bodies**

The Board of Directors of the fund management company consists of the following individuals:

Chairman:

- Per Erikson, Group Chief Investment Officer and member of the Group Executive Board of the Swiss Life Group, with directorships within the Swiss Life Group

Members:

- Pascal Kistler, Head Legal & Compliance at Swiss Life Asset Managers, Swiss Life Investment Management Holding AG;
- Beat Kunz, with membership of an investment committee of a Swiss Life foundation, deputy head of the investment committee of the City of Bern staff pension fund, and member of the investment committee of Atupri Gesundheitsversicherung
- Dr. Rolf Aeberli, Head of Corporate Mandates at Swiss Life Ltd, with further directorships within the Swiss Life Group, Chairman of the Board of Directors of First Swiss Mobility 2022-1 Ltd, First Swiss Mobility 2023-1 Ltd, First Swiss Mobility 2023-2 Ltd and RWA Consulting AG, and member of the Board of Directors of Zwei Wealth AG

The Executive Committee consists of the following individuals:

- Robin van Berkel, Chief Executive Officer with directorships within Swiss Life Group
- Daniel Berner, Deputy Chief Executive Officer, Head of Securities, and Member of the Board of Directors of Swiss Credit Partners AG;
- Paolo Di Stefano, Head Real Estate, with directorships within the Swiss Life Group;
- Philipp Menzi, Head Operations;
- Christoph Gisler, Head Infrastructure Equity, with directorships within Swiss Life Group
- Mark Fehlmann, Head Sales and Marketing, with a directorship within the Swiss Life Group.

## **2.4 Subscribed and paid-in capital**

The subscribed and fully paid-up share capital of the fund management company since 22 December 2005 amounts to CHF 20 million, divided into registered shares.

The fund management company is a wholly owned subsidiary of Swiss Life Investment Management Holding AG, Zurich.

## **2.5 Transfer of partial duties**

The fund management company has transferred various partial duties to Swiss Life Ltd, Zurich. The precise nature of the mandate is set out in a contract concluded between the fund management company and Swiss Life Ltd.

Internal auditing has been transferred to the Swiss Life Group's Corporate Internal Audit. Further partial duties in the areas of Legal & Compliance and Risk Management have been transferred to Swiss Life Investment Management Holding AG. IT infrastructure services, application development and operations, as well as IT risk management and IT security are assigned to Swiss Life Investment Management Holding AG. Property management for properties located in Switzerland (including for real estate funds) has been delegated to Livit Ltd. Individual Swiss Life REF (CH) ESG Swiss Properties portfolio properties are managed by Ledermann Management Ltd. The agents have many years of experience in their respective areas. The precise nature of the mandates is set out in contracts concluded between the fund management company, Swiss Life Asset Management Ltd, and the agents.

## **2.6 Exercise of membership and creditors' rights**

The fund management company exercises the membership and creditors' rights associated with the investment of the funds it manages independently and exclusively in the interests of the investors. The fund management company will, upon request, provide investors with information on the exercise of membership and creditors' rights.

In the case of scheduled routine transactions, the fund management company is free to exercise the membership and creditors' rights itself or to delegate the task to the custodian bank or third parties, and to waive the exercise of membership and creditors' rights.

In the case of all other items that might have a lasting impact on the interests of the investors, such as, in particular, the exercise of membership and creditors' rights held by the fund management company as a shareholder or creditor of the custodian bank or another related legal entity, the fund management company will exercise the voting rights itself or issue explicit instructions. In such cases it may base its actions on information it receives from the custodian bank, the asset manager or the company concerned or from voting rights advisors and other third parties, or that it ascertains from the media.

## **3 Information on the custodian bank**

### **3.1 General information on the custodian bank**

The custodian bank is UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich. The bank was founded in 2014 as a public limited company based in Zurich and took over the private and corporate client business booked in Switzerland and the wealth management business booked in Switzerland from UBS AG on 14 June 2015. UBS Switzerland AG is a group company of UBS Group AG. With a consolidated balance sheet total of USD 1 565 028 million and reported equity of USD 85 639 million as at 31 December 2024, UBS Group AG is one of the world's most financially strong banks. It employs 108 648 staff (on a full-time basis) worldwide in an extensive network of branch offices..

### **3.2 Further information on the custodian bank**

As a universal bank, UBS Switzerland AG offers a broad range of banking services.

The custodian bank may commission third-party custodians and central securities depositories in Switzerland and abroad with the safekeeping of the real estate fund's assets, provided this is in the interests of proper safekeeping. In respect of financial instruments, the transfer of safekeeping may be made only to regulated third-party custodians and central securities depositories. This does not apply to mandatory safekeeping at a location where the transfer of safekeeping to regulated third-party custodians and central securities depositories is not possible, in particular owing to mandatory legal provisions or to the particular arrangements for the investment product in question. The transfer of the safekeeping of the fund assets to third-party custodians and central securities depositories in Switzerland or abroad entails the following risks: the third-party custodians and central securities depositories mean the fund management company no longer has sole ownership of the deposited securities, but only co-ownership. Furthermore, if the third-party custodians and central securities depositories are not subject to supervision, they are unlikely to meet the organisational requirements imposed on Swiss banks.

The custodian bank is liable for damage or loss caused by its agents unless it is able to prove that it has exercised the requisite due diligence when selecting, briefing and monitoring them.

The custodian bank is registered with the US tax authorities as a reporting financial institution under a Model 2 IGA within the meaning of sections 1471 – 1474 of the US Internal Revenue Code (Foreign Account Tax Compliance Act [FATCA] including relevant decrees).

#### **4 Information on third parties**

##### **4.1 Payment office**

The payment office is UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich.

##### **4.2 Distributor**

The fund management company is responsible for distribution activities with respect to the real estate fund. It may commission other distributors.

##### **4.3 Valuation experts**

The fund management company has commissioned the following independent valuation experts with the approval of the supervisory authority:

- Pascal Marazzi, Chartered Surveyor MRICS, dipl. Architekt ETH (degree in architecture from the Swiss Federal Institute of Technology);  
Wüest Partner AG, Zurich;
- Fabio Guerra, Chartered Surveyor MRICS, dipl. Arch. ETH (degree in architecture from the Swiss Federal Institute of Technology), MSc Real Estate (CUREM), Wüest Partner AG, Zurich.

The valuation experts have many years of experience in the valuation of real estate and extensive market knowledge.

The precise nature of the mandate is set out in a contract concluded between Swiss Life Asset Management Ltd and Wüest Partner AG.

#### **5 Further information**

##### **5.1 Useful information**

Security number:	29378486
ISIN number:	CH0293784861
GIIN number:	YFGBH8.00183.ME.756
Unit of account	Swiss franc (CHF)

##### **5.2 Publications of the real estate fund**

Further information about the real estate fund can be found in the latest annual and/or semi-annual report. The latest information can also be found on the internet at [www.swisslife-am.com](http://www.swisslife-am.com).

In the event of a change to the fund contract, a change in the fund management company or custodian bank as well as the dissolution of the real estate fund, this will be announced by the fund management company by means of one-time publication on the electronic platform of Swiss Fund Data AG [www.swissfunddata.ch](http://www.swissfunddata.ch).

Each time units are issued or redeemed, the fund management company shall publish both the issue and redemption prices and the net asset value together with a footnote “excluding commissions” on the electronic platform of Swiss Fund Data AG [www.swissfunddata.com](http://www.swissfunddata.com). The prices are published daily.

### **5.3 Insurance of the real estate**

The real estate owned by this real estate fund is basically covered by insurance against fire and water damage as well as damage resulting from causes relevant to liability law. Loss of rental income as follow-up costs to fire and water damage is included in this insurance cover. However, earthquake damage and its consequences are not insured.

### **5.4 Restrictions on sale**

If units of this real estate fund are issued or redeemed abroad, the provisions in force in that country shall apply.

a) The fund has been authorised for distribution in the following countries:

- Switzerland

b) Units in this investment fund may not be offered, sold or delivered to US persons. US person means: (i) a US citizen (including dual or multiple citizenship); (ii) a US resident (a resident alien who holds a Green Card or satisfies the substantial presence test); (iii) a partnership or corporation established in the United States or governed by the laws of the United States or any State thereof; (iv) an estate of a testator who is a citizen or resident of the United States; (v) a trust if (x) a court within the United States can issue orders or pronounce judgements under applicable law concerning material aspects of trust management and (y) one or more US persons have the authority to control material decisions of the trust; (vi) a person subject to US tax law for any other reason (including but not limited to dual residence, spouse filing jointly, relinquishing US citizenship or long-term permanent settlement in the USA). This paragraph and terms used herein shall be construed in accordance with the US Internal Revenue Code.

The fund management company and the custodian bank may prohibit or limit the sale, brokerage or transfer of units to natural persons or legal entities in certain countries and territories.

## 6 Additional investment information

### 6.1 Results to date

Results of the real estate fund to date:

Year	Fund	Reference index
2016	16.09%	6.84%
2017	6.08%	6.60%
2018	1.81%	-5.32%
2019	20.87%	20.67%
2020	3.61%	10.81%
2021	6.83%	7.32%
2022	-8.72%	-15.17%
2023	3.58%	5.03%
2024	5.73%	17.59%
2025	18.25%	10.62%

The off-exchange price was used for calculating the fund's performance prior to the exchange listing on 11 June 2019.

The performance of the fund is compared to the reference index SXI Real Estate Funds Broad (TR). This is not a benchmark as defined in the fund prospectus. Investment decisions may be made at its own discretion.

Past performance is no indicator of the future performance of the real estate fund. This depends on how the investments in the real estate fund develop and how successfully the fund management company implements the investment policy.

### 6.2 Profile of the typical investor

The real estate fund is suitable for investors with a medium to long-term investment horizon who are primarily interested in current income. Investors can accept periodic fluctuations in the net asset value and price of the fund units and do not need to realise their investment at a particular time.

## 7 Detailed provisions

All further information on the real estate fund, such as the method used for the valuation of the fund assets, a list of all fees and incidental costs charged to the investor and the real estate fund, and the appropriation of net income, can be found in detail in the fund contract.

## **Part II: Fund contract**

### **I. Basic principles**

#### **§ 1 Name of the fund; name and registered office of the fund management company and custodian bank**

1. Under the name “Swiss Life REF (CH) ESG Swiss Properties”, there is a contractual real estate investment fund governed by Swiss law (“real estate fund”) within the meaning of Art. 25 et seq. in conjunction with Art. 58 et seq. of the Federal Act on Collective Investment Schemes of 23 June 2006 (CISA).
2. The fund management company is Swiss Life Asset Management Ltd based in Zurich.
3. The custodian bank is UBS Switzerland AG based in Zurich.
4. Pursuant to Art. 78, cl. 4 CISA, FINMA has, at the request of the fund management company and the custodian bank, exempted this investment fund from the obligation to make cash deposits.

### **II. Rights and obligations of the parties to the contract**

#### **§ 2 The fund contract**

The legal relationship between the investors<sup>1</sup> on the one hand and the fund management company and custodian bank on the other shall be governed by this fund contract and the applicable provisions of the legislation on collective investment schemes.

#### **§ 3 Fund management company**

1. The fund management company manages the real estate fund at its own discretion and in its own name on behalf of the investors. It decides in particular on the issue of units, the investments and their valuation. It calculates the net asset value and determines the issue and redemption prices as well as the distribution of profit. It asserts all rights pertaining to the real estate fund.
2. The fund management company and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organisational measures that are necessary for proper business conduct. They provide a rendering of account of the collective investment schemes managed by them and provide information about all fees and costs charged directly or indirectly to the investors as well as compensation received from third parties, in particular commissions, discounts or other financial benefits.
3. The fund management company may transfer investment decisions and partial duties to third parties, provided that this is in the interests of proper management. It shall commission only persons who

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<sup>1</sup> To improve readability, references to persons are not gender-specific. Corresponding terms apply equally to both genders.

have the necessary skills, knowledge and experience and the requisite authorisations for this activity. It shall carefully instruct and monitor any third parties involved.

The fund management company remains responsible for fulfilling supervisory obligations and safeguards the interests of the investors when transferring duties. It is liable for the actions of persons to whom duties have been transferred by the fund management company as if they were its own actions.

Investment decisions may only be transferred to asset managers who have the requisite authorisation.

4. The fund management company may, with the consent of the custodian bank, submit a change to this fund contract to the supervisory authority for approval (see § 26).
5. The fund management company may merge the real estate fund with other real estate funds pursuant to the provisions set down under § 24 or dissolve it pursuant to the provisions set down under § 25.
6. The fund management company is entitled to receive the fees stipulated in §§ 18 and 19. It is further entitled to be released from the liabilities assumed in the proper execution of its tasks, and to be reimbursed for expenses incurred in connection with such liabilities.
7. The fund management company bears liability towards the investors for ensuring that the real estate companies belonging to the real estate fund comply with the provisions of the CISA and the fund contract.
8. The fund management company and its agents and their closely related natural persons and legal entities may not acquire any real estate assets from the real estate fund or transfer them to it.

The supervisory authority may grant exemptions from the prohibition of transactions with closely related parties in justified cases, if the exemption is in the interests of the investors and, in addition to the valuation of the regular valuation experts of the real estate fund, another expert independent of them and/or their employer and of the fund management company and custodian bank of the real estate fund confirms the market conformity of the purchase and sale price of the real estate assets as well as the transaction costs.

Following the conclusion of the transaction, the fund management company shall draw up a report containing details of the individual real estate assets acquired or transferred and their value on the key date of acquisition or transfer, with the valuation report of the regular valuation experts and the report on the market conformity of the purchase or sale price by the independent valuation expert within the meaning of Art.32a, cl. 1c of CISO.

Within the scope of its audit, the auditor shall confirm to the fund management company compliance with the special duty of loyalty for real estate investments.

The fund management company shall disclose the approved transactions with related parties in the annual report of the real estate fund.

#### § 4 Custodian bank

1. The custodian bank is responsible for the safekeeping of the fund assets, in particular the unsecured mortgage notes and equities of the real estate companies. It handles the issue and redemption of fund units as well as payments on behalf of the real estate fund. It can have accounts managed by third parties for the ongoing administration of real estate assets.
2. The custodian bank guarantees that for transactions related to the assets of the real estate fund, the equivalent value will be transferred to it within the customary time limits. It shall notify the fund management company if the equivalent value is not reimbursed within the customary time limit and request reimbursement from the counterparty for the asset in question to the extent that this is possible.
3. The custodian bank keeps the required records and accounts in such a manner that it is, at all times, able to distinguish between the assets held in safekeeping for the individual investment funds.

In relation to assets that cannot be taken into safekeeping, the custodian bank verifies ownership by the fund management company, and keeps a record thereof.

4. The custodian bank and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organisational measures that are necessary for proper business conduct. They provide a rendering of account of the collective investment schemes held in safekeeping by them and provide information about all fees and costs charged directly or indirectly to the investors as well as compensation received from third parties, in particular commissions, discounts or other financial benefits.
5. The custodian bank may transfer the safekeeping of the fund assets to third-party custodians and central securities depositories in Switzerland or abroad, provided this is in the interests of proper safekeeping. The custodian bank verifies and monitors that the third-party custodian or central securities depository it appoints:
  - a) possesses an appropriate organisational structure, financial guarantees and the specialist qualifications required given the nature and complexity of the assets entrusted to it;
  - b) is subject to regular external audits, thereby ensuring that it possesses the financial instruments;
  - c) carries out safekeeping of the assets received from the custodian bank in such a way that they can be clearly identified by the custodian bank at all times by means of regular portfolio comparisons as belonging to the fund assets;
  - d) complies with the provisions incumbent on the custodian bank concerning the fulfilment of its delegated tasks and the avoidance of conflicts of interest.

The custodian bank is liable for damage or loss caused by its agents unless it is able to prove that it has exercised the requisite due diligence when selecting, briefing and monitoring them. The

prospectus contains details of the risks associated with the transfer of safekeeping to third-party custodians and central securities depositories.

For financial instruments, the transfer within the meaning of the previous paragraph only applies to regulated third-party custodians and central securities depositories. This does not apply to mandatory safekeeping at a location where the transfer of safekeeping to regulated third-party custodians and central securities depositories is not possible, in particular owing to mandatory legal provisions or to the particular arrangements for the investment product in question. Investors must be informed in the prospectus of any safekeeping by non-regulated third-party custodians or central securities depositories.

6. The custodian bank ensures that the fund management company complies with the law and the fund contract. It checks whether the calculation of the net asset value and of the issue and redemption prices of the units as well as the investment decisions are in compliance with the law and the fund contract, and whether the income is appropriated in accordance with the fund contract. The custodian bank is not responsible for the choice of investments which the fund management company makes in accordance with the investment regulations.
7. The custodian bank is entitled to receive the fees stipulated in §§ 18 and 19. It is further entitled to be released from the obligations assumed in the proper execution of its tasks, and to be reimbursed for expenses incurred in connection with such obligations.
8. The custodian bank and its agents and the natural and legal entities closely related to them may not acquire any real estate assets from the real estate fund or transfer them to it.

The supervisory authority may grant exemptions from the prohibition of transactions with closely related parties in justified cases, if the exemption is in the interests of the investors and, in addition to the valuation of the regular valuation experts of the real estate fund, another expert independent of them and/or their employer and of the fund management company and custodian bank of the real estate fund confirms the market conformity of the purchase and sale price of the real estate assets as well as the transaction costs.

Within the scope of its audit, the auditor shall confirm to the fund management company compliance with the special duty of loyalty for real estate investments.

## **§ 5 The investors**

1. The circle of investors is not restricted.
2. On concluding the contract and making a payment in cash, the investors acquire a claim against the fund management company in respect of a participation in the assets and income of the real estate fund. Instead of payment in cash, at the investor's request and with the consent of the fund management company, a contribution in kind may be made in accordance with the provisions of § 17 cl. 8. The investors' claim is evidenced in the form of units.
3. The investors are only obliged to remit payment for the units of the real estate fund to which they subscribe. Their personal liability for liabilities of the real estate fund is excluded.

4. Investors may obtain information concerning the basis of the calculation of the net asset value per unit from the fund management company at any time. If investors assert an interest in more detailed information on specific business transactions effected by the fund management company, such as the exercise of membership and creditors' rights, or on risk management or contributions in kind, they must be given such information by the fund management company at any time. The investors may request before the courts of the registered office of the fund management company that the auditor or another expert investigate the matter which requires clarification and furnish the investors with a report.
5. The investors may terminate the fund contract at the end of an accounting year subject to a notice period of 12 months and request payment in cash of their stake in the real estate fund.

Under certain circumstances, the fund management company can repay the units terminated early during an accounting year following the end of the latter (see § 17, cl. 2).

Both ordinary and early repayment take place within a maximum of four months following the end of the accounting year.

6. If requested, the investors are obliged to provide the fund management company and/or the custodian bank and their agents with proof that they comply with or continue to comply with the provisions laid down in the law or the fund contract in respect of participation in the real estate fund. Furthermore, they are obliged to inform the custodian bank, the fund management company and their agents immediately as soon as they cease to meet these conditions.
7. The fund management company, in cooperation with the custodian bank, must make an enforced redemption of the units of an investor at the current redemption price if:
  - a) this is necessary to safeguard the reputation of the financial market, and specifically to combat money laundering;
  - b) the investor no longer meets the statutory or contractual requirements for participation in this real estate fund.
8. The fund management company, in cooperation with the custodian bank, may also make an enforced redemption of the units of an investor at the current redemption price if:
  - a) the participation of the investor in the real estate fund is such that it could have a significant detrimental impact on the economic interests of the other investors, in particular if the participation could result in tax disadvantages for the real estate fund in Switzerland;
  - b) the investor has acquired or holds their units in violation of provisions of a law to which they are subject in Switzerland, of the present fund contract or the prospectus;
  - c) there is a detrimental impact on the economic interests of the investors, in particular in cases where individual investors seek by way of systematic subscriptions and immediate redemptions

to achieve a pecuniary gain by exploiting the time differences between the setting of the closing prices and the valuation of the fund assets (market timing).

## **§ 6 Units and unit classes**

1. The fund management company may establish different unit classes and may merge or dissolve unit classes at any time subject to the consent of the custodian bank and the approval of the supervisory authority. All unit classes embody an entitlement to a share in the undivided fund assets, which are not segmented. This share may differ due to class-specific costs or distributions or class-specific income, and the various classes may therefore have different net asset values per unit. Class-specific costs are covered by the assets of the real estate fund as a whole.
2. Notification of the creation, dissolution or merger of unit classes is published in the medium of publication. Only mergers are deemed a change to the fund contract pursuant to § 26.
3. The various unit classes may differ from one another in terms of their cost structure, reference currency, currency hedging, policy with regard to distribution or reinvestment of income, the minimum investment required and investor eligibility.

Fees and costs are charged only to that unit class for which the service in question is performed. Fees and costs that cannot be unequivocally allocated to a unit class are charged to the individual unit classes on a pro rata basis in relation to their share of the fund assets.

4. The real estate fund is not divided into unit classes.
5. Units do not take the form of actual certificates, but are instead only maintained as book entries. Investors are not entitled to demand the delivery of a registered or bearer unit certificate.

## **III. Investment policy guidelines**

### **A. Investment principles**

## **§ 7 Compliance with investment regulations**

1. When selecting the individual investments, the fund management company adheres to the principle of balanced risk diversification and observes the principles and percentage limits defined below. These relate to the fund assets at market value and must be complied with at all times.
2. If the limits are exceeded as a result of market-related changes, the investments must be restored to the permitted level within a reasonable period, taking due account of the investors' interests. If the investment restrictions are actively breached, i.e. through purchases or sales, the investments must be restored immediately to the permitted level. If the investors are not reimbursed for any losses incurred as a result of such active breaches of the investment restrictions, the auditing company must be notified of this breach immediately and the breach must be disclosed as soon as possible in the media of publication. The notification and publication must include a specific description of the investment breach and the losses suffered by the investors. All active investment breaches are

reported in the annual report. If the limits relating to derivatives pursuant to section 12 below are exceeded as a result of a change in the delta, this must be rectified within three bank working days at the latest, taking due account of the investors' interests.

## § 8 Investment policy

1. The fund management company invests the assets of this real estate fund in real estate assets and projects throughout Switzerland while aiming to achieve broad regional diversification. Investments are primarily to be made in real estate in Switzerland's economically strong metropolitan regions. The properties are entered in the land register in the name of the fund management company with a note explaining that they belong to the real estate fund. Indirect investments are possible.
2. Based on the Climate and Innovation Act (KIG) and the Paris Agreement, which form the reference framework, this real estate fund pursues the sustainability objective of climate compatibility with the help of the sustainability approaches of **ESG integration** and **climate alignment** (see Annex 1a of the AMAS self-regulation on transparency and disclosure for sustainability-related collective assets).

As part of the active management process, the real estate fund pursues the systematic and gradual optimisation of the properties over the entire holding period via ESG integration. This holistic approach encompasses environmental (E), social (S) and governance (G) criteria and integrates qualitative ESG aspects across all three stages of the value chain: investment, development and management. In addition to qualitative ESG integration, compliance is monitored using quantitative sustainability indicators with defined target values (**ESG integration**).

In order to implement the climate compatibility target, the real estate fund specifically aims to reduce the greenhouse gas emissions of its property portfolio to net zero by 2050 at the latest (**climate alignment**). The real estate fund's interim target is to reduce the greenhouse gas intensity (scope 1, 2 and 3.13) to 4.2 kg CO<sub>2</sub>e/m<sup>2</sup> by 2035.

The fund management company manages 100% of the real estate assets in accordance with the sustainability policy. The investments not covered by the sustainability policy relate to the operational activities of the real estate fund and mainly comprise cash and equivalents.

Further explanations on the applied sustainability policy and sustainability risks can be found in the prospectus under sections 1.9.3. and 1.14.

3. The real estate fund may invest in the following:
  - a) Properties including equipment

The following count as properties:

- Residential properties within the meaning of properties serving residential purposes
- Properties used for commercial purposes
- Mixed-use properties

- Special properties (student apartments, hospitals, retirement and nursing homes, schools, publicly used properties etc.)
- Freehold properties
- Building land (including demolition properties) and commenced constructions; undeveloped properties must be accessible and suitable for immediate development for which a legally binding building permit has been obtained. Construction work must commence before the expiry of the building permit.
- Building leases (incl. buildings and construction easements)

Normal co-ownership in real estate is permitted as long as the fund management company can exert a controlling influence, i.e. it has a majority of co-ownership shares and votes.

- b) Units in Swiss real estate funds and real estate fund investment companies domiciled in Switzerland that are traded on a stock exchange or another regulated market which is open to the public.

Subject to the provisions of §19, the fund management company may acquire units of target funds that are managed directly or indirectly by the fund management company itself or by a company with which it is related by virtue of common management or control or by way of a significant direct or indirect stake.

- c) Mortgage notes or other contractual property liens.

4. The fund management company may have buildings constructed for the real estate fund's account. In this case it may credit construction interest at the normal market rate to the earnings statement of the real estate fund for building land and commenced constructions for the time of preparation, construction or refurbishment as long as this does not cause the costs to exceed the estimated market value.
5. The fund management company may use derivatives to hedge interest rate risks as defined in § 12 for the account of the real estate fund.
6. From a German tax perspective, more than 50% of the assets of the real estate fund must continuously be invested directly in real estate throughout Switzerland (further details can be found in cl. 1.2.2 of the prospectus, "Additional information from a German tax perspective").
7. The fund management company ensures that the real estate fund maintains a level of liquidity appropriate to its investments, investment policy, risk diversification, investor base and redemption frequency (liquidity management). The details of the liquidity risk management process are disclosed in the prospectus.

## **§ 9 Securing of liabilities and funds available at short notice**

1. In order to secure liabilities, the fund management company must keep a suitable amount of the fund assets in short-term fixed income securities or funds available at short notice. It may hold these securities or funds in the unit of account of the real estate fund and in other currencies in which the liabilities are denominated.

2. Liabilities include loans taken out, obligations arising from the course of business and all obligations from redeemed units.
3. Short-term fixed income securities are debt securities with a term or residual term of up to 12 months.
4. Funds available at short notice include cash, sight and time deposits held at banks with terms of up to 12 months and approved credit limits of a bank of up to 10% of the net fund assets. The credit limits must be offset against the upper threshold of the permissible pledge in accordance with § 14, cl. 2.
5. Fixed income securities with a term or residual term of up to 24 months may be held in order to secure forthcoming construction projects.

## **B. Investment techniques and instruments**

### **§ 10 Securities lending**

The fund management company does not engage in securities lending transactions.

### **§ 11 Securities repurchase agreements**

The fund management company does not engage in securities repurchase agreements.

### **§ 12 Derivatives**

1. The fund management company may only use derivatives to hedge interest rate risks. It ensures that even under extreme market circumstances, the financial effect of the use of derivatives does not result in a deviation from the investment objectives set out in this fund contract and prospectus, and that it does not change the investment character of the investment fund. Furthermore, the underlyings of the derivatives must be permitted as investments according to this fund contract.
2. The use of derivatives is restricted to derivative positions which serve to reduce exposure and its economic effect is similar to the sale of an underlying or reduction of an obligation. The method of risk measurement corresponds to a modified commitment approach I. The use of derivatives therefore does not result in a leverage effect on the fund assets, nor does it correspond to short selling, given the cover required under this section.
3. Only basic types of derivative may be used. These comprise:
  - a) Call or put options whose value at expiration is linearly dependent on the positive or negative difference between the market value of the underlying and the strike price and is zero if the difference is preceded by the opposite algebraic sign;

- b) Swaps whose payments are dependent on the value of the underlying or on an absolute amount in both a linear and a path-independent manner;
  - c) Future and forward transactions whose value is linearly dependent on the value of the underlying.
- 4.
- a) The obligations arising from exposure-reducing derivatives must be covered at all times by the underlyings of the derivative subject to provisions b and d below.
  - b) Cover with investments other than the underlyings is permitted in the case of exposure-reducing derivatives that relate to an index that is
    - calculated by an independent external office;
    - representative of the investments serving as cover;
    - in adequate correlation to these investments.
  - c) The fund management company must have unrestricted power to dispose of these underlyings or investments at all times.
  - d) An exposure-reducing derivative can be weighted by the delta in the calculation of the corresponding underlyings.
5. When netting derivative positions, the fund management company must comply with the following rules:
- a) Counter positions in derivatives on the same underlying as well as counter positions in derivatives and in investments on the same underlying may be netted against each other irrespective of the maturity date of the derivatives (netting), provided that the derivative transaction was concluded with the sole purpose of eliminating the risks associated with the derivatives or investments acquired, no material risks are disregarded in the process, and the conversion amount of the derivatives is determined pursuant to Art. 35 CISO-FINMA.
  - b) If the derivatives in hedging transactions do not relate to the same underlying as the asset to be hedged, for netting to be permitted a further condition must be met, in addition to the rules set out under a) above, namely that the derivatives transactions may not be based on an investment strategy that serves to generate profit. Furthermore, the derivative must result in a demonstrable reduction in risk, the risks of the derivative must be balanced out, the derivatives, underlyings, or assets that are to be netted must relate to the same class of financial instruments, and the hedging strategy must remain effective even under exceptional market conditions.
  - c) Derivatives that are used solely for currency hedging purposes and do not result in leverage or contain additional market risks may be netted when calculating the overall exposure arising from derivatives without having to meet the requirements set out under b).
  - d) Covered hedging transactions by interest rate derivatives are permitted. Convertible debt may be omitted when calculating the derivative exposure.

6. The fund management company may use both standardised and non-standardised derivatives. It may conclude transactions in derivative financial instruments on an exchange or other regulated market open to the public, or in OTC (over-the-counter) trading.
7.
  - a) The fund management company may conclude OTC transactions only with regulated financial intermediaries specialised in such types of transactions that ensure proper execution of the contract. If the counterparty is not the custodian bank, the former or its guarantor must have a high credit rating.
  - b) It must be possible reliably and verifiably to value an OTC derivative on a daily basis and to sell, liquidate or close out the derivative at market value at any time.
  - c) If no market price is available for an OTC derivative, it must be possible at all times to determine the price using an appropriate valuation model that is recognised in practice, based on the market value of the underlyings from which the derivative was derived. Before concluding a contract for such a derivative, specific offers must, in principle, be obtained from at least two counterparties, and the contract concluded with the counterparty providing the most favourable offer in terms of price. Deviations from this principle are permitted for reasons relating to risk diversification, or where other parts of the contract such as credit rating or the range of services offered by the counterparty render another offer more advantageous overall for the investors. Furthermore, and by way of exception, the requirement to obtain offers from at least two potential counterparties may be dispensed with if this is in the investors' best interests. The reasons for doing so must be clearly documented, as must the conclusion of the contract and pricing.
  - d) As part of OTC transactions, the fund management company and its agents may only accept collateral that satisfies the requirements set out in Art. 51 CISO-FINMA. The issuer of the collateral must have a high credit rating, and the collateral may not be issued by the counterparty or by a company that belongs to or is dependent on the counterparty's group. The collateral must be highly liquid, traded at a transparent price on an exchange or other regulated market open to the public, and must be valued at least on each trading day. In managing the collateral, the fund management company and its agents must comply with the duties and requirements under Art. 52 CISO-FINMA. In particular, they must diversify the collateral appropriately in terms of countries, markets and issuers. Appropriate diversification of issuers is deemed to have been achieved if the collateral of a single issuer held does not correspond to more than 20% of the net asset value. Deviation from this rule is permitted for publicly guaranteed or issued investments pursuant to Art. 83 CISO. The fund management company and its agents must further be able to obtain power of disposal over, and authority to dispose of, the collateral received at any time in the event of default by the counterparty, without involving the counterparty or obtaining its consent. The collateral received must be kept at the custodian bank. The collateral received may be held in safekeeping by a supervised third-party custodian on behalf of the fund management company provided that ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.

8. In complying with the statutory and contractual investment restrictions (maximum and minimum limits), derivatives must be factored in in accordance with the legislation on collective investment schemes.

### **§ 13 Raising and granting loans**

1. With the exception of claims against real estate companies of the real estate fund, mortgage notes or other contractual property liens, the fund management company may not grant any loans for the account of the real estate fund.
2. The fund management company may take out loans for the account of the real estate fund.

### **§ 14 Encumbrance of properties**

1. The fund management company may pledge properties and cede the rights of lien as collateral.
2. However, the average encumbrance of all properties may not exceed one third of the market value.

In order to safeguard liquidity, the encumbrance can temporarily be increased to half the market value by way of exception as long as the interests of the investors remain intact. In this case the auditor must issue a statement on the prerequisites pursuant to Art. 96, cl. 1bis of CISO as part of the audit of the real estate fund.

## **C. Investment restrictions**

### **§ 15 Risk diversification and its restrictions**

1. The investments must be distributed in terms of property, type of use, age, building structure and location.
2. The investments must be spread over at least ten properties. Developments created according to the same construction principles and adjacent plots of land count as a single property.
3. The market value of a property may not exceed 25% of the fund assets.
4. In the pursuit of its investment policy according to § 8, the fund management company also observes the following investment restrictions in terms of the fund assets:
  - a) Building land, including demolition properties and commenced constructions up to max. 30%;
  - b) Building leases up to max. 30%;
  - c) Mortgage notes and other contractual property liens up to max. 10%;
  - d) Units in other real estate funds and real estate investment companies based in Switzerland up to max. 10%;

- e) Special properties in accordance with § 8, cl. 2a, bullet point 4 up to max. 20%;
- f) Combined investments as per a and b above up to max. 40%.

#### **IV. Calculation of net asset value, issue and redemption of units and valuation experts**

##### **§ 16 Calculation of net asset value and involvement of valuation experts**

1. The net asset value of the real estate fund is calculated in Swiss francs at market value at the end of the accounting year and at each issue of units.
2. The fund management company arranges for independent valuation experts to assess the market value of the properties belonging to the real estate fund at the end of each accounting year and when issuing units. For this purpose the fund management company shall commission at least two natural or one legal person as independent valuation experts with the approval of the supervisory authority. The properties must be visited by the valuation experts at least every three years. The fund management company has the properties valued in advance when acquiring/disposing of properties. A renewed valuation is not necessary in the case of disposals if the current valuation is less than three months old and the circumstances have not changed significantly.
3. Investments traded on a stock exchange or other regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current price is available are to be valued at the price that would probably have been obtained in a diligent sale at the time of the valuation. In such cases, the fund management company shall use appropriate and recognised valuation models and principles to determine the market value.
4. Open-ended collective investment schemes are valued at their redemption price / net asset value. If they are regularly traded on a stock exchange or other regulated market open to the public, the fund management company may value them in accordance with clause 3.
5. The value of short-term fixed income securities that are not traded on a stock exchange or other regulated market open to the public is determined as follows: the valuation price of such investments is gradually adjusted in line with the repayment price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If there are significant changes in the market conditions, the valuation principles for individual investments will be adjusted in line with the new market return. If there is no current market price in such instances, calculations are, as a rule, based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).
6. Bank deposits are valued at the amount of the claim plus accrued interest. If there are significant changes in the market conditions or the credit rating, the valuation principle for time deposits is adjusted in line with the new circumstances.
7. The valuation of properties for the real estate fund is carried out in accordance with the current Asset Management Association Switzerland guideline for real estate funds.

8. Building land and commenced constructions are valued according to the market value principle. The fund management company will arrange to have commenced constructions that are listed at the market price valued at the end of the accounting year.
9. The net asset value of a unit is derived from the market value of the fund assets, less any liabilities of the real estate fund and any taxes likely to be incurred in the event of liquidation of the real estate fund, divided by the number of units in circulation. Figures are rounded to two decimal places.

#### **§ 17 Issue and redemption of units**

1. The issue of units is possible at any time but may only be carried out in tranches. The fund management company first offers new units to current investors. However, there is no obligation with respect to contributions in kind to offer the new units to current investors first.
2. The redemption of units takes place in accordance with § 5, cl. 5. The fund management company can repay the units terminated during an accounting year early following the end of the latter if:
  - a) the investor requests this in writing on termination;
  - b) all investors who have requested early repayment can be satisfied.

The fund management company also ensures regular on- or off-exchange trading of the real estate fund units via a bank or securities dealer. The details are set out in the prospectus.

3. The issue and redemption price of units is based on the net asset value per unit calculated in accordance with § 16. In the case of unit issues, an issuing commission may be added to the net asset value pursuant to § 18, and in the case of unit redemptions, a redemption commission may be deducted from the net asset value pursuant to § 18.

Incidental costs for the purchase of investments (real estate transfer taxes, notary costs, fees, standard brokerage fees, duties etc.) incurred by the real estate fund in connection with the investment of the amount paid in will be charged to the fund assets.

In the case of unit redemptions, the incidental costs incurred on average by the real estate fund in connection with the sale of a portion of investments corresponding to the redeemed units are deducted from the net asset value. The applicable rate for the redemption is listed in the statement of account.

4. The fund management company may suspend the issue of units at any time and may reject applications for the subscription or conversion of units.
5. The fund management company may temporarily and by way of exception defer repayment in respect of units in the interests of all investors:
  - a) if a market which is the basis for the valuation of a significant proportion of the fund assets is closed or if trading on such a market is restricted or suspended;

- b) in the event of a political, economic, military, monetary or other emergency;
  - c) if owing to exchange controls or restrictions on other asset transfers, the real estate fund can no longer transact its business;
  - d) in the event of large-scale redemptions of units that could significantly affect the interests of the remaining investors.
6. The fund management company will immediately inform the auditor and the supervisory authority of any decision to defer redemptions. It must also inform the investors in a suitable manner.
  7. No units shall be issued for as long as the repayment of units has been deferred for the reasons cited under clauses 5a-c.
  8. Units are generally issued and redeemed in cash.
  9. Each investor can request in the case of a subscription to make a contribution in kind instead of a payment in cash. The request must be submitted together with the subscription. The fund management company is not obliged to permit contributions in kind.

The fund management company is the sole decision-maker on contributions in kind and only agrees to such transactions if their execution is fully in accordance with the investment policy of the real estate fund and does not entail any adverse impact on the interests of the remaining investors.

The costs incurred in connection with contributions in kind may not be charged to the fund assets.

In the event of contributions in kind, the fund management company draws up a report containing information on the individual assets that have been transferred, the market price of these assets on the transfer date, the number of units issued or redeemed in return, and cash payments made to cover peak equalisation. For every contribution in kind, the custodian bank verifies that the fund management company has complied with its duty of loyalty, and also checks the valuation of the assets transferred and the units issued or redeemed as of the relevant key date. Should it have any reservations or complaints, the custodian bank must report these to the audit firm without delay.

Transactions involving contributions in kind must be disclosed in the annual report.

10. If an investor makes a contribution in kind approved by the fund management company, the subscription rights of the existing investors shall be withdrawn.

## **V. Fees and incidental costs**

### **§ 18 Fees and incidental costs charged to the investor**

1. On the issue of fund units, the investor can be charged an issuing commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad, which in

total shall not exceed 5% of the net asset value of the newly issued units. The currently applicable maximum rate is stated in the prospectus.

2. On the redemption of fund units, the investor can be charged a redemption commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad, which shall not exceed 1.5% of the net asset value. The currently applicable maximum rate is stated in the prospectus.
3. When units are redeemed, the fund management company shall also charge the incidental costs incurred by the real estate fund on average for the sale of a portion of the investments corresponding to the units redeemed (cf. § 17, cl. 3), this accruing to the fund assets.
4. For the distribution of liquidation proceeds in the event of dissolution of the real estate fund, the investors may be charged a commission of 0.5% of the net asset value of their units.

#### **§ 19 Fees and incidental costs charged to the fund assets**

1. For administration, asset management and distribution activities in connection with the real estate fund, the fund management company shall charge the real estate fund an annual management fee not exceeding 1% of the total fund assets, to be charged to the fund assets on a pro rata temporis basis every time the net asset value is calculated and paid out at the end of each quarter (management fee incl. distribution commission).

The actual rate used for the management fee is stated in the annual and semi-annual report.

2. For the safekeeping of the fund assets, the handling of payment transactions of the real estate fund and the other tasks of the custodian bank listed under § 4, the custodian bank shall charge the real estate fund an annual commission not exceeding 0.10% of the total fund assets, to be charged to the fund assets on a pro rata temporis basis every time the net asset value is calculated and paid out annually (custodian bank fee).

The actual rate used for the custodian bank fee is stated in the annual and semi-annual report.

3. For the distribution of annual income to the investors, the custodian bank charges the real estate fund a commission not exceeding 0.5% of the gross amount of the distribution.
4. Furthermore, the fund management company and custodian bank are entitled to reimbursement of the following costs incurred in the course of executing the fund contract:
  - a) costs in connection with the purchase and sale of investments including hedging transactions (namely standard brokerage fees, commissions, settlement and processing costs, bank fees, taxes and duties) as well as the costs for monitoring and upholding quality standards for physical investments;
  - b) duties of the supervisory authority for the founding, amendment, liquidation or merger of the real estate fund;

- c) the supervisory authority's annual fee;
- d) auditor's fees for the audit and for certification upon founding, amendment, liquidation or merger of the real estate fund;
- e) fees for legal and tax consultants in connection with the founding, amendment, liquidation or merger of the real estate fund as well as the general upholding of interests of the real estate fund and its investors;
- f) the cost of publishing the net asset value of the real estate fund, together with all the costs of providing notices to investors, including translation costs, provided such costs cannot be ascribed to any failure on the part of the fund management company;
- g) the cost of printing and translating legal documents as well as the annual and semi-annual reports of the real estate fund;
- h) the cost of any registration of the real estate fund with a foreign supervisory authority, such as commissions levied by the foreign supervisory authority, translation costs and the remuneration of the representative or payment office abroad;
- i) costs in connection with the exercising of voting rights or creditors' rights by the real estate fund including the fees for external consultants;
- j) costs and fees in connection with intellectual property registered in the name of the real estate fund or rights of use of the real estate fund;
- k) all costs incurred by the adoption of extraordinary measures to safeguard the interests of the investors by the fund management company, the asset manager of collective investments or the custodian bank.
- l) costs for the registration or renewal of a legal entity identifier with domestic and foreign registration authorities;
- m) costs and fees in connection with the listing of the real estate fund;
- n) costs and fees for the purchase and use of data and data licences, to the extent that they are attributable to the real estate fund and do not represent research costs;
- o) costs and fees for the use and verification of independent labels.

5. In addition, the fund management company and custodian bank are entitled to reimbursement of the following costs incurred in the course of executing the fund contract:

- a) costs for the purchase and sale of real estate investments including standard brokerage commissions, advisor and lawyer fees, notary and other fees as well as taxes;
- b) standard brokerage fees paid to third parties in connection with first-time letting and reletting

- of real estate;
- c) standard market costs for the management of the properties by third parties;
  - d) property expenditure, provided this is at standard market rates and is not borne by third parties, in particular maintenance and operating costs, including insurance costs, public law duties and costs for service and infrastructure services;
  - e) fees of the independent valuation experts as well as any other experts required for clarifications in the interests of the investors;
  - f) consultancy and procedural costs in connection with the general upholding of the interests of the real estate fund and its investors;
  - g) Costs and fees in connection with ensuring regular on- or off-exchange trading of the units of the real estate fund.
6. The fund management company may charge a commission for its own efforts in connection with the following activities, provided the activity is not performed by third parties:
- a) purchase and sale of properties up to a maximum of 2% of the purchase or sale price;
  - b) construction of buildings, for renovations and conversions, up to a maximum of 3% of the building costs;
  - c) property management, up to a maximum of 5% of the annual net rental income.
7. The costs, fees and taxes in connection with the construction of buildings, renovations and conversions (specifically standard market planner and architect fees, building permit and connection fees, costs for granting easements etc.) are added directly to the acquisition costs of the real estate investments.
8. The costs pursuant to clause 4, lit. a (with the exception of the costs for monitoring and upholding quality standards for physical investments) and clause 5, lit. a are added directly to the cost value and/or deducted from the market value.
9. In accordance with the provisions set out in the prospectus, the fund management company and its agents may pay retrocessions to cover the distribution of fund units and discounts in order to reduce the fees and costs payable by the investors and accrued by the real estate fund.
10. If the fund management company acquires units in other collective investment schemes that are managed directly or indirectly by the fund management company itself or a company to which it is related by virtue of common management or control or a significant direct or indirect interest (“related target funds”), it may not charge any issue or redemption commissions of the related target funds to the real estate fund.

## **VI. Financial statements and audit**

### **§ 20 Financial statements**

1. The unit of account of the real estate fund is the Swiss franc.
2. The accounting year runs from 1 October to 30 September.
3. The fund management company shall publish an audited annual report on the real estate fund within four months following the close of the accounting year.
4. The fund management company shall publish a semi-annual report within two months of the end of the first half of the accounting year.
5. The investor retains the right to obtain information in accordance with § 5, cl. 4.

### **§ 21 Audit**

The auditor examines whether the fund management company and the custodian bank have complied with the statutory and contractual provisions, plus any applicable code of conduct of the Asset Management Association Switzerland. The annual report shall contain a short report by the auditor on the published annual financial statements.

## **VII. Appropriation of net income and distributions**

### **§ 22**

1. The net income of the real estate fund is distributed annually to the investors in Swiss francs within four months following the close of the accounting year at the latest.

The fund management company may make additional interim distributions from the income.

Up to 30% of the net income can be carried forward to the new account. A distribution may be waived and the entire net income carried forward to the new account if:

- the net income of the current financial year and the income carried forward from previous accounting years of the real estate fund amounts to less than 1% of the net asset value of the real estate fund and
- the net income of the current financial year and the income carried forward from previous accounting years of the real estate fund amounts to less than one unit of the real estate fund's unit of account.

2. Capital gains realised on the sale of assets and rights may be distributed by the fund management company or retained for the purpose of reinvestment.

## **VIII. Publications of the real estate fund**

## **§ 23**

1. The real estate fund's medium of publication is the print or electronic medium stated in the prospectus. Notification of any change in a medium of publication shall be published in the medium of publication.
2. The following information shall in particular be published in the medium of publication: summaries of material amendments to the fund contract, indicating the offices from which the amended wording may be obtained free of charge, any change of fund management company and/or custodian bank, the creation, dissolution or merger of unit classes, as well as the liquidation of the real estate fund. Amendments that are required by law that do not affect the rights of investors or are of an exclusively formal nature may be exempted from the duty to publish subject to the approval of the supervisory authority.
3. Whenever units are issued or redeemed, the fund management company shall publish both the issue and redemption prices and/or the net asset value together with a footnote "excluding commissions" in the medium of publication specified in the prospectus. The weeks and weekdays on which publications are made are specified in the prospectus.
4. The prospectus with integrated fund contract, the simplified prospectus risk and/or key information document and the annual and semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and all distributors.

## **IX. Restructuring and dissolution**

### **§ 24 Mergers**

1. Subject to the agreement of the custodian bank, the fund management company can merge real estate funds by transferring the assets and liabilities of the real estate fund(s) being acquired to the acquiring real estate fund at the time of merger. The investors in the real estate fund being acquired shall receive the corresponding number of units in the acquiring real estate fund. Any fractional amounts will be paid out in cash. The real estate fund being acquired is terminated without liquidation when the merger takes place and the fund contract of the acquiring real estate fund also applies to the real estate fund being acquired.
2. Real estate funds may only be merged if:
  - a) provision for this is made in the relevant fund contracts;
  - b) they are managed by the same fund management company;
  - c) the relevant fund contracts essentially correspond in terms of the following provisions:
    - the investment policy, investment techniques, risk diversification, and the risks associated with the investment
    - the use of net income and capital gains from the sale of assets and rights,

- the type, amount and calculation of all fees, the issue and redemption commissions together with the incidental costs for the purchase and sale of investments (brokerage fees, charges, duties) that may be charged to the fund assets or to the investors
  - the duration of the contract and the conditions of dissolution
- d) the valuation of the assets of the real estate funds, the calculation of the exchange ratio and the transfer of assets and liabilities take place on the same day;
- e) no costs arise as a result for either the real estate funds or the investors.

The provisions pursuant to § 19, cl. 4 shall apply.

3. If the merger is likely to take more than one day, the supervisory authority may approve limited deferment of repayment in respect of the units of the real estate funds involved.
4. At least one month before the planned publication, the fund management company must submit the proposed changes to the fund contract as well as the proposed merger together with the merger schedule to the supervisory authority for review. The merger schedule must contain information on the reasons for the merger, the investment policies of the real estate funds involved and any differences between the acquiring real estate fund and the real estate fund being acquired, the calculation of the exchange ratio, any differences with regard to remuneration, any tax implications for the real estate funds as well as a statement from the authorised collective investment auditors responsible.
5. The fund management company must publish a notice of the proposed changes to the fund contract pursuant to § 23, cl. 2 and the proposed merger and its timing together with the merger schedule at least two months before the planned date of the merger in the media of publication of the real estate funds in question. In this notice, the fund management company must inform the investors that they may lodge objections against the proposed changes to the fund contract with the supervisory authority within 30 days from the final publication or request redemption of their units.
6. The auditor must check directly that the merger is being carried out correctly, and must submit a report containing its comments in this regard to the fund management company and the supervisory authority.
7. The fund management company shall inform the supervisory authority of the conclusion of the merger and publish notification of the completion of the merger, confirmation from the auditors regarding the proper execution of the merger and the exchange ratio without delay in the medium of publication of the real estate funds involved.
8. The fund management company must make reference to the merger in the next annual report of the acquiring real estate fund and in the semi-annual report if published prior to the annual report. If the merger does not take place on the last day of the normal financial year, an audited closing statement must be produced for the real estate fund being acquired.

## **§ 25 Term of the real estate fund and dissolution**

1. The real estate fund has been established for an unlimited period.
2. The fund management company or custodian bank may dissolve the real estate fund by terminating the fund contract subject to a one-month period of notice.
3. The real estate fund may be dissolved by order of the supervisory authority, in particular if at the latest one year after the expiry of the subscription period (launch) or a longer period approved by the supervisory authority at the request of the custodian bank and the fund management company, it does not have net assets of at least 5 million Swiss francs (or the equivalent).
4. The fund management company shall inform the supervisory authority of the dissolution immediately and publish notification in the medium of publication.
5. Once the fund contract has been terminated, the fund management company may liquidate the real estate fund forthwith. If the supervisory authority has ordered the dissolution of the real estate fund, it must be liquidated forthwith. The custodian bank is responsible for paying out the liquidation proceeds to the investors. If the liquidation proceedings are protracted, payment may be made in instalments. The fund management company must obtain authorisation from the supervisory authority prior to making the final payment.

## **X. Amendment to the fund contract**

### **§ 26**

If any amendments are to be made to the present fund contract, or if the merger of unit classes or a change of fund management company or of custodian bank is planned, the investors may lodge objections with the supervisory authority within 30 days after the corresponding publication. In the publication, the fund management company must inform the investors about which amendments to the fund contract are covered by FINMA's verification and assessment for compliance with the law. In the event of a change to the fund contract (including the merger of unit classes), the investors may also request the redemption of their units in cash subject to the contractual period of notice. Exceptions in this regard are cases pursuant to § 23, cl. 2 that have been exempted from the duty to publish with the approval of the supervisory authority.

## **XI. Applicable law and place of jurisdiction**

### **§ 27**

1. The real estate fund is governed by Swiss law, in particular the Federal Act on Collective Investment Schemes of 23 June 2006, the Ordinance on Collective Investment Schemes of 22 November 2006 and the FINMA Ordinance on Collective Investment Schemes of 27 August 2014.

The place of jurisdiction is the domicile of the fund management company.

2. Only the German version is binding for the interpretation of the fund contract.
3. The present fund contract takes effect on 31 March 2026.
4. The present Fund Contract replaces the Fund Contract dated 30 September 2024.
5. When approving the fund contract, FINMA shall exclusively review the conditions pursuant to Art. 35a, cl. 1 a-g of CISO and assess their conformity with the law.

Approved by the Swiss Financial Market Supervisory Authority FINMA on 30 March 2026.

Fund management company:  
Swiss Life Asset Management Ltd, Zurich

Custodian bank:  
UBS Switzerland AG, Zurich